

Optimizing Entrepreneurship Through Product Upgrading for The Kerinjing Village Community in Tanjung Raja District, Ogan Ilir Regency, South Sumatera

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ABSTRACT

This community service program has the aim of increasing community capacity in the context of entrepreneurship by maximizing the potential of the village and its human resources. Kerinjing village has high calamansi fruit production potential, but this potential has not been maximized by the villagers. This is the reason why this village is chosen as an object of this program. The assistance was carried out through several stages such as initial preparation and village mapping, training in two phases, and evaluation. This mentoring was carried out for 15 days, by providing the education and understanding about the potential of the area, which was then continued with the introduction of processing calamansi fruit into syrup products that have a selling value with a clean, simple and inexpensive production process. In addition, this Program also introduces optimizing product with added value through trademark, labelling product and attractive packaging. The result of the implementation was that it could run very well, the ability of the production process and the knowledge of the community also increases. This community service program is expected to be an opportunity that can be used by villagers to maximize the potential of the village, provide new and promising business opportunities that are correlated with improving the economy of rural communities, especially during a pandemic era like today.

Keywords: Kerinjing Village, Calamansi Syrup, Product Upgrading.

INTRODUCTION

Kerinjing Village is one of the villages in Tanjung Raja District, South Sumatera, Indonesia which is famous for its community expertise in sewing. However, during a pandemic nowadays, villagers have difficulty in marketing their products. In these conditions, there are several business opportunities that can increase income and improve the economy which are very possible to be developed. Judging from the potential of Kerinjing Village in several fields that are capable of being developed, including making snacks, cakes, *kemplang* and calamansi gardens. From the results of the team's investigation when conducting the initial survey, information was obtained from the head of Kerinjing Village that Kerinjing Village is the largest calamansi producing area in Ogan Ilir. This is evidenced by the large number of calamansi fields belonging to the residents of the village of Kerinjing which reach thousands of oranges. Seeing this potential, a team from the Faculty of Economics had to conduct training by making calamansi syrup. The manufacture of calamansi syrup is one solution when the price of calamansi is under rate.

The training was conducted by the team from the Faculty of Economics was held in 2018. They trained the community by processing calamansi into beverage such as syrup. The villagers processed the calamansi syrup manually, especially by a group of women. But unfortunately, this product did not have a health permit or distribution permit at the city/district level or SPP-IRT to be able to reach a wider market and marketplace, besides that business actors were also experiencing difficulties in marketing the product, currently marketing was only limited to close family and around the sub-district just the king's cape. The product's durability was only 3 (three) days, and the product packaging was also not labelled with clear brand stickers and brand information, only in the form of ordinary bottles used for drinking mineral water without a sterile process, thus making attractiveness, and selling value low.

Calamansi Syrup is one of the commodities that has the potential to be developed in Keringing Village, Tanjung Raja District. This is based on the high number of calamansi in the region and calamansi Syrup is one of the new drink variants. The potentials for developing areas and communities have already existed, but the level of community understanding is to optimize this potential and make it the village's original income. The fluctuating price of calamansi makes people less aware of the potential of calamansi Syrup. This is because the residents will only produce this syrup when the price of calamansi is decreasing. The challenge that needs to be solved is how the public can understand the importance of mastering the completeness of product attributes (starting from the selection of packaging, logos and brands, packaging stickers that contain complete information related to the product, as well as production permits/certifications) in the opportunity for wider market access to be accepted by consumers. urban areas which in fact have prioritized product literacy before buying. By maximizing the community's capacity in preparing competitive products, it is hoped that the community will become aware and begin to improve the quality of superior village products (product upgrading) as an effort to encourage village community independence.

Small and medium enterprises that have been able to enter the value chain are usually classified as low-level and weak suppliers. So, the problem that arises then is that their position (as a new supplier) can be easily replaced with other suppliers who are able to provide comparative advantages such as lower costs. Therefore, to survive, Small and Medium Enterprises must continue to increase the value of the content and have some strategies to attract more buyers or other value chains (ITC, 2017). Business actors or companies can consider upgrading in various ways, such as entering a new market niche or sector with a higher unit value, or it could be by carrying out new productive functions (ITC, 2017). GVC actors such as countries, regions, suppliers, or other economic actors use an upgrading strategy to maintain their position and improve it for the better (Gerreffi, 2005). Humphrey & Schmitz (2002) identified four types of upgrading, namely: process upgrading; Product upgrading; Functional upgrading; Chain upgrading.

Upgrading process focuses on improving innovative and better production methods to convert inputs into more efficient outputs. Product upgrading seeks to produce better and higher quality products. Functional upgrading is the possibility for companies to switch business functions from low added value to higher added value activities. And chain upgrading is the possibility for companies to participate in value chains that have more added value overall (ITC, 2017).

For micro and small business actors in Indonesia who want to improve their production process, they do not have to get a written guarantee of SPP-IRT (Food Production Certificate – Home Industry) because they only need to have a TDUM (Micro Business Registration Certificate) or TDUK (Register Micro Business) licensing document. Small Business List) (ukmindonesia.id, nd). However, if micro and small business actors want to expand their business, they can have an SPP-IRT after fulfilling the requirements with evidence of a food safety education certificate and the results of recommendations for inspection of home industry food production facilities (BPOM RI, 2012). Then, if the business actor wants to improve their product, it is necessary to determine the type of product to be sold first. There are two types of products, namely consumer products and industrial products. Consumable products are goods used by final consumers and not goods intended for resale. Among them, convenience goods are generally goods that are often purchased on a daily basis such as food, beverages, grocery items, etc., shopping goods are goods purchased with full consideration and comparison, such as clothing, household appliances, etc., specialty goods are goods that are often considered luxurious with characteristics unique or distinctive brands such as cars, jewelry, etc., and unsought consumer goods are goods that are not known or known but have not been thought of to buy such as life insurance (Firmansyah, 2019). Kotler and Armstrong (2008) suggest six product attributes, including;

- a) Product quality serves as the primary positioning tool for marketing with direct feedback

- to product performance as well as customer satisfaction value.
- b) Product features serve to differentiate the company's products from competing products by offering a variety of features, basic models, or any additional models.
 - c) Product style and design function in addition to style but also as a means of improving product performance, reducing production costs and increasing the advantages of competing products.
 - d) A brand is the identity of the maker or seller of a product or service. With a brand, buyers can consider the added value of the product being sold as a weighing tool for buyers in deciding.
 - e) Packaging serves as a storage or protection of the product which involves the design or design of the container or wrapper. Bad packaging will make buyers not want to buy the products being sold, but if the packaging displayed has an innovative idea or is packaged in a good way, it can add the value that competes with competing products and boosts sales significantly.
 - f) Labels serve as product or brand identification marks that describe several things about the product, labels can be as simple markers that are affixed and can even be a series of complex letters as part the packaging.

This community service program is a pilot project at the International Relations Department, FISIP UNSRI, besides the relevance in the scientific field of this activity is a study in the concentration of international trade diplomacy, especially in the Global Value Chain (GVC) course which is conceptually possible for local business entities to increase competitiveness and participate profitably under the free trade regime by upgrading which in the implementation process requires the active role and synergy of various stakeholders with business groups, such as local governments according to the mandate of Law Number 23 of 2014 concerning Regional Government, micro business units are fostered by districts and cities, small businesses are managed by the province, while medium-sized businesses are on a national scale. The involvement of academics is also needed in aiding which is substantially an applicative form of the development of conceptual theory of scientific studies as a concrete manifestation and implementation of the tri dharma of higher education.

METHOD

Departing from initial findings related to regional potential and community conditions as well as the business spectrum that can be developed, this activity is planned to be carried out in the form of multi-year assistance. The initial stages in 2021-2022 will focus on Process and Product Upgrading. Continued in 2023-2024, namely wider market penetration through assistance in registering business licenses, registering trademarks, improving Human Resources (HR) management, utilizing new media (internet) or digital marketing with the final output being the realization of certified and competitive MSMEs / Independent Village Enterprises in 2024. This service is formulated with the following problem-solving framework;

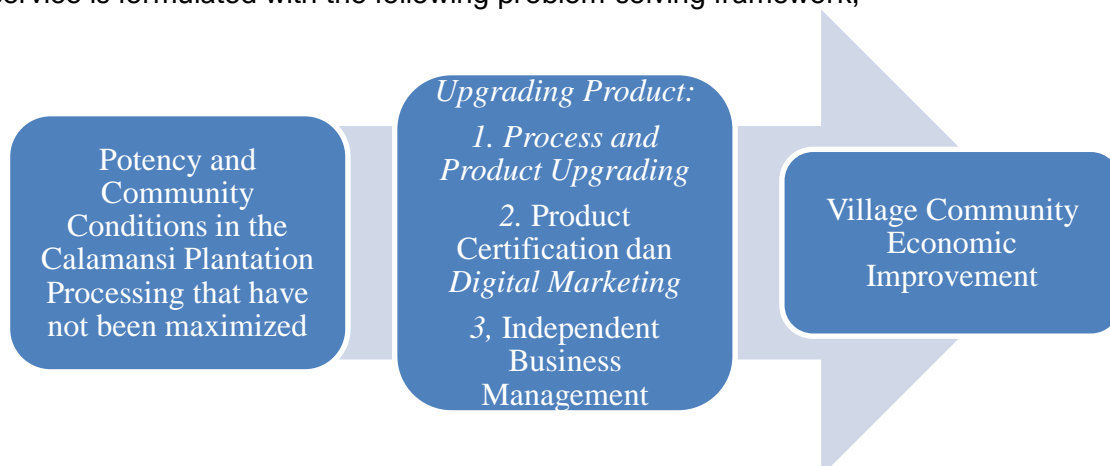


Figure 1. Roadmap for the Multi-Year Community Service Program

This village development service is a technical assistance/entrepreneurship production program carried out in the form of workshop activities involving PKK in Kerinjing Village, Tanjung Raya District. In the early stages of the first year as the first project with a demonstration method, then direct practice, and finally mentoring through observation to see the ability of participants during the training process, this service was divided into two phases including: The Phase I workshop was assistance to calamansi syrup producers in the production process stages by paying attention to and meeting the Critical Control Points which will later in the implementation process involve final semester students majoring in agricultural product technology:

- a) Cooking with a critical limit of 100 degrees Celsius cooking temperature
- b) Mixing with a critical limit of no lumps
- c) Filling the syrup into a bottle with a critical limit of no bubbles in the air.

The Phase II workshop was assistance in improving the completeness of product attributes including;

- a) Logo Labels
- b) Brand Design
- c) Style and Design of packaging stickers containing complete product information,
- d) Compact packaging bottles that can be packaged and sold out of town

The data Collection from this service program obtained from two stages of evaluation including action and reaction:

- a) The first stage, this evaluation was related to the process during the activity, both when the material was delivered and up to the question-and-answer session and until the production practiced and product attribute upgraded, which was is called the action stage;
- b) The second stage, this evaluation was related to the process of collecting data on participant responses after the product upgrade activity was carried out, which was called the reaction stage.

RESULTS

Regional potential development is a strategy in maximizing the economy in an area. This can provide direct economic improvement for the community (Zamzami, 2020). In the context of the potential of the Kerinjing area, Jeruk Kunci is a commodity that can be developed, so the Department of International Relations tries to develop this potential through a series of activities. This community service activity was attended by 15 people from association (PKK) of Kerinjing Village. The activity began with a speech and material presentation by the head of the community service team, about the level of economic value that can be obtained from the imposition of value-added activities carried out from agricultural commodities. The workshop is carried out using lecture, discussion, and direct demonstration. The team conducts an evaluation process after the training is carried out, by distributing questionnaires containing the measurement of the satisfaction of the service targets for the service process carried out to be used as a benchmark in the achievement of the success of this service. In the results of data processing carried out, at the final stages of evaluation in the action stages, observed by the team, almost 100% of the people could repeat to produce and package the product based on the guideline given with a shelf life of up to one month. In the reaction stages, almost 85% of the people feel very satisfied and optimistic about the program carried out and it is hoped that this program can become a sustainable program with regular assistance to maximize the results of this program optimization. From the results of this evaluation, the service team continues to carry out monitoring and assistance as well as assisting the product promotion process as an initial stage to introduce and promote the sale of this product to the public, especially in the cities of Palembang and Indralaya using social media platforms such as Instagram which can be accessed at @kerinjingjayafood.

DISCUSSION

The potential for raw materials and the ability of the Kerinjing Village community to develop this product already exists, but the level of community understanding to optimize the potential of calamansi syrup processed products and make it as the village's primary revenue is still not maximized. This is a portrait that often occurs in various regions in Indonesia, especially plantation farmers. Relying on the sale of raw materials or without being subject to added value in conditions of unstable market demand, not to mention the emergence of new players from other countries that have better quality raw materials for agricultural products, further weakens market access owned by Indonesian farmers in international markets. Meanwhile, the level of economic value obtained is also different, depending on the imposition of added value, for example the current price of key oranges is Rp. 8000, the highest sales per kilo, from one kilo of oranges can be produced 1 liter of calamansi syrup, packaged in 250 ml packages of 4 bottles, sold at the lowest market price of IDR 20,000 per bottle, then there will be 10 times the level of economic value that can be obtained (Maulana, 2021). Apart from increasing added value through the production process, packaging also plays a vital role in attracting consumers. Village SMEs will increase their sales even more if they pay attention to and prioritize aspects of good packaging and are more in demand by consumers (Nurasia, Hidayat & Anshori, 2021).

The Community service team symbolically handed over the calamansi syrup processing aids, starting from the kitchen thermometer, bottle packaging, brand sticker designs and labels which were received directly by the head of Kerinjing village. The next stage, the team demonstrated how to make key orange syrup in front of the PKK women and had hands-on practice. This activity is carried out from 10.00 – 17.30 WIB starting from the syrup making process to the final packaging. The production process by paying attention to critical control points to produce quality and durable products, this explanation was explained directly by the service team, namely:

- a) Cooking time is stopped when the consistency and colour of the syrup are right
- b) The bottles are sterilized for 3 minutes at a temperature of 100 degrees Celsius so that pathogenic bacteria can be inhibited
- c) Bottles that have been filled must be pasteurized using the HTST (high temperature short time) method for 15 seconds at a temperature of 71.7 - 75 degrees Celsius
- d) The spoons used are silicone-based so they don't react with the orange syrup cooked key
- e) Cooking with a critical limit of cooking temperature up to 100 degrees Celsius
- f) Mixing during cooking there are no lumps
- g) There are no bubbles in the syrup filling

The phase after production, is packaging. It begins with sterilizing the bottle by evaporating it over boiling water for 3 minutes first, then draining it until the remaining water vapor is no longer in the bottle. Then the syrup is filled into the bottle, pasteurized until the product label is attached. The community service program activities in Kerinjing Village, Tanjung Raja District, Ogan Ilir Regency, South Sumatra have gone very well in two training sessions, namely improving production and packaging processes. The community was very enthusiastic about participating in the training program and gave a positive response stating that they agreed that this activity had helped them to increase their knowledge of the product upgrading business and the economic value of calamansi syrup processed product. Besides that, it can also provide understanding to the community, especially the calamansi syrup business groups to introduce and market their products not only at the local level.

CONCLUSIONS AND RECOMMENDATIONS

The Kerinjing Village community are starting to realize the potential of the village that can support the village's original income through this community service activity, in addition to other income that is already created by Kerinjing Village. This program is also a practice as well as

student service to the community. The service team has also ensured that the quality of the products produced by the village business group has met the training standards in terms of taste, thickness, syrup colour, to the final stages of sterilization and packaging, and is considered feasible to independently produce. In the first week of the promotion, the team received orders for 40 bottles and received many positive comments from consumers regarding the products being sold. Support from relevant regional and provincial government agencies is needed to strengthen the development of this household business in the future so that it can obtain certainty of wider market absorption, such as training certificates needed to obtain PIRT permits, not to mention trademark registration, and access to capital.

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APPENDIX

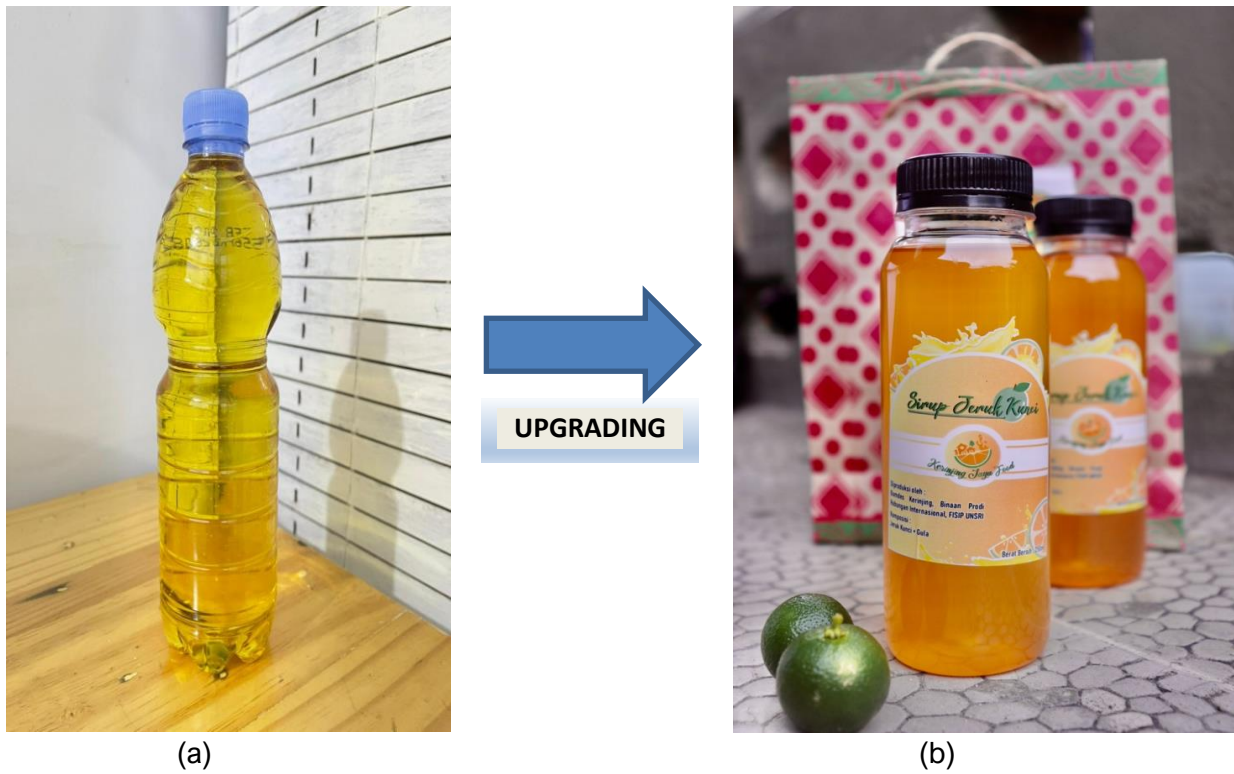




Figure 3. (a) The process of squeezing the key oranges; (b) Mixing Sugar, Water, and Key Citrus Juice; (c) The process of stirring and cooking to obtain the desired colour and consistency, taking into account the critical control point, is allowed to stand for a few minutes until the hot steam dissipates before packaging.



Figure 4. (a) Bottle Sterilization; (b) Filling syrup into bottles



(a) (b)
Figure 5. (a) Old Packaging of calamansi Syrup Processed Products in Kerinjing Village; (b) Product upgrades carried out by the service team