

MSMEs Management Strategy Impact in the Pandemic Period of Sinarsari Village, Bogor

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ABSTRACT

Currently, the economy in Indonesia is being hit by the ups and downs of market prices due to the worsening COVID-19 situation. This has a fairly strong impact for entrepreneurs in Indonesia on unstable sales, especially micro, small and medium enterprises (MSMEs). Where small entrepreneurs have to rotate the strategy so that the processing until the sale continues. As experienced by small entrepreneurs from the village of Sinarsari Bogor who have to rotate their small business management strategy, namely drinks with natural herbal drinks (Bandrek, red ginger, and bajigur) to keep going. The impacts experienced include the price of materials, sales, enthusiasts to the workforce which continues to decrease. Therefore, this article will discuss the management strategies used to the impacts and challenges that occurred during the pandemic on the management of MSMEs.

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INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the business fields that can develop and be consistent in the national economy (Lewaherilla et al., 2021). But it can also extend to the international economy, where small entrepreneurs can export business results to foreign countries according to the demand of buyers or small entrepreneurs who are outside the country, where they can resell products that are produced domestically but have many enthusiasts abroad. For example, one of the micro-entrepreneurs with natural herbal drinks (Bandrek, red ginger, and bajigur) in Sinarsari Rt 01/03 village led by Mr. Yudi, who received enthusiasts from foreign countries such as Arabia, the Philippines, Thailand to neighboring countries, namely Malaysia, who sold repeat local Indonesian products. But the current situation has changed the export of this product, where all the impacts of the presence of Covid-19 have become obstacles.

The impact of the Covid-19 pandemic is not only a change in national and international economic enthusiasts. This incident also had an impact on the price factor of raw materials, buying and selling to employment. Where UMKM is one of the industries that opens labor vacancies for small communities. MSMEs can be a good platform for creating productive jobs (Lewaherilla et al., 2021). Micro entrepreneurs can employ small communities to become employees. However, the existence of this pandemic has resulted in a decrease in enthusiasts, so that the reduction in employees continues to recede. As experienced by Mr. Yudi who felt this way, where previously he had 8 employees but as time went on the employees continued to reduce, currently there is only 1 employee left to produce orders every time there is an interest in producing natural herbal drinks which become small businesses that provide small communities get a job.

Not only impact, a small entrepreneur also certainly has challenges in producing his small business. In the MSME sector, faced with problems of reduced raw materials, reduced/decreased sales, hampered production and distribution, experienced capital difficulties, lack of information technology knowledge and hampered business networks resulting in low business productivity and their ability to deal with change, especially in terms of transactions being hampered due to which were originally manual are now demanded to be completely digital (Amalia, 2020. Quoted by Fitriyani et al., 2020). With all this digital obstruction, small entrepreneurs certainly have to rack their brains to continue to make strategies that can support the smooth running of small business management.

RESEARCH METHOD

This study uses a qualitative method with data collection tools, namely in-depth interviews with one of the MSME entrepreneurs in Sinarsari village rt 01/03 Bogor who produces natural herbal drinks (Bandrek, red ginger, and bajigur). Interviews were conducted by researchers who went directly to the production site while still implementing health protocols in accordance with existing regulations. Interviews were also conducted by asking for permission to record sound and photos as research documentation. The data analysis used is descriptive qualitative, namely a research technique that describes and explains the data that has been collected by paying attention to and recording as many aspects as possible under study so as to get an overall picture of the actual conditions (Creswell, 2016. Quoted by Fitriyani et al., 2020).

LITERATUR RIVIEW

The impact of Covid-19 on the Indonesian economy has impacted employment, especially in the four main sectors of the Indonesian economy, namely tourism, trade, manufacturing and agriculture. Allegedly this has caused the economic activity of product trading to drop drastically. Moreover, this economic activity is disrupted from two sides at once, both from the demand side and from the supply side (Multindo, 2021). One of these impacts resulted in a high production decline which created unstable product management. Problems with exports and imports were also another impact that caused the drop in business earnings to decrease. The impact of COVID-19 not only disrupted Indonesia's export and import sectors, but also hit the trade sector, namely from tax revenues which also experienced a decline (Nasution et al., 2020).

Another impact of Covid-19 on MSMEs includes a decrease in sales turnover, causing a decrease in income by business actors. This is due to reduced community activities outside the home, reduced public trust, and difficulty obtaining raw materials (Ihza, 2020. Quoted by Nabilah et al., 2021). Likewise, business actors in Sinarsari Rt 01/03 village, Bogor, led by Mr. Yudi, have experienced a decrease in turnover due to reduced interest and relatively strong competitive prices. But the leader of the UMKM with this type of natural herbal drink in Sinarsari village is optimistic about the quality created for the products it produces, "the most important thing in a product is the raw material, the price can be high and the quality is also of course competitive" explained Mr. Yudi (Leader of the UMKM village Sinarsari Rt 01/03 Bogor).

To overcome the above problems, a strategy is needed to restore the existence of business people in the MSME sector after the Covid-19 pandemic. One of the strategies is to use the strategic concept put forward by Henry Mintzberg in Pedersen and Ritter (2020. Quoted by Fitriyani et al., 2020) defines strategy as 5P namely (Plan, Ploy, Pattern, Position and Perspective). Pedersen and Ritter (2020) explain that:

1. Strategy as a plan is a strategy plan before it is implemented and followed up through implementation.
2. Strategy as a ploy is a specific activity that differentiates the business strategy of a business actor from competitors with the aim of outperforming competitors. Where in the village of Sinarsari Rt 01/03 Bogor favors raw materials that do not change the quality. As explained above.
3. Strategy as a pattern shows the company's activities that can be explained through patterns that emerge from activities that have been planned and carried out previously.
4. Strategy as position, namely business actors can use existing resources, both physical and knowledge to provide unique products to find market niches with the aim of hindering and outperforming competitors. For MSMEs in the village of Sinarsari Rt 01/03 Bogor, they utilize small communities as workers.
5. Finally, strategy as a perspective refers to the organizational culture of business people to view themselves and their environment as a strategy. Where for MSME leaders in the village of Sinarsari Rt 01/03 Bogor to convince themselves that "what can we produce from the diploma we have obtained, is it opening job vacancies for small communities or creating businesses" explained Mr. Yudi.

RESULTS AND DISCUSSION

The impact and challenges of MSMEs during the Covid-19 pandemic, as implemented by the leadership in Sinarsari Rt 01/03 Bogor village, required the leadership to rotate the strategy 360 degrees from normal times so that production remained stable. Among them focus on the manufacturing process and product management, as follows:

1. Quality raw materials and production processes, clean and guaranteed.
2. Safe and airtight packaging so that the product lasts a long time.
3. Packaging that has complete records in accordance with applicable product packaging regulations. Among them are the product name, serving suggestions, composition, dosage, method of presentation, expiration date and others.

CONCLUSION

Every business certainly has internal and external challenges and impacts. Especially micro, small and medium entrepreneurs (MSMEs) who continue to be attacked by the instability of production gains. Moreover, the current situation is increasingly unstable in all fields. Starting from the economy, social and education, namely with the occurrence of the Covid-19 pandemic. The decline in the economic field certainly makes small entrepreneurs have to keep trying to have a capable strategy to continue selling products. In this case it has to do with the impact resulting from the Covid-19 pandemic including price competition, abnormal raw material prices and a lack of manpower.

Therefore the strategy must continue to be implemented and developed, so that MSME product management continues to run normally. As one of the strategies used by MSME entrepreneurs in Sinarsari Village Rt 01/03 Bogor, where MSME leaders focus on product quality.

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