

# Assistance to Strengthen Micro, Small and Medium Enterprises (MSMEs) in Sanggrahan Village, Kranggan District, Temanggung Regency, Central Java

Nurulia Hidayah<sup>1</sup>, Karen Slamet Hardjo<sup>2</sup>, Ahmad Baidlowi<sup>1</sup>, Tiara Uji Lishianawati<sup>3</sup>

<sup>1</sup>Veterinary Technology, Vocational School, Universitas Gadjah Mada, Indonesia

<sup>2</sup>Geography Information System, Vocational School, Universitas Gadjah Mada, Indonesia

<sup>3</sup>Animal Sciences, Vocational School, Universitas Gadjah Mada, Indonesia

\*Corresponding author's email: nurulia.hidayah@ugm.ac.id

doi: <https://doi.org/10.21467/proceedings.151.38>

## ABSTRACT

Sanggrahan Village, Kranggan District, Temanggung Regency, has potential in the field of natural resources. Therefore, good resource processing is needed through MSMEs to produce good products. The problem faced by MSMEs in the village is the lack of the community's ability to manage the existing potential. The purpose of this program is to optimize natural resources through the development of the community's capacity so that it helps overcome the problems that occur and can be applied sustainably in the future by the community. Service activities are carried out in the form of socialization and training involving the active participation of participants. This activity has shown some positive results, such as participants' understanding of product packaging, financial management, and the use of social media. Product innovation was also strengthened through training on processing cassava peel chips and catfish head *rengginang*. This program supports increasing village independence and follows the 4th, 8th, 9th, and 17th Sustainable Development Goals (SDGs) through education-based community service for sustainable development.

**Keywords:** MSME Assistance, SDGs, Village Independence.

## 1 Introduction

Universitas Gadjah Mada (UGM), as a tertiary institution, has excellent potential in the form of human resources to play a role in village development. One of the roles carried out is through the Community Service Program (PKM) to solve community problems comprehensively and multi-sectoral. The PKM program must also fulfill the Sustainable Development Goals (SDGs) to support increasing village independence in various regions.

Temanggung Regency is one of the regencies located in Central Java Province, which has an area of around 87,065 hectares. Kranggan District is one of 20 sub-districts in Temanggung Regency, with an area of 5,761 Ha. Administratively, Kranggan District consists of thirteen villages, one of which is Sanggrahan Village. Sanggrahan Village has a relatively high soil fertility level in the highlands. This is a great potential, especially in the field of natural resources. Processing of natural resources in the form of tubers, such as cassava, has been used by local residents to be processed into ready-to-eat products. One form of tuber processing in the village is chips. Small businesses in cassava processing are still traditional and have yet to be developed further.

The problem faced by MSMEs in the village is the need for the community's ability to manage existing potential. It is marked by the underdevelopment of micro business groups that focus on managing various cassava processing business sectors that have the potential to be developed. Based on several existing potentials and problems, the 2022 Community Service program aims to optimize natural resources by developing community capabilities. This program can help the community overcome current problems and be sustainably implemented by the community in the future.



© 2023 Copyright held by the author(s). Published by AIJR Publisher in "Proceedings of the 3<sup>rd</sup> International Conference on Community Engagement and Education for Sustainable Development" (ICCEESD 2022). Organized by the Universitas Gadjah Mada, Indonesia on December 7-8, 2022.

Proceedings DOI: [10.21467/proceedings.151](https://doi.org/10.21467/proceedings.151); Series: AIJR Proceedings; ISSN: 2582-3922; ISBN: 978-81-961472-6-6

## 2 Research Methodology

PKM activities are carried out for 7 months, from April to October 2022. The methods used to overcome the problems of the Sanggrahan Village MSME group use several methods, namely: (1) Approach Methods; (2) Program Implementation; (3) Community Resource Capacity Building (HR) Training In Strengthening MSMEs; and (4) Evaluation and Stages of Program Achievement and Sustainability.

### 2.1 Approach method

The approach method is carried out to identify solution problems and the common end conditions for partners.

### 2.2 Program implementation

The initial survey was carried out by the team leader with the group leader to exchange information and experiences to identify problems in the community. Identification and selection are carried out as a preparation for the early stages of program implementation, including data collection in the form of institutional profiles, business potential, physical resources, human resources, and social resources.

### 2.3 Training to increase the capacity of community resources (HR) in strengthening MSMEs

At the training stage, there are two stages: socialization and training. The socialization and training carried out included:

- Socialization of packaging
- Financial management
- Utilization of social media
- Training on making cassava skin chips
- Training on making catfish head *rengginang*
- Evaluation and Stages of Program Achievement and Sustainability

The purpose of this activity is to ensure that the implemented program goes according to the plans and objectives that have been set. The monitoring and evaluation carried out is a form of collaboration between the participation of the target community and UGM.

## 3 Results and Discussion

### 3.1 Mapping

The mapping results show that in Sanggrahan Village, there are 9 hamlets, namely Krajan, Gunungpring, Madusari, Losari, Rowowetan, Rowokulon, Tegalombo, Tambaksari, and Gemawang hamlets. The Sanggrahan Village map can be seen in Figure 1.

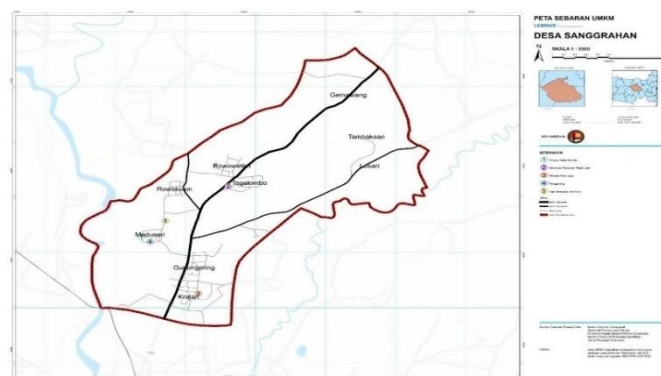


Figure 1: The Sanggrahan Village map

Based on the mapping results, there are several MSMEs in Sanggrahan Village. Some of these MSMEs are located in several hamlets, namely Madusari, Tegalombo, and Krajan Hamlets. The list of MSMEs in Sanggrahan Village can be seen in Table 1.

**Table 1:** *The list of MSMEs in Sanggrahan Village*

No.	Name of SME	Types/Variants	Address
1	Cassava Chip "Hannan"	<ul style="list-style-type: none"> <li>• Originals</li> <li>• Balado</li> <li>• Sweet corn</li> </ul>	Madusari Neighborhood Unit 03/ Community Unit 02, Sanggrahan Village, Kranggan Subdistrict, Temanggung Regency
2	<i>Rengginang</i>	<ul style="list-style-type: none"> <li>• Sweet</li> <li>• Tasty</li> </ul>	Madusari Neighborhood Unit 03/ Community Unit 03, Sanggrahan Village, Kranggan Subdistrict, Temanggung Regency
3	Three sets of <i>rengginang</i> butterfly stamps	<ul style="list-style-type: none"> <li>• Originals</li> <li>• Shrimp paste</li> <li>• Ebi</li> </ul>	Madusari Neighborhood Unit 03/ Community Unit 03, Sanggrahan Village, Kranggan Subdistrict, Temanggung Regency
4	King Catfish Fisheries Group	<ul style="list-style-type: none"> <li>• Seasoned catfish</li> <li>• Catfish nuggets</li> <li>• Catfish fillets</li> <li>• Skin crackers</li> <li>• Thorn crackers</li> <li>• Sun soup</li> <li>• Fresh catfish</li> </ul>	Tegalombo Neighborhood 02/ Community 06, Sanggrahan Village, Kranggan Subdistrict, Temanggung Regency
5	Pempek Renz Jaya	<ul style="list-style-type: none"> <li>• Lenjer</li> <li>• Submarine</li> <li>• Bullet</li> </ul>	Krajan Neighborhood Unit 05/ Community Unit 01, Sanggrahan Village, Kranggan Subdistrict, Temanggung Regency

### 3.2 Socialization of Packaging

In the initial stage before the implementation of the activity, the PKM team approached and observed the UMKM of Sanggrahan Village, Kranggan District. After coordinating with partners, the team determined the number of things to be used as references in the Education-Based Community Service Program for Sustainable Development. First, regarding packaging, cassava chip products are still packaged in large packages (bals) using transparent plastic without packaging labels, thereby reducing consumer buying interest. The role of packaging is considered very important; besides functioning as product protection, it also provides product information, attractiveness and describes product quality. The socialization process is shown in Figure 2.

The team conducted outreach and suggested changing the packaging into smaller portions. Smaller portions are more attractive and practical to increase consumer buying interest. Packaging improvements were made so that chip products have a more attractive appearance and increase the selling value of the product. Apriyanti [1] states that packaging not only functions as product protection but also gives a separate image or impression in the eyes of consumers. The type and design of the chip packaging influence consumer buying interest [2]. The shape of the packaging describes the size of the product packaged in it and greatly influences the psychology of potential consumers [3]. Consumers assume that larger packages contain more products. Some dry food packages have larger packaging sizes with smaller portions.



**Figure 2:** Socialization of Packaging

Research conducted by Raghubir and Krishna [4] states that even though consumers feel that the content or volume of the product does not match or is less than the size of the package, it does not change their perception of using the shape of the packaging as a benchmark in determining the contents of the product inside.

### 3.3 Socialization of Financial Management

Financial bookkeeping in MSMEs is not done properly and only focuses on production and sales. MSME partners do not know how to manage business finances and personal or household finances. The PKM team provided socialization on the importance of financial management by preparing simple financial reports, as illustrated in Figure 3. The recording includes recording cash out and cash in to control business operational costs so that the profit and loss of the business can be known. So far, MSME partners do not feel the need to record financial reports because they feel it is not so important and very troublesome. So that after getting an explanation, MSME partners understand and understand the importance of preparing financial reports for their business.



**Figure 3:** Socialization of Financial Management

### 3.4 Utilization of Social Media

So far, sales made by MSMEs have only been made offline. The PKM team provided outreach regarding social media and product branding, as displayed in Figure 4. This aims to increase the awareness of MSME members regarding the importance of reaching a broader market using social media. In addition, partners

are also explained good product branding and how to promote it to attract potential customers. According to Raharja and Natar [5], digital marketing is selling products using the internet as a marketing tool. Implementing this training can improve insight and ability to carry out marketing activities [6].



**Figure 4:** *Utilization of Social Media*

### 3.5 Training on making cassava skin chips and *Rengginang* Lele Head

One of the efforts made to develop MSMEs is through product innovation. Based on observations of the potential of natural resources in Sanggrahan Village, Kranggan District, cassava peel waste has not been utilized properly. So far, cassava skin has only been an organic waste, despite its high carbohydrate content. To increase the economic value and variety of MSME products, the PKM team conducted training on making cassava skin chips and catfish head *rengginang*, as the products can be shown in Figure 5. Utilizing this existing potential is, at the same time, increasing the economy of Sanggrahan Village, Kranggan District.



**Figure 5:** *Processing of cassava skin chips*

Before explaining the steps for processing cassava peels and catfish heads into chips, MSME members were educated first. This educational activity contains a scientific explanation of the chemical content of cassava skin and catfish heads and how to process them so that the product is safe for consumption. In addition, MSME members are enthusiastic and active in participating in the training conducted, as illustrated in Figure 6.

Strengthening product innovation is the key to the continuity and development of a business. Product innovation and creativity are a source of competitive advantage for a business [7]. According to Harjadi and Wachjuni [8], innovation and business strategy positively impact the competitive advantage of MSMEs.



**Figure 6:** Processing of catfish head rengginang

The output achieved in this activity is implementing a sustainable Community Service program by SDGs 4, 8, 9, and 17. The SDGs targets achieved in implementing Community Service activities are shown in Table 2.

**Table 2:** The SDGs targets are based on community service activities

Activities	Target SDGs
Socialization of packaging	4.3.1. Youth and adult participation rates in formal and non-formal education and training in the last 12 months by sex. 4.4. By 2030, significantly increase the number of youth and adults with relevant skills, including technical and vocational skills, for employment, decent work, and entrepreneurship.
Financial management and utilization of social media	4.3.1. Youth and adult participation rates in formal and non-formal education and training in the last 12 months by sex. 4.4. By 2030, significantly increase the number of youth and adults with relevant skills, including technical and vocational skills, for employment, decent work, and entrepreneurship. 17.16. Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources to support achieving Sustainable Development Goals in all countries, particularly developing countries.
Cassava skin chips training and catfish head rengginang training	8.2. Achieving higher levels of economic productivity through diversification, upgrading, and technological innovation, including focusing on sectors that provide high value and are labor intensive. 8.3. Promote development policies that support productive activities, create decent jobs, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro, small, and medium enterprises, including through access to financial services. 9. b. Support the development of domestic technology, research, and innovation in developing countries, including by ensuring a conducive policy environment, among others, for industrial diversification and increasing the added value of commodities.

#### 4 Conclusions

Partner problems regarding the lack of resources in business management and MSME development can be overcome through outreach and assistance. Activities carried out include socialization of packaging,

financial management, utilization of social media, and training on making cassava peel chips and catfish head *rengginang*. This program supports increasing village self-reliance and is following the goals of the 4<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, and 17<sup>th</sup> Sustainable Development Goals (SDGs) through the education-based community.

#### 4.1 Publisher's Note

AIJR remains neutral with regard to jurisdictional claims in published map and institutional affiliations.

#### How to Cite

Hidayah *et al.* (2023). Assistance to Strengthen Micro, Small and Medium Enterprises (MSMEs) in Sanggrahan Village, Kranggan District, Temanggung Regency, Central Java. *AIJR Proceedings*, 273-279. <https://doi.org/10.21467/proceedings.151.38>

#### References

- [1] N. E Apriyanti, "Pentingnya Kemasan terhadap Penjualan Produk Perusahaan," *Socio E-cons*, vol. 10, no. 1, pp. 20-27. Apr. 2018. <http://dx.doi.org/10.30998/sosioekons.v10i1.2223>
- [2] M. Ahmad, "Importance of Modeling and Simulation of Materials in Research", *Journal of Modeling and Simulation of Materials*, vol. 1, no. 1, pp. 1-2, 2018. <https://doi.org/10.21467/jmsm.1.1.1-2>
- [3] A. N. F Mufreni, "Pengaruh Desain Produk, Bentuk Kemasan Dan Bahan Kemasan Terhadap Minat Beli Konsumen (Studi Kasus Teh Hijau Serbuk Tocha)," *Jurnal Ekonomi Manajemen*, vol. 2, no. 2, pp 48-54, Nov. 2016. <http://jurnal.unsil.ac.id/index.php/jem>
- [4] P. Raghuram, A. Krishna. "Vital Dimensions in Volume Perception: Can the Eye Fool the Stomach." *Journal of Marketing Research*, vol. 36, no.3, pp. 313-326. Aug. 1999. <https://doi.org/10.2307/3152079>
- [5] S. J. Raharja, S. U Natari, "Pengembangan Usaha UMKM di Masa Pandemi melalui Optimalisasi Penggunaan dan Pengelolaan Media Digital", *Kuwamula: Jurnal Pengabdian kepada Masyarakat.*, vol. 4, no. 1, pp. 108-123. Apr. 2021. <https://doi.org/10.24198/kumawula.v4i1.32361>
- [6] P. Nugrahaningsih., S. Hanggana, S. Murni, S. T. Hananto, A. Asriharsari, M. Syafiqurrahman, R Zoraifi, S Hantoro "Pemberdayaan Masyarakat Melalui Pelatihan Kewirausahaan dan Pemasaran Digital pada BUMDes BLULUKAN GEMILANG," *Kuwamula: Jurnal Pengabdian kepada Masyarakat*, vol. 4, no. 1, pp. 8-14. April 2021 <https://doi.org/10.24198/kumawula.v4i1.29574>
- [7] Darwanto, "Peningkatan Daya Saing UMKM Berbasis Inovasi dan Kreativitas (Strategi Penguatan Property Right terhadap Inovasi dan Kreativitas)", *Journal of Business and Economics.*, vol. 20, no. 2, pp. 142-149, Sep. 2013. <https://www.unisbank.ac.id/ojs/index.php/fe3/article/view/3159>
- [8] D. Harjadi, Wachjuni, "Inovasi dan Strategi Bisnis untuk Meningkatkan Keunggulan Bersaing dari UMKM di Kabupaten Kuningan Jawa Barat", *Indonesian Journal of Strategic Management.*, vol. 2, no. 2, pp. 1-7. Aug. 2019. <https://doi.org/10.25134/ijsm.v2i2.1968>