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Assistance for Micro Business Owned by Alumni: Campus Supports Alumni

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Abstract: In the context of Indonesia, Micro Business has evolved into a tool for increasing people's income. However, diverse approaches are required to boost the competitiveness of Micro Business due to its various characteristics. This service activity aims to 1) identify the characteristics of micro-businesses owned by Graduate Students (Alumni) of the Faculty of Economics and Business, Cendrawasih University; 2) Examine the micro-business opportunities and challenges following the business needs of the alumni of the Faculty of Economics and Business, Cendrawasih University. The results showed that only a small number of alumni choose to become entrepreneurs. Besides, the Faculty of Economics and Business alumni, Cendrawasih University, faced challenges during the Covid-19 pandemic affecting sales turnover due to the Public Activity Restriction Policy (PPKM), which limits community activities above 20.00 Eastern Indonesian Time (WIT). However, on average, the businesses were open at 17.00 Eastern Indonesian Time (WIT) or only 3 hours before the restriction time. Indeed, there was assistance based on the primary needs of businesses to help ease the production burden. The assistance was in providing raw materials for the Angkringan Wayae business and coffee brewing equipment for Zamo Caffee business.

Keywords: Campus Supports Alumni, Empowering MSMEs

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INTRODUCTION

The contribution of the micro, small and medium enterprises (MSMEs) sector to the national gross domestic product was projected to reach 5% throughout 2019. The chairman of the Indonesian Micro, Small and Medium Enterprises Association (Akumindo) explains that with the estimated growth, Akumindo believes the total contribution of MSMEs to this year's national gross domestic product (GDP) can reach 65% or around IDR 2,394.5 trillion. In 2018, the number of MSME actors in Indonesia was predicted to reach 58.97 million by the National Development Planning Agency, the Central Statistics Agency, and the United Nations Population Fund. Most MSME actors have used marketplace platforms and social media to market their products or services. The Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) reports that 3.79 million MSMEs have used online platforms to market their products. This number is around 8 percent of the total MSME actors in Indonesia, namely 59.2 million.

Berry (2001) and Wang (2016) mentions three primary reasons for developing countries to view the importance of the existence of MSMEs. First, MSMEs perform better in terms of absorbing labor. Second, MSMEs often achieve increased productivity through investment and technological change. Third, MSMEs are believed to have advantages on flexibility compared to big businesses,

The constraints of MSMEs are still revolving around the technical aspects of production, financial, and marketing aspects. In the production aspect, it is important to consider how to increase the production capacity and maintain the quality of the products. Besides, innovation and product development also need to be considered seriously. Therefore, MSMEs will have a competitive advantage. Based on the Global Competitiveness Index compiled by the World Economic Forum (2019), Indonesia remains 50th out of 141 countries. Specifically, the World Economic Forum (2019) states that innovation capability is a pillar associated to microbusiness that must be enhanced.

The Faculty of Economics and Business, Cendrawasih University, has the burden of carrying out its duties and responsibilities as a Higher Education Institution in which graduates are encouraged to be able to create business fields. Indeed, it is quite a lot of works considering the conditions in the world of Higher Education in Papua Province have big differences between the quality of graduates and the demand for the labor market. Therefore, comprehensive efforts need to be made to improve the quality of graduates and their contribution to society.

Currently, many graduates of the Faculty of Economics and Business have run businesses in the Microbusiness category. However, their existence is not strong enough to be able to compete with their competitors. Therefore, it is necessary to initiate a breakthrough to develop and assist them to be more competitive.

The implementation of this service activity aims to 1) identify the characteristics of Micro-business owned by Graduate Students (Alumni) of the Faculty of Economics and Business; 2) examine micro-business opportunities and challenges in accordance with the business needs of Graduate Students (Alumni) of the Faculty of Economics and Business.

METHOD

This section will detail the target beneficiary groups and how the service activities in this study are carried out to meet the research objectives.

2.1. Target Groups

In the application of science and technology (IPTEK), the target group is the Alumni of the Faculty of Economics and Business who have a micro business and need business assistance. The beneficiary of the assistance are productive businesses owned by individuals and or individual business entities that meet the following criteria: 1) Assets < Rp 50 million; 2) Turnover < Rp 300 million; and 3) The duration of business establishment is not more than three years. The criteria are deemed adequate since they are frequently used to define microbusiness.

2.2. Assistance Method

Business assistance was in the form of a direct assistance method in which the implementer first conducts an initial survey to collect/identify important micro-enterprise issues. It was done to find out and understand the condition of the micro-enterprises and look for appropriate alternative improvements/changes in accordance with the characteristics of the micro-enterprises.

Meanwhile, the assistance areas of the application of science and technology in micro-businesses focuses on 1) Business Management; 2) Production and Raw Materials; and 3) Product Marketing. The technical steps for its implementation are as follows:

1. The assistance for business management is in the form of providing knowledge on how to manage business and finance correctly.
2. The assistance for production and raw materials focuses on the product development process and the expansion of business inputs (raw materials) that support business productivity through the provision of capital goods or others that can improve the production process and productivity.
3. The assistance for product marketing focuses on how effective marketing mix patterns increase business results.

RESULT AND DISCUSSION

3.1. Target Group Profile

The target groups of micro-businesses owned by the alumni of the Faculty of Economics and Business (Campus Supports Alumni) are:

Table 1
Zammo Coffee

Name of Business	Zammo Coffee
Owner	Edward Monang Anggi Toding
Gender	Male
Age (years)	29

Year of Entry to Cenderawasih University	2010
Address	Jl. Raya abepura entrop
Phone number	81248683207
Type of business	Foods and beverages
Business location	Entrop
Reasons for choosing the business	Because I have a hobby of brewing coffee. Over time I saw a business opportunity from my hobby so I tried to explore more from the business perspective by opening a coffee shop to generate profits from my hobby in brewing coffee.

Source: processed data, 2021

Table 2
Wayae Angkringan

Name of Business	Zammo Coffee
Owner	Dhiar Dwi Atmaja
Gender	Male
Age (years)	29
Year of Entry to Cenderawasih University	2014
Address	Jl. Salak kelurahan Koya Timur, Distrik Muara Tami, Kota Jayapura
Phone number	81344990013
Type of business	Foods and beverages
Business location	Jl. Kotaraja-Jayapura, Depan DPD Partai Demokrat, Teras Toko Sesean

<p>Reasons for choosing the business</p>	<p>The business idea started in 2019, but due to the COVID-19 pandemic, then it was realized in early 2021, the reasons for opening the business:</p>		<ul style="list-style-type: none"> • the desire to introduce Javanese local food in Papua • Want to have a business in the culinary field.
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Source: processed data, 2021

3.2. Results of implementation

Based on the results of the service activity in the form of business assistance, there are some opportunities and challenges faced by business owners. The details can be seen below:

Table 3
Zamo Coffee

<p>Business Challenges:</p>	<p>Challenge in starting this business is the lack of capital. So, I do not purchase some supporting tools to start the business. Another challenge is my lack of knowledge in business management so I have to learn a lot about the coffee business. The most difficult challenge is the uncertainty due to the COVID-19 pandemic. The government has issued several regulations that force us to adapt to continue running this coffee shop business.</p>
<p>Business Opportunities:</p>	<p>The opportunity in this coffee shop business is tremendous because it is supported by the increasing trend of drinking coffee in recent years. Therefore, many people start to be curious about various ways of brewing coffee that produce many flavors, so there is a broad business opportunity in selling coffee to get profits.</p>
<p>Business Needs:</p>	<p>Currently, I need some supporting tools for brewing coffee. I also need packaging with my business logo printed to improve the quality of service to customers and for promotion. I also need capital to maintain the stock of Papuan coffee beans which are the raw material for brewing coffee in my shop because the coffee stock in Papua is uncertain. I also need a more strategic location to develop this coffee shop business.</p>
<p>The Effect of the Covid-19 Pandemic on Business:</p>	<p>The study discovered that the implementation of GHRM in an organization is likely to result in efficiencies, economical resource utilization, less waste, improved work/life balance, lower costs, and enhanced worker execution and maintenance, all of which support organizations' efforts to create workplaces that are socially conscious, environmentally conscious, and resource-efficient.</p>

Source: processed data, 2021

Table 4
Wayae Angkringan

Business Challenges:	The challenges frequently faced in opening this business are: <ul style="list-style-type: none"> • The location is not strategic. • Many people do not understand this culinary. • More competitors are opening similar and more modern angkringan stalls • Activity restrictions, especially at night due to the pandemic.
Business Opportunities:	The opportunities of this business are: <ul style="list-style-type: none"> • Still attract all people, especially millennials. • A gathering place for a community
Business Needs:	Seasoning: Shallots/kg/3 days Rp 45,000, Garlic/kg/3 days Rp 35,000, Cayenne pepper/1/2 kg/3 days Rp 65,000, Red chili pepper/1/2 kg 3 days Rp 30,000, Ginger/kg/3 days Rp 40,000, Wheat/bags Rp 10,000, Corn flour/packs Rp 15,000, Raw materials and oil: Chicken feet/kg Rp 20,000, Chicken head/kg Rp 20,000, Chicken liver/1 kg Rp 35,000, Chicken gizzard/1 kg Rp 35,000, Quail eggs/rack Rp 43,000, Tofu 6 blocks Rp 20,000, Tempeh 6 blocks Rp 25,000, Meatball/bag Rp 35,000, Chicken sausage/pack Rp 25,000, cooking oil/gen/3 days Rp 75,000, kerosene/gen/2 days Rp 20,000
The Effect of the Covid-19 Pandemic on Business	The covid pandemic greatly affects income. The PPKM policy limits our business operation, we usually open from 5 pm and close at midnight or 1 am. But due to this policy, we also reduce our business hours. So the effective operation is only 2 to 3 hours.

Source: processed data, 2021

Based on the analysis results for business needs, the activity implementer assists to facilitate the existing business. The assistance provided is based on the coordination and communication as well as verification of existing businesses, so it is expected to assist the business owned by the alumni of the Faculty of Economics and Business, University of Cendrawasih. The detail assistance provided to each business can be seen below.

3.3. Zamo Coffee

The results of the verification and coordination between the activity implementers and the Zamo Coffee business owner showed that the business currently requires 12 pieces of "Vietnam Drip Screw 150ml coffee filters/Vietnam Driper filter Coffee" tools. Therefore, the activity implementers provided 12 pieces of "Vietnam Drip Screw 150ml coffee filter / Vietnam Driper filter Coffee" for the Zamo Coffee business.



Source: Google, 2021

Figure 2. Equipment needed by Zamo Coffee

3.4. Wayae Angkringan

The results of verification and coordination between the activity implementer and the owner of the Wayae Angkringan showed that these business needs are raw materials to prepare food menus. Because of the PPKM policy, business turnover is lower due to less effective operating hours. Finally, the turnover can only cover employee salaries and business location rent. The raw material assistance provided to Wayae Angkringan is intended for six days of business operations. The raw materials cover:

- Seasonings: Shallots, Garlic, Cayenne Pepper, Red pepper, Wheat, and Corn Flour.
- Raw materials and oil: Chicken feet, Chicken head, Chicken liver, Chicken gizzard, Quail eggs, Tofu, Tempeh, Meatball, Chicken Sausage, Cooking oil, and Kerosene.

3.5. Follow-up Plans

Based on the results of the service activity for micro-business owned by alumni of Faculty of Economics and Business, University of Cendrawasih (Alumni Supports Campus), some follow-up plans have been set:

1. Needs for a roadmap of business assistance to create alumni who can be more competitive in the business world;
2. Empowerment of alumni's businesses through the concept of technical extension for every alumni's business.
3. Acceleration of human resource development, namely the business owners to ensure the production process following applicable standards;

4. Encouraging ease of access to capital and local government assistance through focusing on local government policies;
5. Application of appropriate technology in the processing of business products;
6. Diversification of each menu to have a comparative advantage over similar businesses;
7. Establish cooperation between universities, entrepreneurs, and NGOs to develop the competitiveness of alumni;
8. Mapping of potential markets for small/micro businesses for alumni of Faculty of Economics and Business, Cenderawasih University.

DISCLOSURE OF CONFLICTS OF INTEREST

The relationship between the author and the funding institution is employees at the funding institution in which the community service implementation process should be published in a journal. It requires hard work and the possibility of submitting a community service proposal in the future.

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