



# Chip Product Development Based on Business Management and Creativity Training in Magelang District

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## Abstract

This activity aims to overcome the problems faced by partners where these problems make it difficult for partners to develop. The culinary chip industry is one of the businesses owned by the residents of Wonogiri Lor, Kapuhan Village, Sawangan District, the majority of the population of Wonogiri Lor Village are farmers. As for the business partner sector itself, it is a culinary industry in the form of various chips which usually consist of mushroom, intestine, bitter melon, spinach, melinjo chips, and so on. Based on information extracted from business owners, there are at least four problems faced by partners, namely: lack of knowledge about management, especially marketing management, product packaging that usually only uses ordinary plastic, no business licensing, and efforts to increase revenue. The aspect of capital which has been an important problem for a business entity, in this case partners, is also constrained regarding capital because the capital used by partners is their own capital so they have not received capital support from the village or from the district government. In overcoming these problems, we try to provide solutions by targeting the Human Resources (HR) aspect. HR is one of the important aspects in an organization because it is HR that runs other aspects of an organization. We are trying to strengthen the human resources of partner organizations by providing several programs such as providing business management training, marketing training for chips culinary business partners to strengthen human resources and marketing chips for Mrs. Ana's industrial business.

## 1. Introduction

Increasingly intense competition in the culinary business means that today's business people must be smart in making new breakthroughs and innovations so that they can continue to run a culinary business (Griffin, RW, & Ebert, RJ, 2007). One business that is still promising is the snack business in the form of chips (Nickels, WG, McHugh, RJ, & McHugh, SM, 2005). Chips are one of the most popular snacks in Indonesia. This snack made from

mushrooms, chicken intestines, and various kinds of vegetables is starting to be loved by culinary connoisseurs because of its savory taste and crunchy texture which creates a special sensation for our tongues.

This can be seen from the increasing number of buyers every time there is an outlet that sells various kinds of chips. In addition, this business is also supported by the advantages of raw materials, namely mushrooms and vegetables which contain various health benefits. Cultivation of mushrooms and various kinds of vegetables can be found in Indonesia (Sukurno, S, 2017). So, that through this business activity, we can raise and promote Indonesian (traditional) food to become popular food in the community. Apart from that, it is also hoped that this business can take advantage of and cooperate with existing mushroom and vegetable cultivators/farmers (Harry, A, 2015). The mushroom and vegetable chips business opportunity is very promising, because the culture of consumption and the habit of eating or tasting snacks is almost loved by everyone, both from small children to adults. Besides that, it is also due to the habit of people every time they eat, they are always accompanied by chips.

The partner in this ppmt activity is a resident of Wonogiri Lor named Mrs. Ana. He is the owner of various syifa chips. His business started since the covid 19 pandemic where he lost his job so he started his own business by producing various kinds of chips. The problem faced by partners is that the production of these chips does not have a clear permit from the government, therefore we help to obtain p-irt permits so that the products produced by various Crispy Syifa can be widely circulated in the market so that they are better known by the public (Pramudiana, Y., Ariyanti, M., & Rubiyanti, N, 2015). Apart from that, another problem that is an obstacle in this business is a lack of understanding of the marketing mix so that the product is not well known by the public, this is because the packaging used is still sober, only marketed offline so that the product is not yet widespread, and the lack of promotion carried out to market the chip product (Kotler, P., & Armstrong, G, 2010).

Sawangan District has an area of around 70 km<sup>2</sup> or 8.32% of the total area of Magelang Regency (Sari, D. N, 2023). Kapuhan village has a population of 3,662 people. The main occupation of the population of Sawangan District is in the agricultural sector with a total of 5,826 people. Even though the majority of the people in Sawangan sub-district are farmers, in Wonogiri Lor there is one resident who has a chip production business. He makes chips from various kinds of vegetables such as spinach, bitter melon, mushrooms and also chicken intestines. He started running his business about 2 years ago. The resulting products are sold to the market at affordable prices starting from 6000 rupiah per pack. In addition, consumers can buy products in large quantities (Rapini, T et al., 2020). The business is still being carried out alone and has 3 employees from the village. But these chips are produced every day.

## 2. Methods of Implementation

The solution offered at the Culinary Industry Community Service is various Crispy Syifa which allows the following planned activities to be carried out: (1) providing assistance and *sharing* to evaluate the management of the crispy culinary industry business in the village of Wonogiri Lor; (2) performance assistance for various crispy syifa culinary industry employees in Wonogiri lor village; (3) holding marketing strategy training for the chip culinary industry with promotions through digital information technology media such as Instagram and marketplaces (Kotler, P., & Keller, KL, 2012); (4) providing outreach to the

people of Dusun Wonogiri lor about branding and digital marketing; (5) registering P-irt for various Krispy Syifa businesses.

The purpose of this community service is that it is hoped that the producers of the culinary chip industry will be able to develop their business through various types of chips so that they can have a positive impact in increasing income and progress. Apart from that, it can also create branding for the chips business which is an original product from the Wonogiri Lor in the Sawangan sub-district. The long-term goal is expected to create jobs for the local community where apart from farming the community can produce various products, this will certainly reduce the number of unemployed in Sawangan sub-district, especially the people in Wonogiri.

In detail the objectives targeted in this service program are as follows: (1) understanding and awareness of human resources to manage the chips industry (Tjiptono, F, 2015); (2) forming an entrepreneurial mentality in the culinary chips industry; (3) the producers of the syifa crispy culinary industry have good abilities in terms of direct and online marketing; (4) increasing HR knowledge in managing and developing a food business; (5) producers can obtain business licenses through P-irt so that their industry can become more advanced.

The development method that will be implemented is a series of stages arranged systematically, the following is the implementation method that will be implemented:

**First**, preparing for the Community Service program and site survey in Wonogiri Lor, Kapuhan Village, Sawangan District, Magelang Regency. This activity is the initial stage carried out to equalize perceptions and make joint plans with related parties in the implementation of community service programs in Kapuhan village. **Second**, conducting socialization between partners and dedication to coordinate the implementation of community service programs. The service team involves students conducting program outreach to community service partners with the aim of creating a training and mentoring model that is agreed upon between the service team and the service partners. **Third**, making a P-Irt business license for various Crispy Syifa businesses carried out by students where to get this business license requires several stages such as a food health check at the relevant Health Service. **Fourth**, providing assistance and sharing to evaluate the business management of the chips industry. This assistance is to see how far the business management of the chips industry in Wonogiri Lor is. Providing assistance and sharing related to marketing because previously the technique used to market various Crispy Syifa products did not utilize technology where at this time sellers could more easily market their products through social media or e-commerce so that their market reach expanded. In addition, mentoring is also carried out to find out the extent to which the management of the various crispy syifa industrial businesses is. **Fifth**, conducting outreach to the community around the Wonogiri Lor regarding branding and also marketing through e-commerce in order to increase sales. **Sixth**, conduct an overall evaluation of the implementation of service activities between the service team and partners. This activity was carried out to measure how satisfied and influential Kripik UMKM were given training on marketing techniques and business management for the development of the chip industry business.

### 3. Results and Discussion

#### 3.1. Implementation of Activities

The training in this service activity was successful due to the support of various related parties and willing to work together well, namely the partners (targets) in this case the owners of various krispy syifa businesses and all parties who assisted our activities such as the father to the village, the head, and also the local community of Wonogiri Lor. The success of the collaboration also occurs because the root of the problem is obtained from the partners themselves. Implementation of activities carried out in December 2022 on December 14 2022-14 January 2023. Activities carried out in the form of product registration to the marketplace and brand strategy as well as packing and socialization of introductory business with several face-to-face meetings. The implementation of the activity was carried out in Wonogiri Lor, Kapuhan Village, Sawangan District, and Magelang Regency.

## 3.2. Problem solving

### 3.2.1 First problem

Human resources in Wonogiri Lor are low, so they must be increased in business management training, which begins with provision of management insights and introduction to business. Introducing Planning, Organizing, Actuating and Controlling. The example of packaging of Syifa's products as seen as figure 1.



Figure 1. Packaging of assorted crispy syifa products

Marketing mix, brand strategy and product packaging can package products with better and thicker packaging than before in order to attract consumers and to maintain product quality so that it remains crunchy. For example by using a standing pouch. In addition, a label is also made for each product so that it can be better recognized by the public when it is on the market.

### 3.2.2 Second problem

Product marketing strategy to increase sales of chip SMEs through marketing mix and market place. An understanding of the marketing mix, namely product, place, and promotion, was conveyed using the presentation method by the service team by way of outreach to the community around the Wonogiri Lor so that it is easier to understand. (1) Crispy food products must be packaged better using a standing pouch because the material used is



thicker and uses a zip lock system so that product quality can be maintained even though the packaging has been opened; (2) Place: product packaging is packaged with a brand attached to each package so that it can be better recognized by the public when it is different in the market; (3) the price of the chip product is in accordance with market prices and is affordable because this product is a snack product that can be consumed by everyone, both children and the elderly, with a wide variety of chips to choose from; (4) Promotion, after the product can be repaired, the promotion of chip products is directed to be sold online such as the SHOPEE market place, LAZADA and others. In addition, sales can also be made through Instagram, Facebook and others (Udzma, I. S., & Sari, D. N, 2023).

### 3.2.3 Third problem

Making business licenses carried out by the service team through DPMPTSP (Investment Service and One-Stop Integrated Services) which is a licensing service center. In making business licenses, P-IRT collaborated with the relevant Health Office in Magelang Regency to carry out food health checks as seen from the ingredients used which were carried out in the Health laboratory. Apart from that, in making this business license, we also collaborated with the Sawangan village health center to conduct surveys or direct observations related to the production process of these processed chips (Ridlwan, Z, 2014). The purpose of making this P-IRT permit is to ensure that the products produced by producers are suitable for distribution and free to market, product safety and quality are guaranteed so as to increase buyer confidence and increase selling value, besides that products can also enter modern retail with a larger consumer base.



Figure 2. P-IRT permit management

### 3.2.4 Fourth problem

Increasing the profits of the chips business so that it is more advanced and continues to survive in the future by increasing sales. Increasing sales can be implemented if there are a

lot of buyers, this depends on promotions carried out by various crispy syifa producers so that they are able to increase sales, one of the strategies is promotion through online and also marketplaces

#### 4. Conclusion

Partners, in this case the Crispy Syifa Aneka UKM are given understanding and insight into counseling about management, business introduction, and marketing strategies to increase business to make it more productive.

Human resources in various crispy syifa must be improved in business management training. Introducing POAC: Planning, Organizing, Actuating and Controlling. The external environment of various crispy syifa businesses is like competitors, the industrial revolution 4.0, consumer tastes that often change must be considered in carrying out the production of chips.

The marketing strategy implemented to increase sales is through marketing mix and market place. An understanding of the marketing mix, namely Product, Place, Prize and Promotion, is conveyed using the presentation method so that it is easy to understand. In addition, manufacturers also created Instagram so that their marketing becomes wider. Increased sales can be implemented if there are a lot of buyers, this depends on promotions carried out by Aneka Crispy Syifa.

The difference between the conditions of the various Crispy Syifa after this training was that previously the products produced by the partners were only consumed by residents around the Wonogiri Lor, at this time the marketing has begun to expand because the product is marketed through social media so that the marketing reach is expanding. In addition, after this training, products can be circulated more widely in the market because they already have clear permits and have been proven to use safe materials and are guaranteed to be clean because they have gone through laboratory tests. This of course can increase public confidence in various Crispy Syifa products.

The advice that we can convey based on the results of this service is that the service to the Aneka Crispy Syifa UKM can still continue the mentoring process for UKM whether it is according to directions or not. If there are still many obstacles, the service team can carry out this service program to the success of product variations, product packaging and product promotion.

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