

Coffee SMEs Business Management Strategy : Practices in Indonesia And Malaysia

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Abstract

Coffee is a plantation crop that has long been cultivated in Indonesia and has an important role in the national economy as an export commodity. Community service in Cibulao Village, Cisarua Puncak, Bogor provides training to improve business strategies in the agricultural sector, especially coffee, how coffee can be an alternative business that they can run to add to the family's economic value. The method used is through active outreach to the community in the village. The evaluation carried out is to see how the regional economy is after receiving the training one of which is Community Service which teaches cibulao coffee managers to manage social media for promotion and time management to market it. This abdimas activity is a form of international abdimas cooperation between the Faculty of Economics and Business Upn Veteran Jakarta and UniKL Business School.

Keywords: Coffee, MSMEs, Community Services

INTRODUCTION

The coffee industry is one of the business sectors that has great potential, especially in countries such as Indonesia and Malaysia that have geographical conditions that support the growth of coffee plants. One potential that needs to be optimized is in the development of micro, small and medium enterprises (SMEs) in the coffee sector. However, many coffee SMEs still face various obstacles in managing their business.

Coffee is one of the plantation crops that has long been cultivated in Indonesia, which plays an important role in the national economy as an export commodity. Apart from being a source of income for the people, it is also a source of employment, and a source of foreign exchange earnings. Coffee is the second most important export commodity in global trade, after petroleum. The development of coffee farming and agro-industry has factors that must be considered from the opportunities and challenges. Availability of land, human resources, local and international markets. There needs to be supporting facilities and infrastructure as facilities and institutions (Hariance et al, 2016).

Coffee Small and Medium Enterprises play a significant role in the economy of Indonesia and Malaysia. They contribute to employment, income generation, and overall economic growth (Husriadi et al., 2020).

Puncak Cisarua is a place that is synonymous with tea gardens, but farmer groups in the Puncak area are trying to develop coffee farming in highland areas and succeeding. The existence of this plantation was not immediately done. At first the local population only focused on being vegetable and tea farmers. Robusta coffee itself is often touted as coffee that tastes similar to the Arabica type. Actually,

this type of coffee is often found in the territory of Indonesia, but for those in the new highland region found in Cibulao Village, Cisarua. The existence of this coffee farm is also known to partner with PT Perhutani in Indonesia, since 2008. In the following year, 2009, a Forest Farmer Group (KTH) was officially formed by Perhutani.

Cibulao as the only coffee farm that successfully grows Robusta Coffee beans in the highland area of Cibulao Village, Tugu Utara Puncak Village, Cisarua District, Bogor Regency, West Java.

The potential growth of the coffee industry in Indonesia and Malaysia has a significant impact on the development of micro, small and medium enterprises (SMEs) in the coffee sector. because it can trigger several economic processes including Increased Domestic and Foreign Demand and Increased Added Value and Exports:

By properly utilizing the growth potential of the coffee industry in Indonesia and Malaysia, coffee SMEs have a great opportunity to grow and develop. Support from various parties, product and process innovation, and the development of cooperation networks are key for coffee SMEs to take advantage of existing opportunities and compete effectively in an increasingly competitive coffee market.

Therefore, community service efforts are needed to introduce and implement effective business management strategies for coffee SMEs in Indonesia and Malaysia. By applying practices that have been tested and successful in both countries, it is expected to improve the performance and competitiveness of coffee SMEs and support the growth of the coffee industry as a whole.

LITERATURE REVIEW

Business Strategy According to Wheelen and Hunger (2006), it is stated that: "A.business.strategy.is.aimed.at.increasing.competition.with.Other.companies.or.business.units.both.in.terms.of.products.and.services.within.an.industry.or.market.segment.compared.to.relevant.companies.or.business.units." According.to.Tungal,.AW.(2004),.it.states.that: "Business strategy is the basis of a coordinated and sustainable effort to achieve long-term business goals. This business strategy aims to benefit from their business. This business strategy has several types, namely integration strategy, intensive strategy, diversification strategy, defense strategy.

Business Strategy Business organizations (companies) can grow and develop if in carrying out their business activities they adhere to the concept of effectiveness and productivity. It is undeniable that the establishment of a business organization is the achievement of optimal profit (provit). The step to win the competition is to implement a marketing strategy that is right on target both in terms of quality, price, and competitiveness of the products it produces. The right business strategy for marketing products during the covid19 pandemic is through electronic media where producers and consumers do not meet directly in one place but have a very wide marketing reach (Ulya, 2020; Riyadi, Mahkota, & Suyadi, 2014; Kaplan, 2012).

RESEARCH METHODS

This community service is carried out by means of lectures, discussions with farmer groups in the village of cibulao we provide material to farmers in the village the process of processing information from the community then the material uses a Humanist-theocentric basis (Achmadi, 2008). Humanist-theocentric is an educational ideology, in this case we provide lectures and discussions if possible in the form of awareness as a form of informal education to the community. The first step that needs to be known is human nature itself related to the topic of community service. Then how the transfer of knowledge can facilitate and maximize human nature. This awareness is carried out in the form of an audience with farmers. They are given briefings related to doing business with coffee. the

improvement of MSEs and their business is also carried out through observation and documentation research procedures carried out Observing and identifying MSEs and also coffee farming then, Conducting socialization as education on the importance of a good economy and business and explaining the benefits and advantages of having finances and strategies that must be achieved in this community service.

RESULTS AND DISCUSSION

Cibulao Coffee, located in Cibulao Village, Tugu Utara Village, Cisarua District, Bogor Regency, turns out to be a type of high-quality Robusta coffee that can be grown in the highlands with an altitude of 1200 meters above sea level. It is also known that in 2016, Cibulao coffee received assistance from the Bogor Regency Agriculture Office. By being included in the Indonesian Coffee Exporter and Industry Association (Aeki) coffee festival contest in Aceh, Robusta coffee in Cibulao won first place and was also detected as a coffee that has good taste.

In coffee business development, the role of human resources is very important to maintain daily production, sales and marketing activities. In Cibulao coffee farmers and cafe business managers are not young people, so marketing using media is still considered less than optimal.

Academics from the Faculty of Economics and Business, Universitas Pembangunan Nasional Veteran Jakarta together with a team of lecturers from UniKL see the potential for developing Indonesia's original coffee business, especially the location of this coffee selling cafe is located in several tourism locations such as Taman Safari and Curug Cibulao which are visited by many tourists.

The tourists stop by to enjoy the view from the top of the tea garden becomes its own beauty value and attracts visitors to relax and enjoy the original coffee of Cibulao village, which is named the best type of forest coffee in West Java.



Picture 1. View of Cibulao Coffee Shop

Looking at the shade and comfort of the tourist location, but the drawback is that the marketing of this coffee is not so massive on social media, because the manager does not understand how to market and good time management for marketing. Therefore, academics from Faculty of Economics and Business UPN Veteran Jakarta performs its Tri Dharma role, one of which is Community Service

which teaches cibulao coffee managers to manage social media for promotion and time management

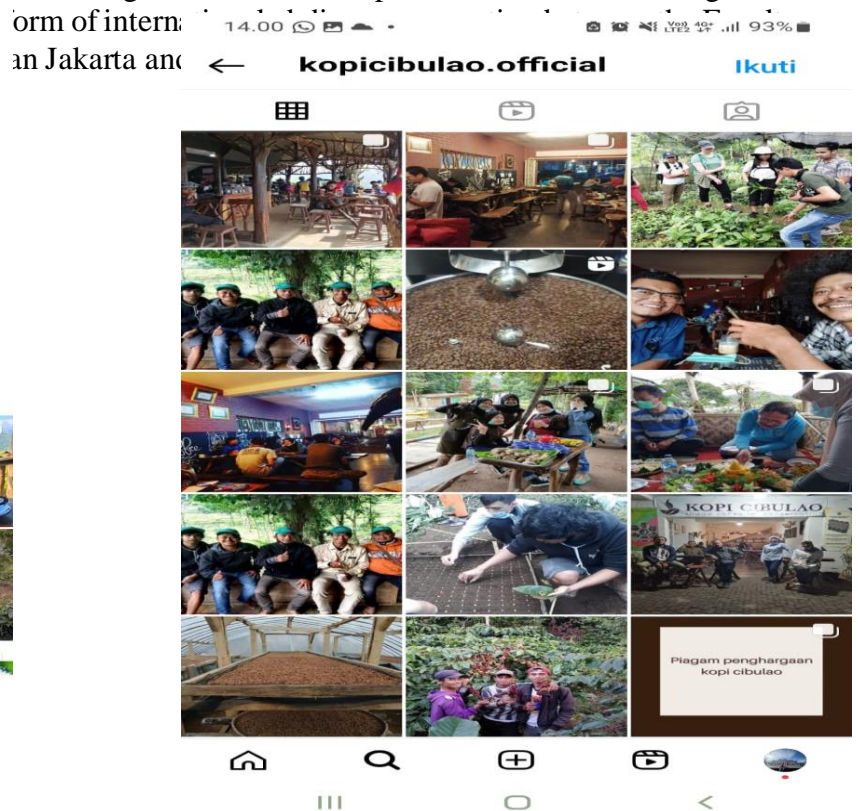


Figure 2. Social Media of Kedai Coffe Cibulao

The results of this community service activity implemented by Cibulao coffee farmers are social media Instagram coffee shops that are more organized in terms of images and ways of promotion. It can be seen that in this Instagram account the manager also displays instagramable spots so that followers are interested in the account.



Figure 2. Drying process of coffee beans

In Figure 3, it shows that previously the cibulao coffee shop Instagram feed only displayed photos of coffee beans and there was no story in it, thus making acute followers less interested.

Malaysia and Indonesia are two countries that enjoy coffee drinks, even in Malaysia there are many fans of robusta, dark coffee and arabica. Cibulao forest coffee is a type of third coffee that is in demand by Malaysians, so it is possible that in the future Cibulao coffee beans can be exported to Malaysia, so far what has happened is that Malaysian tourists buy coffee beans and mix them themselves in Malaysia, unlike Indonesia that Cibulao coffee beans have become the main supplier in several coffee shops in Bogor City, even the Vietnam Drip variant is a favorite among young people.

CONCLUSION

Coffee drinks are nothing new to Malaysia and Indonesia. In fact, many people are willing to come far from home to the location of a famous coffee shop, especially when they see a beautiful view accompanied by drinking their favorite coffee. Cibulao coffee shop is a coffee shop in the peak area, the coffee shop is visited by many coffee lovers, because of its strategic location close to other tourist attractions. The abdimas team of lecturers from the Faculty of Economics and Business UPN Veteran Jakarta conducted abdimas to improve marketing strategies for Cibulao coffee farmers, this aims to increase interest and expand the marketability of coffee to other countries. The limitations faced by the abdimas team are the vulnerable age of coffee shop managers who fall into the baby boomers need time to adapt to marketing technology with social media. Therefore, the abdimas team educated the cibulao coffee management team to be able to manage the account display much more informative and easily marketed abroad.

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