

Production and Marketing Management of MSME Rattan and Palm Stick Handicrafts Andini

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Abstract

This activity aims to examine the condition of the Rattan and Palm Stick Handicraft "Andini", especially those related to production and marketing systems, business potentials and opportunities, as well as challenges and the government's role in efforts to increase these MSMEs. The visit was made to the Small and Medium Enterprises of Rattan and Palm Oil Crafts "Andini" in Sungai Salak Hamlet, Marga Mulya Village, Rambah Samo District, Rokan Hulu Regency, Riau Province with an implementation time of 16 September 2021. The methods used for data collection were observation, documentation and interviews. The results of this visit provide an illustration that snacks in SMEs are still traditional, but there are potentials and potential opportunities in this business. Rattan and Palm Sticks Handicraft "Andini" is economically quite profitable. However, there are still challenges and financial constraints related to working capital felt by MSMEs and the need for local government participation in efforts to increase these MSMEs.

Keywords: Production, Marketing, Handicrafts, MSME.

1. INTRODUCTION

The Indonesian economy is currently experiencing a recession due to the Covid-19 pandemic. This can be seen from the decline in Indonesia's economic growth. In fact, many businesses have collapsed due to the low purchasing power of the people. One of the causes of low purchasing power is because many companies are laying off their employees. Even so, there are still many Micro, Small and Medium Enterprises (MSMEs) that are still able to survive in the midst of the current wave of economic recession. MSMEs themselves are currently the largest absorber of labor, so they can support the Indonesian economy more or less. MSMEs are also the heart of the Indonesian economy because apart from being able to absorb a large workforce, they also increase Gross Domestic Product (GDP). In addition, MSMEs also provide a safety net, especially for low-income people to run the creative economy

Based on BPS data, 99.9% of business units operating in Indonesia are MSMEs. This potential is positive for Indonesia's economic development. can be said to be very large if managed properly it will contribute However, the irony is that most MSME actors are still below the poverty line. They are only able to run a business just to survive. In addition, it is difficult to get capital assistance for business development. One of the MSME actors is Rattan and Palm Stick Crafts "Andini". This handicraft business is one of the industries that is able to compete in the current pandemic. Handicrafts made from various raw materials of rattan, bamboo, and sticks from oil palm trees. These popular handicraft products with affordable prices for the community also contain high artistic value.

2. LITERATURE REVIEW

Regional Superior Product (PUD) is a product or service that is owned and controlled by a region, which has economic value and high competitiveness and absorbs a large number of workers, which is produced based on considerations of technical feasibility (raw materials and markets), community talent. and institutions (mastery of technology, human resource capacity, infrastructure support, and local socio-cultural conditions) that develop in certain locations. Local economic development is a process of building dialogue and action partnerships between stakeholders, including local governments, entrepreneurs, and local community organizations. The main pillars of the strategy are to increase the attractiveness, resilience and competitiveness of the local economy. The main objective is to create high growth and sustainable development that benefits all parties in the region in order to increase new job opportunities, increase and reduce poverty significantly. In the context of regional economic development efforts, an inventory of regional/community/regional potentials is absolutely necessary in order to establish a development pattern policy, both sectorally and multisectorally. One of the steps to inventory/identify regional economic potential is to identify potential, mainstay and superior products of the region in each sub-sector.

Regional superior products describe the ability of the region to produce products, create value, make real use of resources, provide employment opportunities, generate income for the community and government, have prospects for increasing productivity and investment. A product is said to be superior if it has competitiveness so that it is able to ward off competing products in the domestic market and/or penetrate the export market (Sudarsono, 2001). According to Zainal Abidin (2016), all parts of the oil palm plant can be utilized. Fresh Fruit Bunches (FFB) of oil palm are the raw materials for making oil. The stem can be used as a building material. Palm roots can also be made handicrafts that have high artistic value. Likewise, the leaves can be processed into liquid fertilizer. Oil palm sticks also have a myriad of benefits for humans. Palm sticks are the bones of the leaves of oil palm plantations, the link between the leaves and the oil palm midrib. So far, to support the growth of palm fruit bunches, the lower and interlocking midribs are usually cut and left to rot around the palm trees (Khairunnisak, 2018). Palm sticks have a slightly hard texture, elastic at the ends and light brown in color. These sticks can be processed into handicrafts through weaving techniques. Crafts from palm sticks have a traditional impression so they are in great demand by local and foreign markets (Zainal Abidin, 2018).

3. RESEARCH METHODOLOGY

One of the handicraft industries in Rokan Hulu Regency is rattan and palm sticks "Andini" which produces various types of crafts including rattan chairs and accessories, clothes baskets, serving hoods, flower pots, plates made of palm sticks and much more. The location of the business is in Sungai Salak Hamlet, Marga Mulya Village, Rambah Samo District, Rokan Hulu Regency, Riau Province. The method used is field observations, interviews and documentation to business owners and employees to discuss and interact directly with MSME actors. The report on the results of this direct visit covers the production process, marketing and obstacles faced in running the business.

4. RESULT AND DISCUSSION

Brief History of Business

Handicraft is an industry that is generally always in demand by all Indonesian people, especially the people of Rokan Hulu Regency. Because he has expertise in processing rattan and palm sticks into various products that are popular with the public such as chairs and equipment, serving hoods (sungkuik), clothes baskets, flower pots, plates made of palm sticks and much more, the UMKM Craft Rattan and Palm Sticks was established "Andini " whose address is at Sungai Salak Hamlet, Marga Mulya Village, Rambah Samo District, Rokan Hulu Regency, Riau Province.

The process of making Rattan handicrafts and palm sticks

The process of making handicrafts in the Rattan and Palm Sticks Handicraft Industry "Andini" is carried out together starting from the selection of raw materials such as rattan, palm sticks, rope, preservative paint, small nails, and other materials.

Product marketing

Handicrafts produced by Rattan and Palm Sticks "Andini". are marketed and distributed in the areas of Rambah Samo District, Rambah District and Ujung Batu District as well as to Pekanbaru City. Rattan and Palm Stick Crafts "Andini" already has regular customers Most of the customers come to their place of business themselves. However, some are delivered to customers' places and mini markets as well as through social media Facebook.

The price for each handicraft marketed by "Andini" Rattan and Palm Stick Crafts starts from Rp. 35.000, - up to Rp. 3,500,000, - according to the table below:

Table 1. List of Rattan and Palm Stick Crafts Production "Andini"

Wicker chairs	1	set	Rp	3.500,000
Movable food cover	1	Fruit	Rp	350,000
Rattan Flower Pot	1	Fruit	Rp	250,000
Palm Sticks Plate	1	Fruit	Rp	35,000
Clothes basket	1	Fruit	Rp	250,000
Lukah (Bubu)	1	Fruit	Rp	150,000

Complicated Financial Management

In contrast to the retail business where product prices and selling prices are clear, making it easy for us to determine the margin and the amount of profit earned, financial management in the Handicraft business is a little more complicated. Especially if the business you are running makes your own products. Each of these handicraft products consumes raw materials whose raw materials cannot be calculated with certainty, so it is difficult to determine the margin. Because this business is a family business, the recording of business capital and operating profit has not been well organized so that the profit or loss of the business has not been recorded. Rattan and Palm Oil Sticks "Andini" has also marketed the products of these handicrafts to the Modern Market in Pasir Pengaraian as the Regency Capital in collaboration with the Department of Industry and Trade and the regional company PD. Rokan Hulu Jaya which opened a kiosk there, but there is no work yet clear agreement with the party so that until now the agreement is only for profit from the sale of the product.

Challenges and Obstacles

The challenge faced by "Andini" Rattan and Palm Stick Crafts is the increase in the price of raw materials. Constraints to the Process of Shipping Out of Cities, Rise in Raw Material Prices, Constraints to Increase in Fuel Tariffs, Tight Market Competition and Facing Competition with Attractive Innovations and Promotions It is hoped that the government can stabilize the economy so as to stabilize raw material prices. During the current pandemic, all of these factors greatly affect the continuity of the production and marketing of "Andini" Rattan and Palm Stick Crafts.

5. CONCLUSION

In general, the Covid 19 pandemic that hit Indonesia did affect the economy of this country, it also greatly affected the development of the craft business. This is because the community's need for the results of this craft business is not a primary need but more as an aesthetic art. This affected the Rattan and Palm sticks handicraft industry "Andini" from the availability of raw materials and the increase in the price of raw materials such as rattan, paint preservatives, nails and other materials which in recent times have continued to increase.

It is hoped that the Regional Government and other related parties such as universities will provide assistance to MSMEs that have prospects such as MSME Rattan and Palm Lidi Handicraft "Andini" in managing their business starting from the business planning stage, recording financial books to what innovations they can do so that the businesses they manage can continue to grow and develop. The government or the private sector can also help the Rattan And Palm Oil Handicraft business "Andini" in the CSR program, can provide equipment and business capital assistance so that they can produce more of their handicrafts. The government can also help through the People's Credit Bank by providing loans with low interest rates, and can also display the Rattan And Palm Oil Handicraft industry "Andini" at every district, provincial and national level event.

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