Strategy and facilitating model for small scale terasi business in the Camar Laut small enterprises

R Humairani¹, Y Akmal¹, Muliari¹, D Maritalia², Z Yunizar³, S Mangkuwinata⁴, H Muttaqim⁴ and I Zulfahmi⁵

¹ Department of Aquaculture, Faculty of Agriculture, Universitas Almuslim, Bireuen, Indonesia
² Midwifery Program, Universitas Almuslim, Bireuen, Indonesia.
³ Department of Informatics, Faculty of Computer Science, Universitas Almuslim, Bireuen, Indonesia
⁴ Department of Economics Development, Faculty of Economics, Universitas Almuslim, Bireuen, Indonesia
⁵ Department of Biology, Faculty of Science and Technology, Universitas Islam Negeri Ar-Raniry, Kopelma Darussalam, Banda Aceh, Indonesia

Abstract. The development of small and medium-sized enterprises (SMEs) needs to be carried out considering their significant role in the economic growth of a region. The efforts of the development of SMEs can be done by improving business management followed by arrangement business legality. Business legality is an important factor, especially for SMEs involved in food production which has an important role in food safety assurance for consumers. Business legality will simplify market access to expanding distribution and increasing demand for products. The aim of the development business legality guidance and facilitating it is to assist Camar Laut small enterprises involved in the shrimp paste processing industry to obtaining business legality and ensuring that production aspects are carried out properly resulting in continuity of business legality. The activities performed an increase in understanding, skills, and turn over of human resources in Camar Laut small enterprises.

1. Introduction

Small and medium enterprises (SMEs) have a significant contribution to Indonesian economic growth [1-3]. Besides, SMEs also can absorb labor. SMEs were able to survive from the global economic crisis better than large enterprises due to the flexibility of SMEs in adapting to the economic downturn [4]. In Indonesia, there are 56,539,560 units of entrepreneurs, 56,534,592 units or 99.99% are SMEs, the remaining 0.01% or 4,968 units are large-scale businesses that could survive in 2012 after the economic crisis in 1997-1998 [5]. However, although Indonesian SMEs have great potential in relation to their ability to survive during a crisis, they are not a leading platform in product capability. This might occur due to competition barriers; financial access; price of energy; technology; inefficient production costs; economic factors; management skills; process; limitation of sales; and raw materials [6-9].

Kuala Pusong Kapal Village, Seruway Sub-district, Aceh Tamiang District, Aceh Province is a village that well known as a tutok shrimp paste (terasi udang) producer [10, 11]. The production of the shrimp paste has generated for generations. Camar Laut is one of the processors and marketing group in this region. The Shrimp paste processing business that has been done by Camar Laut Group is classified
as Small Medium Enterprises (SMEs) with fishery households as the members. This business has significant development after coaching and mentoring by Almuslim University as a High Education Institution responsibility. Endowment in the form of grinding machine and shrimp paste maker machines could increase business productivity and quality furthermore increasing turnover [10]. Moreover, the production process has also encountered improvements in the resulting product that is appropriate with standards by implementing Good Manufacturing Practice (GMP) in the shrimp paste production process [11].

An increase in the production amount and turnover after the guiding has not been able to guarantee that Camar Laut SMEs can survive in the market competition. The inhibiting factors for the development of SMEs must be overcome gradually, including market competition which can be strengthened if the business network is expanding. The aspect of legal protection for businesses becomes important if network expansion is to be carried out [12]. Product brands as the identity of SMEs must receive legal protection as well as the organizational structure of SMEs. Regulations on production and distribution requirements, as a business concern in the food sector, must be accomplished to avoid legal traps. On the other hand, the lack of human resources capacity for SMEs, limited access to information, especially in the regions, and bureaucratic factors in the regulations and licensing, make it difficult for SMEs to accomplished legal protection aspects.

One of the strategies that can be implemented to SMEs in Indonesia to ensure the development and sustainability of SMEs is by implementing open innovation. However, this is difficult to apply because of their weaknesses in both the exploration and exploitation of technology [13]. The involvement of universities, local governments, and other institutions, both to analyze and facilitate the input and output of SMEs, needs to be done to guarantee the purpose of open innovation running well [13, 14]. Recently, facilitating business legality to accomplished the legal protection aspect in Indonesia SMEs has been developed in several sectors namely food and beverage [15] and industrial design [16]. However, to date, strategy and facilitating model for small scale terasi business is not studied well. Therefore, University as the Higher Educational Institution as a stakeholder must be involved in facilitating the accomplishment of business legality in SMEs, including in the Camar Laut Group.

2. Materials and Methods

2.1. Strategy Approach

The implementation of the activity is carried out in four stages, namely, through a participatory approach that aims to increase the participation of groups and the community, a conceptual approach that aims to improve the quality of human resources, theoretical and practical approaches to improve skills not only in terms of production management according to GMP but also to have sufficient knowledge maintaining a good production process which aims to obtain business legality and the last is a reflective approach which aims to evaluate the success of implementing activities in the Camar Laut group.

2.2. Facilitating Model

Business legality has a negative correlation value to the success of the SMEs in Indonesia [13], this is becomes an interesting finding and furthermore, the reason is due to bureaucratic factors as well as the burden of business legality processing costs, while the capital capacity of SMEs, especially during the initial period is quite limited [13, 14]. The government has made efforts by the enforcement of policies to stimulate the obtaining of the business legality and ensuring the protection and legal certainty received by the SMEs, moreover to simplifying the market expansion of the SMEs. However, the information and implementation of the policies that have been appointed cannot be distributed equally to remote areas. The lack of knowledge of human resources is similarly a determining factor in accomplished business legality. In the Camar Laut group, the legality arrangement in the form of trademark patent protection has been carried out and facilitated by the local office, however, the limitation of information in the terms and stage of the legality arrangement inducing the rejected trademark patent submission.
Therefore, to ensure business legality can be accomplished, Higher Educational Institutions need to intervene directly and provide assistance in the arrangement of business legality. The intended forms of business legality are: 1. Ratification of fishery product processing and marketing groups (POKLAHSAR), 2. Home Industry Production License (P-IRT), 3. Brand Patents and 4. Halal Product Certification.

2.3. Data analysis
The document handling of a trademark patent requires an analysis of the similarity in brand designations and images as well as preferences and attractiveness of consumers to brands and labels to prevent the rejection of the trademark patent submission as previously. The Similarity in brand designations and images can be analyzed through e-patent tracking on the website of the Directorate General of Intellectual Property, while consumer preferences and attractiveness to brands and labels was done by distributing questionnaires virtually. The test was carried out on fifty-three respondents with different gender, age, and occupational profiles and presented in a circle graph.

Qualitative data are described descriptively while quantitative data to evaluate the success of the implementation of the strategy and facilitation model are presented in tabular form. The test was conducted before and after the implementation of the strategy and facilitation model to 40 members of Camar Laut group.

3. Results and Discussion

3.1. Branding
The brand plays an important role to distinguishes a similar product that can help consumers to identify [17][18]). The brand then had implications for the profit due to prevent the consumer from buying similar products that are not produced by producers [19]. Therefore, the existence of a brand is essential, especially to build the self-branding of a product. Following the Law of the Republic of Indonesia No. 15 of 2001, business actors need to pay attention to brand legality to prevent counterfeiting or claims from other producers. For this reason, filing for the protection of a trademark or trademark patent is very necessary.

Until now, the shrimp paste product produced by the Sea Camar Group does not have a brand. The self-branding of the shrimp paste product is very weak. The attractiveness of a product only comes from person to person, so it is not uncommon to claim to be the product of other business groups. Therefore, the assistance provided in designing a brand (brand logo) that will be used as a product label and then printed on the product packaging so that consumers recognize the shrimp paste products produced by the Camar Laut Group. Also, the presence of a brand and labeling on the packaging will increase the appeal of the shrimp paste product. The brand logo (brand) that has been submitting for processing a brand patent and packaging label design has presented in Figure 1.

![Figure 1. Design of the Seruway terasi product brand and packaging label.](image-url)
The brand logo and packaging label design have tested on the results of the packaging/label design to consumers/markets to determine the perception and level of interest in the packaging. This has been done to help get the right design that can help in the product marketing process. The test results of the packaging label design that will be used for the seagull shrimp product can be seen in Figure 2.

![Figure 2. Test results on consumer perceptions of the shrimp paste packaging design.](image)

From several test parameters, there are still different perceptions of consumers in visualizing images and symbols on packaging labels. In general, the packaging has met the criteria for good processed fishery product packaging. Simple, functional, and creates a positive emotional response that indirectly stimulates consumers to buy was essential in designing a packaging design. Packaging must be able to attract attention visually, emotionally, and rationally so as to provide added value to the products it packs. Of all human sensing activities, 80% occur through visual stimuli. Therefore, the graphic elements of the packaging include color, shape, brand, illustration, letters, and layout which are visual elements that have the biggest role in the process of delivering messages in plain sight (visual communication) [20].

3.2. Home Industry Permit
Food safety was essential to prevent food poisoning case that affect human health [21, 22]. One of the requirements for food production that guarantees food safety is the existence of a distribution permit from the Food and Drug Supervisory Agency or the local agency commonly referred to as P-IRT. Apart from being a guarantee of food safety for consumers, distribution permits also play a role in attracting consumer interest because consumer preferences for food product safety have now increased. With the distribution permit, SMEs can avoid legal traps that occur due to errors in the production process because they are considered not having a permit to be able to distribute the food they produce. To obtain this permit, in the first year, SMEs have been equipped with good knowledge of how to produce following GMP standards, improvements have been made to production SOPs to ensure product quality control and are assisted in providing production tools that can improve the quality of products produced.

3.3. Halal Certification
In line with the distribution permit, the halal certification has intended not only to guarantee food safety but also to protect consumers who are Muslim from non-Halal production materials and production processes. For this reason, SMEs have assisted in understanding the importance of Halal Certification and how to take steps to obtain Halal Certification from LPPOM MUI through halal supervisors appointed by MPU-Aceh.

4. Conclusion
Legalization of product is an important factor to ensuring the sustainability of Camar Laut SMEs. The existence of legalization of product will make it easier for SMEs to expand their business networks and to expand market access. So far, the strategy implemented in helping SMEs arriving at the stage of fullfill the requirements of legal aspects in the form of business legality is quite good. The level of
understanding and skills of the POKLAHSAR Camar Laut committee and members in fulfilling business legality aspects has increased. The group is able to establish the organizational structure and do the arrangement of the organizational structure ratification. Furthermore, the group was able to understand the flow and stages in the process of managing other legality aspects in the form of P-IRT Permit, Halal Certification and Trademark Patents and could obtain those legality certificate by intervening of Higher Education.

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