

Strategy for developing of small medium industry to creative industry in special culinary, Sarolangun Regency

Fitriaty; Dwi Kurniawan

Faculty of Economics and Business, University of Jambi

Correspondence e-mail: fitriaty@unja.ac.id

Abstract.

This study aims to obtain a description of small and medium industries in the area of regional culinary sarolangun, internal and external factors and formulate strategies to develop the industry to become a creative industry. The method that is used SWOT analysis, descriptive and qualitative analysis. Based on the research result found that the culinary that can be developed is coconut bread, dodol, kipang cake and curry fish. The weakness of internal factors lies in working capital, human resources and external factors lies in marketing and institutional. The recommended strategy is to turn around.

Keywords: *SME's, Culinary, SWOT Analysis, Turn around.*

INTRODUCTION

Creative economic development in Jambi Province is faced with problems to create attractive business engagements for public investment and to develop creativity and innovation in the business world, especially in the sector of MSME's and micro economy. The challenge is to promote growth and growth areas that can accommodate economic activities, expand employment and simultaneously fulfill functions as a service center and a creative economic base. Creative industry is part or sub system of creative economy.

The creative industry needs to be developed in Indonesia because it has an important role in the development of state and local economy (Ministry of Commerce, 2008). *First*, the creative industry sector contributes significantly to the economy such as increased employment, increased exports, and its contribution to GDP. *Second*, creating a positive business climate that impacts on other sectors. *Third*, build the image and identity of the nation such as tourism, National icon, build culture, cultural heritage, and local value. *Fourth*, based on renewable resources such as science and creativity improvement. *Fifth*, create innovation and creativity that is a competitive advantage of a nation. *Finally*, it can have positive social impacts such as improved quality of life and social tolerance. The contribution of creative industry in Province Jambi level such as in the culinary sector of 5.626% and Sarolangun regency of 1. 22%. Based on the contribution to the GDP of the sector will affect the economic improvement of Jambi Province, especially in the absorption of labor, so that the unemployment rate will decrease .

The creative industries in the culinary sector have experience some problems faced to the availability of creative human resources, proven marketing of industrial products. They could be said still around the Jambi province area. It is meaning that the

largest percentage of products currently only in the community local consumers Sarolangun.

The research purpose is to identify the general picture of small and medium industries in culinary sector and the potential to become a creative industry in Sarolangun Regency. Identify internal and external factors that contribute and synergy in developing creative industries. Formulation of development strategies 3 SMEs become creative industries that are competitive in facing the challenges of MEA in Sarolangun Regency in the area of regional specialties .

METHODS

Primary data is obtained from the field survey, which is the manager/management of IKM, as well as from stakeholders related to other creative industries. Secondary data was obtained from the Office of Industry and Trade of Jambi Province and Sarolangun Regency, the Cooperative Service Office and the UMKM of Jambi Province and Sarolangun Regency, the Central Statistics Agency of Jambi Province and the Sarolangun Regency, the Tourism Office and the literature study. The sample of this research is 60 people with 10 of UMKM.

Data analysis method uses two kinds of method that is descriptive and qualitative method and SWOT analysis.

RESULTS AND DISCUSSION

Small and medium industry culinary special area of Sarolangun Regency.

Sarolangun Regency has a variety of traditional specialties, but not all types of foods are made as main food and top seed. Based on the result, there are 4 (four) typical foods that can be developed are: Coconut bread, Dodol, Kipang and Curry Tumbled river fish. This product can be developed to become a creative industry.

The total number of workers employed in this culinary sector is 517 people, but has not received any training organized by the Government. If viewed from the value of this investment culinary sector that is Rp. 2.491.338.000 with the production value of the total cultivation industry is Rp. 15.195.098.000, -. This investment has a high enough rate of profit if managed with the maximum.

Ability of SMEs in producing creative products

The creative product is the result of a creativity of someone who has novelty, able to solve the problem or resolution), following answer respondents who describe the ways the product, so that can be decided by the experts of the product is creative or not yet. Based on the results of research through respondents' answers on average about 77%, respondents have never created a product that functions to answer consumer desires. Then the product is also said to be creative if (3) the product has the nature of elaboration and synthesis that refers to the degree to which the product incorporates unequal elements into a sophisticated and coherent whole.

The research result through respondents' answers as much as 75% never does elaboration and synthesis in producing the product. Condition of Small and Medium Industry to creative industry based on the results of research through respondents' answers on the three sectors in the study of culinary sector, handicraft sector and fashion sector. In general can be described the current state or condition of internal and external factors that support Small and Medium Industry (IKM) into creative industries can be seen in the following figure:



Figure 1 : Internal and external factors

The figure 1 show that internal and external factors that support the culinary business into creative IKM. Based on the results of the data, it is found that external factors such as financing, in this case, funding from government funds and financial aid obtained from the government is in a very bad condition, where almost 75% of business owners in developing their business have not received financial aid yet access banking. The ability of this small business in establishing cooperation in the field of marketing, the ability to have product and brand standards and the ability to create a diversity of business types to keep the consumer is still bad. It is because still about 44% they have not been so follow the development of technology, both from the desire alone and from the side the role of the government to introduce technology to develop business to a business that has creativity such as creating a higher quality product, both in terms of its use and benefits. In addition to the role of universities to promote SMEs to the creative IKM still shows its role is evident from the answer respondent that is about 73.5% that the college has not played a maximum role in introducing and developing technology to improve product quality and quality and the remaining about 11% there are some IKM still get the introduction of technology although still rare and the rest equal to 2.5% quite often or equal in 1.67 indeks.

In terms of ability of IKM itself encourages self-ability to creativity is good enough, shown the results if data from the respondent's answer is located in the average range 3.28. The ability of SMEs to have creative behavior is also supported by the government through creative resources is good enough that is in the average range of 3.21, creative resources is one of the government efforts to increase the self-potential of business actors in this case the IKM in the form of providing education and training , but found around 26.5% have never received training and education from various agencies either government or other, 44% still states rarely get training related to business development.

The ability of marketing at IKM is still quite good, but they have many problems, including the scope of marketing is narrow. SMEs reach the market is dominated through friendships where seeking information in the form of new sales place about 52.5% only a few are trying to find new markets through print and social media that is equal to 28.5%. When viewed from the resources of support and potential of IKM toward the creative IKM is good, where for the supporting resources have an average value of 3.49 and the value of self potential achievement of 3, 86. This actually can be used as a basis for creative.

Supporting resources such as the government has provided a conducive climate for business, infrastructure in the form of information access through internet network, only intensified cooperation. Based on respondents' answers about 81% IKM requires cooperation with larger business to help, foster and join the market products between small and medium industries, as well as between medium and large industries, which will create downstream and solve the marketing problems faced by IKM

Main strategy development of small and medium enterprises culinary sector

The research result based on SWOT analysis by expressing weakness and strength and opportunities and threats using EFAS and IFAS matrices can be recommended the main strategy formulation which should be developed by small industry actors is tour around. This strategy is applied based on the utilization of existing opportunities by minimizing existing weaknesses, efficiency and creat featured product which able to compete . The main weakness of this industry is the adequacy of capital and well-trained workforce. This capital requirement becomes an obstacle because business actors have to procure raw materials with cash, there is no cooperative that can sustain.

Raw materials are also not continuously available such as tempoyak curry whose main ingredient is durian, only in can when in season only. This weakness can be overcome with non-commercial interest credits, Corporate Social Responsibility (CSR) funds. Small industries are often confronted as single businessman without any partnership. So, risk is at their own risk in case of loss or other impact. Marketing product also is a constraint because the size of the standard packaging and taste is not owned.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The description of small and medium enterprises cultivators typical Sarolangun has good employment absorption, but not well in product innovation because of the limitations of knowledge, skills and capital. Internal weakness factor in this particular culinary field is from the financing, skill, product marketing, The strategy that became the reference for the development of this business is turn around by taking advantage of opportunities to overcome the weaknesses that exist so the industry can grow well and sustainably.

Recommendation

In order to the creative industries are need to increase investment and work capacity and to increase market share through product development efforts and quality. Meanwhile, local potential must be increased in order to absorb the maximum workforce, the role of government and universities should be maximized. In order to synergize in fostering creative economy, knowledge and business management professionally need to be given to the owner business, product and packaging standards

must be set. So that the product can compete, partnership with entrepreneurs, government and other related institutions, product certification such as halal and trademark.

ACKNOWLEDGMENT

Thank you to the Government of Sarolangun Regency and the owner of IKM and Jambi University Master of Management Program and all parties involved in this research.

REFERENCES

- Departemen Perdagangan RI, (2008) , Pengembangan Ekonomi Kreatif Indonesia 2025 Rencana Pengembangan Ekonomi Kreatif 2009 – 2015, Study Industri Kreatif Indonesia
- Etzkowitz, H dan Dizisah, J., (2008), Triple Helix Circulation : the heart of innovation and development, International Journal of Tecnology Management and Sustainable Development, Volume 7, page 101- 115
- Fitrinan, Nurul, Aisyah,. Irwan Noor dan Ainul Hayat, (2014), Pengembangan Industri Kreatif di Kota Batu (Studi tentang Industri Kreatif Sektor Kerajinan di Kota Batu) Jurnal Administrasi Publik (JAP), Vol. 2 No. 2, Hal. 281-286, Jurusan Administrasi Publik, Fakultas Ilmu Administrasi, Universitas Brawijaya, Malang.
- Gendut Sukarno, (2013), Pertumbuhan Industri Kreatif di Surabaya Melalui Upaya Triple Helix dan Keunggulan Bersaing; Prosiding Seminar Nasional dan Sidang Pleno ISEI XVI, Jambi
- Jogiyanto, (2005), Sistem Informasi Strategik untuk Keunggulan Kompetitif, Penerbit Andi Offset, Yogyakarta
- Kementrian Pariwisata dan Eknomi Kreatif, (2015), Kekuatan Baru Indonenesia Menuju 2025
- Lukmandono, (2015), Analisis Swot Untuk Menentukan Keunggulan Strategi Bersaing Di Sektor Industri Kreatif, Seminar Nasional Sains dan Teknologi Terapan III, Institut Teknologi Adhi Tama Surabaya, ISBN978-602-98569-1-0
- Rangkuti, F, (2006), "Analisis SWOT Teknik Membedah Kasus Bisnis,PT. Gramedia Pustaka Utama, Jakarta
- Thomas W. Zimmerer & Norman M Scarborough, (2005), Essentials Of Enterprenneurship : Pengantar Kewirausahaan dan Manajemen Bisnis Kecil, Alih Bahasa Edina Cahyaningsih, PT. Indeks, Kelompok Gramedia.