Assistance In Packaging Innovation and Licensing of Small and Medium Enterprises and Young Entrepreneurs at IAIN Ponorogo

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Abstract: One of the factors for the lack of entrepreneurs is poor entrepreneurship skills. Most only learn marketing by self-taught, so many novice entrepreneurs fail and stop in the middle of the road. Based on initial observations of common phenomena in society, there are obstacles faced, including the inability to make product packaging that can increase the attractiveness of potential consumers. On the other hand, they also do not know how to develop a business to obtain a business license from the relevant agency. This service aims to develop innovative product design capabilities that are effective for businesses run by young entrepreneurs around IAIN Ponorogo and to train skills in business licensing for young entrepreneurs around IAIN Ponorogo. The method in this service uses the ABCD method, using data collection techniques in the form of observation, interviews, and documentation. This service found that the community was helped by implementing product design training and assistance for PIRT permits.

Keywords: business licensing, entrepreneurship skills, product packaging.

Abstrak: Salah satu faktor minimnya wirausahawan adalah dikarenakan skill entrepreneurship yang tidak cukup, mayoritas hanya belajar pemasaran secara otodidak, sehingga banyak wirausahawan pemula yang akhirnya gagal dan berhenti di tengah jalan. Berdasarkan observasi awal fenomena umum di masyarakat, terdapat kendala yang dihadapi diantaranya ketidakmampuan dalam membuat sebuah kemasan produk yang dapat meningkatkan daya tarik bagi calon konsumen. Di sisi lain, mereka juga tidak mengetahui bagaimana mengembangkan usaha untuk memperoleh izin usaha dari dinas terkait. Tujuan dari pengabdian ini adalah untuk mengembangkan kemampuan inovatif desain produk yang efektif bagi usaha yang dijalankan entrepreneur muda di sekitar IAIN Ponorogo serta melatih skill dalam bidang perizinan usaha bagi entrepreneur muda di sekitar IAIN Ponorogo. Metode dalam pengabdian ini menggunakan metode ABCD, dengan menggunakan teknik pengumpulan data berupa observasi, wawancara dan dokumentasi. Hasil dari pengabdian ini didapat bahwa masyarakat terbantu dengan pelaksanaan pelatihan desain produk dan pendampingan izin PIRT.

Kata Kunci: entrepreneur, izin usaha, kemasan produk.
INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) position in the Indonesian economy has a fairly important role. Apart from being the main player in various sectors, MSMEs also play a role in creating jobs in the community. On the other hand, the role of MSMEs is also able to create new markets and become the motor of community empowerment. This condition was proven when a crisis hit Indonesia; MSMEs were quite strong and could still obtain operating profits. Wijaya also conveyed the same thing in his research, which stated that SMEs could survive when there was a worsening event in the national economy and the increasing unemployment rate in the community due to the problems faced by large entrepreneurs. In the national economy, based on the results of the economic census conducted by BPS in 2016, it is known that MSMEs reach up to 89.2 percent of the entire workforce. This sector provides up to 99 percent of the total employment. In addition, MSMEs make up 60.34 percent of the entire national gross domestic product. MSMEs also account for 14.17 percent of overall exports, which is a significant amount. MSMEs accounted for 58.18 percent of the total investment.

The challenges of MSMEs in surviving during unfavorable economic conditions are certainly not small. Among the problems that are generally faced by MSME business people include; the lack of market opportunities and increasing market share, weak capital structure and limitations in accessing capital resources, weak management of human resources and organizations and institutions, very limited access to business network activities between small entrepreneurs caused by a less conducive business climate, as well as weak public development and concern for small businesses.

In general, Indonesians, in choosing a job, tend to work as private workers or the State Civil Apparatus (ASN). This phenomenon means that the education taught in schools in Indonesia still does not focus on the entrepreneurship sector. This phenomenon can be understood because the business world has not yet become an alternative solution to social problems by the government in a narrower territory. The family will feel happy and assume that success has been achieved when educating

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and caring for a child when the child successfully becomes a civil servant or works in the private sector with an exact amount of income regularly every month. This solution can be realized given the tendency in society that they feel more confident when they work for others than they have to be entrepreneurial. In addition, people tend not to dare to bear the risk of business failure and fluctuating/irregular income/salaries. This problem is a challenge for formal education institutions to produce school graduates so that they cannot not only work for others but also create jobs in society.

One of the factors for the lack of entrepreneurs is that due to poor entrepreneurship skills, the majority only learn marketing by themselves and rely on the adage of "experience is the best teacher", so many budding entrepreneurs fail and stop halfway. The failure of entrepreneurship has a chain effect on the community's mindset, especially in rural areas. Entrepreneurship seems to be a scourge that will only consume the previously accumulated capital to waste. Likewise, in the community in Ponorogo, based on the preliminary observations made, the above assumptions have become a common phenomenon in society, especially in the area around the Ponorogo State Islamic Institute.

Ponorogo Regency is one of the regencies in East Java with a fairly large population. Of the 38 regencies/cities in East Java, based on data from BPS in 2018, Ponorogo Regency ranks 23rd with the highest population. It is known that the population density in the regencies/cities located in the former Karesidenan Madiun in 2018, the level of density of all (except the city of Madiun) was still below 1,000 people per km².

Labor is one of the capital factors in the movement of the wheels of development. The condition of the number and composition of the workforce will continue to change as the demographic process changes. Data from BPS 2018 Ponorogo Regency shows that unemployment is still at 3.87 percent, or 485,597 people. This problem is a challenge for the government to increase and expand employment opportunities in the community. However, one of the obstacles to the government mentioned above initiatives is the mindset of the Ponorogo people, who tend to choose to work abroad. In 2019, the number of Indonesian workers working abroad reached 35,400 people, the highest number in East Java Province.

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4 BPS People’s Welfare Indicators of Ponorogo Regency 2019 (Ponorogo, n.d.).
5 Bps.
As an anticipatory step, Ponorogo Regency 2018 then took the initiative to train 800 Indonesian working dragons who have retired and whose families are entrepreneurial. Pieces of training for former migrant workers and their families in 2018 were held in Lembah Village, Babadan District, Ponorogo Regency. This training is carried out within six days; this material focuses on how to manage household finance, small business finance, and activities in analyzing businesses and horticultural businesses. The purpose of the program is so that they do not return abroad and the purpose of this training is that they can be more creative and innovate, strive for socio-economic development at home and improve family finances and income. This model then attracted the interest of researchers to continue the initial breakthrough made by the Ponorogo Regency Government in providing entrepreneurial provisions for the Ponorogo community.

Based on preliminary observations on August 14, 2020, it was found that there was a group of people who began to realize the importance of entrepreneurship, especially milineal youth who understand the development of the industrial, technological and information world. For example, some young people living around IAIN Ponorogo have opened several types of businesses. Some of these young men experienced difficulties in business competition and market expansion. The obstacles faced include the inability to make product packaging that can increase attractiveness for potential consumers. On the other hand, they also do not know how to develop a business to obtain business from the relevant agencies. This ignorance is motivated by the assumption that obtaining a business legacy requires a long process and convoluted procedures.

In this regard, as an effort to empower young entrepreneurs around IAIN Ponorogo, it is a synchronization step between the surrounding community and universities. For these reasons, this community service activity takes the theme "Empowering Young Entrepreneurs Around IAIN Ponorogo through Product Packaging Design Training and Assistance in Applying for Business Licensing". This theme becomes increasingly urgent when faced with the tri-dharma of higher education in the form of community service.

The latest research on IKM mentoring and training has been carried out a lot. By focusing on young people, Vicky Maulana Alfian stated that young people have digital potential and capabilities that can increase the quality of SMEs. Furthermore,

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concerning improving the image of the product, packaging training is always the most suitable option, regardless of the product type. In addition, in business licensing and health and packaging aspects, it is also a consideration. Therefore, packaging, training and business license assistance are still relevant.

This service activity uses the Asset Based Community Development (ABCD) approach, which is a mentoring approach to strive for community development by knowing the strength of the potential and assets owned. This service activity was carried out around Ponorogo, Ngrupit, Babadan, and Mrican Villages from July 5 to August 13, 2020.

The potential owned and developed in several villages is to prioritize the assets and potentials owned by MSMEs in the form of trading businesses, bakery businesses, and other small and medium enterprises, the majority of which are in the form of food. The mentoring process is carried out to increase productivity through product design development. Therefore it is expected to improve the quality of sales and continue to be developed into a promising creative home industry. The implementation of devotion is carried out in stages.

Inculturation is an initial stage of surveying the location of the implementation of community service activities, with a gathering of the Village Head who is the target of service and a visit to the MSME place. This method is implemented by counseling the development of the creative home industry through the development of design and product innovation. At this stage, introductions and approaches are carried out to gain the trust of business owners and artisans.

Discovery, this stage is carried out by observations and interviews to identify assets, potentials, and problems in MSMEs at the research site. Analyze the assets and potentials to know the capabilities of artisans, techniques or ways used, raw materials, product forms and functions, and the process of making products.


obstacle are that the sales of plastic woven products are not optimal due to the lack of development of new product designs, and the product assets owned are very minimal.

*Design* starts from the process of planning the concept of the appropriate activity program, the process of developing model design, and new product innovations. Guidance on product design development is carried out to be able to adjust to the needs of market tastes.\(^{15}\)

*Define* the implementation stage in the product design development process by creating changes in shape, size, woven motifs, and the use of additional materials. The material used to increase the product's sales value is plastic webbing, which is designed in several models. It is hoped that MSME artisans can continue this activity program to run well and sustainably.

Reflection, this calculation is carried out for the evaluation, monitoring, and follow-up of the entire program of activities that have been carried out. To be able to determine the success rate of the work program, improvements can be made if there are shortcomings in it. This evaluation aims to determine the improvement of work in terms of methods and development of design creativity and product innovation.\(^{16}\)

It is hoped that with the approach of the method of design development and product innovation, after this service activity, MSMEs around IAIN Ponorogo can independently continue the program of activities that have been started so that it can run smoothly in the future so that sustainable product development is produced and at the same time can help improve sales quality.

**Implementation of Product Design and Business Licensing Training**

**1.1 Product Design Training**

Packaging is a tool or intermediary between producers and consumers in conveying the details of their products. Therefore, the packaging is considered effective if it can convey the producer's message to consumers for their products. The medium of conveying messages through order is not only in the form of visual elements (text, images, colors, and other graphic aspects) but rather a game of cognition aspects. As a result, the packaging's shape, material, and function also act as a symbol of the

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development of the packaging culture itself.\textsuperscript{17}

Packaging is often synonymous with "the silent man/girl," which refers to the fact that there is no waiter to indicate the product's superiority. Therefore, packaging can informatively convey the quality of the product like a seller to buyers. Another aspect related to packaging is the ability of packaging to influence consumers so that they do not easily switch to other products. Packaging must be able to create \textsuperscript{18}Signs in the human subconscious or, in short, packaging has a role as a brand identity.\textsuperscript{19}

![Figure 1 Closing of Training Activities for Product Design and Packaging Materials](image)

Based on the definition of regulations/ laws and regulations, packaging is any material used to hold and wrap food, regardless of whether the material is in direct contact with food. Packaging is a packing process that can be described as the entire process of making and manufacturing containers, wrappers, or packages for a product. Packaging consists of three components: the brand, the packaging itself, and the labeling system. There are at least a few of the packaging as follows.\textsuperscript{20,21}

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1. As a Promotion

Attractive packaging with a good design will be able to affect the selling power of a product.

For Information; Information aims to provide an overview of the condition of the goods in the package through the quantity, weight, type, color, taste, and validity periods stated in the package.

A Protection (Protector) means that the packaging must also be able to protect the quality of a product; an example of this function is the packaging of cans of sardine products.

As Security, what is meant by packaging as safety is to identify the authenticity of the products that have been circulating. To do this, manufacturers generally give special codes to their product packaging, such as barcodes.

In addition to the packaging function, there are types of packaging based on the content structure, firstly primary packaging, namely, packaging that directly intersects with the product, for example, milk cans and biscuit wraps. The second is seconder packaging; the seconder packaging is a collection of several product items, for example, cardboard packaging for canned drinks. At the same time, the third type of packaging is tertiary packaging. This type of packaging consists of several seconder packaging repackaged in one larger package.

![Simulation of Packaging Types](image)

**Figure 2** Simulation of Packaging Types

Based on the frequency of its use, the type of packaging consists of three things. The first is disposable packaging, and the second is the packaging that is used repeatedly. Furthermore, the third is the packaging that is not thrown away.
1.2 Business Licensing Training

Permits or permits are one of the fields of administrative law that are mostly used by the public, especially business actors. Licensing is a form of providing a declaration of validity to individuals as business actors / granting business licenses in the form of company registration marks and business licenses. A business license or a commercial license is an official document issued by an authorized body that indicates that a person or organization is legally / permitted to carry out a certain company or activity. Thus, there is certainty in running a business and enjoying proper comfort and security to make a greater contribution to the 'business license' in establishing a company, especially for micro, small and medium enterprises (MSMEs). In addition, this license can increase the added value of production, provide products and services for the needs of society, absorb jobs, and spread entrepreneurial development.

![Figure 3 PIRT Business Licensing Training Activities](image)

The Household Industry Food Production Certificate (SPP-IRT) is a written guarantee issued by the Regent/Mayor through the Health Office for food produced by the Household Industry that meets certain norms and safety standards of food production and distribution.

In other words, it serves as a distribution permit for a food product, where the product can be legally circulated or sold after becoming an SPP-IRT either by entrusting the product or selling it directly to the wider community. Thus, SPP-IRT can sell its goods through extensive distribution channels, especially if businesses

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want to store their goods in well-known contemporary stores with a large fixed customer base.

SPP-IRT can only be submitted by business actors still on a domestic scale and produce goods that are allowed to be produced by the Food Household Industry (IRTP).

Food entrepreneurs who produce milk or dairy products, products that use alcohol, the use of food additives to extend the expiration period, products packaged in cans, and special food products containing certain claims (such as claims of supplementary food for breast milk, baby food) may not be able to apply for SPP-IRT as a distribution permit.

The following are the general requirements in the management of SPP-IRT; Application form for The Household Industry Food Production Certificate (SPP-PIRT). For form formats. Photocopy of Food Safety Training Certificate. Photocopy of ID card. Business location plan. Certificate of Able-Bodied from puskesmas

SPP IRT is usually free or without payment or free of charge. However, if a sample of raw materials needs to be tested, the applicant will have to pay the cost of testing in the laboratory. The cost for this laboratory test varies depending on the laboratory and the amount of material to be tested.

Matters that need to be considered in the SPP-IRT permit process include: 1) Valid for 5 years, with an extension period according to the terms and conditions. 2) As long as the food products produced contain things allowed by IRTP, then all business actors who produce food products can apply for SPP-IRT - individuals or unincorporated companies (e.g., CV/Firm), or legal entities (e.g., PT or Koperasi). 3) Food extension certificates can be obtained from other cities/agencies by the applicant (both the owner and the person in charge of the company) because PKP is national. Therefore, if the applicant does not manage to register for PKP in the city of his company (since the participant quota is already filled), he can proactively search for information and register PKP in another city.

To obtain the SPP-IRT, it is also necessary to give an example of the design of packaging labels. Packaging labels can be made from paper and plastic stickers or printed directly on the product wrapper, depending on the manufacturer (like most labels on biscuits and various other snacks). Label standard rules, especially packaging, must include the product name, list of ingredients used, net weight/net contents, IRTP name/address, production code (with the date of manufacture), and Household Industry Food Number (P.-IRT). The applicant must ensure that this information is included in the label design.
If a business actor needs a larger production site, such as a separate building (outside the house), he must apply for a distribution permit in the form of BPOM certification. Even if the company is small (up to Rp 50 billion per year according to Law No. 20/2008), every business actor must get BPOM accreditation for all foodstuffs.

The distribution permit is related to the type of product that is not a business entity and does not require a business license. If the applicant produces different types of goods from the same manufacturing facility, the applicant must register each variation of the manufactured product so that the Health Service officer can issue the corresponding P-IRT number code for each product variant. There are 16 codes for different types of food that are allowed to obtain a distribution permit in the form of SPP-IRT in this way.

**Packaging product design assistance**

This activity was facilitated by the speaker directly, namely, Santoso; at the request of the service team, Santoso was willing to train and guide the design of packaging products.

Due to pandemic conditions, the mentoring process is carried out online. Through Zoom Meetings, participants are given tutorials via Zoom to design their products. The speaker then commented on the results of the design.
Figure 4 Packaging Product Design Training Assistance Activities

Through this activity, several outputs of packaging product design were obtained by participants. Unfortunately, not all participants successfully designed their products; only about 50% of participants succeeded. One of the contributing factors is that participants have difficulty when not accompanied directly; besides that, participants are also not used to getting material online. The following are some of the product design results produced by participants:

Figure 5 Custom Pillow Product Design

Figure 6 Couple Hat Product Design
2.1 Assistance in The Formation of Business Communities in BUMDES Mrican

The second solution offered by the service team to the community is forming a Business Community with the facilitation of BUMDES Mrican Village. In this case, the researcher collaborated with the coordinator of BUMDES Mrican Village to collect data on all entrepreneurs in the area around the village.

The Mentoring Team first contacted the Coordinator of the entrepreneur community in Ponorogo through the old Facebook Group with the link https://www.facebook.com/groups/553826454734511/.

In addition, one of the trainees is also a community member.

![Figure 1 Facebook Kumonitas UMKM Ponorogo](image)

Until now, the Coordinator is still carrying out the administrative process of forming a community of entrepreneurs in Mrican Village. According to the information obtained from the BUMDES coordinator, 10 entrepreneurs have joined this community.
3.1 PIRT Business License Assistance

The mentoring process in managing part business licenses is carried out in stages. The steps are as follows:

First, the service team accompanies the business coordinator to convey the purpose and objectives to the Local Government Office.

Furthermore, the entrepreneur coordinator and the Service Team coordinated with the One-Stop Integrated Service Unit of the Ponorogo Health Service.
In this coordination process, the Health Office explained the terms and procedures for submitting PIRT. In detail, according to the explanation of the Health Office, the management of PIRT (Household Industrial Food) permits requires several requirements such as the following: 1) Photocopy of the identity card (KTP) of the home business owner; 2) Photographs of 3×4 home business owners, 3 sheets; 3) Certificate of business domicile from the sub-district office; 4) Site plans and building plans; 5) Certificate of puskesmas or doctor of health and sanitation examination; 6) Application for a food or beverage production permit to the Health Office; 7) Data on food or beverage products produced; 8) Samples of the production of food or beverages produced; 9) Labels to be used on food and beverage products produced; 10) Include the results of laboratory tests suggested by the Health Office; 11) Attend Food Safety Counseling to obtain SPP-IRT.

The next step, carried out after coordination with the Health Office, is to coordinate with the entrepreneur to prepare the necessary conditions.

Furthermore, the coordinator coordinates the various necessary conditions. With the help of the service team, the businessman coordinator completes various requirements ranging from permit management at the sub-district level and other requirements.
Until now, the process of fulfilling the completeness of PIRT has been carried out by the entrepreneur and the entrepreneur has submitted a PIRT to the Health Office and is waiting for the process of issuing PIRT.

Furthermore, after carrying out a series of processes, the final stage is the process of handing over the SPP-IRT with the following mechanisms: 1) the District/City Health Office sends the SPP-IRT recommendations to the One-Stop Integrated Service Unit; 2) the Regent/mayor. One-Stop Integrated Service Unit submits the SPP-IRT to the owner/person in charge of the IRTP who has met the requirements.
4.1 Marketing Assistance Through Digital Marketing

The promotion of companies that interact with potential consumers through the internet and other types of digital communication is commonly referred to as digital marketing, often called online marketing. It not only consists of email, social media, and online advertising but also text messaging and multimedia as a marketing platform.

This process is also a result of the Focus Group Discussion activities. To improve and maintain the presence of MSMEs in the area around Ponorogo, especially entrepreneurs who are members of new organizations with Bumdes facilitators in Mrican Village. The service team helps entrepreneurs to market their products through social media. As for the social media chosen by entrepreneurs, they are Instagram and Facebook. The following are the results of the assistance carried out by the Service Team.

Digital marketing is any marketing that utilizes electronic technology to convey and measure promotional messages. In practice, digital marketing is a marketing campaign displayed on a computer, phone, tablet, or another device. It can take various forms, including movies, advertisements, and social media posts. Digital marketing often contrasts with "conventional marketing" (magazine advertising, billboards, and direct mail).

CONCLUSION

Based on the description in the discussion of the formulation of the problem, several conclusions can be obtained, including:

The uncertain economic situation due to the Covid-19 pandemic has an impact on reducing community activities, especially economic activity. To improve the entrepreneurial climate among young people, a boost is needed in the form of product design training and assistance with SPP –IRT permits.

In the implementation of the training, the effectiveness of the training can be seen by paying attention to the achievement of the target because of the presence of the number of participants, the achievement of the training objectives, the achievement of the material targets presented, and the ability of participants in mastering the material.

Furthermore, the Focus Group Discussion activities and assistance carried out were able to contribute to MSME entrepreneurs around Ponorogo in the form of the formation of a business community, the process of managing PIRT permits, and marketing through social media.
The implementation of this service will be more optimal if it is carried out not in the covid-19 pandemic situation. In the future, a better synergy between the village government and related educational institutions is needed to provide more comprehensive training.

BIBLIOGRAPHY


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