

# **THE BUSINESS OPPORTUNITY OF MICRO INDUSTRY OF CRISPY CHICKEN AND CRISPY SALTY FISH IN MALANG CITY, INDONESIA**

**Budi Prihatminingtyas**

Tribhuwana Tungadewi University Jln Telaga Warna Tlogomas, Malang, Indonesia

hatmining@yahoo.co.id

## **Abstract**

*In a hardtime economic condition like today, small business or micro industry become one of the people economy activities that has many chances to grow. To accelerate economic growth, absorb many job seekers, and make society more competent in economy. These efforts must held in creative, innovative and brave movements in taking right decision to reduce loss risks. This article shows that product of first partner (mitra 1) which is crispy chicken has characteristics as follow: expire time is limited only for one day, time of distribution is limited only at school hours, the product use mica plastic. Production time is on school hours while at sunday and holiday are absent. Meanwhile for the product of second partner (mitra 2) which is crispy salty fish lasted for 2 weeks, scope of distribution is around district, product package use plastic sheets, production time is two days in a row or according to the market demand. For training and co-assist activities are expected to continue until incomes and welfare of these society increase at significant level. The external target that expected to achieve is elevate the skill knowledge and business attitude of these two partners.*

*Keywords: Economic activity, micro enterprises, micro industry, chicken and fish industry, business opportunity*

## INTRODUCTION

Micro and small business activities (UMKM: Usaha Menengah Kecil dan Mikro) as one of the people economic activity are still the first option in accelerating economic growth, absorb many job seekers, and make society more competent in economy. Micro business group that runs must be able to survive by developing the limited economy and social relationships Prihaminingtyas (2010) Welfare condition of micro business almost has not change from time to time, always in unfortunate condition.

These conditions as stated above need many attentions from many groups of experts, Tribhuwana Tunggadewi University for example, become a helper for these business owners. This university is trying to make them more potent in economic which resulting a reduction in many social problems that often occur as the impact of poverty. According to Prihaminingtyas (2005) in order to sustain, business owner must have ability in skill, attitude and wider knowledge. Through Science and Technology Program for Society (Program IPTEK untuk Masyarakat: IbM) as a helper in dealing with many problems that happen these days are expected to to find real solution. Problems that occurs in this study are low quality of product that makes it hard to compete with others, industry management still done traditionally, and the limited range of marketing the product.

According to Prihaminingtyas (2014) micro business or micro industry can not be seen as a part from development achievement but it is a potential tool to produce income and welfare maker for society. Potency own by micro business is enormous and has so many strategic business chances because every layers of society can do it although with small budget, they can make production activity, able to absorb many job seekers, reducing unemployment number, increase income and society welfare can be done by micro business, in this discussion are crispy chicken and crispy salty fish. Given the above explanation, this research objective is to explore the business opportunity of micro industry of crispy chicken and crispy salty fish in Malang city, Indonesia.

## METHODS

This study was conducted on June to August 2014 in Tunjungsekar District of Malang City by using explanatory research methods. There was no hypothesis test in this study only depiction of small traditional business that need co-assistance in order to exist.

### Sampling

Population in this study is the entire microindustry of crispy chicken and crispy salty fish that have been listed in Trade and Industry Department of Malang city. The qualification are

registered and possess operational permit, active and the industry has been established for at least two years with consideration that the industry has solid activity that can be measured on its working performance. The sample that proven qualified are first partner (mitra 1) who owns crispy chicken business and second partner (mitra 2) who owns crispy salty fish business, with method of sampel collection in this study done by census.

### **Data collection**

Questionnaire, interview and documentation method are the way to make data collection. It consists of several units of businesses, types of businesses, education level, and length of time of those businesses. This activity was initialize by making a survey in first partner (mitra 1) business location and second partner (mitra 2) business location to identify problems, seek out potency and chances that exist in those places. Next, team were making activities implementation plan, conduct some approaches to both partner to allow team making a briefing /counseling which has characteristic to give understanding and socialization effort of those activity, also adding many useful knowledge for both partners in their location. All activities materials will be evaluate to gain feedback from the partners. The suggester team made a joint agreement with Mrs. Yohana, first partner as the owner of crispy chicken business, and Mrs.Rapiah, second partner as the owner of crispy salty fish business. Activity plan are as follow: activity preparation, planning arrangement, implementation activities to both partners, data analysis, draft making of activities report, result seminar, making final reports and writing scientific article.

## **EMPIRICAL RESULTS AND DISCUSSION**

### **Profile of the respondents**

The product of first partner (mitra 1) is a snack that widely accepted by many layers of society, in particular children who miss out their breakfast. One piece of crispy chicken, tomato ketchup and a small portion of rice is pack inside mica plastic. With crispy taste and cheap price (the offering price per item is Rp.3.000). In spesific, this is a small business with simple management and run in traditional way. Dough from wheat flour, tapioca flour, salt, pepper and eggs are stir manually or by hands. The package is dull. Product from first partner (mitra 1) does not have label and permit from Health Department, therefore the area of distribution only limited around their neighborhood and close delis especially the closest school in that area. Every morning at 07.00 this crispy chicken product is ready for sale to school, and late of that noon the owner collects profit money and take back remaining product/those which does not sold. Mean while, the product of second partner (mitra 2) uses ingredients of dry salty fish, wheat flour, tapioca

flour and spices. This product sells with offering price Rp. 2.000,- for each. In specific, this product is small product with simple preparation, making by hands, clean the fish by water, cut it in to two thin parts aside, roll into flour mixture that has been added by spices. One by one, this fish will be fry in pan full with hot oil. Manufacture of products is still traditional and the package is dull and easy to tear because it uses plastic that stick by fire of candle. It has no production label and Health Department permit so the area of distribution only limited in the surrounding area of owner place, but snack business of second partner (mitra 2) which started from household scale to make use many leisure time that they got gradually emerge to be a significant business that able to add income with large and interesting business opportunity. Level of education from both partners are graduates (S1) with age ranging from 45 – 50 years old. Both of them are making this business activity from 2005 until today, they do not have any formal financial reports, meaning that their business income directly use for their daily expenses.

### **The Influence of Longer Storage Time**

Study activities that carry on by Science and Technology for People (IbM) has a purpose to solve many problems of both partners, such as making a counselling, co-assist and equipment reinforcement, making approaches, explain planning of IbM program, engage coordination with related department, helping to realize crispy chicken and salty fish products to have a cutting edge technology. The result of these activities show that these two partners, located in Tunjungsekar District Lowokwaru Region of Malang City are capable to accept and apply the given technology to their products. Both of them have been established a good manufacturing practices principle according to the IBM standard below:

#### ***The Longer Storage Time***

Crispy chicken and crispy salty fish are product with short storage time. Two partners of these products are equip with skill in making production plan to satisfy the market demand, and making product diversification that align with market demand. A limited distribution area make these products can not sold out. The producer can suffer great loss because product does not have a longer storage time.

#### ***Increasing Product Quality by Package Repairment***

Packaging is the first attribute that influence consumer to buy a product, a good package must come in accordance with the type of product, also by packaging process that interesting in the eye of consumers. Both partners, crispy chicken and crispy salty fish owner are given training to

increase good knowledge ability about packaging and labelling of food product. A good package for food product must contain information about ingredients of raw material, expire date, nutrition chart with their nutrition value (Angka Kecukupan Gizi: AKG), producer's name, halal label, netto weight, registration number of their industry (P-IRT). In looking for market expansion to make the higher production capacity can be fully absorb by the market, two partners must find another business partner and make a joint agreement in marketing their products. Particularly to sell their product out from their own neighborhood. Mr. Bambang as The Chief of Tunjungsekar District has been very supportive and able to make an agreement with local supermarket Indomaret and Alfamart to give a space in their outlet that available for selling many housemade products with superior quality from their local people.

### ***The Training of Good Manufacturing Practices ( GMP)***

Good Manufacturing Practices (GMP) is a guideline for food industries to produce a good and healthy products. GMP is a combination of manufacturing and practical management which has purpose to assure the food product is consistent with specification requirements according to consumers expectation.

### ***Training of Preservation Process of Crispy Chicken and Crispy Salty Fish Products***

Training of good production process exercise on first partner (mitra 1) crispy chicken product and second partner (mitra 2) crispy salty fish product in Tunjungsekar District of Malang City on 10<sup>th</sup> July 2014. The purpose was to increase the skill and knowledge ability for both partners. This training attended by 50 people which consisted of both partners, local government, food business owner and local society. Theme of this training was preservation process for crispy chicken and crispy salty fish with keynote speaker Prof. Dr. Djulilah Zain, a microbusiness expert from Brawijaya University. This training was held for three hours, started by explanation and continue with interactive dialogue, support both partners to make innovation by creating new flavours for crispy chicken and crispy salty fish products. The co-assist activity has theme about business management, creating innovation to make products not easy to tear or stale, and has high hygienity level per each. At the end of this training both partner were received several tools; seller, plastic wrapper for product outcome and label.

### ***The Co-assist Activity for Production Process of Crispy Chicken and Crispy Salty Fish***

Co-assist activity for production process of crispy chicken and crispy salty fish was made to help and guarantee that production process use diligent manner in consideration of social responsibility, do not use preservatives substances and product is healthy for people

consumption. From observation activity shows that production process had been correctly made and fulfill the requirement of Good Manufacturing Practices. Both partners (mitra 1 & mitra 2) understood the correct and good production process for crispy chicken and crispy salty fish product. Ingredients used in their product are fulfill food safety and hygienic requirements. The selection of raw material for these products were done consistently to ensure product quality therefore it can be assure from hygienity point of view. Sanitation standard is done correctly as seen from the production location and their production process. Amount of production before co-assist for crispy chicken was 300 packs per day with price Rp. 2.000,-. Income money 300 packs multiply by Rp.2.000,- equal to Rp. 600.000,-. Profit money was 50 % multiply by Rp. 600.000,- equal to Rp. 300.000,-. After co-assist the production is increase in to 450 packs/day multiply by Rp. 2000,- equal to Rp. 900.000,-. Profit money is 50 % multiply by Rp. 900.000,- equal to Rp. 450.000,-. The lenght from production time to packing time is five hours starting from 02.00 – 7.00 a.m with four employees. At 8.00 a.m the product is ready to deliver to ten schools to be consume by students at their breaktime. Amount of production before co-assist for crispy salty fish was 150 packs per day, with price Rp. 1.500,-. Income money 150 packs multiply by Rp. 1.500,- equals to Rp. 225.000,-. Profit money 50 % from Rp. 225.000,- equals to Rp. 112.500,-. After co-assist the production is increase until the profit money from crispy salty fish product is 50 % multiply by Rp. 450.000,- equals to Rp. 225.000,-. The lenght of production time is three hours starting from 3.00 – 6.00 p.m by using three employees. After the product is pack crispy salty fish is ready to market on the next day. The impact from training into production outcome of both partners are as follow:

Table 1 : Production Before and After Training

Description	Amount of Production Before Co-assist	Selling Omzet/ Day (Rp).	Income /day (Rp).	Amount of Production After Co-assist	Selling Omzet/ Day (Rp).	Income /day (Rp).
Crispy Chicken	300 packs	2.000	600.000	450 packs	2.000	900.000
Crispy Salty Fish	150 packs	1.500	225.000	300 packs	1.500	450.000

### **Marketing of Crispy Chicken and Crispy Salty Fish Products**

Effort to expand the marketing range of the crispy chicken and crispy salty fish products is made by introduce the products to local society, nearest shops, elementary schools, junior high schools, and senior high schools. Effort to further expand the market range made by introduce these crispy chicken and crispy salty fish through product exhibitions that held by the

government of Malang City, maintain old customers and seek new customers, and making further introduction of these products to society. Marketing activity is made through drop by system (*sistem penitipan*) and profit will be divide into half with the shop owners. The price of crispy chicken product is Rp. 2.000,- and re sell with price Rp. 2.500,- . Meanwhile for crispy salty fish product, the price is Rp. 1.500,- and re sell with price Rp.2.000,-. System of payment is a consignment system which calculate income based on the amount of product selling. This system is commonly used in society. The shorter marketing chain will give bigger revenue to the producers of crispy chicken and crispy salty fish. All this time the complaint from producers were limited marketing range and the short storage time. So, if the product was not sold out, they became stale and producers suffer a loss. The lackness of ability about good manufacturing practices make the product has a short storage time.

### **IMPLICATIONS OF STUDY**

Based on this study shows that the longer storage time, package repairment, Good Manufacturing Practices (GMP), product preservation, co-assist activity, good production process and the marketing of these products will have significant influence for the income of crispy chicken and crispy salty fish producers. Therefore, there is a need to make a joint agreement between university, government, and society to work together in increasing the welfare of our society. Able to absorp many job seekers, reduce number of unemployment, increase the income and welfare of the society has been made by micro industry group of crispy chicken and crispy salty fish producers.

### **CONCLUSION**

The longer storage time, repairment in product package, conducting Good Manufacturing Practices (GMP), good preservation of these products, co-assist of production process and marketing of these products have influence the income of crispy chicken and crispy salty fish producers in Tunjungsekar District of Malang City. However, crispy chicken and crispy salty fish products are food products that produce in traditional way, therefore the gained revenue relatively small. In a future time, the writer expect these products can be manufacture in a professional way. Also, there is a need to present another researcher who can co assist regularly. Increasing the skill ability to produce crispy chicken and crispy salty fish that eliminate Monosodium Glutamate (MSG) inside the ingredients for the crispy taste and substitute by small shrimps and lime leaves. Also the ability to apply the Good Manufacturing Practices (GMP) guideline to assure the safety and hygienity of the food products. On the other hand, this

research was limited by its sample size which is only two groups and they run their business for less than two years.

## **ACKNOWLEDGEMENT**

This study was partly supported by DP2M DIKTI. Many thanks are due to official staff of Tunjungsekar District and *Kelompok Informasi Masyarakat Lestari* (Information Society Group) for their valuable assistance and support.

## **REFERENCES**

- Prihatminingtyas, B. 2005. The Influence of Ability to Work Performance and Its Impact on Work Satisfaction. *Social Science Journals LPPM*, Brawijaya University, Vol.17 2005, page 216-224.
- Prihatminingtyas, B. 2010. Anaysis of Factors that influence the work performance of small businesses management by wemen in Malang City. *Dissertation Merdeka University, Malang*.2010
- Prihatminingtyas, B. R.Y Susanto, Sandy Budi Wibowo. 2014 The development of and beverage industry based on people economic into good local industry, *Journal of economocs and sustainable development* Vol 5. No 23, 2014, page 32-38