

## BUSINESS LEGAL ASSISTANCE AND IMPROVEMENT OF PRODUCT PACKAGING 'BANGRENG CRACKERS WAGIR BU WATI' IN THE FRAMEWORK OF MSME DIGITAL TRANSFORMATION

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### Abstract

Business legal assistance and packaging improvement activities are part of the entrepreneurship thematic Community Service (CS) activity which was carried out in a hybrid way in Wado Village, Wado District, Sumedang Regency. The organizers of the activity consisted of four students and one supervisor. The CS locations are chosen to meet the needs of entrepreneurship growth in the Sumedang area, which are based on a variety of natural and human resources. The development activities of Micro, Small and Medium Enterprises (MSMEs) objective is to increase the economic development of SMEs in Wado Village. This also used as a means of reintroducing Bangreng cracker which are the hallmark of Sumedang, especially in Wado Village. The method of implementing PPM activities uses a participatory approach and data collection is carried out through observation and interviews for 1 month. The activity also involves collaboration between universities, Bappeda Sumedang, the Cooperative and SMES Services of Sumedang Regency. The findings of the initial identification revealed that SMEs face difficulty in understanding bussiness permissions such as Bussiness Permit Number (NIB) and Home Industry Food Production Certificate (SP-PIRT). The special benefit of this socialization and assistance of business licensing showed that SME Crackers Bangreng Wagir bu Wati has received Food Safety Counseling training, NIB permit, SP-PIRT, as well as good and esthetic packaging. Generally, the assistance and development of SME products is very useful for the progress of SMEs in welcoming the digital transformation of SMEs to support SMEs "Sumedang Goes Digital" program.

**Keywords:** *Mentoring; Business Legality; Packaging; Bangreng crackers, Wado SME*

### PENDAHULUAN

Changes in governance in Indonesia from centralized to more decentralized have occurred since two decades ago. This shift does not only change the pattern of relations between the central government and the regions, but also has implications for implementing government management. In the context of village governance, with the enactment of the latest Law no. 6 of 2014 concerning Villages, raised various responses from many elements. The basic thing being discussed was the distribution or sharing of power from the center to the village level. Another thing that was discussed was the existence of 10% APBN funds which the government would disburse for each village. Each village in Indonesia would get more than \$1 billion under the current state budget, which is undeniably a breath of fresh

air for the local government. The fact that there are such significant sums of money in the community, however, is also problematic because it is anticipated that this would attract corrupt individuals. If good village governance is not used when implementing village governance, it will show up at the village level.

One of the strategic efforts in encouraging the economic productivity of rural communities is the development of Micro, Small and Medium Enterprises (MSME). MSMEs according to Law Number 20 of 2008 are defined as productive firms in the economy owned by people or firms who are not huge corporation subsidiaries or branches (Pemerintah Republik Indonesia, 2008). MSMEs are businesses that can improve employment possibilities, offer a wide range of economic services to the community, contribute to equity by

raising people's incomes, promoting economic growth, and assisting in achieving national stability. MSMEs play a significant role in the development of a country, specifically in the areas of employment, income distribution, rural economic development, increasing non-oil and gas exports, and Gross Domestic Product (GDP) growth. The general characteristics of a family-owned business, the use of technology that is still relatively simple, and the lack of a separation between business capital and other problems that may later arise are limited capital are all characteristics of MSMEs, which are also businesses that are able to survive in the midst of an economic crisis and are carried out with the aim of increasing income.

Based on the results of observations, discussions, and secondary data analysis (Imanudin, 2015), Wado village, located in North Sumedang, has a good chance of economic success. According to the average livelihood information provided by the primary data sources, the majority of Wado Village's population worked in the agricultural sector in 2014, both as farmers and farm laborers.

When compared to other sectors, this one is largely dominating the work of the Wado Village population. The trade sector comes in second, followed by other industries including construction, transportation, and services. Agricultural land in the form of productive rice fields, the majority of which have acquired a semi-technical irrigation system, supports the agricultural sector in Wado Village. The major crop, rice, is produced with good productivity in Wado Village's rice fields. Numerous supplementary crops, including corn, cassava, green beans, sweet potatoes, and peanuts, are grown in addition to rice. Additionally, a variety of fruits and vegetables are grown. Just that the Jatigede dam water inundation has resulted in a reduction in the size of the rice fields in Wado Village for the time being. For residents of Wado Village, trading is the primary source of income.

Additionally, Wado village residents are highly understanding in designing their MSME items, according to observational data. Some of them regularly attend trainings to develop their products, including some MSMEs' owners. Some MSME owners, on the other hand, don't comprehend and hardly ever take part in training to develop MSMEs. Wado village is also arguably a village that participates quite actively in MSME seminars so they can develop and introduce their MSME products to people outside Wado village, but it is common for some MSME owners to not

last long in developing their products. This may be because there is competition from outside and the methods for outbound marketing have not been effective. The holding of this activity to grow MSMEs might serve as a model for MSME owners who wish to continue their work to boost the Wado village economy. Additionally, MSME owners are able to advertise and introduce their MSME products to a larger audience, allowing them to develop and maintain their status as a symbol of Wado Village MSME products. Furthermore, this activity aims to socialize MSMEs so that their enterprises can thrive in the marketplace and grow even further by paying attention to the *product*, *place*, *promotion*, and *price* of the goods on offer. Additionally, it is believed that Wado village's MSME actors will be able to sustain their operations despite increased competition. Several studies on the development of cracker MSMEs have previously been carried out in various regions in Indonesia including the business governance approach from a financial, operations/production and marketing perspective (Puspita et al., 2020), 3P strategies, namely Licensing, Simple Bookkeeping, and Packaging (Suhardiyah et al., 2020), SWOT analysis approach (Wahyuddin et al., 2021), product diversification (Agustini, 2021), branding and packaging selection (Irawan & Affan, 2020), operational risk identification (Haryani et al., 2022), improvement of packaging technology (Surhaini et al., 2019), branding and product innovation (Ula et al., 2020). According to a study (Suprpto & Azizi, 2020) the attributes of halal labels and permit labels from the Health Office-P-IRT do not affect consumer decisions to buy fish crackers; instead, it is the product packaging element that has a significant impact.

A popular Sumedang snack called bangreng crackers used to only be available during performances of the Jaipong art form known as bangreng. However, bangreng crackers have evolved with the times to become a versatile snack meal. Bangreng crackers are manufactured from tapioca flour, shrimp paste, water, then allowed to stand for 1-3 days (depending on the weather, the dry season is preferable), and fried differently from ordinary cracker frying. In order to draw customer, bangreng crackers are designed in small shape, pink in color, and wrapped in colorful wajit paper. In ancient times, bangreng crackers were stuffed to about 2 meters in length and wrapped in vibrant wajit paper. Bangreng crackers are crackers that have historical value and local wisdom for the Sumedang community (Kusumah, 2020).

Bangreng cracker bu Wati already has a quality product. It just has to grow in terms of

licensing, specifically the SP-PIRT label and packaging enhancements from the type of packaging, packaging shape, packaging motifs, and packaging colors, in order to appeal to a larger range of consumers. As a result, the Bangreng Bu Wati cracker MSME business's legality and innovative product packaging are the focus of this PPM activity.

### METHOD OF IMPLEMENTATION

The community service program's application process employs a participatory approach that partially draws on transformative research. Primary and secondary data gathering, observation, interviews, field visits, technical guidance, and focus group discussions are some of the methods utilized to carry out the activities.

Implementation of activities using hybrid method, namely a combination of offline located in Wado Village and online (daring) using *Zoom Meeting*, *Trello*, and *Google Classroom media*.

From November 1 through December 5, 2021, the PPM team visited Wado village and conducted a series of interviews and in-person observations. The problem analysis and planning phases of this PPM activity are completed using primary and secondary data from diverse sources..

Business actors attended a training session regarding *Pelatihan Penyuluhan Keamanan Pangan (Food Safety Training)*, *P-IRT (Home Industry Food) permits* and *Pelatihan Laik Sehat (Healthy Worth training)* on 24-25 November 2021 at Regol Wetan, South Sumedang. This event was attended by approximately 60 business actors (MSMEs) from all villages assisted by PPM Universitas Padjadjaran. The training includes making a business identification number (NIB), briefing on the stages of product promotion, planning a business plan to increase profits for each MSME, and direct marketing counseling to the market or buyers.

This project is called MSME bangreng cracker Wagir bu Wati. The goal of Community Service (PPM) implementation is to enhance public interest in Bangreng crackers, expand marketing, and boost sales value and profits for Bangreng Cracker MSME business players. This activity will focus on implementing some creative innovations and testing the market for taste and texture. The flow diagram of this activity is shown in Figure 1.

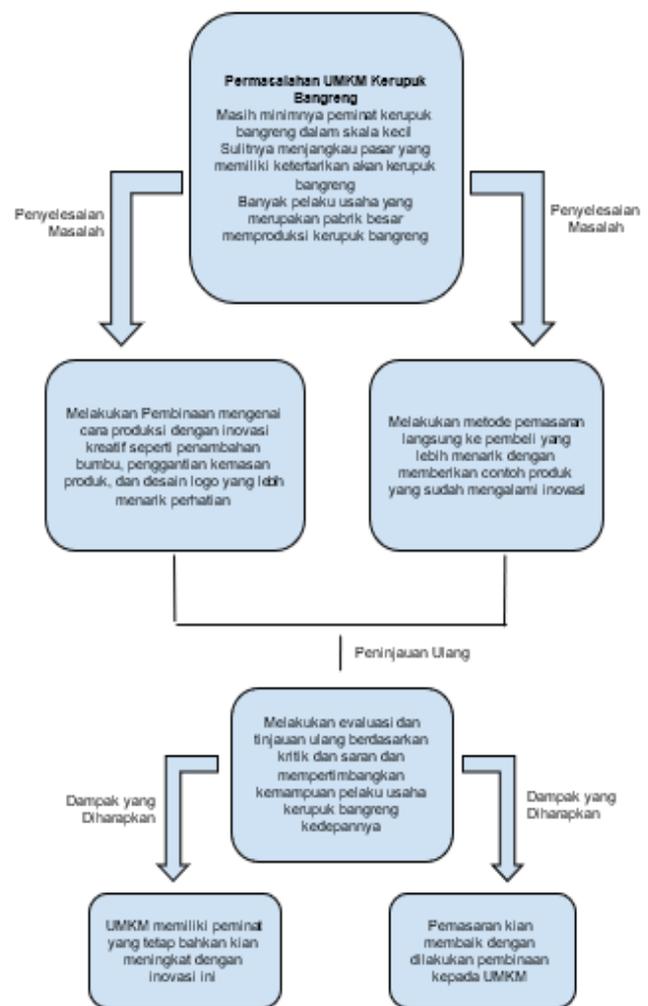


Figure 1. Flow of Community Service Activities Crackers MSMEs Bangreng

At the initial socialization stage (Figure 2), interview problems were conducted with the Bangreng Cracker MSME business actors. Through this stage, the authors plan to solve problems from existing problems by coordinating with village mentors and business actors to find solutions that are in accordance with environmental conditions, business actors' abilities, and market interest in bangreng crackers (Figure 3). Because the development of this innovation will continue to be used, the authors need to consider the costs, energy, and opportunities that exist by conducting a review in order to obtain an application that is in line with expectations.

By innovating in a number of areas, including flavoring, packaging, and adding content to the packaging label, the PPM team worked to produce Bangreng Cracker SMEs. This is done based on the experience of MSME actors regarding the intense competition between MSMEs and factories that have the capacity to

produce more, therefore a novel approach is required to entice MSMEs to create and market Bangreng crackers.



Figure 2. Initial socialization to MSME owners



Figure 3. Bangreng Crackers Products

## RESULTS AND DISCUSSIONS

### Mapping the potential of Wado village

Wado Village has been formed since 1910. So, Wado Village has existed since the Dutch colonial era, and at that time it was led by Mr. Antisah as the Village Head. Based on data from Wado District in 2015 Figures issued by the Central Statistics Agency (BPS) of Sumedang Regency, in 2014 Wado Village had the status of an urban area with a classification as a self-funded village. Topographically, the Wado Village area is in an area with a land surface in the form of plains. The elevation of the area where the village office is located is 272 meters above sea level. When viewed using Google Maps, the Wado Village area is in the northern part of the Wado District which covers the district government center. The contours of the area are plains. The land area of Wado Village is dominated by residential areas, especially in the middle and southwest corner of the area. Rice fields are located on the east side from the north to the south end and the west side adjacent to the Cimanuk River flow. With the irrigation of the Jatigede dam, the Wado Village area is one of the affected areas. The northern part of Wado Village is a flooded area for the Jatigede

dam. In general, Wado village has adequate economic potential, seen from its livelihood sector, namely agriculture and trade. The average Wado village community trades in the market or owns an SRC. MSMEs in Wado village are also a special concern in this activity.

### Assistance in the Legality of Bangreng Cracker SMEs Business

Based on the analysis of the situation and problems faced by the Bangreng cracker MSME owners in Wado village, there are several solutions offered. The solution offered by PPM students from Padjadjaran University is to develop Bangreng cracker SMEs in the provision of flavoring, packaging, application of a more complete and attractive logo design, as well as conducting marketing or market tests to attract buyers' attention. Mentoring activities are first carried out by assisting the flow of the production process, in addition to conducting interviews and inputting MSME data into the OSS web to obtain a Business Identification Number (Figure 4).



Figure 4. Assistance in the production flow and input of MSME data to the OSS website

In developing the Bangreng cracker Micro, Small and Medium Enterprises (MSMEs), several obstacles were found, such as: continuous rain, this resulted in the drying of crackers rainy season (like this case) then the drying is carried out for 1-4 days. NIB 2411210003573 (Figure 5). The second week of activities for UMKM bangreng participated in the Food Safety Extension Training (PKP) held by Padjadjaran University in collaboration with the Sumedang District Health Office. This PKP certificate (Figure 6) is a prerequisite for the second stage of legalization, namely PIRT. The output of the next MSME assistance activity is obtaining the legality of the Bangreng Wagir Bu Wati PIRT PIRT with SP-PIRT No. 2053211010026-26 (Figure 7) and a location pin on Google Map (Figure 8).

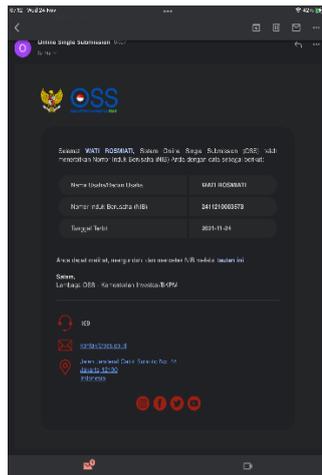


Figure 5. MSME Crackers Bangreng has been registered on the OSS website



Figure 8. MSME Location Pin on Google Map



Figure 6. PKP Certificate for MSME Crackers Bangreng Wagir Mrs. Wati



Figure 7. Certificate of Production PIRT MSME

For the implementation of the review, the PPM team controls marketing activities by coordinating with business actors, from productivity to profits. This review aims to improve products, attract buyers, and extend the length of business, in order to get an impact in the form of MSME Crackers Bangreng having increasing interest and a marketing system that is gradually progressing through coaching, training, and coordination with business actors. In addition, this activity discusses one by one related to the importance of packaging of a product to attract consumers' attention, tips on making attractive packaging, giving examples of packaging from other related MSMEs. The PPM team also had the opportunity to provide packaging equipments to MSMEs (Figure 9).



Figure 9. Delivery of packaging equipment

### Product Packaging Development and Innovation

In order to prepare products that are ready to go digital, improvements are also made to the packaging of bangreng crackers. The packaging of Bangreng crackers before the innovation (Figure 10) was wrapped in ice plastic and the ends were

attached with the help of a candle flame. The inclusion of shrimp paste in the bangreng bu wati cracker's recipe gives the crackers a pink color. There are just original tastes available. The price is very cheap for 5 pieces of small plastic packaging priced at IDR 2,000, and there is no packaging label. A standing pouch with full color lamination and an aluminum foil package with ziplock, size 15 cm x 20 cm with a net weight unit of 60 grams was used by the PPM team to optimize packing. Additionally, a new logo, composition details, net weight, and flavor variant are added to the packaging label. The PIRT number is also included on the packaging label along with a choice of bangreng cracker flavors, namely original taste, spicy taste, sweet corn flavor and balado flavor (Figure 11). The price of a new package of Bangreng crackers is IDR. 9.000,- per pack. The provision of various flavors is expected to increase the bangreng cracker market segment which was previously only liked by adults, so with this innovation, teenage and child consumers are also the next sales target.



Figure 10. Bangreng crackers before innovation



Figure 11. Bangreng cracker packaging after innovation

Through mentoring activities (Figure 12) for one month, the MSMEs of Sumedang Regency, especially the MSMEs of Crackers Bangreng bu Wati can upgrade to class and are ready to go digital market.



Figure 12. PPM Team with Business Actors

The expected impact of this activity is that business actors will recognized the value of product innovation and business legality and will use these concepts in accordance with their respective business needs. Hopefully, Bu Wagir's bangreng wagir cracker business in Wado Village will get better quality and increase productivity. All documentation for mentoring activities is uploaded to a youtube video with the link <https://www.youtube.com/watch?v=-FYdTOWM4IA> (Figure 13).



Figure 13. Youtube PPM SME mentoring activities

## CONCLUSION

Based on the results and discussions that have been described, the authors conclude several things, as follows:

1. Innovating on taste and packaging, as well as creating a more attractive logo, is one technique for growing Bangreng Crackers SMEs.
2. To innovate, flavorings are added to products to draw customers' attention. Given the wide variety of flavors available in today's wet food products and snacks, adding this flavored spice stimulates consumers to keep buying them because they taste more savory and delicious.
3. The packaging replacement innovation is carried out to extend the shelf life and

prevent tough crackers if they are kept at room temperature for an extended period of time. Therefore, the authors innovate to replace transparent plastic packaging with aluminum foil package with ziplock cover so that it may be closed after consumption.

4. To give customers more communicative information about the weight, composition, and taste varieties that correspond to the flavors in the package, the logo design on the packaging for bangreng crackers was updated.
5. The PPM team has conducted pre-market research and promoted bangreng crackers to the Wado Village population, which includes adults, teenagers, and children. The findings showed that bangreng crackers that had completed the innovation stage were extremely attractive to consumers.

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