Unveiling The Potential of Culinary Msme’s in Batam Through Precision Training Need Analysis

Mutia Ulfah, Eddo Nanda Oktarici, Alrido Martha Devano, Nadia Fathurrahmi Lawita, Ancala Laras Putri, Nova Sabrina, Siti Nurhasanah, Muhammad Barat van Vasten, May Sarah, Alyssia Rahmadhani, Fransiska Elsa

Politeknik Negeri Batam
Business Management Department
Jl. Ahmad Yani, Batam Centre, Batam 29461, Indonesia
E-mail: mutiaulfah@polibatam.ac.id

Abstract

This research aims to design an effective and targeted training program to uncover the skill and knowledge needs of Culinary MSMEs in Batam. The study adopts a qualitative descriptive research approach, with Culinary MSMEs in Batam, serving as the informants. The research was conducted from August to November 2023, involving Bizhub Polibatam, Faculty Members, and Project Based Learning students from Department of Business Management. The research findings will be utilized as a reference by Bizhub Polibatam in developing relevant training programs to enhance the competitiveness of Culinary MSMEs in Batam, thereby contributing positively to local economic growth. The pressing training needs identified for Culinary MSMEs in Batam include Marketing and Digitalization Training, as well as Financial Management, preferably conducted in-person through seminars or workshops with a duration of 1-3 days.

Keywords: MSME, Training Need Analysis, Competitiveness

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) distinctly emerge as the main locomotive in the country’s economic activities. As a sector of enterprise surpassing others in sheer abundance, MSMEs inherently wield a profoundly significant role in steering the trajectory of Indonesia's economic advancement. According to the 2021 statistics from the Ministry of Cooperatives and SMEs, the consequential contribution of MSMEs is underscored by a commanding 61% share in the national Gross Domestic Product (GDP) and a formidable 16.65% to the overall national export revenues.

MSMEs have unequivocally emerged as the linchpin of Indonesia's foundational economic framework. MSMEs demonstrate their societal impact by absorbing a staggering 97% of the total labor force in Indonesia, further solidifying their pivotal role in the intricate tapestry of the nation's economic landscape.
Serving as the cornerstone of the nation's economic edifice, MSMEs reign as the paramount contributor to the Gross Domestic Product (GDP), the preeminent absorber of labor, and exhibit a commendable resilience to financial vicissitudes. This sector, often regarded as the primary locomotive propelling a country's economy, despite its resilient and auspicious nature, remains susceptible to the repercussions of the ongoing global pandemic.

As elucidated by Teten Masduki - the Minister of Cooperatives & SMEs - the culinary sector has demonstrated an unexpectedly swift recuperation from the downturn imposed by the pandemic. (Republika, 2022).

The realm of Indonesian Culinary MSMEs unfolds with substantial prospects awaiting further development. The conspicuous tapestry of culinary diversity emerges as a veritable treasure for Indonesia, showcasing an array of flavors and gastronomic expressions. Indonesian Culinary MSMEs continually undergo evolution, not solely in the realm of diverse and unique taste profiles but also in the adept incorporation of technology.

Survey data released by the BPS in June 2022 illuminates the landscape of the culinary industry in Indonesia, revealing the presence of 11,223 culinary establishments scattered across the archipelago in the year 2020. Within this intricate mosaic, 71.65% manifest as restaurants or eateries, 2.40% as catering businesses, and the residual 25.95% encompass diverse other classifications (Goodstats, 2022).

Amidst this culinary panorama, the city of Batam stands out, experiencing a notable surge in the growth of MSMEs in recent years. Batam strategically positions the Culinary MSMEs sector not only as an integral facet of regional economic expansion but also in tandem with the burgeoning industrial sector. A testament to the sector's significance, Sandiaga Uno, the Minister of Tourism and Creative Economy of Indonesia, asserts that the culinary domain serves as a locomotive propelling the renaissance of Indonesia's creative industry (Nurmala, 2022).

Several countries in the Asian continent, such as Thailand, Korea, Japan, and Malaysia, have already substantiated the enhancement of local economies through the implementation of gastrodiplomacy policies. Trade diplomacy, executed via gastrodiplomacy, extends beyond the mere introduction of the country's culinary distinctiveness; it also actively elevates cultural values and propels economic growth through the exportation of food products and the tourism sector (Setkab.go.id, 2017).

Indonesia, in a parallel vein, has the capacity to emulate such strategies through the cultivation of distinctive Indonesian Culinary MSMEs. This proactive approach not only holds the potential for widespread introduction but also specifically positions Culinary MSME in Batam, with their diverse culinary offerings, as a noteworthy participant in this gastronomic evolution.

The burgeoning potential of the Culinary MSMEs sector in Batam is poised for an upward trajectory, mirroring the resurgence of mobility and recreational commerce post-pandemic. Furthermore, the strategic geographic nexus of Batam, situated at the confluence of Malaysia and Singapore, positions the city as an influential catalyst for economic growth, particularly through the culinary sector. This prognosis is fortified by Batam's rich and diverse culinary landscape, underscoring its capacity to be a pivotal driver of economic expansion in the region.

Despite representing substantial potential in terms of numerical strength and contributing significantly to national economic growth, numerous Culinary MSMEs, particularly those situated in Batam, grapple with a myriad of challenges impeding their operational efficacy. In order to endure and thrive, these Culinary MSMEs necessitate the cultivation of sustainable competitiveness and a commitment to innovation. Insight garnered from on-site observations, stemming from a preliminary survey undertaken by the proposing team across various Culinary MSMEs in Batam, brings to light the prevailing existence of discernible skill and knowledge gaps among MSME practitioners. This identified gap emerges as a formidable inhibiting factor for Culinary MSME operators, constraining their ability to adeptly navigate the complexities inherent in the management of their enterprises.

Notwithstanding its critical importance, the realm of research concerning the training needs of MSMEs remains markedly constrained. A plethora of studies meticulously dissects the training requisites of expansive corporate entities and governmental institutions, yet a conspicuous dearth exists in scrutinizing the exigencies of MSMEs.

This conspicuous lacuna underscores a discernible gap in comprehending and fortifying the developmental and training trajectories for MSMEs. In practical terms, the training initiatives accessible to MSMEs often encounter constraints stemming from limited human resources and constrained financial allocations. A disconcerting reality prevails wherein not all MSME operators enjoy the privilege of access to educational and training platforms germane to effective business management.

Hence, a comprehensive exploration into the discernment of training needs for MSMEs becomes imperative, offering profound insights into the multifaceted challenges encountered and ushering forth best practices that can serve as linchpins for the robust development of MSMEs. This research aligns seamlessly with the strategic direction of the Center of
Excellence in Business & Community Services (Bizhub Polibatam).

2. Literature Review

Analysis of Training Material Needs for Micro, Small, and Medium Enterprises (MSMEs) in Ternate (Ahmad, 2022) focuses on the training needs of MSMEs practitioners in Ternate. The identified training needs include financial management, marketing strategy, product packaging training, and direct benchmarking with successful MSMEs.

Analysis of Entrepreneurship Training Needs: An Endeavor towards Economic Empowerment for Individuals with Disabilities (Aprilia, 2019) highlighted three main training areas to stimulate economic independence, particularly in entrepreneurship for people with disabilities. The identified needs are character training, entrepreneurship training, and digital marketing preparation.

Analysis of MSME Development Program by PT Lima Pondasi Bersama (Hudiyono, 2022) emphasized that the development of MSMEs in Indonesia requires support from various parties, including regulators and other stakeholders. The focus is on enhancing the skills and capacities of MSMEs.

Skill training and endeavors for MSME Development in East Java (Yuwinanto, 2018) suggests that MSMEs practitioners in various regions generally lack economic and social capital. The needed skills for supporting product innovation and reliable production of quality and standardized products are often not well-mastered by MSMEs practitioners. Many MSMEs practitioners still rely on traditional and conventional skills that may not align with market needs, hindering their ability to compete nationally and internationally.

These studies underscore the imperative of customized training initiatives tailored to meet the multifaceted requirements of MSMEs across varied geographical locales and sectors. The identified training domains encompass financial acumen, strategic marketing, product packaging methodologies, character development, entrepreneurial skills, and the nuances of digital marketing. Furthermore, there is an acknowledged imperative to augment the proficiency of MSMEs practitioners, equipping them to not only align with market exigencies but also to compete with efficacy in the dynamic business landscape.

3. Research Methods

This research adopts a qualitative descriptive research methodology. Qualitative approaches aid researchers in identifying phenomena rather than quantifying them. The employed techniques encompass observation, in-depth interviews, and Focus Group Discussion (FGD). In qualitative research, participants are referred to not as respondents but as informants or sources. The selection of informants for this study was done through purposive sampling, a technique that allows for the deliberate and purposeful selection of participants based on specific criteria.

The informants are Culinary MSMEs in Batam, adhering to the following criteria: Classified under the Standard Indonesian Field Classification (KBLI) 56 and its derivatives, domiciled and operational in Batam for a minimum of 1 (one) year.

To undertake an assessment of the training and mentoring requirements for MSMEs, the initiative unfolds across three distinctive phases: information gathering, information analysis, and the formulation of a comprehensive training plan. (Barbazette, 2006). The information gathering phase entails the meticulous collection of data pertinent to the prevailing conditions of MSMEs in Batam, encompassing facets of their business operations and the challenges encountered by MSMEs. The designated instrument for this process is a meticulously crafted observation sheet intended for direct completion by practitioners within the culinary sector.

The observation sheet comprises 11 questions, intricately crafted to encompass both open-ended and closed-ended questions. This approach is implemented to facilitate respondents in navigating the questions, recognizing the diverse backgrounds of MSMEs practitioners. The posed inquiries revolve around the MSMEs participants’ engagement levels in training activities, the willingness of MSMEs entities to partake in training and mentorship initiatives, the primary challenges confronting MSMEs, the types of training deemed as solutions to these challenges, and the impediments frequently encountered by MSMEs in participating in training programs and mentorship initiatives.

While the researcher predetermines the potential responses, respondents are afforded the opportunity to provide alternative answers beyond the predetermined options. Due to the unascertained quantity of Culinary MSMEs in Batam, the researcher has taken the initiative to disseminate observation sheet randomly among informants who meet the specified criteria. The objective is to reach a minimum of 100 informants falling within the ambit of the Standard Indonesian Field Classification (KBLI) 56 and its derivatives.

Following the processing of observational findings, the research endeavors further with the application of an in-depth interview approach, aiming to delve into phenomena or address inquiries. These interviews are conducted with informants to corroborate and
enhance the insights garnered from the observational paper. Subsequent to the initial findings, follow-up questions are strategically posed to unveil and elucidate the nuanced intricacies between the needs and capabilities of the informants—MSMEs practitioners overseeing their respective businesses. In-depth interviews allow researchers to explore in greater detail the thoughts and actions of the interviewees, their perspectives on situations, the motives behind specific activities, and the extent of their knowledge.

The subsequent phase in this research entails the implementation of Focus Group Discussions (FGD). This method involves assembling informants who share analogous characteristics, facilitating an in-depth exploration of their perceptions regarding the challenges and predicaments commonly faced in the course of their business operations and in adherence to prevailing business policies, at least 20 informants will be gathered for FGD. FGD serves the purpose of methodically reconstructing the authentic social communication process, thereby eliciting a diverse array of opinions from the assembled informants throughout the course of the discussion.

Upon the culmination of information gathering, the subsequent phase entails a comprehensive data analysis. The final phase of this research involves creating a training plan for culinary MSME practitioners.

4. Results and Discussion

Drawing insights from the processed data, information regarding the general profile of the respondents is garnered, serving as a reference for comprehending the characteristics of individuals who will act as informants in the research. The respondents in this research are culinary MSMEs practitioners in Batam, comprising 150 participants. These MSMEs entities operate in the culinary domain, specifically within the realm of personal enterprises as opposed to franchise operations, and carry out their production activities within the confines of Batam.

<table>
<thead>
<tr>
<th>TABLE 1. OVERVIEW OF INFORMANTS</th>
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<tbody>
<tr>
<td>CHARACTERISTIC</td>
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<td>Business Tenure</td>
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<td>&lt;1 year</td>
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<td>1-3 years</td>
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<td>&gt;3 years</td>
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<tr>
<td>Number of Employees</td>
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<td>Solo Operation (Performed Independently)</td>
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<td>1-3 employees</td>
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<td>4-6 employees</td>
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<td>&gt;7 employees</td>
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<td>Assisted by friends and family members</td>
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<tr>
<td>Business Turnover</td>
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<td>&lt;10 million per month</td>
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<td>10-15 million per month</td>
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<td>Business Legality</td>
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<td>No NIB yet</td>
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<td>Already has an NIB</td>
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<td>Halal Certification</td>
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<td>No Halal Certification yet</td>
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<td>Already possesses Halal Certification</td>
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Source: Processed Data, 2023

The majority of informants, comprising 42%, are proprietors of Culinary MSMEs. They are relatively new entrants in the business landscape, venturing into entrepreneurship through trial and error. Most Culinary MSMEs claim to run their businesses independently without employees. In cases where they do have employees, the number is typically limited to 1-2 individuals, managed through a rotating shift system to minimize operational costs. Nearly all Culinary MSMEs acknowledge the absence of business legality or halal certification for their products, primarily due to their monthly business turnover being below 10 million rupiahs. Those Culinary MSMEs entities that have obtained business legality and halal certification are predominantly the ones that have been in operation for more than three years. This indicates a correlation between the possession of legal permits and halal certifications with the level of experience and sustainability of Culinary MSMEs operations in Batam.

The Culinary MSMEs in Batam, subjects of this research, have predominantly undergone diverse training sessions previously. These encompass training in packaging and labeling, export-import procedures, business management, and various other training initiatives organized by the Department of Industry and Trade in Batam. Notably, when it comes to training sessions focused on digital marketing, the majority of Culinary MSMEs indicated their involvement was primarily limited to awareness sessions and digital marketing seminars, which delivered informational content rather than hands-on training.

In the course of interviews and Focus Group Discussions (FGD), particularly among those MSMEs entities that are relatively new to the business, a discernible need for diverse business training is expressed. Surprisingly, even well-established MSMEs exhibit a high level of enthusiasm to partake
in training activities if made available. Often, awareness of training opportunities is overlooked, as some MSMEs do not actively monitor social media or business community WhatsApp groups to which they belong.

94% of the informant acknowledge a strong need for more intensive training activities, particularly for specialized programs aimed at continually elevating the quality and progression of their businesses. This imperative is heightened in light of the challenges encountered by Culinary MSMEs in the past six months, encompassing impediments in marketing and sales, financial management intricacies, and the volatility of production costs.

80% of the informants acknowledge that the most urgent training requirement pertains to marketing and digitalization, while the remaining 20% express a need for financial training focusing on cost calculations, employee remuneration, and overall financial governance. However, a significant impediment faced by the majority of Culinary MSMEs in engaging in training activities pertains to financial constraints, the availability of suitable training programs, and the scheduling of training sessions.

Several of the requisite training programs for Culinary MSMEs in Batam are often conspicuously absent and remain unexecuted within the city, be it in online or offline formats. Faced with prohibitive costs and time constraints, a significant number of MSMEs opt against attending training sessions conducted outside the city. Even when offline training is organized, it tends to be structured as mere material presentations, leaving Culinary MSMEs in Batam feeling that the sessions do not yield substantial benefits, despite their deliberate commitment of time and temporary closure of their businesses for participation.

Derived from interviews and Focus Group Discussions (FGD), a notable 90% of Culinary MSMEs in Batam acknowledge that their paramount training priority revolves around technical guidance for optimizing social media to augment marketing effectiveness, boost sales, and elevate overall business turnover. Many informants in this research encounter challenges in product sales, primarily stemming from a deficient understanding of requisite marketing strategies to reach their target demographic. Additionally, a lack of comprehension regarding the procedures for securing halal certification and a Business Identification Number (NIB) hinders their capacity to leverage online networks for sales, given that halal certification is a standard prerequisite for participation in such platforms.

The second priority in training pertains to financial education. Informants in this research articulate difficulties in navigating financial management resulting from sales activities. The volatility in the cost of goods sold and limited capital presents significant challenges in financial management. A deficient grasp of fundamental financial concepts and strategies often leads to business setbacks. Consequently, many Culinary MSMEs aspire to leverage financial training to gain insights into effective financial management, mitigate financial risks, and proactively address potential financial hurdles, thereby empowering them to make informed decisions. This training assumes critical importance, aligning with previous research by Putri (2023), which advocates for comprehensive financial training encompassing the preparation of financial reports.

This research illuminates the existence of challenges faced by Culinary MSMEs in terms of specific knowledge and competencies, necessitating a diverse array of training sessions. Considering the priority, the requisite training for Culinary MSMEs in Batam currently encompasses marketing and digitalization, aiming to address the prevalent issue of dwindling revenue attributable to gaps in marketing strategies amid the evolving digital marketing landscape over the past 6 months preferably administered online through seminars or technical guidance sessions lasting 1-3 days.

Following the conducted analysis and the mapping of empowerment programs and competency enhancement that can support the growth and development of Culinary MSMEs in Batam, the next crucial step is to design training programs tailored to the priority needs of Culinary MSME practitioners in Batam. These programs should align with the preferences in terms of type and method as determined by the majority of MSMEs.

In consideration of cost, time, and training location constraints, it is hoped that Bizhub Polibatam, as the Center of Excellence for Business & Community Services under the auspices of the Batam State Polytechnic, will assess the feasibility of financing, allocate time, and determine training locations. This will ensure that the designed training programs are precisely targeted.

The proposed training for Culinary MSMEs in Batam, which should be designed and developed by Bizhub Polibatam, includes the following:

(i) Technical guidance on Social Media Optimization through offline training with a duration of 1 day, specifically tailored for Culinary MSMEs who are novices in the digital world, especially those aged above 40 and do not have employees, relying solely on family members.

(ii) Offline workshop on Digital Marketing Strategy with a maximum duration of 3 days for Culinary MSMEs facing challenges and misconceptions...
in terms of branding, marketing, and selling. This is particularly beneficial for both novice and well-established Culinary MSMEs.

(iii) Offline workshop on Financial Literacy and Management for MSMEs with a duration of 1-3 days, focusing on Culinary MSMEs, especially those in the early stages, facing challenges in pricing, transaction recording, and financial management.

Based on that result, an effective training program was designed as below:

a. The "Flavor Craft Mastery" Training Program offers a comprehensive and tailored training program that balances culinary excellence, business strategies, and digital transformation. The investment ensures valuable returns for participants, with long-term impacts on their businesses and the broader culinary MSME community.

b. The "Social Media Optimization Workshop" provides a focused and cost-effective learning opportunity for Culinary MSMEs. Participants gain immediate takeaways to enhance their social media presence, leading to increased engagement, visibility, and long-term success.

c. The "Social Media Optimization Seminar" offers a comprehensive and interactive learning experience for Culinary MSMEs. Participants gain practical skills and strategies to elevate their social media presence, leading to increased engagement, visibility, and long-term success.

d. The "Online Social Media Optimization Workshop" provides a comprehensive and interactive learning experience for Culinary MSMEs. Participants gain practical skills and strategies to elevate their social media presence, leading to increased engagement, visibility, and long-term success.

e. The "Digital Marketing Mastery" seminar offers a focused and cost-effective training solution for Culinary MSMEs. Participants gain valuable skills to elevate their digital presence, ultimately contributing to enhanced visibility, customer engagement, and long-term business success.
The long-term impact of Digital Marketing and Social Media Optimization Training provide above are:

- **Consistent Brand Presence**: Culinary MSMEs will establish and maintain a consistent and appealing brand presence across social media platforms. A recognizable brand image contributes to sustained customer loyalty.

- **Strategic Growth Opportunities**: Culinary MSMEs are equipped to leverage social media for strategic growth, tapping into new markets and demographics. Having opportunities for collaborations and partnerships with other culinary businesses and influencers are heightened.

- **Adaptability and Continued Learning**: Continued learning ensures ongoing optimization and relevance in the digital landscape.

Enrolling in the financial training program equips Micro, Small, and Medium Enterprises (MSMEs) with the capacity to refine their financial decision-making skills. This includes the proficiency to establish competitive pricing structures and maintain efficient transaction recording and documentation processes. Crucially, participation in this training empowers MSMEs to adopt superior financial management practices, fostering sustainable business growth. This training opportunity extends group discounts, encompassing comprehensive materials and resources for an enriched learning experience.

As this study is currently confined to the identification of training needs, subsequent research endeavors can delve deeper into analyzing the effectiveness of existing programs related to the development of MSME in Batam.

**Acknowledgment**

This research was funded by Pusat Penelitian dan Pengabdian Masyarakat (P3M) Politeknik Negeri Batam. The opinions express here in this article are those of the authors and do not necessarily reflect the views of funding agency.
Reference


