



Strategy Kejaya Handicraft In Penetrating The International Market

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Abstract: Currently, the presence of UMKM cannot be ruled out or avoided, because their existence is very beneficial in equalizing people's income. Apart from that, it can give birth to creativity that is in line with efforts to preserve and develop elements of tradition and culture of a local community. UMKM have a strategic role in a country's economy. Kejaya Handicraft Banyuwangi makes various kinds of crafts such as bags, fruit holders, trays, cell phone holders, various kinds of souvenirs from natural materials such as banana stems, wood, coconut shells, coconut tapas, bamboo, etc. Kejaya was founded in 1998. Kejaya Handicraft experienced financial risks which had an impact on the company's finances or were often associated with extra costs or loss of company income. In this case, Kejaya Handicraft went bankrupt due to lack of funds and finally chose to borrow assistance from Bank BRI. In 2002, Keyaja Handicraft succeeded in getting buyers from abroad until now. He has buyers from the United States (US), Italy, Malaysia, Jamaica and Hawaii. Apart from that, the turning point for Ibien's business was again when a domestic order emerged, namely Jakarta, when he placed an initial order for 5,000 containers of car freshener. Even now, he produces around 100 thousand car freshener containers every month.

Keywords: Strategy, UMKM, Kejaya Handicraft, Penetrating, International Market

INTRODUCTION

The industrial sector as a development activity is expected to accelerate the economy and help solve employment problems. One of the industrial sectors that has developed currently and has succeeded in penetrating the international market is the waste craft industry. Home furnishing products, car fresheners and souvenirs made from natural materials such as plastic waste from Indonesia are in great demand by foreign consumers. Rattan craft items are generally widely traded both locally and internationally. Products sold abroad are export quality products, the processing process also requires special skills and quite large costs.

Small industry or craft industry has a strategic role in a country's economy, both in terms of the aspect of equal business opportunities so as to grow many entrepreneurs, the aspect of equal distribution of business locations which encourages regional development, the aspect of equal employment opportunities, as well as in supporting non-oil and gas export programs and preserving the nation's arts and culture so that nationally, the

development of this business will have a positive impact on the optimal use of Indonesia's natural resources while also increasing the country's foreign exchange earnings.

Many areas are developing this waste craft industry and are export-oriented. Apart from Bali, another area that is developing the waste craft industry is Banyuwangi, which is centered in Tambong village, Kabat subdistrict. Currently, Kejaya Handicraft has been able to utilize local waste into crafts. Since 1998, its crafts have come from waste from banana fronds, coconuts, furniture wood, bamboo, pandan, water hyacinth rattan and other natural materials in Banyuwangi. Natural material crafts try to use all natural materials. Initially, various kinds of products were formed from banana stems, apart from that, they were also used to produce environmentally friendly crafts and souvenirs by choosing good, high-quality natural materials. The products produced are very varied, creative and unique. With very affordable prices, Kejaya Handicraft is much sought after by local people and even abroad. Prices start from IDR 2,000 to millions. Kejaya Handicraft experienced bankruptcy due to lack of funds until finally choosing to borrow assistance from Bank BRI because the bank always provides assistance to business people, one of which is the UMKM Karyaya Handicraft which is now progressing again because it participated in seminars managed by Bank BRI. In 2002, Keyaja Handicraft succeeded in getting buyers from abroad until now. He has buyers from the United States (US), Italy, Malaysia, Jamaica and Hawaii.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In today's digital economy, entrepreneurship is the ability to create a vision, drive innovation and identify future opportunities. Entrepreneurs are pioneers in business, innovators, risk bearers who have a vision for the future and have excellence in achieving in the business field. The function of creativity in the innovation process is the generation of ideas that result in improvements in effectiveness and efficiency in a system. Creativity is the ability to design, shape, create or do something in a new or different way. The ability to come up with creative solutions to meet needs or problems and to market them marks the difference between success and failure in business. This also differentiates between fast-growing or dynamic businesses and ordinary medium-sized companies. An entrepreneur must also have innovation that utilizes thinking, imagination, various stimulants, and the individuals who surround him to produce new products, both for himself and the environment.

UMKM can be defined based on several different criteria, which can include the number of employees, the amount of sales or income and the amount of assets or capital the business has. Based on the experience of developed and developing countries, Staley and Morse identified three categories of conditions for the existence of UMKM namely location, processing process, and market or type of product produced. Seeing, searching for, and acting on available business opportunities is a business/business opportunity and can be described as an interesting idea or business proposal that provides the possibility of providing results for investors or someone who takes a risk.

a. Characteristics of a good business opportunity

- 1) Real demand
- 2) Return on investment
- 3) Competitive
- 4) Achieve goals
- 5) Availability of resources and skills

b. Identify and assess business opportunities

- 1) Industry and market conditions
- 2) The length of the product opportunity period
- 3) The entrepreneur's goals and the competencies the entrepreneur has
- 4) Team manager

- 5) Competition
 - 6) Capital, Technology and Resources
 - 7) Environmental conditions (political, economic, legal, government policy).
- How ideas can become opportunities, there are several ways to do it, namely:
1. Ideas can be driven internally through changes to better ways or methods to meet customer satisfaction.
 2. Ideas can be generated in the form of new products and services.
 3. Ideas can be generated in the form of modifications, how work is done or modified ways of doing work.

Source of opportunity

1. Yourself
2. Opportunities from knowledge and educational background
3. Environment
4. Consumers
5. Other people's ideas
6. Information obtained

FINANSIAL RISK

Risk is uncertainty or the possibility that something will happen that will result in loss. Financial Risk has an impact on company finances, in other words it is often associated with extra costs or loss of company income. However, the financial risk category usually refers more specifically to the inflow and outflow of money in the business cycle and the possibility of causing financial losses. Financial risk is a risk that is difficult to prevent, considering that this occurs due to changes that cannot be predicted in advance. Of course, it would be better if the buying and selling system was carried out with safer conditions, for example, sales on credit should be secured by a guarantee that must be provided by the customer. If possible, the company should not take on debt, just sell some shares if it wants to develop its business and if the transaction is on an international scale, of course it should be calculated first before making an agreement, because of course product prices will change from time to time.

METHODS

The research method used by researchers in this research is a qualitative approach with descriptive methods. Qualitative research is collecting data in a natural setting with the aim of interpreting phenomena that occur where the researcher is the key instrument whose research results emphasize meaning rather than generalization. Qualitative research aims to maintain the form and content of human behavior and analyze its qualities, rather than turning it into quantitative entities (Mulyana, 2008: 150). The aim of this descriptive research is to create a systematic, factual and accurate description, picture of the facts, characteristics and relationships between the phenomena being investigated.

RESULT AND DISCUSSION

In running an UMKM business, there are risks that can potentially be faced. This risk could even result in UMKM going bankrupt. Financial risk is one of the risks that UMKM have the potential to face. This risk has the potential to harm the entire business. This cannot be separated from micro, small and medium businesses which are classified based on assets and profits generated. When compared to large companies, UMKM tend to have much smaller business capital. Lack of capital to develop a business can hamper the rate of growth and development of UMKM. Stable and healthy financial conditions are the key to the success of UMKM. Not a few UMKM players are so ambitious about developing their business that they adopt a business strategy on a scale that is too large without taking into

account their business or financial capabilities. This can cause huge losses for UMKM. Because business income and capital cannot cover the large costs that must be incurred to implement UMKM business strategies. UMKM businesses can also face business risks. This business risk, for example, is competition from competitors. It is important for UMKM players to understand this risk in order to create products or services that society needs.

The meaning of the name Kejaya is Pride and Glory, according to the name of the village where Kejaya was founded, namely Kejoyo. Having a vision and mission to empower the people of Banyuwangi, Kejaya Handicraft through its business has empowered approximately 200 people in two villages located in Kabat District. Kejaya Handicraft Banyuwangi makes various kinds of crafts such as bags, fruit holders, trays, cell phone holders, various kinds of souvenirs from natural materials such as banana stems, wood, coconut shells, coconut tapas, bamboo, etc. Kejaya was founded in 1998 and also provides furniture manufacturing services. Kejaya Handicraft focuses on producing handicrafts from natural materials to support the movement to reduce plastic. One of Kejaya's superior products that is much sought after is souvenirs containing eating and drinking utensils made from natural materials (wood and bamboo) with finishing that is safe for use. Never give up, think creatively and pray. That is the key that Khotibin holds in running his business to achieve its current success. With these life principles, this resident of Kejoyo Hamlet, Tambong Village, Kabat District, Banyuwangi, has been successful in selling his handicraft products abroad. Not only the Asian market, but also America and Europe. The owner of Kejaya Handicraft stated that he started a handicraft business by selling banana fronds door to door in 1998. After selling banana fronds with many risks, the man who is familiarly called Ibien tried making crafts from natural materials that are widely available in the surrounding area, namely bamboo. and rattan. Now, not only banana stems, bamboo and rattan, Ibien has succeeded in processing Coconut Tapas, Coconut Shells, Coconut Wood and other woods such as Mahogany and Teak into handicrafts. With these materials, Ibien produces a wide variety of handicrafts, such as bags, hats, accessories, home utensils, musical instruments such as karimbas, maracas, and car fresheners.

The man who is also the Chair of the NU Branch in Tambong Village, Banyuwangi, said that the handicrafts he made began to attract the attention of foreign people in 2002 when his products were still entrusted to an art shop in Bali. "That year my product was noticed and sent to England, and he even came directly to us," said Ibien. Ibien's journey was not always smooth. In 2008, he was cheated by a regular customer from Italy with whom he had worked together for 8 years since 2001. Because of this incident, he was more selective in his partnering.

The turning point for Ibien's business came back to life when domestic orders emerged, namely Jakarta, when he placed an initial order for 5,000 containers of car freshener. Even now, he produces around 100 thousand car freshener containers every month based on requests from his partners. The problem of waste is a common problem in Indonesia today. However, in the hands of creative people, items that are often considered useless can be processed into something that has selling value.

Initially, Kejaya Handicraft was just a family business created by a few people. Only then did Ibien invite his neighbors to join in as workers. Various products can be produced from banana stems, ranging from tissue holders, photo frames, bag products, to jewelry holders. After the industry began to develop, the materials used expanded. Coconuts are also used as raw materials, from stems, roots, leaves and sticks, fibers, to the shell. In 2004, the business had grown quite well, with Kejaya Handicraft's employees increasing to 100 people, and various buyers from abroad had attracted attention. However, that doesn't mean that the business Ibien started went smoothly. In 2008, Kejaya Handicraft went bankrupt because there were too many employees and management problems. This resulted in Ibien having to have a fairly large nominal debt.

After going bankrupt, he implemented a new system for workers, namely the contract system, where his workers worked on products in their respective homes. Only a few work in the office. As a result, less activity is visible in the office, but more people are actually employed, and more products can be produced. "So it's really about using empowerment for the community," said the entrepreneur who was trained by the BRILianpreneur program in 2022. To date, according to him, Kejaya Handicraft has produced hundreds of types of handicraft products, relying on around 200 employees. And until now, he has customers from foreign buyers from the United States, Malaysia, Jamaica and Europe, mostly from the United States, Hawaii and Florida.

CONCLUSIONS

The risk that Kejaya Handicraft has experienced is financial risk. This risk can occur due to various causes, one of which is a lack of ability to manage capital properly. Knowledge and recognition of each potential risk is a must for entrepreneurs, especially young entrepreneurs who are starting a business. Understanding potential risks can determine future business success, especially for small businesses that have relatively limited margins and financial reserves.

What entrepreneurs can do to manage financial risks is to carry out a proper SWOT analysis, maintain operational costs according to the company's budget plan, keep detailed financial records, be able to adapt according to current developments, be wise in making loans or providing receivables, create a budget and a special account for reserves. cash, create SOPs that are clear, strict and involve all related parties, and finally separate business finances from personal finances.

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