

## Entrepreneurship Assistance to Increase Omak Kopi's MSME Income in The New Normal Era

Christina Heti Tri Rahmawati <sup>1\*</sup>, Rubiyatno <sup>2</sup>, Theodorus Sutadi <sup>3</sup>, Trisnawati Rahayu <sup>4</sup>

Department of Management, Faculty of Economics, Sanata Dharma University, Yogyakarta

Email: [christina.beti@usd.ac.id](mailto:christina.beti@usd.ac.id)

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### ABSTRACT

**Purpose** - This community service raises the problems faced by a coffee shop business called Omak Kopi. Based on interviews, there are several problems experienced by the owners of these Micro, Small and Medium Enterprises (MSMEs), namely the management of business legality and product marketing.

**Methods** - The method used in this community service activity is to provide understanding and awareness to MSME actors about the importance of having business legality, providing entrepreneurial assistance in the form of business models, and providing product marketing assistance through social media.

**Result and discussions** - The results of community service activities for MSME Omak Kopi include: (1) This MSME has business legality; (2) This MSME has a business capital canvas to develop a business; and (5) these MSMEs have business signage and use social media Whatsapp and Instagram as well as online food delivery service platforms through Grab Food and Go Food to increase product marketing.

**Conclusion** - The implication of this community service activity is that it is hoped that the existence of entrepreneurship assistance can facilitate Omak Kopi SMEs to manage patent rights, business development and increase income and business continuity, especially in the new normal era.

**Keywords:** *Business Legality, Entrepreneurship, Marketing, Income*

### INTRODUCTION

Coffee plants are plantation products in Indonesia that have long been cultivated plants (Nasri, Aini & Sunarti, 2020). Coffee is one of the world's commodities that carries the name of Indonesia, especially Java. Indonesia is the fourth largest coffee producer in the world, after Brazil, Vietnam, and Colombia and as a consumer who is in seventh place (International Coffee Organization (ICO), 2017). In general, for the people of Indonesia, drinking coffee has become a part of everyday life, especially for the elderly and now also young people and teenagers. Today, consuming coffee is not only a habit to reduce sleepiness but has become a life for adults and young people, both men and women in their daily routines.

Every year the amount of coffee consumption is expected to continue to increase in line with the increasing income of the middle class. According to data from the Ministry of Agriculture Republic of Indonesia (2021) shows that the level of coffee consumption in Indonesia from 2016 to 2020 increases every year which is predicted to increase by an average of 8,22% annually. According to the ICO (2015) the growth of coffee drinkers in Indonesia is growing rapidly more than the world's growth, namely 8% for the growth of Indonesian coffee drinkers, while the growth of world coffee drinkers only reached 6%. One of the reasons for the increase in coffee

consumption in Indonesia is the lifestyle of people who have made processed coffee drinks as a daily activity in their daily needs (Solikatun & Demartoto, 2015:62). The development of the world coffee industry also has an impact on the coffee industry in Indonesia, which has increased in the downstream industry as seen in the rise of coffee shops today. This is an opportunity for entrepreneurs to develop their coffee shop business.

Lately, the coffee industry in the form of coffee shops has been pioneered by many coffee drinkers who are then interested in turning this hobby into a business. Many coffee lovers make their hobby of drinking coffee an attempt to increase their income. A few years ago, most of the people consumed coffee only at small warungs or coffee shops. However, along with the times, coffee shops developed into modern coffee shops. The development of the coffee shop business causes competition to become increasingly fierce, where business actors seek competitive advantage by trying to provide better facilities. Likewise, Omak Kopi's Micro, Small and Medium Enterprises (MSMEs) are partners in carrying out this community service activity.

Omak Kopi is an MSME engaged in the culinary field, especially coffee drinks. This coffee shop officially operates on January 11, 2021, having its address at Bandan RT 04 / RW 15, Sendangsari, Minggir, Sleman, Yogyakarta. Omak Kopi was founded by Ronny Setiawan who has interests and hobbies about the world of coffee, in collaboration with Budianto so that OMAK KOPI was founded. Omak Kopi comes from the Papuan language which consists of two words "OMAK" which means mother and "KOPI" which means coffee. Figure 1 below is the Omak Kopi logo which has a sketch of the face of a mother and is surrounded by lines that resemble a house which means a house. Omak Kopi's goal is to inspire young people to be brave and not ashamed to be entrepreneurship. Omak Kopi can be one of the destinations to hang out or be visited by coffee enthusiasts, both ordinary people who are not familiar with the world of coffee.



**Figure 1. Coffee Omak Logo**  
(Source: Omak Kopi's Instagram, 2021)

The vision of Omak Kopi is to become a comfortable hangout place that is used for coffee and chat. While Omak Kopi's mission is to provide a space that is not insulated so that it is more liquefied or open for coffee connoisseurs or just to gather. Omak Kopi's operating hours are Tuesday to Friday at 18.00 - 22.00 WIB and Saturday to Sunday at 16.00 - 22.00 WIB. Omak Kopi has several product categories which are shown in the menu list in Figure 1.3. below this. Most of the menus provided at Omak Kopi are coffee drinks, for consumers who want to try drinking other than coffee, Omak Kopi serves non-coffee drinks, including chocolate and green tea. The drink menu at Omak Kopi offers a price of IDR10.000,00 to IDR25.000,00 for each glass.



**Figure 2. Menu List at MSME Omak Kopi**  
(Source: Omak Kopi's Instagram, 2021)

MSMEs as a business sector have an important contribution to the national economy in Indonesia, but during the Covid-19 pandemic, many MSME actors went out of business. This is because many MSME actors have reduced income from sales so that business operational activities are not as usual. According to data from the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia (2021), there are 1,785 cooperatives and 163,713 MSMEs experiencing the effects of the Covid-19 pandemic and as many as 63.9% of MSMEs' income from sales decreased. Meanwhile, 60% of Indonesia's Gross Domestic Product (GDP) comes from the MSME sector. Therefore, the Covid-19 pandemic has an impact on the economy and can lead to high unemployment (Rahayu & Rahmawati, 2022:83).

According to Hapsari (2014:22) there are several problems faced by MSMEs, namely: financial and non-financial problems (management organization). Financial problems include, among others, the lack of compatibility between available funds that can be accessed by MSMEs; the absence of a systematic approach to MSME funding; high transaction costs caused by credit procedures that are quite complicated so that they take up a lot of time while the amount of credit disbursed is small; lack of access to formal sources of funds either due to the absence of banks in remote areas or the unavailability of adequate information; interest on credit for investment and working capital is quite high; and many MSMEs that are not yet bankable either due to the absence of transparent financial management or a lack of managerial and financial capabilities. Meanwhile, non-financial problems (management organization) include lack of knowledge on production technology and quality control due to lack of opportunity to keep up with technological developments and lack of education and training; lack of knowledge about marketing due to limited information that can be reached by MSMEs regarding the market in addition to the limited ability of MSMEs to provide products or services in accordance with market demands; limited Human Resources (HR) due to lack of resources to develop human resources; and lack of understanding of finance and accounting.

In the new normal era (Adaptation of New Habits), increasing entrepreneurial skills and marketing products can help business actors in dealing with economic pressures. In addition, in running a business in the downstream sector of the coffee industry, it is necessary to have complete documents or business legalities. Likewise, Omak Kopi SMEs based on observations have problems in terms of product marketing and do not yet have business legality. Based on the description above, the community service team of the Faculty of Economics, Sanata Dharma University tried to provide entrepreneurial assistance to Omak Kopi SMEs. So it is hoped that through this assistance, it can increase business income and business continuity, especially in the new normal era.

## **METHOD**

Based on the problems faced by MSMEs, Omak Kopi is that they still do not understand entrepreneurship and have not done good product marketing and have not realized the importance of business legality. So when the business has grown to be large, many have problems because they do not have business legality. Therefore, the method of community service activities carried out is to provide assistance by providing understanding and awareness to these MSME actors about the importance of having business legality. Furthermore, providing entrepreneurial assistance in the form of a business model for MSMEs and providing product marketing assistance through social media.

The stages of implementing this community service activity are carried out as follows: (1) identification of the problem of MSME Omak Kopi which aims to be able to find out the problems faced by the MSME actors; (2) preparation of forms of assistance that are in accordance with the results of the identification of problems with the aim that the assistance provided is appropriate and in accordance with the problems faced by these SMEs; (3) entrepreneurship assistance, product marketing, and business legality aimed at enabling Omak Kopi SMEs to implement entrepreneurship and product marketing well and have business legality so that the problems experienced previously can be resolved; (4) monitoring and evaluation of mentoring is to see the impact of mentoring on MSMEs Omak Kopi whose purpose is to see the impact of mentoring on MSMEs on the problems faced by MSME actors and find out the extent of the success of mentoring in overcoming the problems faced.

## **RESULTS**

The first step that the community service team took was to provide understanding and awareness to Omak Kopi SMEs regarding the importance of having business legality. The business legality must be owned by MSME actors. According to Ministerial Regulation No: 41/M-Ind/Per/6/2008 that every person or entity that establishes a medium-sized business with a capital of Rp. 5,000,000.00 to Rp. 200,000,000.00 is required to have business legality. The government implements an Online Single Submission (OSS) system for MSME actors which will complement business legality. To take care of business legality, it is proven by various permits, consisting of Building Permits, Industrial Business Permits, Trading Business Permits, and Taxpayer Identification Numbers.

The second step that the community service team took was to provide entrepreneurial assistance in the form of a business model for Omak Kopi SMEs. Entrepreneurship is an attempt to create added value by combining resources through new ways and different to win the competition (Rubiyatno, Sutadi, Adinata & Rahmawati, 2020:339). A business model is a tool used to turn a business idea into a business. With this business model, complex business realities are simplified into basic, easy-to-understand elements. We can do a review of an existing business with the aim of strengthening or sharpening an existing business idea. Business Model Canvas (BMC) is touted as a tool for making business models which is now very popular in the entrepreneurial world because of its ability to describe the core elements of a business as outlined in one canvas. In addition, the advantage of BMC is that it is easy to change business models quickly and see the implications of changes in one element to other business elements (Ching & Fauvel, 2013:28).

Furthermore, the third step that the community service team took was to provide marketing assistance for Omak Kopi products which was carried out through social media. For wider product marketing using social media such as Whatsapp and Instagram. Social media is very helpful to market products effectively and cheaply. Marketing of Omak Kopi products is also carried out through online food delivery service platforms through Grab Food and Go Food to increase sales and reach consumers more.

## **DISCUSSION**

The implementation of community service for Omak Kopi SMEs has carried out several activities, including organizing: (1) business legal assistance; (2) entrepreneurship assistance; and (3) product marketing assistance.

### **Business Legal Assistance**

In running a business, it is necessary to have complete documents or business legality. So that having business legality will make it easier for MSME actors to take care of patents, business development and so on. In this community service activity, the community service team does is provide understanding and awareness to MSME actors about the importance of having business legality. The business legality must be owned by MSME actors. According to the Regulation of the Minister of Industry of the Republic of Indonesia No: 41/M-Ind/Per/6/2008 that every person or entity that establishes a medium-sized business with a capital of Rp. 5,000,000.00 to Rp. 200,000,000.00 is required to have business legality. The government implements an Online Single Submission (OSS) system for MSME actors which will complement business legality. To take care of business legality, it is proven by various permits, consisting of Building Permits, Industrial Business Permits, Trading Business Permits, and Taxpayer Identification Numbers. Figure 3 below shows the legality of Omak Kopi's MSME business with a Business Identification Number 1608210020419.

**PEMERINTAH REPUBLIK INDONESIA**  
**PERIZINAN BERUSAHA BERBASIS RISIKO**  
**LAMPIRAN**  
**NOMOR INDUK BERUSAHA: 1608210020419**

Lampiran berikut ini memuat daftar bidang usaha untuk:

**A. Tabel Kegiatan Usaha Sifat UMK KBLI Risiko Rendah Perizinan Tunggal**

No.	Kode KBLI	Judul KBLI	Lokasi Usaha	Kategori Risiko	Perizinan Berusaha Jenis Legalias	Jenis Produk	Nomor DSH dan/atau SH*
1	BESUS	Rumah Minum/Kafe	Bandan, RT.02/URW.016, Kec. Seondangasri, Kab. Pangkajene, Jember, Jember, Kab. Jember, Provinsi Jawa Timur Kode Pos: 60562	Rendah	NIB Untuk perizinan perizinan, dan/atau perizinan kegiatan usaha	Kopi	SHPT (Sifat SH)

**B. Tabel Kegiatan Usaha Sifat UMK KBLI Selain Perizinan Tunggal**

No.	Kode KBLI	Judul KBLI	Lokasi Usaha	Kategori Risiko	Perizinan Berusaha Jenis Legalias

- Dengan ketentuan bahwa NIB tersebut hanya berlaku untuk Kode dan Judul KBLI yang tercantum dalam lampiran ini.
- Pelaku Usaha wajib mematuhi persyaratan dan/atau kewajiban sesuai Norma, Standar, Prosedur, dan Kriteria (NSPK) Kementerian/Lembaga (K/L).
- Pengawasan pemenuhan persyaratan dan/atau kewajiban Pelaku Usaha dilakukan oleh Kementerian/Lembaga/Pemerintah Daerah terkait.
- Lampiran ini merupakan bagian tidak terpisahkan dari dokumen NIB tersebut.

Figure 3. Omak Kopi's MSME Business Legality

(Source: <https://oss.go.id>, 2021)

### Entrepreneurship Assistance

A business model is a tool used to turn a business idea into a business. With this business model, complex business realities are simplified into basic, easy-to-understand elements. We can do a review of an existing business with the aim of strengthening or sharpening an existing business idea. This is what we do in entrepreneurship assistance for Omak Kopi SMEs.

Business Model Canvas (BMC) is touted as a tool for making business models which is now very popular in the entrepreneurial world because of its ability to describe the core elements of a business as outlined in one canvas. In addition, the advantage of BMC is that it is easy to change business models quickly and see the implications of changes in one element to other business elements. BMC also presents a business model that accommodates creative and innovative ideas that come from many individuals (working together) and is easy to mix and match. Ching & Fauvel (2013:30), highlight the importance of using BMC and recommend it for entrepreneurs and academia. BMC helps develop business plans for budding entrepreneurs and have a more holistic understanding of their business. Osterwalder, Pigneur & Clark (2010), introduce the concept of a business model that everyone can understand, starting from the same point and speaking the same thing, with concepts that are simple, relevant, and intuitively understandable, while not oversimplifying the complexities of how companies function.

Kedai Omak Kopi in its business activities uses the Business Model Canvas (BMC) approach. Kedai Omak Kopi's analysis of the nine business aspects of the canvas model is as follows.

## **1. Key Partners**

All business partners associated with the Omak Kopi shop are considered very important and need each other. Kedai Omak Kopi as a business unit engaged in beverages, of course, requires suppliers who can facilitate the availability of raw materials. Likewise, suppliers who make coffee shops as connectors for their products to wider customers before being processed into finished goods, one of which is Omak Kopi shop as their customer. Then the Omak Kopi shop in deciding which supplier to use, must be careful in several ways such as the availability of raw materials or stock that can guarantee from the supplier, delivery time and also the price offered. So that this can be a consideration for the Omak Kopi shop in terms of suppliers who are partners because of the economic principle which uses minimal capital to get the maximum profit. For suppliers of raw materials for coffee beans, the coffee shop Omak comes from five suppliers, which include Srimphi, Space Roastery, Pier Coffee, Pitutur, and Gapek. Then the milk suppliers come from PT Sukanda Jaya Diamond and PT Bintang Intan Sarana. The syrup supplier comes from Denali Product and Semeru Syrup. The powder supplier comes from Tofico Powder, the brown sugar supplier comes from PT Trier Global Indo, the palm sugar supplier comes from Nirasari, and the granulated sugar supplier comes from PT Madukismo. The supplier of soda comes from PT Coca Cola. As for the packaging for the Omak Kopi shop, it comes from the printing company Azkha. Kedai Omak Kopi strives to always maintain good relations with partners with the aim that if the Omak Kopi shop expands its shop in other areas, it will not be so difficult to find the availability of raw materials. Also by maintaining good relations, for example being a permanent partner or priority, you will get benefits such as discounted prices from suppliers.

## **2. Key Activities**

Kedai Omak Kopi's business activities include ensuring the availability of raw materials, bar table activities carried out by baristas, recording sales and administration, providing services to each customer and product distribution system using online and offline sales systems. The most important activity and a concern is service to each of its customers both with quality products or drinks, as well as excellent attitude and service from its employees that can be applied to provide customer satisfaction.

## **3. Key Resources**

In maintaining the quality of the products offered, Kedai Omak Kopi must have a barista who has a reliable ability to make and mix drinks. It is owned by Kedai Omak Kopi. Baristas are a key resource in coffee business activities. Not only can they explain the taste of a drink, the barista must also be able to explain the process of each coffee they make to customers who ask about it. Thus, it is expected that customers who come to the Omak Kopi shop will be satisfied not only by the product, but also by the education and response given by the barista.

## **4. Value Proposition**

Kedai Omak Kopi considers that customers are an important element for them, therefore Kedai Omak Kopi continues to make efforts that can make its customers comfortable and feel at home for long like at home by creating a homey shop atmosphere. In addition, the price which is relatively cheap and can be reached by all coffee lovers is the value that Kedai Omak Kopi tries to offer to every customer. Enough with the price range of ten thousand to twenty thousand rupiah, customers can already enjoy coffee with a quality taste. This value is then expected by Kedai Omak Kopi as a reference for its customers in choosing between Kedai Omak Kopi and other coffee shops.

## 5. Customer Relationship

In an effort to maintain relationships with customers, one of the ways the Omak Kopi shop is to provide discounts. In addition to its aim to introduce its relatively new coffee shop, it is also to attract a wider range of customers. Then another effort made in maintaining relationships with customers is that the owner / barista always asks about the taste of the food and drinks that the customer has tasted and accepts criticism and suggestions as evaluation material which is then conveyed to his employees including the coffee barista. With this personal relationship, the Omak Kopi shop indirectly involves its customers in taste issues. In addition, in maintaining relationships with customers, Kedai Omak Kopi utilizes the social media facilities it has, but the owner has not been so focused on it. The suggestion from researchers for Kedai Omak Kopi is related to customer relationship aspects, namely because this coffee shop is relatively new, there is nothing wrong if the owner starts participating in existing culinary events. It aims to introduce Kedai Omak Kopi itself to people who are not familiar with the existence of Kedai Omak Kopi and also it is hoped that it will be useful to expand the network of customers from Kedai Omak Kopi.

## 6. Channels

The sales channel of Kedai Omak Kopi to date is mostly from relations from the owner and some online sales through applications. Meanwhile, social media is used as a channel to introduce products from Kedai Omak Kopi such as Instagram.

## 7. Customer Segment

The customer segmentation of Kedai Omak Kopi is coffee lovers with an age range of 16 to 55 years. The main target of Kedai Omak Kopi's customer segmentation is young people and millennials around the Minggir District and Klepu Parish.

## 8. Revenue Streams

The only income of the Omak Kopi Shop is only sourced from product sales.

## 9. Cost Structure

There are costs that become the expense of the Omak Kopi Shop in running its business, including fixed costs and operational costs. Fixed costs incurred by Kedai Omak Kopi include the purchase of equipment and supplies as initial capital in supporting its business processes, for example the purchase of coffee equipment, raw material storage cabinets (showcases), chairs and tables, to food and beverage equipment such as plates, glasses, spoons, and a fork. The variable costs incurred by Kedai Omak Kopi include the purchase of raw materials such as coffee beans, powder flavour, syrup, milk, sugar, plastic cups, straws, tissues, Wifi, until the costs of electricity, water, cleanliness and security become variable costs in the activity process. day-to-day business of Kedai Omak Kopi.



Figure 4. Business Model Canvas UMKM Omak Kopi

(Source: Personal documentation, 2021)

## Marketing Assistance

Marketing of Omak Kopi products is done through social media. For wider product marketing by using social media such as Whatsapp and Instagram. Social media is very helpful to market products effectively and cheaply. The advantages of social media compared to other marketing communication media, namely Always On and Everywhere (Powers, Advincula, Austin, Graiko & Snyder, 2012:482). Information dissemination is not only carried out by the owner through social media, but there must also be feedback from consumers/buyers (Khammash, 2008). This is done by making a DM contact by the Omak Kopi IG admin to customers who have just made a visit to Omak Kopi, by asking for impressions or input for improving Omak Kopi.



**Figure 5. Omak Kopi's MSME Instagram Display**  
(Source: Omak Kopi's Instagram, 2021)

Marketing of Omak Kopi products is also carried out through online food delivery service platforms through Grab Food and Go Food to increase sales and reach consumers more. In addition to making it easier for customers to reach Omak Kopi, we also put up a signboard indicating the location of Omak Kopi, so that it will be easier for new customers to go to Omak Kopi.



**Figure 6. Installation of Omak Kopi's MSME Nameplate**  
(Source: Personal documentation, 2021)

## CONCLUSION

The results of community service activities for Omak Kopi SMEs include: (1) Omak Kopi SMEs have business legality; (2) Omak Kopi SMEs have a business capital canvas to develop their business; and (3) MSME Omak Kopi has a business nameplate and uses social media Whatsapp and Instagram as well as online food delivery service platforms through Grab Food and Go Food to increase product marketing. The implication of this community service activity is that it is hoped that the existence of entrepreneurship assistance can facilitate Omak Kopi SMEs to manage patent rights, business development and increase income and business continuity, especially in the new normal era.



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