



Mentoring for the Development of MSMEs in Menes District through the Making of Halal Certification

Indri Wisdiarti Anugraheni*

Yayasan Pendidikan RQM Pandeglang Banten, Indonesia

Abstract: One of the drivers of the economy in Indonesia today is the consistent increase in MSMEs locally and nationally. In running MSMEs, there is a need for proper development and management so that they are still able to develop and advance in their business. In every economic sector, MSMEs (micro, small and medium enterprises) are autonomous production sectors run by the private sector or legal entities. Since Indonesia is predominantly Muslim, it is necessary to ensure that the products sold by MSMEs are halal. This service aims to assist MSME players in obtaining halal certification to increase consumer confidence. The "practical learning" approach, which is applied in community service activities (PkM), offers MSME partners technical assistance through one-on-one coaching. The expansion of MSMEs in halal certification support was the outcome of this PkM initiative. It is envisaged that with this help, sales volumes and consumer trust in the completeness of halal certification will increase.

Keywords: MSMEs, mentoring, halal certificate.

▪ **INTRODUCTION**

The Indonesian economy is mostly driven by micro, small, and medium-sized businesses, or MSMEs. Therefore, the national economy may be affected if the MSME sector is disturbed. Therefore, the government should focus more on MSMEs' development (Aisi, 2020). Small and medium-sized businesses are a type of economic activity that can be carried out by people or groups and is initiated by an individual. Other elements that are indications of economic growth, like income, job opportunities, productivity, and savings, will be impacted by this. MSMEs (micro, small, and medium-sized enterprises) are one of the initiatives aimed at reaching the lower middle class (Wahyudi et al., 2024).

In other words, MSMEs are autonomous production sectors in every economic sector that are run by private or legal organizations (Maulana et al., 2023). By introducing Law No. 20 of 2021 on MSMEs, the government and legislature have shown that they are paying attention to MSMEs. It is now possible to start addressing traditional problems like obtaining funding from banking institutions. This is because the legislation places more attention on micro, small, and medium-sized enterprises by including regulations pertaining to the extension of funding and facilitation by banking and non-banking financial organizations (Remmang et al., 2023).

Basically, MSMEs can be divided into three categories: micro enterprises (MEs), small enterprises (SEs), and medium enterprises (MSEs). Although the majority of MSMEs operate informally, it is found that MSMEs include both formal and informal companies. Due to superior infrastructure and services compared to rural areas, these are concentrated in both counties' metropolitan centers. The majority of these MSMEs are traders, although it is not unusual to have companies in the same industry and field functioning next door (UNDP, 2015)

Based on Law Number 20 of 2008 concerning SMEs, Chapter 1 (general provisions) explains that, a. Micro business is a production suggestion owned by an individual or an economic business entity that meets the requirements of micro business regulated in this Law (Irawan & Chandranegara, 2017). b. A small business is an independent productive economic enterprise that is controlled by an individual or entity that is not a subsidiary, either directly or indirectly owned, managed, or part of a medium or large company, and meets the requirements. c. Medium enterprises are independent productive trading businesses that are directly controlled by small and medium enterprises, and the amount of wealth or annual sales is regulated by individuals or legal entities that do not have branches or subsidiaries of their owners (Mulhadi & Azam, 2019; UU No, 2008).

A number of obstacles are impeding the growth of MSMEs in Indonesia, as is also the case in many other developing nations. These limitations could be varied between sectors, between regions, or between businesses within a sector. However, several limitations are shared by all MSMEs, such as restricted access to money, technology, business knowledge, and skilled labor; challenges in obtaining raw materials and marketing; and government policies or regulations that frequently provide an unfavorable business climate (Tambunan, 2019).

Conveniently, in an increasingly complex technological era like today, it is easier for business people to promote and sell their products online. This is what encourages that MSMEs really need to have halal certificates to make MSME actors use halal processes, ingredients and presentation. In addition, it is also to increase consumer confidence to buy the products sold. (Saputra et al., 2022). Customers will find it easier to get what they need immediately on today's social media platforms. Also, as social media and e-commerce have transformed in this new era, businesses no longer need premises. Retailers and service providers have access to a wide array of technologies that can improve their business operations and the customer experience they offer (Grewal et al., 2023).

In order to digitalize, business actors still have to meet several needs, including business identification numbers (NIB), halal certification (Muayyad, 2023) The fulfillment of these letters is used to increase consumer confidence in the products produced and also to maintain consumer confidence in buying products and expand the sales reach of products (Kurniawan et al., 2023). Thus, in supporting this community service program, the author provides assistance in Menes sub-district by visiting several MSME partners to get halal certification assistance.

▪ **METHOD**

The implementation of this PkM activity is located in Menes Pandeglang District. The main role in this PkM is to make businesses owned by MSME actors to be able to compete in the market and provide additional income from the sale of MSME products that have been made (Pratama, 2022). This PKM approach is carried out with Participatory Action Research (PAR) whose process aims to provide learning assistance in overcoming problems and meeting the practical needs of the community, as well as providing knowledge for business development and maintaining Islamic values in business (Afandi dkk, 2022).

Table 1. Data of MSME manager

No	Name of the MSME Manager	Business Type
1	Sri Supariyah	Grilled Shrimp Terasi and Tofu Jigor Rival
2	Audia Putri	Food stall and Ikan Asin Ongong
3	Isur Saputra Anggara	Putu and Klepon cakes
4	Ratnawati	Emak Uduk Rice

The activities began with a visit to the partner's location to assess the existing field conditions. Following this, intensive assistance was provided to the partner in fulfilling the requirements for halal certification submission. Additionally, guidance was conducted to emphasize the importance of halal certification for MSME actors, aiming to improve quality and services to instill consumer confidence in purchasing the products being offered (Kurniawan et al., 2023; Muhtarom, 2018).

▪ **RESULT AND DISCUSSION**

MSMEs are the drivers of the national development economy played by the community, both the lower, middle, and upper classes. MSME partners are encouraged to complete halal certification files to provide convenience to consumers (Yuanitasari et al., 2024). From the standpoint of Islamic economic law, Indonesia's halal industry, represented by halal MSMEs, can help achieve the SDGs, particularly the first, second, and third goals: eradicating poverty, which can be accomplished through halal SMEs, reducing hunger with halal products, and promoting good health and welfare based on halal and tayyib principles that are also profit-oriented and community-oriented, which can reach a larger number of people (Yuanitasari et al., 2024). Following the assistance activities carried out.



Figure 1. Partner visits for assistance

This program involves providing assistance in completing documents required for halal certification. The initial activity included discussions about the materials, processes, and products being produced. For the submission of halal certification, it is necessary to create a Business Identification Number (NIB). Once the NIB is successfully created, the next step is to fill out the halal certification application form (Kurniawan et al., 2023). MSMEs are very influential on the national economy. The development of micro, small, and medium enterprises has high strategic importance because it has great potential to contribute to the economic activities of the community as well as become the main source of income for most people to improve their welfare (Alfarizi & Ngatindriatun, 2022)

The results of our analysis of the weak competitiveness of MSMEs are caused by several problems, namely: Marketing that has not been optimized, still using traditional culture (Hastuti, 2019), Lack of innovation and utilization of information technology (A. Pratama et al., 2021), Limited manufacturing equipment. (Anggara, 2023), Lack of empowerment of existing workers (Putra, 2023), Not yet fully educated about halal certification (Alfarizi & Ngatindriatun, 2022).

In assisting in making halal certification, there are several things that are of concern in supporting the development of MSME products, including (Labolo et al., 2023): Checking product names and structuring of goods for production, Supervision in the process of managing MSME products and reviewing them in terms of hygiene and halal products, in this process we record all stages of product manufacturing, Providing NIB documents and halal certification to MSME actors, Placing halal stickers in front of shops, carts or on plastic packaging, this is to increase the quantity of customers because the product is guaranteed halal and thayyib and reduce the worry for customers who want to buy it.

As the world's Muslim population grows, Indonesia has the potential to become a destination for halal travel. The halal sector relies on Indonesia's varied cuisine to make sure that the food production process complies with halal regulations, which include certification (Alfarizi & Ngatindriatun, 2022). The implementation of the halal production chain by culinary MSMEs can satisfy the spiritual needs of Muslims in Indonesia and even around the world. It also influences consumers' decision to choose halal food, which is assured to be wholesome and devoid of harmful ingredients (Haleem et al., 2020).

Since MSMEs are unfamiliar with the halal product guarantee policy, these repercussions will undoubtedly hurt business actors. The difficulties that must be taken into account while establishing halal product policies are further compounded by the poor level of knowledge among MSMEs regarding the halal production process. It is anticipated that all policies and initiatives that follow the halal and tayyib principles will be able to contribute to Indonesia's economic development (Yuanitasari et al., 2024).

▪ CONCLUSION

Mentoring in the development of MSMEs requires the right steps and strategies because many MSMEs are established but their businesses are not developing and still do not get regular consumers so that they suffer losses and eventually lead to the closure of the company. The development of MSMEs can be carried out through assistance in making NIB and halal certification to prepare halal and good products so that consumers can consume safely and comfortably. This is expected to be able to improve the quality of production and marketing of product sales in order to get additional consumers. In addition, this assistance will broadcast to MSME actors that halal certification is important and not only want to get a certificate but also add to the spirit that they must pay attention to the ingredients and manufacturing process to avoid consumer doubts.

▪ REFERENCES

Afandi, A., Laily, N., Wahyudi, N., Umam, M. H., Kambau, R. A., Rahman, S. A., Sudirman, M., Jamilah, Kadir, N. A., Junaid, S., Nur, S., Parmitasari, R. D. A., Nurdiyana, Wahid, M., & Wahyudi, J. (2022). *Metodologi penelitian pengabdian masyarakat*. Direktorat Pendidikan Tinggi Keagamaan Islam, Direktorat Jenderal

- Pendidikan Islam, Kementerian Agama RI.
<https://repository.uinjkt.ac.id/dspace/bitstream/123456789/71356/1/Buku.pdf>
- Alfarizi, M., & Ngatindriatun. (2022). Commitment to halal practices of Indonesian culinary MSMEs in the production chain: The impact of halal literacy and attitudes. *Journal of Southeast Asian Islam and Culture*, 1(1), 1–35.
- Anggara, F. S. A. (2023). An analysis of Islamic leadership style. *Islamic Business and Management Journal*, 1, 1–11.
- Grewal, D., Benoit, S., Noble, S. M., Guha, A., Ahlbom, C. P., & Nordfält, J. (2023). Leveraging in-store technology and AI: Increasing customer and employee efficiency and enhancing their experiences. *Journal of Retailing*, 99(4), 487–504. <https://doi.org/10.1016/j.jretai.2023.10.002>
- Haleem, A., Khan, M. I., & Khan, S. (2020). Halal certification, the inadequacy of its adoption, modeling, and strategizing the efforts. *Journal of Islamic Marketing*, 11(2), 393–413. <https://doi.org/10.1108/JIMA-05-2017-0062>
- Hastuti, E. W. (2019). عوامل عمل سلمج بوتف ساساً بلع ةيميزنتلا ةفاقتلا في ةيملاسلا ميقلأ قبيطت ليلتح في ة. ي لآح ةسارد (ةعيرشلا بفشنتسم لوح / 10 / 2016 / نسد / 107 / يسينودنلا) نويدام ةشناع تنيس ملاسلا يفشنتسلا ونوسكيجو تحمر. *IBMJ: Islamic Business and Management Journal*.
- Irawan, B., & Chandranegara, I. S. (2017). Government policy analysis on medium small business. *Proceeding of the 1st International Conference on Social Sciences*, November, 209–216.
- Kurniawan, D. A., Ridlo, M., Harahap, S. A. R., Firmansah, Y., Astuti, R. Y., Rusli, L., Al Farizi, M., & Syamna, D. K. (2023). *Pendampingan legalitas usaha NIB dan sertifikasi halal produk pada UMKM Kabupaten Ponorogo untuk peningkatan daya saing usaha*. *Community Empowerment Journal*, 1(3), 122–131. <https://doi.org/10.61251/cej.v1i3.27>
- Labolo, S., Arsyi, A. N., & lainnya. (2023). The effect of halal label on product packaging on Muslim consumer purchase decision. *Islamic Business and Management Journal*.
- Maulana, H., Astuti, R. Y., Ahmad, S., & Harahap, R. (2023). Micro, small and medium enterprises development in the post-COVID-19 pandemic: Case study of MSMEs in Indonesia. *IKONOMIKA: Jurnal Ekonomi dan Bisnis Islam*, 8(1), 1–12.
- Muayyad, P. A. L. (2023). *Pesantren Al Muayyad halal and IPR certification assistance to UMKM Pondok*. *Islamic Business Management Journal*, 3(November), 142–154.
- Muhtarom, A. (2018). Participation action research dalam membangun kesadaran pendidikan anak di lingkungan perkampungan transisi kota. *Dimas*, 18, 259–278.
- Mulhadi, M., & Azam, S. (2019). Empowerment of small and medium enterprise (SME) traders through insurance. *Proceedings of the International Conference on Public Policy and Social Sciences (IConProCS)*, 317, 228–233. <https://doi.org/10.2991/iconprocs-19.2019.48>
- Okta, K. A. (2020). *Ketidakstabilan perekonomian bagi pelaku usaha mikro kecil dan menengah (UMKM) di masa COVID-19*. *Jurnal Hukum Islam dan Ekonomi Syariah*, 2(1).
- Pratama, A., Maulana, H., & Al Fahmi, F. (2021). The effect of performance measurement (Economic Value Added and Return on Equity) on Islamic stock price (Empirical study of consumer goods industry listed in Sharia Securities period 2018–2019). *IBMJ*, 1(1).

- Pratama, H. (2022). Stakeholders synergy in accelerating MSME (UMKM) halal certification through halal self-declare. *Jurnal Ilmiah Mahasiswa Raushan Fikr*, 11(2), 271–287. <https://doi.org/10.24090/jimrf.v11i2.6054>
- Putra, A. T. (2023). *Analisis keputusan wisatawan berdasarkan permasalahan penurunan jumlah kunjungan dan pendapatan retribusi objek TWA Gunung Pancar*. *Hawalah: Kajian Ilmu Ekonomi Syariah*, 1(3), 114–122. <https://doi.org/10.57096/hawalah.v2i1.16>
- Remmang, H., Baharuddin, S. M., Hasanuddin, A., & lainnya. (2023). Empowerment of micro, small, and medium enterprises in South Sulawesi through participatory economic transformation (Case study: Makassar City). *Journal of Public Administration and Government*, 5(3), 325–338.
- Saputra, N., Satispi, E., & Prihandoko, D. (2022). *Strategi UMKM bertahan melewati COVID-19: Menjadi fleksibel dan kolaboratif*. *Jurnal Perbendaharaan, Keuangan Negara, dan Kebijakan Publik*, 7(1), 33–47.
- Shohibboniawan Wahyudi, A., Yulivan, I., & Rahman, A. (2024). The role of micro, small, and medium enterprises (MSMEs) in supporting Indonesia's economic resilience. *Nasionalisme dan Integrity*, 10(2), 297–307.
- Tambunan, T. (2019). Recent evidence of the development of micro, small, and medium enterprises in Indonesia. *Journal of Global Entrepreneurship Research*, 9(1). <https://doi.org/10.1186/s40497-018-0140-4>
- United Nations Development Programme (UNDP). (2015). Micro, small, and medium-size enterprises (MSMEs) as suppliers to the extractive industry. UNDP Report, January, 1–72.
- UU No. 20 Tahun 2008. (2008). *UU No. 20 Tahun 2008 tentang Usaha Mikro, Kecil, dan Menengah*.
- Yuanitasari, D., Sardjono, A., & Susetyo, H. (2024). Legal perspective: MSMEs as a support system for the halal industry in fulfilling sustainable development goals in Indonesia. *Sosiohumaniora: Jurnal Ilmu-Ilmu Sosial dan Humaniora*, 26(2), 213–224.