

CHAPTER I

COMPANY OVERVIEW

1.1. Industry Analysis

Indonesia has a variety of traditional snacks that must be preserved if their existence is to be preserved. Indonesian traditional snacks are one of the characteristics and cultural treasures owned by Indonesia, not only in terms of taste, shape, and diversity, which are varied and interesting, but also in terms of the colors that suit the various kinds of Indonesian culture and ethnicity. The Ministry of Industry (Kemenperin) recorded the growth of the food and beverage industry in the third quarter of 2022 at 3.57 percent. This figure is above the same period last year which was recorded at 3.49 percent (Kencana, 2022). The food and beverage business has made a large and important contribution to the progress of the national economy with its positive and consistent performance so far, starting with its growing role in exports and moving on to productivity, investment, and employment. FDI (Foreign Direct Investment) and other investments in the processing or manufacturing industry in 2020 reached IDR 272.9 trillion, this increased due to being hit by a pandemic and the contribution of the food and beverage industry to this investment amounted to IDR 50.48 trillion or around 19% of the total manufacturing industry investment (Niman, 2021).

Indonesia confirmed its first case of infection with the Corona virus that causes COVID-19 in March 2020. Since then, various countermeasures have been carried out by the government to reduce the impact of the COVID-19 pandemic in various sectors. Almost all sectors were affected, not only health. The economic sector has also suffered a serious impact due to the coronavirus pandemic. Restrictions on community activities affect business activities, which then impact the economy. This August Badan Pusat Statistik (BPS) report stated that Indonesia's economic growth in the second quarter of 2020 was minus 5.32 percent. Previously, in the first quarter of 2020, BPS reported that Indonesia's economic growth only grew by 2.97 percent, far below the growth of 5.02 percent in the same period last year (Rizal, 2020). The pandemic of COVID-19 is still around us and continue effecting the tourism and business industry globally. The exploration of the impact from the crisis is still much to be desired, especially in preparing the condition of the “new normal” for the future (Choirisa, 2022).



Picture 1. 1 Indonesian Economic Development

Source: BPS (Badan Pusat Statistik) Graphic

The COVID-19 pandemic has a direct impact on various aspects of the community's economy, especially micro, small, and medium enterprises (MSMEs). Many MSMEs have experienced a decline in turnover, but some MSMEs are still quite strong, including those in the culinary field. Deputy for Micro Business at Kemenkop UKM, Eddy Satriya, said that UMKM is one of the pillars of the Indonesian nation's economy (Kemenkop UKM, 2021). It has been proven that when Indonesia experienced two crises, MSMEs were the mainstays most able to survive. This shows that there is a change in MSMEs that have started to switch to using digital technology and the internet to run their businesses. The survey that released in December 2019, analyzed consumers' snacking habits, insights, and trends in Indonesia and 11 other countries around the world. According to the results of his analysis, Indonesian people consume light meals more often than heavy meals. "Almost three times a day, Indonesians consume snacks." In comparison, 2.5 times the amount to consume by weight per day is consumed. "Snacks are easy to consume in daily activities for up to 75% of respondents," said Sachin Prasa, President Director of Mondelez Indonesia (Harsono, 2019). Based on these findings, it is possible to conclude that Indonesians enjoy to consume snacking.

Futhermore, according to the ASEAN Investment Report released in September 2022, Indonesia has the most micro, small and medium enterprises (MSMEs) in the ASEAN region. The report notes that the number of MSMEs in Indonesia in 2021 will reach around 65.46 million units. In 2021, Indonesian MSMEs are recorded to be able to absorb 97% of the workforce, contribute 60.3% to the Gross Domestic Product (GDP), and contribute 14.4% to national exports. The proportion of Indonesian MSME workforce absorption is the largest in

ASEAN. In neighboring countries, MSMEs only absorb labor in the range of 35% -85% (Ahdiat, 2022).

Based on the data presented above, it appears that the production of snacks is the most popular sector of the food and beverage industry in Indonesia. The implementation of a traditional snack business, which has quite a lot of enthusiasts at affordable prices, is expected to become traditional food. It is not inferior to contemporary food, which is quite popular. Besides that, traditional snacks can be typical Indonesian foods that can be enjoyed by the wider community. Considering the high consumption of snacks by Indonesians, it can be seen that snacks contribute significantly to the economic margins of food and beverages in Indonesia. In summary, snack food products hold great opportunities in the Indonesian food and beverage market.

1.2. Company Description



Picture 1. 2 Company Logo

Source: Author Data

The name of the company is Rang Rangi. Rang Rangi is a business that sells rangi cake and is owned by Farrel Aprisza Pangloli. Rang Rangi itself will launch in 2022. Rang Rangi gets its name from Rang Rang ants, which are large red ants known for their ability to weave webbing for their nests. In English, it is called the "weaver ant." Weavers, like many other ants, are social insects and form colonies. Weaver colonies can be very high in population. The owner gave this name because ants have a habit of eating sugar. If there is sugar, the ants will come to gnaw on it in groups. In this case, the owner imagined the food

(rangi cake) as sugar, and many people (customers) visited it as ants. As a result, the owner named his company Rang Rangi. Rang Rangi is a micro, small, and medium enterprises (MSMEs) food business that focuses on creating new innovations and conserving the rangi cake product with a new touch of modernization flavor.

A business in the food sector is a venture that offers greater opportunities than any other business. This is due to several factors. Because groceries are something people will continue to search for, and shoppers are likely to return if they are satisfied with the groceries on sale. This business is different from companies in other fields such as fashion and electronics. Secondly, food is also relatively cheap compared to other products. However, this business opportunity must always be accompanied by the right amount of creativity, as the competition in this space will only become more intense over time. At the shop, the owner wants to serve one of the traditional Indonesian snacks.

The main objective of this company's program is to try to satisfy its customers by providing regional specialties with good taste and prices that fit in the pocket. Another goal is to preserve Indonesian culinary traditions that have begun to be forgotten. Nowadays, the name "rangi cake" is foreign to young people because rangi cake is still not widely sold in the market. This is one of the unfortunate consequences, because rangi cake is delicious.

1. Vision:

Satisfy with brand new traditional flavor rangi cake and develop traditional snacks products with modern representations to attract public's interest in consuming rangi cake.

2. Mission:

- a. Develop new products and new variants of flavor
- b. Innovate and improvisation according to the market's wants and needs
- c. Able to open franchises in each big city in Indonesia in the next 5 years.
- d. Establish good relationships with customers.

3. Nature of Business

Rang Rangi as a micro business continues to have limited human resources and must be established as a sole proprietorship (SP), which is a suitable form of company for running a business independently. The microbusiness will only have a few people included in it, such as the owner, marketing, purchasing, and two staff.

The owner wants to expand this business into a bigger one with many branches. Therefore, the owner will be happy to receive funds to expand the branch.

4. Address of business

The address above will be the address for the production as well as distribution of Rang Rangi products. Rang Rangi itself is a business who sell their products in mini containers that are directly beside the main road. Rang Rangi is strategically located near schools, colleges, residential areas and shopping malls. Rang Rangi location is considered highly promising and promising in supporting the company's growth strategy. There are many students, workers and residential areas. In general, the product is expected to meet major markets and demands.

1.3. Product and Services

Rangi cake is a traditional Betawi snack. For those who live in the area of Jakarta and its surroundings, it will definitely still find rangi cake sellers. In areas other than Jakarta and its surroundings, it might be difficult to find Rangi cakes. It same like the other Indonesian traditional cake sellers, rangi cake sellers also bring pan and stoves to make cakes. Rangi cake pan are almost similar to pancong cake pan because shape are similar. The difference is the indentation of the rangi cake pan is flatter than the pancong cake. Rangi cake is made from a mixture of sago flour and grated coconut which is topped with thick brown sugar sauce. Rangi cakes are printed on rangi cake molds without being spread with oil or butter (Oktavianawati, 2017).

Rang Rangi is here to create an innovation for traditional snacks based on information and knowledge of the situation and snacking habits in Indonesia. Rangi cake typically has a brown sugar topping, but Rangi now has more innovative toppings, such as original, chocolate, and peanut butter. Through the product, Rang Rangi wants to raise awareness that, apart from many traditional Indonesian snacks like rangi cake, these snacks can be popular again nowadays. The owner has conducted product testing by creating standard recipes with the help of reviews and suggestions from family and close friends to better understand and get the point of the product itself. The Rangi cake will be produced in a number of different taste varieties, including original, peanut butter, and chocolate.

Packaging is the first feature a potential customer sees when purchasing a product. The packaging, it should be designed as attractively as possible so that it can stand out and attract the customer's attention. Rang Rangi packaging consists of a paper lunch box

containing a Rangi cake with a company logo on the top. Paper lunch box packaging is the proper or most suitable packaging for delivery services. Apart from being lightweight, this packaging will also protect food from the packaging process until it reaches consumers safely. Unlike the case with oil paper packaging, which is more prone to tearing, it will even eliminate the aesthetic value of the packaged food. This packaging material is safe and environmentally friendly. Of course, this paper material can be recycled, and the waste will not pollute the environment. Paper lunch box packaging is considered more practical than using other types of packaging. Using this type of paper box packaging is indeed simple because the product is disposable. So if the food is finished, just throw it away without having to wash or clean it.



Picture 1. 3 Rang Rangi Menu

Source: Author Data

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Picture 1. 4 Rang Rangi Packaging

Source: Author Data

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