

Risk management analysis of Kopitiam Singkawang business

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ABSTRACT

Many people have built various kinds of businesses. Starting from the business of selling household goods to businesses that we often find, namely the culinary business, for example the UMKM Kopitiam Singkawang which has a segmentation of regular customers. In running a business, not all companies or businesses run smoothly. There will always be risks that it finds, both directly and indirectly. Seeing the importance of understanding risk management for MSME businesses in running business operations, the research objective is to apply SWOT analysis which aims to determine the effect and frequency of risk occurrence in managing risk management in Kopitiam Singkawang MSME businesses. The research method uses an approach to obtain information through interviews and observations. Several recommendations for MSME businesses based on the weakness and treats factors from the SWOT analysis show that MSME management can evaluate both in terms of facilities, business place concepts and customer flavors. From the SWOT analysis, it was found that Kopitiam Singkawang MSMEs have the strength and potential to advance and continue to develop well even though they have quite intense competition from other business competitors.

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1. Introduction

The times have changed. Many people have made changes in the world. Everything that started from a traditional way of thinking has shifted to a more modern way. It is not surprising that many technologies have developed (Buhori Muslim, 2017; Dewantara et al., 2022). The role of technology has a major influence on operational support for the company.

Behind the times and technology, there is a traditional Kopitiam, and the Kopitiam is named Kopitiam Singkawang. And, of course, not all traditional and modern Kopitiam can succeed easily. Of course, all types of Kopitiam have their advantages and disadvantages, which can trigger the risk of problems. Risk management is very important because it can prepare the company to face uncertain conditions (Jikrillah et al., 2021; Wijayantini, 2012). Therefore, it is necessary to analyze the risks that companies will face, especially in the field of coffee business using the SWOT Analysis method, which includes Strengths, Weaknesses, Opportunities, and Threats. The use of SWOT analysis because very useful for researching problems and risks that will be faced by a company (Tampubolon & Nursito, 2022).

The coffee shop is a business that is located in a complex. Orchid business center, Jl. Raja H. Fisabilillah, Sungai Panas, Batam City, Batam City, Riau Archipelago. This Singkawang Coffee Shop sells coffee, tea, and other soft drinks. This company also sells a variety of foods such as Fried Rice, Fried Noodles, and various other foods. The company's monthly turnover ranges from 30-40 million. Seeing the company's turnover shows that the coffee shop has a lot of customer segmentation due to the variety of products offered (Violin et al., 2022). In maintaining business continuity, it is necessary to analyze risk management in the

company because it is very helpful for company stakeholders to determine the condition of internal and external factors of the company using SWOT analysis.

The analysis was carried out utilizing a SWOT analysis which aims to determine the effect and frequency of risk occurrence in managing risk management at a Kopitiam company. The analysis tool is simple, quite good, effective, and efficient in separating the main problems faced by internal and external factors (Almunawir, 2022). There are several stages in preparing SWOT, such as a) The external environment is all the outside forces, and the organization's influence is not visible. The external environment greatly influences organizational performance. The external environment consists of the general environment (Alamsyah & Heriyanto, 2019; Sipayung & Cristian, 2022). b) The internal environment of an organization is the result of an analysis of the values or identification of all factors that affect organizational performance. Collection of resources, capacities, and competencies owned by the organization, to be able to take advantage of opportunities in an effective way and collectively be able to overcome threats (Miharja, 2018; Suhartini, 2018).

There are several problems with the Singkawang Kopitiam company, namely not knowing the risks that will be faced by Singkawang Kopitiam and not knowing how management works at Singkawang Kopitiam. So the research objective is to analyze the significance of the influence of risk management on Kopitiam Singkawang using SWOT analysis.

2. Research Method

2.1 Definition of Management

Management means the process carried out for planning, coordinating, and controlling resources carried out by an organization to achieve targets effectively and efficiently following what has been planned. Management is needed in a company to determine whether the company can manage their business properly (Assauri, 2015; Muliana et al., 2020; Violin, 2019).

2.2 Definition of Risk

Risk is a threat to life, property, or financial profit due to harm occurring (Darmawi, 2022). Risk is a variety of consequences that can occur during certain periods under certain conditions (Gie, 2020). Risk greatly affects a company. If the company has a high level of risk, then the company can often get into trouble.

2.3 Risk management

Risk means harm, consequences, or consequences that may occur due to an ongoing or future process. Risk can be interpreted as an uncertain situation, where an unwanted situation can cause a loss. In a business, there is no risk involved. Because risk management greatly influences business activities (Jesslyn et al., 2022). If the handling of the business goes well, then the activities carried out on the business will experience ease without obstacles that are influenced by the risks it faces. There is a goal in risk management, namely, to identify risks in a project and develop the art of management to reduce or even avoid them; on the other hand, you must find ways to maximize the opportunities that exist (Sipayung & Ardiani, 2022; Siswanti et al., 2020). Risk management aims to minimize incidents that will affect profits or losses, to increase events that have a positive impact, and to reduce events that have a negative impact on work (Hardana & Syafruddin, 2019).

2.4 SWOT analysis

SWOT analysis organizes and analyzes the strengths, weaknesses, opportunities, and threats experienced in the business (Benzaghta et al., 2021). elements of strengths and weaknesses are internal to the company (e.g., business reputation, patents, manufacturing location), so you can still manage them over time. The benefits of SWOT analysis are very useful for examining the problems and risks that will be faced by the company (Bora & Sahli, 2020). Here are some benefits of a SWOT analysis (Teoli et al., 2019); (1) as a determinant strategy for future business continuity. (2) How a company carries out a mission strategy to achieve company goals (vision). (3) can be used by stakeholders to determine the company's internal and external factors.

2.5 Methodology

The research used qualitative methods with SWOT analysis. The quantitative approach was carried out in order to obtain information through interviews and observations (Sugiyono, 2017) at Kopitiam Singkawang MSMEs. Quantitative research is also aimed at knowing the experience of research subjects in understanding risk management seen from analyzing the strengths of MSME businesses, weaknesses owned

by MSMEs, opportunities that can be utilized by MSMEs in supporting business operations, as well as various risks of threats to the smooth running of MSME businesses. The purpose of qualitative research is to find out the information that the author will observe at Kopitiam Singkawang in the form of understanding the experience of research subjects such as risk management based on SWOT analysis.

2.6 Data Collection Technique

Data collection methods carried out by interviews and observations at UMKM Kopitiam Singkawang. Based on direct observations made at the business location, information was obtained regarding the Singkawang Coffee Shop which is located in the Orchid bussiness center area, Raja H. Fisabillillah Street, Sungai Panas, Batam Kota, Batam City, Riau Islands. This Singkawang Coffee Shop sells coffee, tea, and various other soft drinks. And also sells various foods such as Fried Rice, Fried Noodles and various other foods. Researchers conducted interviews with the business owner of IMKM Kedai Kopi Singkawang who explained that this business already has a segmentation of regular customers, mostly the younger generation. The large number of product variants sold is one of the attractions for visitors to shop at UMKM Kopitiam Singkawang, on the other hand, a comfortable and spacious place that makes visitors feel comfortable at the location. Based on interviews, information was obtained that the business turnover of this UMKM is around 30-40 million per month. SWOT analysis data, such as product diversification, business situation, employee services to customers, and affordable product prices, is also collected. In addition, knowledge about Kopitiam Singkawang MSME enterprises' challenges that could become vulnerabilities or threats to their sustainability is crucial for risk management analysis utilizing SWOT analysis.

2.7 Characteristics of Qualitative Research Methods

There are several characteristics of qualitative research methods that form the basis of research, namely (Fadli, 2021):

- a. Based on the phenomenological philosophy, truth belongs to all, and people can reach the truth individually.
- b. Holistic is seen as a process that connects in many dimensions. Qualitative methods seek to understand complexity as a more faithful reflection of reality.
- c. Based on the recognition of multiple realities where reality is considered to be inherently subjective. The focus is on understanding different perceptions, aspirations, and preferences. Qualitative methods consider these differences as indicators and explanatory factors.
- d. Heuristic, deductive and inductive, each assessment begins with a comprehensive socialization process with the context, institutions, and policies being assessed and gradually builds a thorough understanding through a participatory process.
- e. Requires in-depth practical research because of the need to link all the different aspects together to gain a cumulative understanding of a given context.

2.8 Objectives of Qualitative Research Methods

Qualitative research aims usually include information about the main phenomena being explored in the research, the research participants, and the research location. The purpose of qualitative research can also indicate the chosen research design (Raco, 2018).

3. Results And Discussions

From the data collection obtained, it shows that UMKM Kopitiam Singkawang has a large customer segmentation due to the variety of products offered to customers. In maintaining business continuity, it is very necessary to analyze risk management in the company because it is very helpful for company stakeholders to know the condition of the internal and external factors of the company using SWOT analysis. SWOT analysis includes identification of strengths, weaknesses, opportunities, and threats and SWOT combination strategy analysis is carried out to find out the improvement efforts that need to be made by MSMEs. SWOT Analysis SWOT analysis which includes Strength, Weakness, Opportunity and Threat of UMKM Kopitiam Singkawang can be seen in Table 1 below.

Table 1. SWOT analysis of Kopitiam Singkawang MSMEs

Strength	Weakness
a. Variety of sold products b. Comfortable venue and clean restrooms and outdoor facilities c. Excellent service from the waiters d. Reasonable price	a. Seating facilities are quite limited b. Not yet using AC as an air conditioner c. Many competitors on the same product
Opportunities	Treats
a. Already have a segmentation of regular customers b. Comfortable business location atmosphere c. Friendly service for customers d. Relatively affordable prices compared to other business competitors	a. Sometimes customers have different flavors of food or beverages. b. The number of modern café concepts c. Many business competitors offering similar products.

3.1 SWOT Analysis

a. Strength

From the results of our research, the Singkawang Kopitiam business has many advantages that are useful for developing the company to be better; here are some of the advantages possessed by Singkawang Kopitiam, namely:

- 1) The food provided by the Kopitiam is varied so that you can choose one option and order other foods.
- 2) The place is comfortable, the toilets are clean, and an outdoor area makes customers comfortable visiting the Kopitiam.
- 3) The excellent service from the waiters makes consumers satisfied with the Kopitiam service.
- 4) Affordable prices make this Kopitiam a great value in terms of price.

b. Weaknesses

Of course, in running a business, not all efforts are carried out according to our expectations. Of course, besides having advantages, there are also disadvantages. From the results of our research, the Singkawang Kopitiam has several drawbacks. Facilities in Kopitiam are still lacking, such as seats that are still limited, so most customers are still waiting outside. The place still uses fans, so it is still classified as traditional.

c. Opportunity

When we look at the current economic conditions, Kopitiam still has a very high opportunity because Kopitiam is still running smoothly and has no problems related to the economy. So the risks it faces are also very small, and there is probably no risk in the long term.

d. Threats

Of course, everyone has their tastes, so they often change places for breakfast or lunch to other coffee shops. This makes Kopitiam Singkawang have many other competitors in the Batam Center area or throughout the Batam area. The times have also changed, from those who used to like hanging out in Kopitiam, now they have moved to more modern cafés, thus reducing coffee enthusiasts.

Based on the risk identification analysis utilizing SWOT, UMKM Kopitiam Singkawang can receive additional strategy recommendations. Table 1 shows UMKM Kopitiam Singkawang's strengths and prospects. This strategy helps it survive and grow. UMKM Kopitiam Singkawang's strategies include:

- a. the management of UMKM Kopitiam Singkawang can add facilities, especially adding chairs so that regular customers or potential new customers do not have to stand or sit outside the business area. This is also useful for increasing the space capacity for the place of business so that it can accommodate maximum customers.
- b. facility improvements can also be made to indoor conditions by adding air conditioners, so as to increase customer comfort.
- c. the management can evaluate both in terms of the concept of the place of business, so that it can keep up with the times and its objectives so that it can cover the segmentation of customers from the millennial generation.
- d. other evaluations that can be done by providing friendly service and being able to ask customers about the taste of food or drinks, or by suggesting that customers can write suggestions on the taste and atmosphere of the place of business.

4. Conclusion

Technological development is one of the most advanced developments throughout the world, including in Indonesia. This development has affected various fields, from politics, and education to the culinary field, including the Singkawang Kopitiam. In the results of our analysis, the Singkawang Kopitiam have run their business very well. The Kopitiam business has the potential to progress and continue to grow well even though it has quite tight competition against other Kopitiam. The research suggests increasing the limited seating so that more customers can come and the company can earn more revenue.

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