



Analyze Potential and Mitigate Business Risks for Women Entrepreneurs

Teti Rahmawati^{1*}, Dendi Purnama², Neni Nurhayati³

^{1*2,3}, Accounting Study Program, Faculty of Economics and Business, Universitas Kuningan

teti.rahmawati@uniku.ac.id ^{1*} (corresponding author)

Abstrak

Kabupaten Kuningan ada diperingkat ke 19 untuk jumlah UMKM di setiap kabupaten. Sehingga harus terus diupayakan untuk meningkatkan minat masyarakat untuk memulai usaha. Kami berupaya terlibat dalam mendampingi masyarakat untuk meningkatkan perekonomian melalui pendampingan kepada masyarakat untuk pembinaan spirit entrepreneur, perencanaan keuangan dan mengelola potensi risiko usaha. Dengan adanya penerapan pemahaman potensi risiko yang terukur serta menguasai cara memitigasi risiko sebelum memulai usaha diharapkan akan meningkatkan semangat warga masyarakat untuk memulai usaha dan berhasil dalam menjalankan usahanya. Terutama untuk Ibu ibu PKK dan perempuan kepala keluarga sebagai peserta pelatihan ditambah karang taruna. Tujuan dari kegiatan pengabdian ini adalah memberikan pengetahuan untuk memahami dan menganalisis potensi risiko usaha dan meningkatkan kemampuan memitigasi risiko usaha bagi para calon entrepreneur perempuan dan karang taruna di Desa Gandasoli. Dari hasil evaluasi diperoleh gambaran bahwa dari 37 peserta Sebagian besar sudah memahami pengertian risiko dan jenis jenis risiko yang berpotensi muncul pada saat mereka akan melakukan kegiatan usaha. Peserta juga rata rata sudah mampu mengidentifikasi risiko dari rencana usaha yang akan mereka lakukan.

Kata kunci: *Potensi Risiko, Mitigasi Risiko, Perempuan Entrepreneur*

Abstract

Kuningan Regency is ranked 19th for the number of MSMEs in each district. So, it must continue to be pursued to increase public interest in starting a business. We strive to be involved in assisting the community to improve the economy through assistance to the community for fostering entrepreneurial spirit, financial planning, and managing potential business risks. With the application of a measurable understanding of potential risks and mastering how to mitigate risks before starting a business, it is hoped to increase the enthusiasm of community members to start a business and succeed in running their business. Especially for PKK mothers and female heads of households as training participants plus youth organizations. This service activity aims to provide knowledge to understand and analyze potential business risks and improve the ability to mitigate business risks in the morning for prospective women entrepreneurs and youth organizations in Gandasoli Village. From the evaluation results, it was found that out of 37 participants, most of them understood the meaning of risk and the types of risks that could potentially arise when they would carry out business activities. Participants have also been able to identify the risks of the business plan that they will do.

Keywords: *Risk potential, Risk Mitigation, Women Entrepreneur*



Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the largest creative economy support for the Indonesian economy. MSMEs contribute around 60% of GDP and create jobs for the community. MSMEs play a very strategic role in fighting poverty and reducing unemployment in the informal sector in Indonesia (Calendared, 2020). Data sourced from the Ministry of Cooperatives and SMEs shows that until now, the number of MSMEs in Indonesia is at 64.19 million and contributes to Indonesia's GDP of 61.97%, which is equivalent to a value of 8,573.89 trillion rupiah. MSMEs are able to garner investment of 60.4% and contribute to the absorption of 97% of the total workforce.

People's interest in starting small businesses has increased during the pandemic due to various policies issued by the government in an effort to recover the national economy due to the impact of the COVID-19 pandemic. The pandemic has disrupted the global economy (McKibbin et al., 2020). The effect is felt in Indonesia and affects MSMEs (Pakpahan, 2020). For this reason, MSMEs are one of the cornerstones of significant economic growth in Indonesia, both in the traditional and modern sectors (Safi'i et al., 2022). BKPM announced that there was an increase in business master number registration since August 2020 to reach the highest submission data record in October 2020 of 377,540. As many as 93.6% of NIB registrants come from the micro business sector, which shows that public interest in doing business continues to increase.

In addition to supporting the national economy, the existence of MSMEs also plays a very important role for a region as a driver of regional economic growth. MSMEs play a role in supporting the regional economy at this time because employment opportunities in the formal sector are getting narrower, thus encouraging increasing public interest in becoming entrepreneurs (Ita, 2021). MSMEs function as a driver to increase per capita income to improve the economy of a region. MSME actors are required to participate in improving the country's economy (Halim, 2020). MSMEs contribute to the strength of Indonesia's economy even when a global crisis hits the world (Judges et al., 2017).

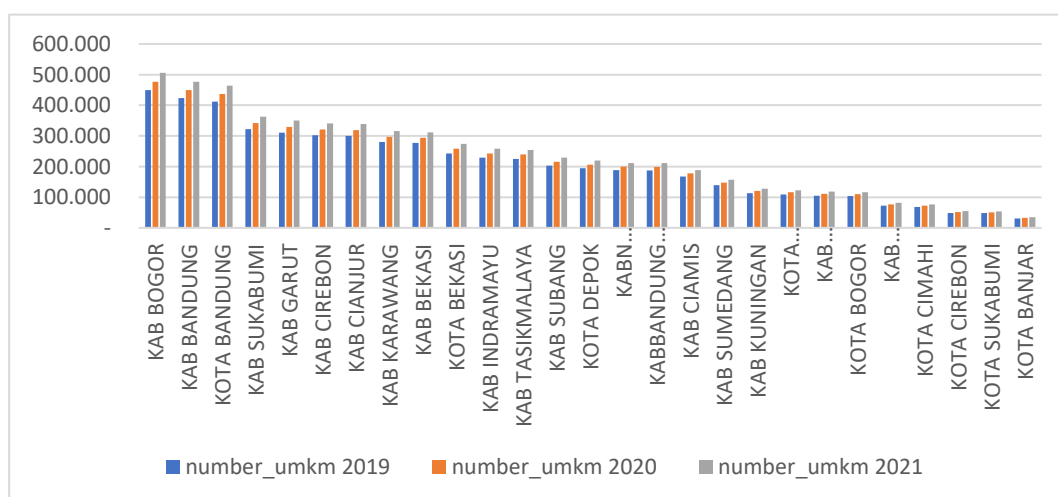


Figure 1 Graph of MSME Development in West Java Province

The number of MSMEs registered in 2019 was 139,134. Increased in 2020 to 147,743. Moreover, reached 156,884 in 2021. Although it has grown in terms of quantity, when compared to other city districts in West Java, Kuningan Regency is

ranked 19th for the number of MSMEs in each section. So, efforts must continue to be made to increase public interest in starting a business. Likewise, for Kuningan Regency, MSMEs are encouraged to develop so that they can contribute to improving the regional economy. If you look at the data released by the Regional Government of West Java Province, MSMEs in Kuningan Regency have increased from year to year. For this reason, Kuningan University, as a university that has a vision of community empowerment, strives to be involved in assisting the community to improve the economy.

This community service activity, the PKM TEAM of the Faculty of Economics and Business, in collaboration with the Gandasoli Village Government held community service activities to assist the community regarding fostering entrepreneurial spirit, financial planning, and managing potential business risks. Efforts to introduce potential business risks are important to convey to prospective entrepreneurs so that from the beginning, they can mitigate all these risks. Risks that cause business termination can occur due to risks due to limited availability of raw materials, so they must be met by import, marketing risks, risks due to fixed capital and difficulty accessing capital, and risks due to limited availability of energy, infrastructure, and information. Risks arise from internal and external companies. Risk Effects will have a major impact on business continuity, thus requiring business actors to be more concerned about managing risk. Business Risk occurs in established companies as well as small businesses that are just starting. Business risk arises at any time and to anyone because basically everything is closely related to risk (Christian, 2020)

In the industrial world, risks will always be encountered due to uncertainties that cannot be predicted in advance, which can cause some losses that the company must accept; likewise, for small and medium enterprises (SMEs) where the background of capital that is not so strong causes risks that result in operational disruptions, financial losses and will even lead to bankruptcy. Although chances are diverse and certainly exist in the industrial world, threats can be detected early so that the impact that may arise can be anticipated (Ardia et al., 2017). Prospective MSME actors must respond to these risks professionally (Mutamimah, 2020). Currently, some MSMEs have implemented business risk management processes, although not yet formally (Crovini et al., 2020). The types of potential risks faced by MSMEs include liquidity risk, operational risk, technology risk, market risk, and credit risk (Agyapong, 2020). With the application of understanding measurable potential risks and mastering how to mitigate risks before starting a business, it is hoped that it will increase the enthusiasm of community members to start a business and succeed in running their business. According to data from the Central Statistics Agency (BPS) in 2021, as many as 64.5 percent of the total MSMEs are managed by women, so this PKM activity will involve PKK mothers and female heads of families as training participants, plus cadets.

The general purpose of this community service activity is to provide understanding in analyzing potential business risks and improve the ability to mitigate Business Risks for Prospective Entrepreneurs in Gandasoli Village. The specific objectives to be achieved in this community service activity are to increase understanding in analyzing and identifying potential risks that may occur in starting a business and improve skills in designing and analyzing processes and steps to manage risks systematically and planned before starting a business.

Implementation Method

The activity was carried out for 3 days, namely December 12-14, 2022, in Gandasoli village, Kuningan Regency, West Java. The training was attended by 37 participants consisting of 7 PKK mothers, 20 Women Heads of Households, and 10 Women members of Karang Karuna. The materials used during the training and mentoring process are laptops, whiteboard flipchart paper, and paper. These materials are used during workshops, socialization, and discussions. The method implemented is adjusted to the predetermined problems and solutions offered. Based on the issues that have been formulated above, the activity begins with direction regarding potential risks and mitigating risks to start a business. This devotion uses methods including:

First, the Method of Socialization and discussion. This method is used to deliver material on how to analyze the potential risks that will be faced when starting a business and material on the steps and stages of mitigating business risks for prospective entrepreneurs in Gandasoli village, after which an in-depth discussion was held for the participants about the business plan and the possible dangers that they will face. Both methods are evaluation. This method is used to evaluate the results of training that has been conducted for PKK, Women Heads of Families, and Karang Taruna to analyze the success of socialization activities and discussions about potential risks that will be faced when starting a business and steps and stages of mitigating business risks for prospective entrepreneurs.

Result and Discussion

The activity was carried out for 3 days, namely December 12-14, 2022, in Gandasoli village, Kuningan Regency, West Java. The activity was attended by 37 participants consisting of 7 PKK mothers, 20 Women Heads of Households, and 10 Women members of Karang Karuna.



Figure 2. Photo of Socialization and Discussion

At the socialization and discussion stage, we provide an understanding of the definition of risk. Next, we describe the risk classification consisting of pure risk, speculative risk, static risk, dynamic risk, objective risk, and subjective risk. In addition, the types of risks according to the organization are also given, namely market risk and operational risk. The next material is about how to manage risk through risk management, which is carried out through three stages, namely the risk identification stage, the risk evaluation and measurement stage, and the risk management stage. The next material discussed was the integration of risk management processes into

the company's internal business processes consisting of risk assessment and risk mitigation processes.



Figure 3. Group Photo after completion of Evaluation

On the last day of community service activities, an evaluation stage was carried out for the participants. This is intended to get an overview of information about the success of the movement through an assessment of the level of understanding of participants on the material presented in the previous 2 days. From the results of the evaluation, it was obtained that from 37 participants, most of them already understood the definition of risk and the types of risks that could potentially arise when they carry out business activities. For an understanding of the definition of risk, Types of Subjective Risk, Objective Risk, Dynamic Risk, Pure Risk, and Speculative Risk already have a value above 80%, while Participants understand static risk with a value that is still below 80%, namely the score obtained 78%

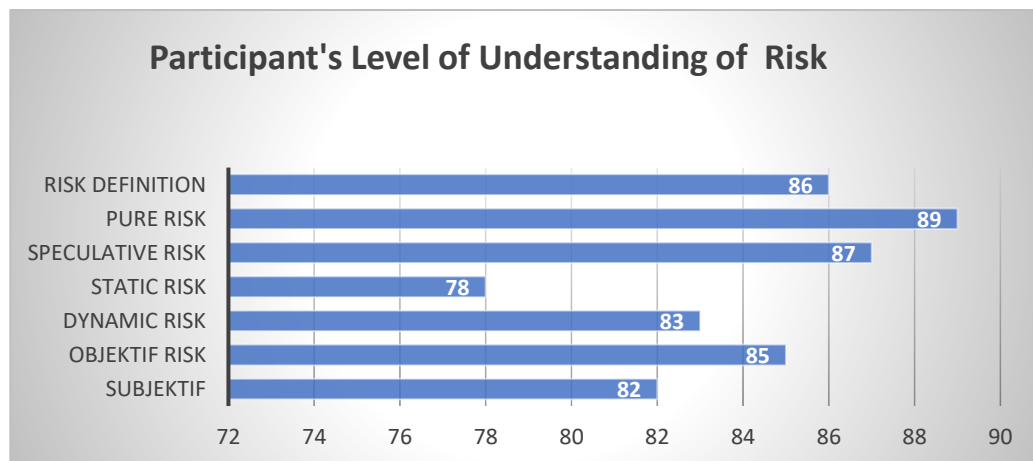


Figure 4. Results of Evaluation of Participants' Level of Understanding About the Risks of Starting a Business

Meanwhile, the evaluation of the ability of the participants to mitigate and manage risks is illustrated as follows:

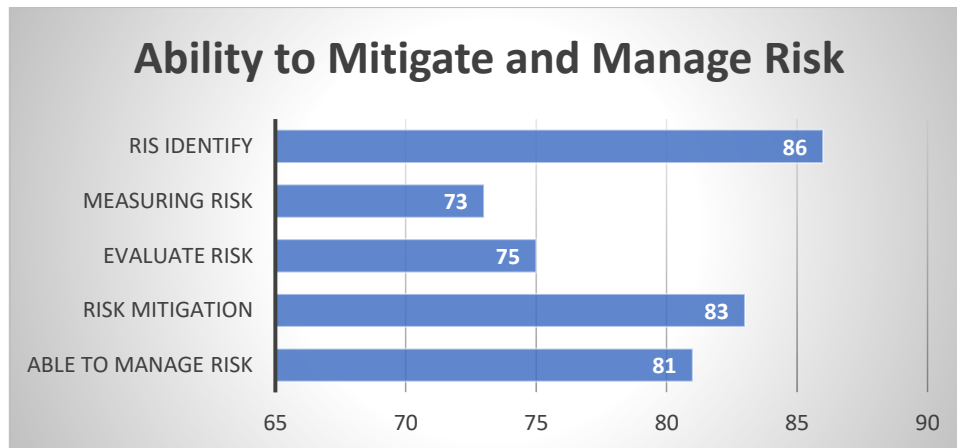


Figure 5. Ability to Mitigate and Manage Business Risk

Based on the graph above, the average participant has been able to identify the risks of the business plan they will do, which is getting a score of 86%. Lower scores were obtained for the ability to measure risk and gauge risk because the scores were 73 and 75 percent, respectively. While the ability to mitigate and manage the risk score is above 80%

Conclusion

Based on the results of studies during a series of activity processes, it was found that training activities on risk potential analysis and how to mitigate risks are important. Furthermore, further assistance and empowerment of participants in managing business risks is necessary after the participants carry out the business plan that has been prepared.

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