TAKHADUM
Jurnal Penelitian & Pengabdian kepada Masyarakat

Publish by: STIS Sultan Fatah
https://ejournal.sultanfatah.ac.id/index.php/TAKHADUM
Vol. 1 | No. 1 | 31 Maret 2026 | Hal. 30-40 |
ISSN-PRINT: XXXX-XXXX ISSN-ONLINE: XXXX-XXXX

Business Management Training and Product Certification for Food MSMEs to Improve Competitiveness

Dwi Ayu Widyanigsih[1], Mustika Hayati[2], Wakidi[3]

[123]Prodi Manajemen Bisnis Syariah, Institut Al-Ma'arif Way Kanan, Indonesia.

Mail:
[1] dwiayuwidyaningsih0@gmail.com, [2] mustikahayati100521@gmail.com, [3] wakidi902@gmail.com

Article received: (27 February 2026), Review process: (06 March 2026)
Article Accepted: (10 March 2026), Article published: (31 March 2026)

Abstract: *This community service program aimed to improve the competitiveness of food-based Micro, Small, and Medium Enterprises (MSMEs) through business management training and product certification assistance in Bhakti Negara Village. The main problems faced by MSME actors included limited managerial capability, weak marketing strategies, inadequate product branding and packaging, and low awareness regarding product legality and certification. The program employed a participatory approach consisting of observation, socialization, training, mentoring, and evaluation stages. The training materials included business management, simple financial bookkeeping, digital marketing strategies, product packaging development, and procedures for halal certification and PIRT registration. The results indicated an improvement in participants' understanding and awareness regarding the importance of professional business management, product branding, and business legality in enhancing consumer trust and market access. Furthermore, participants demonstrated increased motivation to develop more competitive and sustainable businesses. The program proves that an integrative and participatory empowerment approach can effectively strengthen the capacity and competitiveness of community-based food MSMEs.*

Keywords: *Food MSMEs, Business Management, Product Certification, Competitiveness, Community Empowerment*.

Abstrak: *Kegiatan pengabdian kepada masyarakat ini bertujuan untuk meningkatkan daya saing Usaha Mikro, Kecil, dan Menengah (UMKM) makanan melalui pelatihan manajemen usaha dan pendampingan sertifikasi produk di Bhakti Negara Village. Permasalahan utama yang dihadapi pelaku UMKM meliputi rendahnya kemampuan manajerial, lemahnya strategi pemasaran, keterbatasan branding dan kemasan produk, serta minimnya pemahaman mengenai legalitas dan sertifikasi produk. Metode pelaksanaan kegiatan menggunakan pendekatan partisipatif melalui tahapan observasi, sosialisasi, pelatihan, pendampingan, dan evaluasi. Materi pelatihan mencakup manajemen usaha, pencatatan keuangan sederhana, strategi pemasaran digital, pengembangan kemasan produk, serta prosedur sertifikasi halal dan PIRT. Hasil kegiatan menunjukkan adanya peningkatan pemahaman dan kesadaran peserta mengenai pentingnya pengelolaan usaha yang profesional, branding*

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produk, dan legalitas usaha dalam meningkatkan kepercayaan konsumen dan akses pasar. Selain itu, peserta menunjukkan peningkatan motivasi dalam mengembangkan usaha secara lebih kompetitif dan berkelanjutan. Program ini membuktikan bahwa pendekatan pemberdayaan yang integratif dan partisipatif mampu memperkuat kapasitas UMKM makanan berbasis masyarakat.

Kata Kunci: *UMKM Makanan, Manajemen Usaha, Sertifikasi Produk, Daya Saing, Pemberdayaan Masyarakat*.

INTRODUCTION

Global economic development and digital transformation have intensified business competition, including within the Micro, Small, and Medium Enterprises (MSMEs) sector. MSMEs are no longer limited to local market orientation but are also required to adapt to technological advancements, changing consumer behavior, and increasingly high product quality standards. In the context of economic development, MSMEs play a strategic role in national economic growth because they contribute significantly to employment generation, community income improvement, and the strengthening of people-based economic resilience (Tambunan, 2019). Moreover, MSMEs have proven to be more resilient during economic crises compared to large-scale enterprises.

In Indonesia, MSMEs serve as the backbone of the national economy. According to data from the Ministry of Cooperatives and SMEs, MSMEs contribute substantially to the national Gross Domestic Product (GDP) and labor absorption. One of the rapidly growing sectors is food-based MSMEs, as food products are directly related to the basic needs of society and possess broad market opportunities. In addition, food businesses are commonly managed by household communities, particularly women and housewives, thereby contributing to family income generation and local community empowerment (Ariani & Utomo, 2017).

Despite their considerable potential, many food MSMEs still encounter fundamental challenges in business development. These challenges include limited managerial capability, weak marketing strategies, lack of product innovation, inadequate financial recording, and low awareness regarding product legality and certification (Purwanti, 2021). Most MSME actors manage their businesses traditionally based on personal experience without adequate managerial skills. As a result, their businesses often struggle to grow and compete with products that already possess better quality standards, packaging, and legal certification.

Conceptually, business management refers to the process of planning, organizing, implementing, and controlling business activities to achieve organizational goals effectively and efficiently (Robbins & Coulter, 2018). In the MSME context, business management encompasses production management, marketing, financial administration, human resource management, and business development strategies. Proper business management practices are crucial for ensuring business sustainability and enhancing product competitiveness in the market. Competitiveness itself can be understood as the ability of a business to maintain and improve its market position through superior product quality, innovation, pricing, and customer service compared to competitors (Porter, 1990).

In addition to business management, product legality and certification have become essential factors in increasing consumer trust in food MSME products. Product certification refers to an official recognition process regarding the quality, safety, and feasibility of products based on established standards. In the food sector, halal certification and the Home Industry Food Production Permit (PIRT) represent important forms of legal compliance. Halal certification enhances Muslim consumers' confidence regarding the permissibility of the food products they consume (Akim et al., 2018). Meanwhile, PIRT certification demonstrates that food products comply with government-established food safety standards.

The urgency of halal certification in Indonesia is reinforced through Law Number 33 of 2014 concerning Halal Product Assurance, which stipulates that products circulated in Indonesia must be guaranteed halal. Furthermore, Law Number 18 of 2012 concerning Food emphasizes the importance of food safety and quality assurance for consumers. These regulations indicate that product certification is no longer merely an administrative requirement but has become an essential component in improving the quality and competitiveness of MSMEs in modern markets.

Several previous studies have demonstrated that business management training positively influences the capacity development of MSME actors. Research conducted by Rahayu and Day revealed that managerial capability and digital technology utilization significantly affect MSME growth (Rahayu and Day, 2017). Another study by Prasetyo et al. found that entrepreneurship and business management training improved MSME actors' abilities in developing marketing strategies and financial management systems (Prasetyo et al., 2020). In addition, Wahyuni et al. showed that halal certification positively affects consumer trust and expands market access for MSME food products (Wahyuni et al., 2022).

However, previous studies and community service programs have generally focused on only one specific aspect, such as digital marketing training, financial management, or halal certification assistance separately. There are still limited community empowerment programs that integrate business management training with product certification assistance comprehensively within food MSMEs. Moreover, many training programs remain theoretical and are not fully adapted to the practical needs of MSME actors in the field. This condition indicates a research gap between the actual needs of MSME actors and the empowerment models that have been implemented thus far.

Based on this gap, the novelty of this community service program lies in the integration of business management training, product marketing strategies, and product certification assistance within a single empowerment program for food MSMEs. This program not only provides theoretical knowledge but also emphasizes practical training and administrative assistance in obtaining product legality. Such an integrative approach is expected to enhance the capacity and competitiveness of MSME actors more effectively and sustainably.

In the local context, problems related to food MSMEs are still commonly found among home-based businesses managed by women entrepreneurs. Most business actors possess adequate production skills but lack understanding of business

management, digital marketing, and product legality. Their products are generally marketed only within limited local areas due to inadequate packaging, branding strategies, and business permits. In today's digital era, however, consumers are becoming increasingly selective in choosing food products that are safe, high-quality, and officially certified.

This phenomenon demonstrates that improving product quality alone is insufficient to increase the competitiveness of food MSMEs. Business actors also require capacity strengthening in managerial and legal aspects to compete in broader markets. From a socio-economic perspective, empowering food MSMEs plays an important role in improving community welfare because MSMEs not only serve as a source of family income but also create employment opportunities and strengthen local economies (Sedyastuti, 2018).

Based on the foregoing discussion, this community service program focuses on business management training and product certification assistance for food MSMEs as an effort to improve business competitiveness. The program aims to enhance the knowledge and skills of MSME actors in business management, marketing strategies, product development, and product certification procedures. Furthermore, this activity is expected to encourage the establishment of more independent, professional, and competitive food MSMEs capable of sustaining their businesses amid the dynamics of modern market development.

METHOD

This community service program was conducted in February 2026 in Bhakti Negara Village with the primary target consisting of food-based MSME actors, particularly women entrepreneurs and home-based business groups. The program applied a participatory and empowerment-based approach, which emphasizes active community involvement in every stage of the activity process (Chambers, 1994). Participatory approaches are considered effective in community empowerment programs because they encourage collaboration, shared learning, and sustainable problem-solving among participants (Ife & Tesoriero, 2014).

The implementation method consisted of five stages: preparation, socialization, training, mentoring, and evaluation.

Preparation Stage

The preparation stage was conducted through preliminary observation and coordination with village authorities and local community leaders in Bhakti Negara Village. This stage aimed to identify the main challenges faced by food MSME actors, particularly regarding business management, marketing strategies, product packaging, and product legality. According to Creswell and Creswell, preliminary observation is essential in community-based programs to understand social conditions and identify the actual needs of participants (Creswell and Creswell, 2018).

At this stage, the service team also prepared training materials, schedules, learning media, and administrative documents needed during the implementation process. The materials were adapted to the characteristics and business capacities of local MSME actors to ensure effective knowledge transfer.

Socialization Stage

The socialization stage aimed to introduce the objectives, benefits, and implementation process of the community service program to participants. This activity was conducted through group discussions and interactive communication sessions with MSME actors. Socialization activities play an important role in increasing participants' awareness and motivation before the implementation of training programs (Mardikanto & Soebiato, 2017).

In addition, the socialization process served as a platform for identifying participants' expectations and challenges related to business management and product certification. Through this stage, participants were encouraged to actively participate in the entire program.

Training Stage

The training stage constituted the core activity of the program. The training was delivered through lectures, discussions, demonstrations, and direct practice sessions. According to Dessler, training activities are essential for improving knowledge, skills, and competencies needed to support organizational and business performance (Dessler, 2020). The training materials included:

1. Basic business management for MSMEs;
2. Simple financial management and bookkeeping;
3. Product marketing strategies and digital marketing;
4. Product packaging and branding techniques;
5. Procedures for halal certification and PIRT registration;
6. Product quality improvement and food safety standards.

The training activities emphasized practical application to ensure participants could directly implement the acquired knowledge in their business activities. Participants were also encouraged to share experiences and discuss the challenges encountered in managing their businesses.

Mentoring Stage

Following the training sessions, the program continued with a mentoring stage aimed at assisting participants in implementing the training outcomes. Mentoring activities included guidance in financial recording, packaging improvement, branding design, digital promotion, and preparation of product certification documents.

According to Kamil, mentoring is an important component in community empowerment because it strengthens participants' understanding and ensures the sustainability of training outcomes. The mentoring process in this program was conducted both individually and in groups to accommodate the different needs and capacities of participants (Kamil, 2010).

Evaluation Stage

The evaluation stage was conducted to measure the effectiveness and impact of the community service program. Evaluation methods included observation, interviews, and participant feedback questionnaires. The evaluation focused on participants' understanding of business management, awareness regarding the

importance of product certification, and improvements in marketing strategies and product presentation.

Evaluation activities are important for assessing program success and identifying supporting and inhibiting factors during implementation. The results of the evaluation were used as recommendations for improving future community empowerment and MSME development programs (Sugiyono, 2019).

Through these stages, the community service program was expected to improve the managerial capacity, product quality, and market competitiveness of food MSMEs in Bhakti Negara Village. Furthermore, the program aimed to encourage the growth of sustainable and independent local businesses capable of contributing to community economic development.

RESULTS AND DISCUSSION

The implementation of the community service program entitled “Business Management Training and Product Certification for Food MSMEs to Improve Competitiveness,” which was conducted in February 2026 in Bhakti Negara Village, revealed that the primary challenges faced by food MSMEs were not merely related to production capacity, but more fundamentally associated with managerial limitations, weak product branding, limited market access, and low awareness of business legality and product certification. The findings of this program indicate that strengthening MSME competitiveness requires an integrated empowerment approach through business management training, product innovation, branding enhancement, and certification assistance implemented simultaneously.

Before the implementation of the program, most participants managed their businesses conventionally and relied heavily on local community markets and personal networks for product distribution. Business management practices such as financial recording, cost calculation, inventory management, and marketing planning were generally not conducted systematically. This condition reflects the broader structural problems commonly experienced by micro-scale enterprises in rural areas, where business sustainability is often based on production capability alone rather than strategic management practices. According to Robbins and Coulter, effective business management is essential for ensuring organizational sustainability because it enables business actors to allocate resources efficiently and adapt to market changes. The absence of managerial capability among MSME actors consequently limits their ability to scale production and compete within broader market structures (Robbins and Coulter, 2018).



Figure 1. Business management and product certification training activities for women-led food MSMEs in Bhakti Negara Village

The training and mentoring sessions revealed that participants actually possessed considerable production potential and creativity in developing local food products. Several participants had long been producing traditional snacks and processed foods; however, their products were marketed only within limited local environments. During discussions, it became evident that the primary obstacle was not production capability but rather the inability to transform household products into competitive commercial products.

The participatory training model applied during the activity enabled participants to actively discuss business constraints, marketing experiences, and production challenges. This approach aligns with Chambers' participatory empowerment framework, which emphasizes that community members should become active actors in development processes rather than passive recipients of assistance. The interactive learning environment contributed significantly to participants' confidence in expressing business-related concerns and identifying practical solutions collectively (Chambers', 1994).

One of the most critical issues identified during the activity was the lack of understanding regarding branding and packaging strategies. Prior to the mentoring process, most products were packaged using simple plastic containers without brand identity, product labels, or visual differentiation. Such conditions reduced the perceived value of products despite their relatively good taste and quality. From a marketing perspective, packaging serves not only as product protection but also as a communication instrument influencing consumer perception and purchasing behavior. Kotler and Keller emphasize that packaging and branding significantly contribute to consumer trust formation and market positioning (Kotler and Keller, 2016).

After the mentoring sessions, participants began to understand that product competitiveness is closely linked to visual identity and branding consistency. The program therefore encouraged participants to improve packaging quality, create product labels, and develop brand-oriented marketing strategies. This transformation reflected an important shift from subsistence-oriented production toward market-oriented entrepreneurship.



Figure 2. Food products developed by participants after packaging and branding mentoring activities

The improvement of product presentation after the mentoring activities indicated a growing awareness among participants regarding the importance of market adaptation. The food products developed during the program demonstrated greater visual attractiveness and stronger commercial potential compared to their previous forms. Packaging improvements contributed to increasing product professionalism and consumer appeal, particularly for broader market distribution.

Analytically, this transformation illustrates that product innovation within rural MSMEs often does not require drastic changes in production processes but rather strategic improvements in presentation, branding, and market communication. Participants realized that attractive packaging could increase consumer trust and product value without necessarily increasing production costs significantly. This finding supports Porter's theory of competitive advantage, which explains that differentiation strategies can create stronger market competitiveness even among small-scale enterprises (Porter, 1990).

Another important issue discussed during the training was the low awareness regarding product legality and certification. Initially, many participants perceived halal certification and PIRT registration as complicated and financially burdensome processes. This perception reflected the informational barriers commonly experienced by rural MSMEs, where limited institutional access often discourages business actors from pursuing certification procedures.

The mentoring process therefore emphasized that certification should not merely be viewed as an administrative obligation but rather as a strategic investment in business sustainability. Participants were introduced to the benefits of halal certification and food safety permits in increasing market legitimacy, consumer confidence, and distribution opportunities. In predominantly Muslim communities, halal certification particularly functions as an important factor influencing purchasing decisions and consumer loyalty.

The discussions further revealed that participants had previously underestimated the relationship between legality and business competitiveness. Most participants focused primarily on maintaining product taste and production continuity while neglecting legal and branding aspects. However, through the training process, participants gradually recognized that modern consumers increasingly prioritize certified, hygienic, and professionally packaged products. This awareness represents a significant cognitive transformation in entrepreneurial orientation among rural MSME actors.

In addition to certification issues, digital marketing adaptation also emerged as a major challenge faced by participants. Most MSME actors still depended on conventional marketing methods such as direct selling and neighborhood promotion. Despite widespread smartphone usage, participants had not fully utilized digital platforms for product promotion and customer engagement. This condition reflects the persistence of digital inequality within rural economic sectors, where technological availability does not automatically translate into digital business literacy.

The digital marketing sessions therefore focused on practical approaches such as social media utilization, online customer communication, and product promotion through accessible digital platforms. Participants were introduced to simple promotional techniques using WhatsApp Business, Facebook, and Instagram. More importantly, they were encouraged to understand that digital marketing involves consistent branding, communication strategies, and customer relationship management rather than merely uploading product photos online.

The positive response from participants indicated that practical digital literacy training can effectively reduce technological anxiety among rural entrepreneurs. Rahayu and Day explain that digital adoption significantly contributes to MSME growth and market expansion, particularly in developing economies. The findings from this activity support the argument that context-based digital mentoring is more effective than purely theoretical digital entrepreneurship training (Rahayu and Day, 2017).

From a socio-economic perspective, the program also contributed to strengthening women's economic participation within local communities. Most participants were women managing household-based businesses while simultaneously carrying domestic responsibilities. The empowerment activities therefore not only improved managerial knowledge but also increased participants' confidence in participating within local economic networks. Ife and Tesoriero argue that community empowerment should strengthen community autonomy and participation in socio-economic development processes. In this context, empowering women-led MSMEs contributes directly to household economic resilience and community welfare improvement (Ife and Tesoriero, 2014).

Another analytical finding from the activity is that the sustainability of rural MSMEs largely depends on the integration between local production potential and adaptive business management strategies. The participants already possessed strong culinary knowledge and local product uniqueness; however, without managerial literacy, branding strategies, and legal awareness, such potential remained economically underutilized. Consequently, empowerment programs focusing solely on technical production training are insufficient for creating sustainable business competitiveness.

The integrative approach implemented in this program demonstrated greater effectiveness because it addressed multiple dimensions of MSME development simultaneously, including management capability, branding, legality, certification, and digital adaptation. This multidimensional strategy enabled participants to understand business development more comprehensively and practically. Furthermore, the mentoring process ensured that participants were not merely passive recipients of information but active actors capable of implementing changes within their businesses.

Overall, the implementation of this community service program demonstrated that strengthening the competitiveness of food MSMEs requires holistic empowerment strategies integrating managerial literacy, product branding, certification awareness, and digital marketing adaptation. The experience in Bhakti Negara Village illustrates that rural MSMEs possess substantial economic potential, yet sustainable competitiveness can only be achieved through continuous capacity strengthening and participatory empowerment processes responsive to local community needs.

CONCLUSION

The community service program conducted in Bhakti Negara Village demonstrated that strengthening the competitiveness of food MSMEs requires an integrated empowerment approach combining business management training,

product branding improvement, digital marketing adaptation, and product certification assistance. The program successfully increased participants' understanding of managerial practices, packaging strategies, market-oriented branding, and the importance of halal and food safety certification. The findings revealed that the primary challenges faced by rural MSMEs were not limited to production capability, but also involved managerial literacy, legal awareness, and market access limitations. Through participatory training and mentoring activities, participants showed improved entrepreneurial awareness and readiness to develop more competitive and sustainable businesses. Therefore, continuous mentoring and community-based empowerment programs are essential to support the long-term development of rural food MSMEs and strengthen local economic resilience.

ACKNOWLEDGMENT

The authors would like to express their sincere gratitude to the head of Bhakti Negara Village and all community members who supported and participated in this community service program. Special appreciation is extended to the women-led food MSME participants for their enthusiasm, cooperation, and active involvement throughout the training and mentoring activities. The authors also thank the institution and all parties who contributed to the implementation of this program, both materially and non-materially, so that the activities could be carried out successfully and provide meaningful benefits for the development of local food MSMEs.

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