

Business Management Innovation and Digitalization as Efforts to Empower Household Industries

Dewa Ayu Putu Niti Widari^{1*}, Ida Ayu Surasmi², AA.Ayu Erna Trisnadewi³,
Kadek Lavanya Pragya Paramitha⁴, Ni Made Dinda Galih Cahayani⁵
Universitas Warmadewa

Corresponding Author: Dewa Ayu Putu Niti Widari

nitiwidaridewaayu@gmail.com

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ABSTRACT

The household industry producing Balinese traditional snacks plays a strategic role in preserving local culinary heritage while supporting economic growth. However, these enterprises often face challenges in business management and low adoption of digital technologies. This study aims to implement a community empowerment model and digitalization to enhance competitiveness and business sustainability. A descriptive-qualitative approach was employed, with data collected through interviews, field observations, and document analysis involving groups of Balinese traditional snack producers. The findings indicate that the member of the household industry has increased after the program. They understand how to journal the transaction and how to use social media marketing. This study recommends providing ongoing training in business management and digital marketing to ensure skills remain updated.

INTRODUCTION

The home-based industry of Balinese snack producers is one of the business sectors with strong cultural roots and plays an important role in the local economy. The home-based industry of Balinese snacks generally produces various types of traditional cakes and snacks that have unique flavors and are rich in cultural value. Bali's traditional snacks, such as jaja Bali, klepon, and other traditional cakes, are not only an integral part of daily life for the local community but also a major attraction for culinary tourism.

Ningsih et al (2024) suggests that the development of MSMEs requires adopting comprehensive business management models encompassing production, digital marketing, and financial management. Furthermore, these models should incorporate performance measurement criteria to enable business owners to monitor progress and conduct evaluations. Discussions with Mrs. Siti also revealed a significant gap in the use of technology within the production process. Most of the production is performed manually, which limits the production capacity and efficiency. Addressing these issues through enhanced business management practices and technological integration is essential for the sustained growth and competitiveness of "IRT Jaje Bali Bu Siti". Based on the challenges faced by the MSME partner, it is evident that community service activities with tradisional snack business partner in Pering Village are crucial. The primary objective of these activities is to enhance the partner's capabilities in various aspects of business management, including financial management, production management and digital marketing skill. By focusing on these areas, the community service aims to address the identified inefficiencies and operational gaps, thereby enabling the partner to achieve sustainable growth and improved productivity. Financial management training will equip the partner with the skills to maintain accurate financial records, separate personal and business finances, and perform profit/loss calculations. Digital marketing training will educating how to make product catalog and socia media as a tools of marketing.

The production process in Bali's traditional snack industry still relies heavily on traditional methods. Although it has high cultural value, this process needs to be improved through innovation and modernization in order to compete in an increasingly competitive market. This industry faces various challenges that hinder its growth and competitiveness.



Figure 1. Product by Household Industries “Balinese Snack’s Bu Siti”

The Balinese snack industry, as run by Bu Siti under the name “Jaje Bali Bu Siti,” is a prime example of a microbusiness that combines local wisdom, traditional skills, and creative economic potential. The production process for these products is typically done manually, relying on skills passed down through generations. This business not only contributes to the family's economy but also helps preserve Bali's cultural heritage through traditional snacks.

The various challenges faced by Jaje Bali Bu Siti include suboptimal business management and limited access to digital technology, namely financial management and marketing strategies. Jaje Bali Bu Siti is a micro business with daily production based on orders. Bu Siti's target market is the local community, tourists, and orders for traditional events or religious ceremonies.



Figure 2. Production Process by Household Industries “Balinese Snack’s Bu Siti”

IMPLEMENTATION AND METHODS

The location for this community service activity is at IRT Jaje Bali Bu Siti, Banjar Patolan, Desa Pering, Kecamatan Blahbatuh, Kabupaten Gianyar. The implementation focuses on partner involved in tradisional snack business. The methods employed include observation and interviews, education, guidance, and assistance.

1. Observation and Interview Method

Before the community service program is implemented, in-depth observations and interviews are conducted with the partner to identify their problems, prioritize these issues, and discuss appropriate solutions. This method aims to accurately identify the partner's problems according to their business needs and capabilities, fostering their role in designing, implementing, and being accountable for the provided program. These methods are applied continuously to identify priority issues that need addressing.



Figure 3. Observation and Interview with Household Industries "Balinese Snack's Bu Siti"

2. Educating about Business Management

This method is used to enhance business management for the traditional snack business by focusing on main areas of financial management: how to journal daily transactions, journaling simple financial reports and calculating business profit. These areas are interrelated and must be considered comprehensively. The expected outcome of business management training is an improvement in business management practices. The achievements of this community service include: a. Business owners understand financial transaction recording. b. Business owners gain knowledge to calculate business profits.

3. Assistance Methods

Assistance methods are used to apply digital technology in marketing. Assistance in creating product catalogs, creating social media to increase sales, and expand the market share of small and medium enterprises (SMEs) selling traditional Balinese snacks.

4. Involves providing business owners with books and production equipment, such as material mixing machines and packaging machines (cup sealers).

This equipment replaces manual mixing, speeds up the production process, and increases production capacity. Modern production equipment can significantly increase production capacity.



Figure 4. Delivery of Production Equipment the Objective of the Community Partnership Program is to Improve the Business Management Skills of Tradional Snack

RESULTS AND DISCUSSION

Improving Knowledge about Business Management

The knowledge and understanding of members showed an increase in business management, namely in creating simple accounting records to determine business profits. This can be seen from the average score calculated from the respondents' answers on the questionnaire distributed, which showed that the average score for members' understanding before the training was 1.04, meaning that the members of IRT Jaje Bali Bu Siti did not understand how to create simple accounting records. After receiving guidance from the service team, the average score increased to 3.15, indicating that the members of IRT Jaje Bali Bu Siti have improved their understanding of how to create simple bookkeeping records. By providing business management training, it is hoped that the members of IRT will be able to manage their businesses more professionally. This includes aspects such as financial record-keeping, production planning, inventory management, and long-term business development strategies.



Figure 5. Product Catalogue of IRT Jaje Bali Bu Siti

Increasing Knowledge of Digital Marketing

The knowledge and understanding of IRT members showed an increase in digital marketing, namely in utilizing social media, including WhatsApp and Instagram, to market Balinese snacks produced by IRT Jaje Bali Bu Siti. This can be seen from the average score calculated from the respondents' answers in the questionnaire distributed, which showed that the average score for participants' understanding before the training was 1.03, meaning that the members of IRT Jaje Bali Bu Siti did not understand digital marketing strategies. After receiving guidance from the community service team, the average score increased to 3.21, indicating that the members of IRT Jaje Bali Bu Siti have improved their understanding of utilizing social media to market products. This includes understanding product innovation, using digital platforms such as WhatsApp Business and Instagram, and creating product catalogs for their business. (Widyaningrum, 2024) explores the drivers of commercializing Bali's traditional snacks through digital marketing platforms, emphasizing the importance of knowledge to scale up the use of digital platforms. Training in digital marketing provides the necessary understanding to expand market reach, strengthen branding, increase sales, and support sustainable business growth.

Delivery of Technology and Innovation Product to the Community

The delivery of technology and innovation products in this program was designed to directly address the needs and challenges faced by household industries producing Balinese traditional snacks. The approach combined practical training, hands-on mentoring, and the provision of digital tools to ensure effective adoption and long-term sustainability.

Business Management Innovation Participants were introduced to demand-based production planning techniques to optimize raw material usage and reduce waste. A simplified yet structured financial recording system was developed and delivered in both printed and digital formats, enabling producers to track income, expenses, and profit margins accurately. Digitalization Tools The program facilitated the creation of e-commerce accounts and online storefronts for participating producers, along with training on product photography, caption writing, and pricing strategies for online markets. Additionally, a digital marketing toolkit was provided, which included editable promotional templates for social media platforms.

Brand Development Support A set of branding materials, including logo designs, product labels, and packaging prototypes, was delivered to enhance product identity and customer appeal. These were accompanied by guidelines on consistent brand presentation across offline and online channels. Technology Integration Mentoring Continuous mentoring sessions were held to ensure participants could independently operate digital platforms, manage online orders, and engage with customers in a professional and timely manner.

Through these interventions, the program not only transferred technological knowledge but also ensured that innovation products both in business management systems and digital marketing assets were embedded into the daily operations of the household industries. This direct and tailored delivery model strengthened the participants' capacity to compete in wider markets while preserving the authenticity of Balinese traditional snacks.



Figure 6. Social Media of IRT Jaje Bali Bu Siti

CONCLUSIONS AND RECOMMENDATIONS

The community empowerment program for household industries producing Balinese traditional snacks through business management innovation and digitalization has demonstrated positive and measurable impacts. The introduction of demand-based production planning, structured yet simple financial management, and social media-driven marketing strategies has improved operational efficiency and increased market reach. Furthermore, the adoption of digital platforms, such as e-commerce and online promotional tools, has strengthened brand identity and resulted in a notable sales increase during the implementation period. These outcomes indicate that integrating business management innovation with digital technology is an effective approach to enhancing the competitiveness and sustainability of local household industries.

To sustain and expand the positive impacts of the program, several measures are recommended:

- 1) Provide ongoing training in digital marketing, financial literacy, and product innovation to ensure skills remain updated.
- 2) Encourage local government and academic institutions to maintain regular mentoring and facilitation for household industries.
- 3) Explore broader market opportunities, including export potential and collaborations with tourism-based businesses.
- 4) Promote the integration of local household industries into a shared digital marketplace to increase visibility and competitiveness.
- 5) Establish a monitoring and evaluation system to track progress and adapt strategies according to technological and market trends.
- 6)

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