

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Project

The business world in Indonesia is currently experiencing positive developments along with the times. The world has now entered the era of globalization where in this era the industrial sector is needed to support the Indonesian economy. A person's desire for entrepreneurship has increased as evidenced by the number of entrepreneurs who appear from time to time. With entrepreneurship, a person can make it an alternative to meet the needs of his life both for himself and for his family.

In carrying out entrepreneurial activities, we must start from our own desires. Because entrepreneurship is not as easy as we imagine. It takes a strong intention and determination as well as the appropriate abilities and expertise for the line of business being carried out so that the business continues to run and can achieve business goals. Indonesia's increasingly advanced and growing economy has a huge impact on entrepreneurs. For example, the emergence of intense competition between entrepreneurs is marked by the number of new competitors. Therefore, entrepreneurs must find solutions in order to maintain their business. Business development is one of the efforts to retain buyers so that the business can continue to run.

According to Amirullah Imam Hardjanto in Karyoto (2021; 1), business is an activity to produce products to meet the needs and desires of consumers in the hope of getting profits through value creation and transaction processes. From these conclusions, it can be shown that developing a business means developing activities, developing products, selling, developing consumers, increasing profits, and developing product value, product benefits and product distribution. The

forms of business development such as Product Development, Market Development and Organizational Development.

According to Tutu Hardianti (2019), business development is a set of activities carried out to create something by developing and transforming various resources into goods/services that consumers want. Developing a business can overcome the problems of national economic development such as poverty alleviation, high unemployment, purchasing power, difficulty in creating business and employment opportunities and increasing economic growth. Business development is the task and process of analytical preparation of potential growth opportunities, support and monitoring of the implementation of business growth opportunities, but does not include decisions on strategy and implementation of business growth opportunities. Business development can be done in various ways, for example creating new product innovations, updating packaging and upgrading sales outlets. By developing this business, it can increase business competitiveness against competitors. Business development can also be carried out according to customer requests to achieve customer satisfaction so that customers will remain loyal to buying products.

Sugarcane water is one of the most popular drinks in Bengkalis City, especially in Sungai Alam Village. There is a sugarcane water business that has been in the business for 20 years to date. However, this business that has been going on for 20 years has not significant development. Business development on sugarcane water products is carried out because sugarcane water has many health benefits, for example to counteract the effects of free radicals, launch the digestive system, maintain liver health and so on.

This sugarcane water business has been around for 20 years. Until now, this business only sells a product in the form of sugarcane water which is packaged in half a kilo of ice plastic. The booth used by business actors today is also the same booth used 20 years ago. So that the quality of the booth used today is not good and should be replaced with a new one with better quality. With the current business conditions, the actors already have some criticism from buyers so

they can upgrade booths and others. Business actors at this time also have not implemented a good Standart Operating Procedure (SOP) for their business.

There are two parts of the SOP in this business, namely the SOP for the production section and the SOP for the service section. SOPs are very important in business activities because this will give a good image to the business. Aspects of production must be carried out according to standards in order to get a quality product. While the service aspect applied in the business must be done well so that consumers feel satisfied and can get customer loyalty. So, this SOP must be implemented properly in this business. The picture above is the current state of business:



**Figure 1.1 Current Business Conditions**  
*Source Processed Data 2022*

The following is a table of average daily income earned by business actors before implementing business development:

**Table 1.1 Average Income of Business Actors**

<b>DAYS</b>	<b>TOTAL INCOME</b>
Monday	Rp 106.000
Tuesday	Rp 53.000
Wednesday	Rp 82.000
Thursday	Rp 200.000
Friday	Rp 137.000
<b>Average Income</b>	<b>Rp 115.000</b>

*Source: Processed Data 2022*

Based on the table above, the income received by business actors is still relatively low. The income generated is not commensurate with the economic needs which are currently increasing. If the income continues to increase, it can be said that the business has experienced more positive development. To increase sales and income, this can be done by developing businesses in products, booth, packaging, presenting logo, and presenting brand so that product are more attractive and have high selling values. In addition, this business has a great opportunity to continue to grow because it has high competitiveness because this product is very popular with the public.

Based on the background described above, this project will be made with the title "**Business Development Of Air Tebu (Sugarcane Water) In Sungai Alam Village**".

## **1.2 Identification of the Project**

Based on the explanation of the background above, the problems that arise are: how to develop the business of air tebu (sugarcane water) in sungai alam village?

## **1.3 Purpose of the Project**

### **1.3.1 General Purpose**

The general purpose of the sugar cane product business development project in Sungai Alam village is to develop this business so that it remains able to compete with competitors and can increase income of the business.

### 1.3.2 Specific Purpose

The specific purpose of the final project for the business development of air tebu (sugarcane water) in sungai alam village are as follows:

1. To develop business by creating product diversification.
2. To develop business by creating business brand.
3. To develop business by making new packaging.
4. To develop the business by creating a new booth.
5. To develop the business by creating a product logo.
6. To know Standard Operating Procedure (SOP) for production and service.
7. To know the marketing mix 4P of the product diversification.
8. To find out the constraints and solutions faced in the implementation of this project.

### 1.4 Significance of the Project

Some of the benefits that can be obtained from the final project "Business Development Of Air Tebu (Sugarcane Water) In Sungai Alam Village" are as follows:

1. For the Business Actors

This project is expected to assist business actors in developing their business, producing new products with better quality and increasing the income earned by business actors.

2. For Researchers

This project can be used as additional experience, knowledge and as a guide for completing the final project which is one of the requirements to complete Diploma IV in the International Business Administration study program, majoring in Commerce Administration. With this final project, it is hoped that it will increase the creativity and innovation of the author.

3. For Society

This project is expected to provide insight in the form of a final project to broaden knowledge in learning how to do business development.

4. For Other Parties

This project is expected to be used as additional information, knowledge and reference in the preparation of the next final project or other similar projects.

## **1.5 Time and Place of Project Implementation**

### **1.5.1 Time of Project Implementation**

The implementation time of this project will be carried out for three months, namely from October to December 2022.

### **1.5.2 Place of Project Implementation**

The place for the implementation of the sugarcane water product development project will be on Jalan Bathin Alam, Sungai Alam, Bengkalis District, Bengkalis Regency. Specially the sugar cane business which is in front of the Bengkalis State Polytechnic Rusunawa.

## **1.6 Writing System**

The systematic writing of the final project for the business development of product air tebu (sugarcane water) in sungai alam village, bengkalis regency are as follows:

### **CHAPTER 1: PRELIMINARY**

Chapter I explains the background of the problem, identification of the project, project objectives, project benefits, time and place of project implementation and the systematic writing of a project in the final project report.

### **CHAPTER 2: LITERATURE REVIEW**

Chapter 2 explains the general and specific theories in the final project report, namely the general theory explaining the identification of business development, and for the specific theory explaining the

identification of how business development will be carried out. It also includes a project framework.

### **CHAPTER 3: PROJECT COMPLETION METHODS AND PROCESSES**

Chapter 3 describes the identification of project preparation plans, project implementation plans, project completion plans as well as schedules and estimates of project implementation costs.

### **CHAPTER 4: RESULTS AND DISCUSSION**

Chapter 4 describes the profile of business activities, reports on the implementation of project activities, which include project preparation, project implementation and project completion.

### **CHAPTER 5: CLOSING**

Chapter 5 describes the conclusions and recommendations after the project has been implemented.