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Agripreneurship Nurul Hayat Malang Branch Risk Management

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ABSTRACT

Since 2003, Nurul Hayat's company has been involved in agrienterprise, particularly in collaboration with goat farmers in the establishment of aqiqah services. Nurul Hayat's agrienterpreneurship activities have grown throughout Indonesia, with over 30 branches. Nurul Hayat's commercial activities have been impacted by the covid-19 epidemic since the beginning of 2020, with a decline in bookings in practically all branches. The purpose of this study is to determine the hazards associated with the Nurul Hayat Malang branch's agribusiness activities. Risk management is the application of management functions to address the company's hazards. This study uses house of risk phase 1 methodology and analytical tools. Primary data from consumers and the brand manager of the Malang branch, Nurul Hayat. According to experts from brand managers, there are 11 risk events and 8 risk agents encountered by agrienterpreneurship Nurul Hayat Malang branch. Second, risk agent has the potential to arise because it is included in 80 percent of the cumulative ARP (aggregate risk potential), where this occurs due to the failure of the Nurul Hayat Malang branch of agrienterpreneurship to reach the target (A3) and quality and product standards (A6). Nurul Hayat agrienterpreneurship partner malang branch should be expanded, and the quality control team should be evaluated, according to the recommendations.

Keywords: *Aggregate Risk Potential, agrienterpreneurship, risk management, aggregator risk potential.*

INTRODUCTION

Each agrienterpreneurship business must have its own set of risks, which can lead to uncertainty as a result of many decisions and considerations. To avoid hazards and ensure client satisfaction, agrienterpreneurship requires risk management. Risk management is the use of management functions to address hazards, particularly those that a firm faces. Reni and Aris (2019). The business

process of an agripreneurship company is inextricably linked to the risks that have become a major concern for all organizations throughout the world, and every company must be able to appropriately manage risk. The company can protect its value (preserving value) and expand its worth (generating value) with proper risk management. (Yep, 2017).

Nurul Hayat is an agribusiness that operates in 60 districts across Indonesia. The company is performing aqiqah in partnership with local goat farmers, who were able to slaughter 3,000 goats in less than a month. Consumers who purchase nurul hayat agrienterpreneurship services benefit from the development of nurul hayat da'wah and social programs, as well as the empowerment of local goat farmers, in addition to receiving aqiqah services. In April and May of 2020, the Nurul Hayat Malang branch saw a significant drop in customers. This is one of the dangers associated with agrienterpreneurship, and the impact of this agrienterpreneurship business must be managed.

Previous study on risk management analysis using the house of risk method has found that varying amounts of risk events and risk agents exist in different businesses. (Ummi et al., 2017; Magdalena, 2019; Stars, 2016). Risk management in an industrial firm demonstrates that, depending on the outcomes of risk identification, each organization has a method of minimizing risk. Kusumawardhani, 2015; Naftaliasari et al., 2015; Son et al., 2013; Shah et al., 2016) (Fanani et al., 2015; Haruni et al., 2014; Irawan et al., 2017; Kusumawardhani, 2015; Naftaliasari et al., 2015; Son et al., 2013; Shah et al. This study is different because it implements the house of risk phase 1 method to the aqiqah business, with a focus on risk management and customer satisfaction. The focus of this research is to identify the hazards that exist in the Nurul Hayat Malang branch of the agrienterpreneurship firm.

RESEARCH METHODS

The study lasted from January to June of 2021. The study took place in the Nurul Hayat Malang branch, which is located at Jalan S. Supriadi, No. 7, Sukun, Klojen District, Malang City. Primary data is gathered from the situation in which the

event took place. Nurmadhani and colleagues (Nurmadhani et al., 2020). Questionnaires, interviews, observations, and documentation are all used to collect data. Respondents are business specialists, including Nurul Hayat, brand manager agrienterpreneurship, Malang branch.

By detecting risk events in Nurul Hayat's agrienterpreneurship business, the research technique is house of risk phase 1. Then, on a scale of 1 to 10, rate the severity of the risk event, with 10 being the most severe impact. After assessing the impact, the next step is to identify the risk agent and evaluate the likelihood of each risk agent occurring. The risk agent value is a happening in which the value 1 is ruled out and the value 9 is ruled in. Create a relationship matrix, such as the one between each risk agent and risk event. Calculate the ARP based on the likelihood of risk agents occurrence and the overall impact of the risk event. Risk agents are categorized based on their total risk potential, from the highest to the lowest. (2016, Star)

RESULTS AND DISCUSSION

By interviewing the brand manager as a specialist in this field, identification was carried out at the Nurul Hayat Malang branch of agrienterpreneurship activities. Risk identification is the process of gathering all information about a company's operations. Kasidi (2010; Kasidi, 2010; Kasidi, 2010; Kasidi, 2010 Price perspective, service quality, and product quality are the three characteristics that are used to identify risk. In addition, there are 11 risk events that are divided into three categories. There are three risk events in terms of price, four risk events in terms of service quality, and four risk events in terms of product quality. The risk event is then evaluated based on the brand manager's assessment results, as stated in the table below.

Table 1. Determine the severity of the risk event

No	Criteria	Kode	Risk Event	Severity
1.	Price Perspective	E1	Product prices fluctuate a lot.	5
2.		E2	Competitor Price Is Lower	3
3.		E3	The cost of raw materials fluctuates	8
4.	Service Excellence	E4	Employees do not appear to be neat and	2

			courteous	
5.		E5	Employees do not treat customers with respect and decency	1
6.		E6	When serving customers, employees are less receptive	1
7.		E7	Employees unable to respond to customer questions	3
8.	Product Excellence	E8	The slaughter of goats is less/non-compliant with Islamic Sharia	1
9.		E9	Aqiqah foods can quickly get stale	5
10.		E10	The dish's flavor is poor, and it smells awful	3
11.		E11	Packaging is soiled and unsanitary	1

Source : primary data (processed) 2021

Table 1 shows the results of the risk event assessment conducted through interviews with Nurul Hayat Malang branch brand managers of agrienterpreneurship activities. Following the acquisition of the risk event, experts are interviewed to assess the effect level category or saverity. A risk agent (Ai) is a factor that has been recognized as having the potential to induce the occurrence of risk events that have been quantified using a risk scale. Trenggonowati & Pertiwi (Trenggonowati & Pertiwi, 2017). The determination of risk agent is the cause of risk together with the level of likelihood or occurrence of an event described in table 2 after knowing the risk event and severity.

Tabel 2. Identification of the Risk Agent and Assessment of the Occurrence

No.	Kode	Risk Agent	Occurrence
1.	A1	Losing Consumers	9
2.	A2	Demand is difficult to predict	1
3.	A3	Making sales on time is impossible	9
4.	A4	Employees' inability to communicate	6
5.	A5	HR is difficult to determine	1
6.	A6	Product criteria and quality	9
7.	A7	Inaccuracies in the product	2
8.	A8	Products with flaws	2

Source : primary data (processed) 2021

Based on the data in table 2, 8 risk agents were identified, each of whom determined the risk event with the help of experts and determined the occurrence. The likelihood of an event occuring is measured from 1 to 9, with 1 indicating that it is unlikely to occur and 9 indicating that it is highly certain to occur. Furthermore, risk phase 1 can calculate ARP (aggregate risk potential) in-house.

It is possible to examine the relationship or correlation between risk agent and risk event after receiving the value of severity and incidence through expert interviews.

Correlation assessment (Rij) has a scale of 0 to 9, with 0 indicating no correlation, 1 indicating a low correlation, 3 indicating a medium correlation, and 9 indicating a strong correlation. An ARP calculation can be carried out after finding the correlation value.
The purpose of the ARP value is to make it easier to choose which risk agent should be dealt with first. The following is the formula for calculating ARP:

$$ARPj = Oj \sum Si\ Rij$$

Keterangan :
Oj = Probability of encountering a risk agent
Si = The Amount of Damage Caused by Risk Events
Rij = Correlation between risk agent and risk event

Based on ARP's analysis, the following level of risk agents was determined:

Table 3. Level of Potential Agent Risk

Risk Event	Risk Agent								Si
	A1	A2	A3	A4	A5	A6	A7	A8	
E1	9	1	9						5
E2	3	1	3						3
E3		3	9						8
E4				1	1				2
E5				1	1				1
E6				1	1				1
E7				1	1				3
E8						3	1	1	1
E9						9	3	3	5
E10						3	1	1	3
E11						3	1	1	1
Oj	9	1	9	6	1	9	2	2	
ARPj	486	20	1134	42	7	540	40	40	
Peringkat	3	7	1	4	8	2	5	6	

Source : primary data (processed) 2021

After obtaining an ARP value, the Pareto Diagram is used to divide risk agents into priority groups. Pareto diagrams are used to identify the most important tasks that must be accomplished first. A high-risk risk agent with an ARP cumulative value of 80% of the overall cumulative value of the entire ARP risk agent is prioritized.

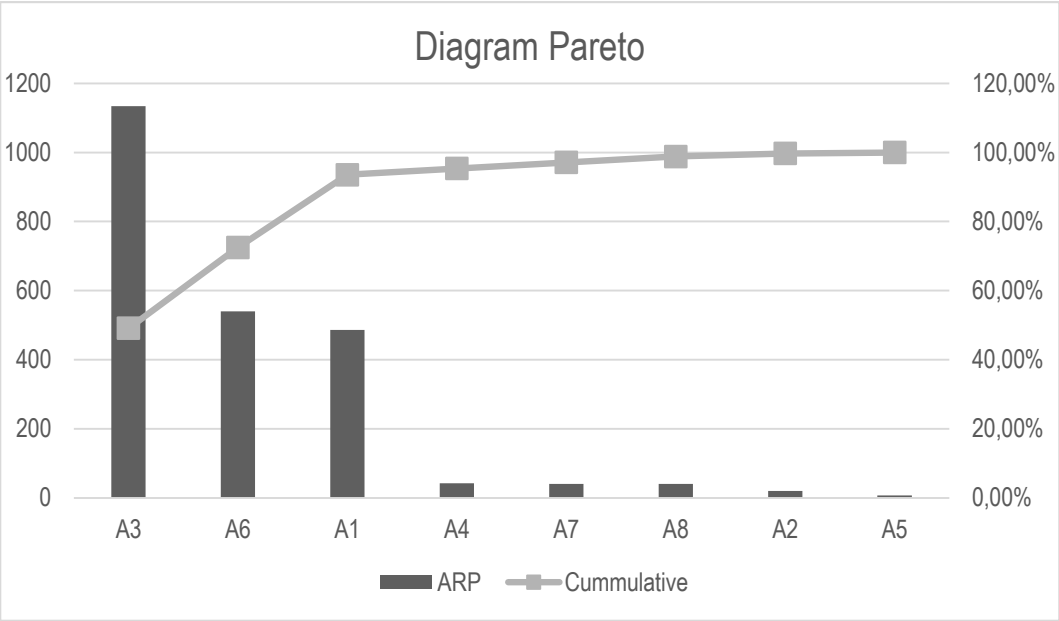

Figure 1. Diagram Pareto
Source : primary data (processed), 2021

The identified risk agents will be considered in the design of risk mitigation actions using the pareto 80/20 principle. The pareto diagram's results are displayed in table 4 below.

Table 4. Risk Agent Rating Table

Code	ARP	Persentase	Cumulative
A3	1134	49,11%	49,11%
A6	540	23,39%	72,50%
A1	486	21,05%	93,55%
A4	42	1,82%	95,37%
A7	40	1,73%	97,10%
A8	40	1,73%	98,83%
A2	20	0,87%	99,70%
A5	7	0,30%	100,00%

Source : primary data (processed) 2021

Unable to make sales according to targer (A3) of 1134 (49.11 percent) and Product quality and standards (A6) of 540 are acquired priority risk agents (causes of risk) included in 80 percent of ARP based on risk identification (72.50 percent).

According to research conducted by Putra et al. (2013), the highest risk or extreme risk is the failure of the product sales process, followed by the likelihood of defective items as the next highest risk.

On the basis of the results of interviews and field observations, 11 risk occurrences and 8 risk agents were identified. The number of risk agents and risk events identified as a result of interviews and field observations undertaken by researchers. Researchers used the house of risk phase 1 to identify risks in Nurul Hayat agrienterpreneurship operations Malang branch. Value bombardment is carried out in this phase to see how much of an impact the risk (severity) and the likelihood of occurrence have based on the risk agent that has been identified.

The pareto diagram yielded two greatest risk agents based on the test data. First and foremost, it is unable to meet sales targets (A3). With an ARP of 1134, or 49.11 percent of the overall ARP, the biggest risk consequence is not being able to make sales on time. The Nurul Hayat agrienterpreneurship initiatives have a one-year goal to meet. Because sales targets are more concerned with profit or profit, changes in pricing and the quantity of customers have a significant impact on this risk. If this risk arises, the bias will cause central management to examine the branch's performance and overturn the current management.

According to Putra et al. (2013), risk events include failure of the sales process, which can be caused by the deployment of an ineffective workforce, and failure in negotiations. This might have a negative impact on a company's public image and create a reputational risk. According to Kasidi (2010), reputational hazards occur as a result of a bad public image of a company's operations, with the goal of reducing the number of customers.

Tabel 5. List of A3-Related Risk Events

Code	Risk Event	explanation
E1	Product prices fluctuate	The price of Aqiqah Nurul Hayat's items can alter at least twice a year. Prices are adjusted twice a year, between June and November. Price modifications are likewise limited to no more than ten percent of the original price.
E2	competitor prices which are less expensive	Customers may contemplate choosing Aqiqah Nurul Hayat Malang branch if prices from other sellers are lower. Because of particular circumstances, many customers prefer lower pricing. Many rivals, on the other hand, use the price in Aqiqah Nurul Hayat to calculate the selling price of their items.

E3	The cost of raw materials fluctuates	Price changes in raw materials can affect pricing set by kitchen vendors. As a result, it may have an impact on the amount of profit gained each order.

Source : primary data (processed) 2021

Second, the product's quality and standard (A6). With an ARP value of 540 and a cumulative percentage of ARP of 72.50 percent, product quality and standard is a risk agent that may arise second. When it comes to supplying items, a company must undoubtedly have a high level of quality control. If customers receive a product that does not match what is advertised, they may move to another product and give negative feedback.

Table 6. A6 is affected by a risk event

Code	Risk Event	Explanation
E8	Slaughtering goats is either prohibited or prohibited under Islamic law	One of the most significant aspects of maintaining halalness and product quality in Aqiqah is goat slaughter. Improper cutting might lower the food's halal value. Aqiqah Nurul Hayat has been certified Halal MUI, and in order to maintain the halal status, the Malang branch of Aqiqah Nurul Hayat maintains a quality control staff. Customers can also select whether or not to participate in a goat slaughtering session.
E9	Aqiqah foods can quickly get stale	The quality control section includes a standard operating procedure (SOP) that customers can follow after receiving products from Aqiqah Nurul Hayat. To avoid stale food, one of the SOPs is to heat the gule hinds after 3 hours. However, some customers disregard the SOP, causing the dish to become stale.
E10	The dish's flavor is poor, and it smells awful	The quality control team has a standard operating procedure (SOP) for how to cook and how much of each recipe to use while preparing food. If the kitchen vendor fails to follow the SOP established by the quality control team, the quality control team will request that the kitchen vendor re-cook. Losses will also be paid to the vendor if it fails to follow the agreed-upon SOP.
E11	Packaging is soiled and unsanitary	The quality control team will double-check the packing of aqiqah products for damage and cleanliness before sending it to the customer. The quality control team will replace damaged or filthy packaging with new packaging if it is damaged or dirty.

Source : primary data (processed), 2021

The activities of Nurul Hayat agrienterpreneurship have their own quality control section. Before the product is given to the customer, the quality control department will inspect the cutting area and kitchen. If there is an error, failure, or mismatching of the product during the manufacturing process, the quality control team will refuse to issue the

product. At the concept level, production planning appeared simple and feasible to implement, but it failed in the face of challenging production conditions. (2020, Tarmudji)

CONCLUSION

Nurul Hayat agrienterpreneurship activity is a large-scale aqiqah service provider with 30 branches across Indonesia. The results of risk identification in the Nurul Hayat Malang branch's agrienterpreneurship business activities revealed 11 risk occurrences and 8 risk agents. According to ARP calculations, the obtained priority risk agent (source of risk) is unable to create sales in accordance with the target (A3) of 1134.(49.11 percent). While the product's quality and level (A6) is 540, (72.50 percent).

Nurul Hayat Malang branch should grow partners to attract wider and more consumers, according to the advice offered in agrienterpreneurship activities.Quality control evaluations must be conducted on a regular basis in order to improve product quality and ensure that customers are satisfied with the results of their purchases.

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