

THE IMPLEMENTATION OF VALUE CHAIN HOLISTIC MODEL OF ULOS WEAVING FABRIC CREATIVE INDUSTRY

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ABSTRACT

This research has a long-term goal to increase the income of stakeholders in the ulos weaving fabric industry in North Sumatera and National Gross Domestic Product in Indonesia. The specific target to be achieved is to improve the concept of a value chain holistic model of the ulos weaving fabric industry which will soon be implemented. The methods used in achieving this goal are an experimental study by a value chain holistic model of the ulos weaving fabric industry using the strength and opportunities strategy. Through a Focus Group Discussion involving MUSRENBANG, KOPERINDAG, City Government, Provincial Government, Ulos weaving Fabric Manufacturers Group, Weaver Group and Producers Cooperative, information and data will be collected which will be grouped into Strength, Weakness, Opportunities and Threats information. The evaluation of data and information through a SWOT analysis, shows the results that the proposed model is good and continues to implement a production and marketing strategy, where the establishment of a production cooperative will strengthen SMEs with a joint commitment of members, will facilitate the capital. The Association of SMEs formed to produce quality production and standardized price so as to be able to deal with internal competition properly, which will be able to support the Lake Toba tourist destination as a tourism activity in North Sumatera. Standing for marketing is also needed to support the construction of toll roads along the Lake Toba area, through the tourist gateways of Medan and Silangit.

***Keywords :** Holistic; MUSRENBANG; SWOT Analysis; Ulos Weaving Fabric*

INTRODUCTION

The existence of tourism with attractive destinations in East Nusa Tenggara (West Sumba), in West Nusa Tenggara (Lombok island), and Bali has been supported with a variety of souvenirs, attractive designs and colors, easy to obtain and varied prices and relatively inexpensive have given the best memories for tourist visitors and able to increase national gross domestic product (Fadlilah, 2016). This happens because the stakeholders of the handicraft industry use a production strategy that maintains and improves quality and a direct distribution strategy by packaging more attractive production results (Putri, Suardana, & Mananda, 2015; Rosandi, 2013).

Excellent access support such as: road, transportation, port, and airport; availability of good amenities in the form of hotels, restaurants, bars, shopping centers, money changers, and gift centers; direct involvement of the Denpasar city government such as promotion media in utilizing the information and technology of the existence of annual activities such as the Denpasar festival; social culture which upholds the value of tradition and its social and cultural life (Fearne, Garcia Martinez, & Dent, 2012). Woven Endek fabric in Bali is a local creativity that can not be separated from the support of the Central Government and Local Government is one of the contributors to the country's foreign exchange, favored by foreign tourists, and can be utilized in various forms of attractive designs such as; clothes, ties, bags, and purses. Weaving training and related activities, providing community, and capital-based sales platforms; increasing the number of entrepreneurs, and promoting the use of Endek woven cloth in government agencies, Endek woven cloths are raised in routine cultural exhibitions in other regional governments and workshops on environmental cleanliness to the community in order to preserve the environment and maintain mutual comfort are the policies of the Local Government while the Central Government carries woven fabrics Endek as Indonesia's cultural riches at international events and encourages the use of Endek in the world class fashion show by inviting Indonesian and world

designers (Dewi, Ardika, & Sunarta, 2019).

In North Sumatra, ulos woven fabric is a local creativity which is expected to be a souvenir that will complement tourist trips with Lake Toba tourist destinations. Based on the SWOT analysis, the concept of a holistic model of the ulos woven fabric industry value chain based on previous research has resulted in a production and marketing plan with a strength and opportunities strategy (Howieson, Lawley, & Hastings, 2016). The series of activities in the ulos woven fabric industry, should show value-added that provides tangible as well as intangible benefits to all stakeholders who always make changes continuously in competition. The skills of the workforce in designing and completing woven fabrics are strength and the formation of producer cooperatives is opportunities in overcoming capital needs, supplying quality yarns and marketing the products of cooperative members in the ulos woven fabric industry (Mangifera & Setyawan, 2015). Koperindag will find it easier to provide guidance and training in the fields of administration, marketing and technical to cooperative producers, as well as to bring ulos woven cloths to cultural festivals held by regions, centers, and even abroad; Musrenbang must help facilitate solutions to problems faced by the ulos woven fabric industry by incorporating the program into village budget plans, regional, provincial and central government budget plans (Azhar, 2015; Naibaho, 2019).

RESEARCH METHOD

An experimental study involved stakeholders of the ulos has woven fabric industry in Pematang Siantar by trying to implement the holistic concept model of the ulos woven fabric industry value chain which was the result of previous research through socialization (Naibaho, 2019). The concept of this holistic value chain model was tested on every respondent in the ulos woven fabric industry such as weavers, entrepreneurs, producer cooperatives, cooperatives and cooperatives, musrenbang, local governments, and provincial governments. Information and data will be collected qualitatively related to activities, problems encountered, strengths, weaknesses, opportunities, and threats faced. Information and data obtained are tabulated and weighted based on their importance. This tabulated information and data is the material in the Focus Group Discussion. In FGD the problems that occur in the analysis and search for solutions together so that it becomes a collective agreement. In response to the discussion results, information and data are collected and divided into strengths, weaknesses, opportunities, and threats. By using SWOT analysis related to production and marketing, the right strategy is obtained to perfect the holistic concept of value chains in the ulos woven fabric industry. Mutual agreement in the FGD will motivate each other stakeholders to realize their respective roles which will ultimately increase stakeholder income in North Sumatra (Nurimansyah, 2012).

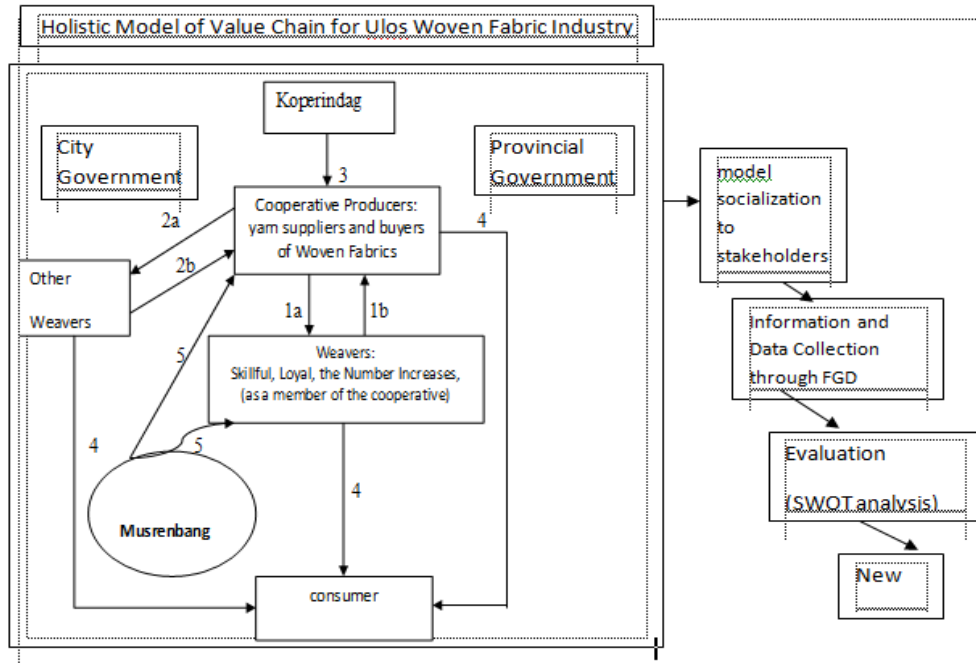


Figure 1 Research Design

RESULT AND DISCUSSION

Information and data were collected through the socialization of the concept of the holistic value chain model of the ulos woven fabric industry from previous research, then the issues that were present during the socialization were discussed through the FGD with participants being stakeholders of the ulos woven fabric industry in the city of Pematang Siantar. UMKM in the city of Pematang Siantar are about 15,000 units, of which 40% are UMKM ulos weaving (SUPRIYANTO, 2020).

Table 1

Number	Position	Total (people)
1	Businessman/Weaver	7
2	Koperindag	4
3	Musrenbang	5
4	Production Cooperative	2
5	City Government	1
6	Province Government	1
Total		20

Problems faced by stakeholders in the ulos woven fabric industry can be seen in table II. below

Table 2 Problem Faced

Number	Description of The Problem	Total (%)
Weaver		
1	Low wages	23,53%
2	Creativity makes woven motifs is very less. (Not Skilled with New Motives)	23,53%
3	Yarn damaged, broken, hairy, curled	17,66%
4	Weaving equipment is damaged / broken so as to hamper the weaving work	11,76%
5	The size of equipment does Not Fit ATBM	11,76%
6	The place of weaving is not available	5,88%

7	Not yet implemented K3 (Safety, Health and Safety)	5,88%
Businessman		
1	Less Capital to Fulfill Orders	17,66%
2	The price of yarn is expensive	17,65%
3	Procurement of yarn is difficult and slow, because it must be ordered to Bandung and China	17,65%
4	Low Employee Loyalty (Delayed because the weaver suddenly don't work)	11,76%
5	More and More Independent Weavers (Weavers who are smart, don't want to work anymore)	11,76%
6	Theft of motives which resulted in the low quality of production so that selling woven fabrics at low prices	11,76%
7	Fear of innovation (expensive boarding, marketing)	5,88%
8	Good mapping by the government, about the number of UMKM, production, types of ulos woven cloth, so prices do not fall	5,88%
Production Cooperative		
1	Members of the cooperative after borrowing money, disappearing / moving house (loans not returned)	25%
2	Bad attitude / mentality of cooperative members	25%
3	Production decreased because workers resigned	25%
4	Lack of capital to buy yarn in large quantities so that the price is cheap.	25%
Koperindag		
1	Ulos Woven Fabric Industry Group that has been given Training Mostly Do not Follow Up the Training or Counseling	20%
2	UMKM don't want to join with production cooperative	20%
3	Revolving funds have not been used optimally by UMKM up to Rp. 70,000,000 / Production Cooperatives up to Rp. 200,000,000	20%
4	Information on the situation in the field when the exhibition was attended directly by UMKM, did not reach Koperindag, so it was not known about the development of the business (UMKM lacked coordination with Koperindag)	20%
5	Want to hold a promotion but UMKM are less willing to bring their products in the promotion, if not immediately paid	20%
Musrenbang		
1	The training has been carried out in the village, but there is no further response from the trainees (community)	50%
2	The implementation of the training program in the kelurahan has not been optimal (it seems that there is a compulsion to spend the budget)	50%
City/Province Government		
1	UMKM are less motivated to unite in a place of cooperative production, to facilitate the supply of yarn from the center, so the price can be cheaper, and the total.	50%
2	UMKM are less active in responding to coaching, training, and utilizing revolving funds provided by the government and following up on them.	50%

The advantages of this ulos woven fabric industry are as shown in table 3. below:

Table 3 Excellence that is owned

Number	Description	Total (%)
1	Weavers are very skilled and conscientious	25%
2	Able to / creatively design ulos woven fabric motifs	18,75%
3	Can work everywhere (in house)	18,75%
4	Many new weavers appear	12,5%
5	Good quality ulos woven fabric	12,5%
6	There is already an advanced process of ulos woven cloth in the form of: uniform shirts, suits, hats, wallets, bags, scarves and so on.	12,5%

The proposal submitted by FGD participants is shown in table IV. below.

Table 4 Proposed Stakeholders of Ulos Woven Fabric Industry

Number	Description	People who must be involved
1	In each training historical ulos woven fabric should be taught, so that the ulos motif used for tradition must remain the same with the same quality and not lose its historical / cultural value	Businessman / Weaver Koperindag Tourism Travel City Government / Local Government / Provincial Government
2	There needs to be an agreement in making motifs that are characteristic of regionalism, then copyright is made	Businessman / Weaver City Government/ local government / Provincial Government
3	Determination of training participants must be selective, for example given to people who do not know about the training material, cooperative management training participants are given to cooperative management, so that it is right on target	City Government / local government / Provincial Government Trainer (kelurahan/koperindag/OJK/dll)
4	Employers hope that improvements to marketing and exhibition facilities take precedence over weaving training	Business Production Cooperative Koperindag City Government / Local Government / Provincial Government
5	Business management training and financial reporting should be responded to and acted upon by UMKM / Production Cooperatives, so that UMKM / Production Cooperatives know the progress of each performance	UKM Production Cooperative Koperindag
6	Establishment of the UMKM Association which is a unifying forum for UMKM to discuss and commit to dealing with quality and price standardization problems, production issues (yarn requirements, motif designs, types of ulos woven fabric produced, advanced ulos woven fabric products), marketing problems (online, promotion online, cultural festival) will	Businessman / Weaver Production Cooperative Koperindag City Government / Local Government / Provincial Government

	facilitate collaboration with travel, tourism, cooperatives and the government.	
7	The yarn factory for the needs of ulos woven fabric is expected to be built in North Sumatra	Province Government Central Government
8	Job management training for employers to meet the communication and supervision needs of workers (weavers) so as not to steal and remain loyal, how to bring up the weaver's creativity to improve the quality of motifs (innovative) and the quality of ulos woven cloth (neat)	Koperindag UMKM Businessman / Weaver
9	Siantar City is prepared as a tourist destination, especially with the construction of toll roads, the Pematang Siantar city will not be visited, so a Gallery / Rest Area spot is needed on the toll road, where tourists will easily transact and production can continue.	UKM Production Cooperative Businessman Tourism City Government / local government / Provincial Government
10	Tourist Information should be run optimally via online, informing tourist destinations in North Sumatra and ulos woven fabrics, so that tourists have full information regarding ulos woven fabrics.	UMKM Production Cooperative Pariwisata Travel City Government / local government / Provincial Government
11	Motivational training to change the mindset of entrepreneurs / weavers into servants in the ulos woven fabric industry.	City Government / local government / Provincial Government Koperindag Production Cooperative of UMKM
12	UMKM should join in a cooperative production container to facilitate capital and yarn supply, with Koperindag facilitators	UMKM of Production Cooperative City Government / Local Government / Province Government Koperindag
13	Existing galleries in every city should be maximally utilized	City Government / local government / Provincial Government Production Cooperative of UMKM
14	Guidance and training provided by Koperindag in collaboration with Bank Indonesia (embroidery training, report preparation; e-commerce, packaging), Telkom (making UKM villages), JNE, TIKI, Bank of North Sumatra, OJK, should be followed up positively and sustainable by the UMKM / Production Cooperative	Koperindag UKM

The following is the SWOT Matrix of the Ulos Woven Fabric Industry as shown in table IV below.

Based on the Ulos Woven Fabric Industry SWOT matrix above, we can see an appropriate strategy (Ma'rif, Nugroho, & Wijayanti, 2010). The strategy that suits the weaving industry in North Sumatra is the SO (Strength - Opportunities) Strategy, then the proposed value chain holistic model can be seen as in the following figure. below this:

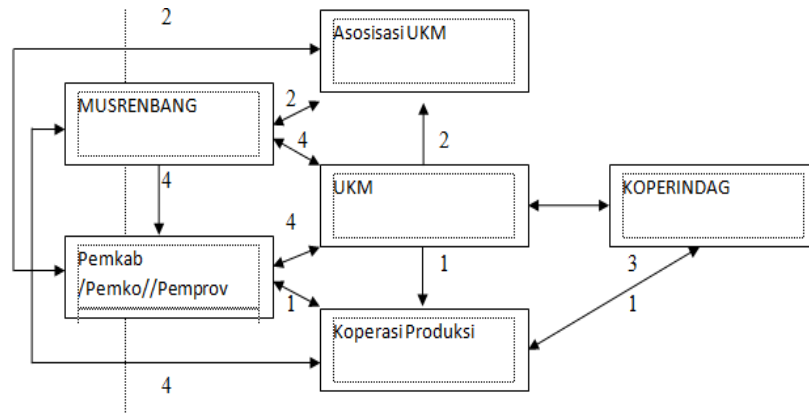


Figure 2 The Holistic Value Chain Model of the Ulos Woven Fabric Industry (New)

Explanation of Figure :

1. UMKM is expected to form a Production Cooperative with the hope:
 - a. It is easy to get large amounts of funds from the Cooperative Office and also from local and central government
 - b. It is easy to hold yarn, because ordering yarn in large quantities through production cooperatives will be facilitated by the center.
 - c. Easy to get coaching and training from Koperindag, Payakumbuh Government. Regency / provincial government, in the field of business management, financial management, preparation of financial reports, training in sewing and embroidering as an advanced process of woven cloth ulos into clothing, suits, hats, wallets and other souvenirs and product marketing through cultural festival exhibitions and promotions at certain events.
 - d. The collection of funds comes from members and funds received from the Cooperative service and local and central government can be used for the benefit of cooperative members to increase production, and if the production cooperative has a fast cash turnover and if the production cooperative performs well then the Remaining Results will be high, and those who enjoy the results of the cooperative are also members of the cooperative.
2. MSMEs are expected to form the MSME Association with the hope that:
 - a. This container will be able to standardize product quality and prices for ulos woven fabrics that are specifically used for adat, which must maintain historical or cultural values; able to develop motif designs and yarn quality that will be used for convection such as clothes, suits and souvenirs such as hats, wallets, bags etc.
 - b. This container can be used to develop ulos woven fabric product design and marketing methods.
 - c. This forum will be able to be used to communicate, discuss among fellow members of the association, and help provide the best suggestions from SMEs in the musrenbang, so that the musrenbang will take part in developing the needs of the sustainable ulos woven fabric industry in the village budget, village budget, regional budget, even if possible at STATE BUDGET.
3. The Koperindag Office in carrying out its functions, namely providing guidance and training in the fields of management, production and marketing to MSMEs with the hope:
 - a. There is an ongoing follow-up or response from MSMEs by continuing to coordinate with Koperindag, and MSMEs are able to propose necessary coaching and training such as

- product quality management and updated marketing methods, such as online shops and e-commerce
- b. Follow-up between MSMEs and Koperindag could also be in developing innovations in the design of motifs and colors and advanced products from ulos woven fabrics.
4. Musrenbang (Deliberation of village / kelurahan, city / district Development Plans, consisting of village governments in collaboration with residents and other stakeholders (including village and lurah heads), with the hope:
- a. Must actively participate in facilitating the problems of the ulos woven fabric industry group (UMKM), by including the program in the village budget or kelurahan budget or in the village development work plan and APBD in the city / district / province.
 - b. When the program and budget have been approved, the implementation of the program / budget realization must pay attention to the principle of achieving program objectives (effectiveness), so that SMEs will develop better and faster, resulting in an increase in UKM income, increasing regional income also increasing through increasing the number of tourists visiting Lake Toba tourist destination which is currently a major program in the field of tourism (Kaplinsky & Morris, 2001).

The Musrenbang must be able to turn its area into the center of tourists' attention, by developing ulos woven fabric tourist areas in their respective regions, including being able to build stands / galleries in toll road rest areas to be built in North Sumatra.

CONCLUSION

By socializing the concept of a holistic model of the ulos woven fabric industry value chain, and information and data collected from the socialization are then discussed in the Focus Group Discussion, the agreed value chain holistic model can be applied in the ulos fabric industry in North Sumatra, namely:

The formation of a Production Cooperative consisting of weavers and entrepreneurs weaving ulos woven cloth is needed: a) as a unifying forum for strengthening production and marketing strategies, revolving funds from the government will be more focused and more beneficial for cooperative members and facilitate the procurement of large quantities of yarn and competitive prices through the central government, b) as a unifying forum in determining the standardization of the type and quality of products, and prices will compete.

Koperindag (Cooperatives, Industry and Trade) must be able to carry out their functions on target, such as: a) The Office of Cooperatives must provide guidance and counseling to MSMEs so that they are willing to form a Production Cooperative with weavers, and explain the benefits to be obtained from the formation of the production cooperatives and must provide ongoing guidance related to cooperative management so that cooperative performance can be optimal and effective. b) The Office of Cooperatives must revolve funds in an administrative and targeted manner to the production cooperative and to the UKM so that the return of revolving funds is guaranteed, even the continuation of the life of the production cooperative and UMKM can increase the income of the Production Cooperative and UMKM. c) The Koperindag must pay attention to the training and training that have been and will be carried out on an ongoing basis, related to the quality of production and the meaning of each design motif that exists on ulos woven fabrics; involving ulos woven cloth in cultural festivals at home and abroad as well as online-based marketing in collaboration with the Telecommunications Agency and goods delivery agencies. d) Koperindag can provide training on the final packaging of ulos woven cloth and product labeling that is registered as an intellectual property, with the hope that it will increase the product's selling value and be able to survive in competition. e) The Koperindag must facilitate the existence of this ulos woven fabric in the Tourist Information Department of Tourism, which informs the existence of ulos woven cloth

Musrenbang; In the village / kelurahan development program, giving attention to the ulos woven fabric industry through musrenbang must incorporate this ulos woven fabric development program into the village / kelurahan budget, proposing it to be included in the Regional budget and the Central budget. The realization of the budget must be carried out thoroughly and

continuously, making the weaving of ulos woven cloth into a tourist attraction and regional income which also increases MSME income. Training to make ATBM equipment, training to maintain ATBM equipment, training to improve the quality of weaving, training of human resources must be with ongoing guidance and focus until MSMEs are independent and able to innovate. Musrenbang must also be able to create a village or region as a tourist destination, by building weaving centers that are worth visiting by tourists, who must have a different design specialization from other regions.

Businessman / Weaver; Entrepreneurs / weavers, hope that the ease of obtaining yarn in accordance with the needs of the type of ulos woven fabric, good yarn quality, sufficient quantities and affordable prices. Entrepreneurs / weavers, must be able to form production cooperatives to obtain easy access to capital or revolving funds, make it easy to obtain administrative and technical training and training facilities in the fields of design, production, quality, packaging, marketing and innovation. Entrepreneurs / weavers must be able to voice their needs which can be supported by local and central governments through the Musrenbang, so that they are included in the village / regional planning program and included in the village budget, APBD and APBN. Entrepreneurs / weavers form UMKM ulos woven fabric associations throughout North Sumatra, from villages, sub-districts, districts / cities, to provinces that aim to unite perceptions of ideas and actions related to production and marketing that can produce characteristics of each region.

City / Regency / Province Government; As stakeholders in the City / regency / provincial government, it is expected to maximize its function in a sustainable manner to see directly the problems that exist in the ulos woven fabric industry and in the interest of the people, specifically UMKM of ulos woven cloth, in order to produce good quality products, having regional characteristics. , unique and low prices and can be accepted by consumers specifically tourists of the special region of Lake Toba, and bring the result of these craftsmen belong to the regions, countries and the international world, through cultural festivals, so that the planning and allocation of funds from the APBD and APBN are on target, so that all stakeholders of the ulos woven fabric industry will benefit in the form of increased income for entrepreneurs / weavers, an increase in regional income through an increase in the number of tourists visiting Lake Toba region destinations, and an increase in sales of ulos woven fabrics. Local and provincial governments must coordinate with the Tourism Office, the Office of Cooperatives and Trade, Production Cooperatives, UMKM Associations, entrepreneurs / weavers.

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