


Enhancing Marketing Performance Through Risk Management In MSMEs

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Article Info	ABSTRACT
Keywords: Risk Management, Marketing Performance, MSME Business	This study aims to examine the implementation of business risk management for enhance marketing performance in Harum Laundry MSMEs. The analysis was conducted on various aspects of risks such as financial, operational, marketing, and product faced by Harum Laundry MSMEs. The method used in this research is a qualitative approach by collecting data through interviews. The results of the analysis identified that the biggest risk is related to finance, where reliance on personal capital can result in disruption to business operations. The research also offers solutions in controlling these risks by proposing cooperation with business partners as an anticipatory measure against possible business failures. It is hoped that the results of this study will not only provide benefits for entrepreneurs to implement risk management in their businesses, but also increase understanding of the importance of risk management in the business context.
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INTRODUCTION

In an increasingly complex and dynamic business environment, risk management is one of the important aspects that must be considered by every business actor, including Micro, Small and Medium Enterprises (MSMEs). This complexity arises from various factors such as rapid technological change, global economic fluctuations, market uncertainty, and frequent regulatory changes (Rachmad et al., 2023; Rachman et al., 2024; Setiawan et al., 2024). Each of these factors carries risks that have the potential to disrupt business operations and sustainability. Therefore, MSMEs, which often have limited resources compared to large companies, must be more vigilant and proactive in identifying, analyzing and managing existing risks. A systematic and effective risk management approach is vital to ensure that MSMEs can survive and thrive amidst increasingly fierce competition and an ever-changing business environment (Aksenta, 2024; Aksenta et al., 2024; Setiawan et al., 2023; Sirat et al., 2023).

MSMEs are of course related to business, and risk is always present in carrying out these business activities. Risk is the possibility of loss due to a certain event. Therefore, before the risk occurs, we must be prepared to face or minimize it by implementing risk management (Nurhasanah & Aksenta, 2024; Priyana et al., 2024; Radhitya et al., 2024; Suryadana & Sarasvananda, 2024). Risk management is needed to direct, identify, and establish solutions

to handle risks. The risk management process can be used as a reference so that organizations can maintain consistency in carrying out the stages of managing their risks, from setting the context to monitoring, reviewing, and reporting on each risk managed (Bakri & Alfiah, 2024; Hamid et al., 2024; Pradnyani et al., 2024; Wahyudi et al., 2024)

In this study, researchers analyzed Harum Laundry MSMEs engaged in services, specifically offering washing and ironing services for clothes, pants, bedcovers, bed linen, curtains, dolls, jackets, blankets, and dry cleaning that are calculated based on units or kilograms. Given the development potential of Harum Laundry, the implementation of risk management is very important. Risk management needs to be implemented so that the company can identify potential risks that may occur and prepare the right solutions to overcome them.

The purpose of this study is to identify the risk management process, analyze the risks that may arise, control these risks, and develop a risk management strategy. In addition, this research aims to increase the awareness of Harum Laundry MSME business actors about the importance of risk management in their business (Hasyim et al., 2023; Kartini et al., 2022; Lin, 2024; Meol et al., 2024; Ramli et al., 2022). The results of this study are expected to help entrepreneurs implement risk management in their business to anticipate and identify high-probability risks, so that their business can grow and be sustainable in the future.

METHODS

Qualitative research methods can be interpreted as research methods used to research on natural object conditions, (as opposed to experiments) where the researcher is the key instrument, data collection techniques are triangulated (combined), data analysis is inductive / qualitative, and qualitative research results emphasize understanding meaning and constructing phenomena rather than generalizations (Ibrahim et al., 2023; Kwintiana et al., 2023; Sudipa et al., 2024; Sugiyono, 2019). While the research approach used is a case study. The data collection method used is the main technique, namely indeph interview, and as a support, observation and direct business analysis are used (Jabid et al., 2023; Wada et al., 2024; Wijaya et al., 2022). The analysis process is focused on identifying risks in Harum Laundry MSMEs, as well as providing solutions from risk identification in Harum Laundry MSMEs.

RESULTS AND DISCUSSION

MSME Risk Identification

The research begins by identifying risks at Harum Laundry MSMEs using a table to find out what risks are likely to occur and the impact of identifying these risks. This process is obtained from collecting data from interviews and observations at the research location. Table 1 explains the identification of risks, the impact of risk identification, and the level of risk in the form of a percentage that can represent the existing conditions of Harum Laundry MSMEs.

Table 1. Risk Identification

No.	Risk Identification	Risk Impact	Probability	Risk Value
1	Harum Laundry does not have capital from the government and only uses personal capital.	Lack of Business Capital	60%	Very High Risk
2	Increase in raw material prices related to laundry business	Need for more capital	6%	Low Risk
3	Minimal business profit generation	Business capital tends to decrease	7%	Low Risk
4	Lack of human resources to assist in the work	Decreased Work Productivity	25%	Medium Risk
5	Marketing is done based on the location of the business, not yet using digital marketing media	Dependence on on-site customers, unable to expand customer reach	30%	Medium Risk
6	The number of competitors in the same business field	Less customers, high competition	45%	High Risk
7	Product maintenance is not regularly performed	Declining service quality	15%	Medium Risk

Based on table 1, it can be explained that the probability value is obtained from the provisions: >10% = Low Risk, 10% = Medium Risk, <20% = High Risk and <50% = Very High Risk. Based on the analysis of the risk identification table at Harum Laundry MSMEs, here are some of the risks faced and their solutions: The financial risks faced by Harum Laundry include the possibility of business failure in case of capital shortage as the business still relies on personal capital. This risk is exacerbated by inflation and rising prices of raw materials such as detergents and deodorizers. In addition, the use of business income for personal use by the owner may reduce the capital available for business operations.

Operational risk occurs due to a lack of employees which can reduce business productivity. Non-standard operations can affect employees' performance and knowledge of Harum Laundry, making it not run optimally. Marketing risks arise because the business is not widely known, due to marketing that only relies on the surrounding environment and does not utilize social media. The number of other laundry businesses makes Harum Laundry's marketing limited to the area around the business, so it cannot expand its market reach.

Product risk is related to the lack of maintenance on the equipment used, such as washing machines that are not regularly maintained, which can reduce the performance of the equipment. In addition, service quality is also a risk, such as customer confidence in the services provided and the ability of the service to solve problems quickly and effectively.

Solution to MSME Business Risk Identification

After identifying the risks to Harum Laundry, some problems need to be solved with appropriate solutions. Financial risk control that Harum Laundry should do includes preparing raw materials for the next 2-6 months to anticipate price increases, not relying on only one

source of income to avoid business failure, and inviting partners or family members to invest in the business.

The operational risk control that Harum Laundry must do involves asking for help from family or relatives if they don't want to add employees, as well as providing training and information to employees so that they understand business SOPs. The marketing risk control that Harum Laundry must do includes marketing the business through social media with advertisements, offering services that meet consumer needs, and targeting marketing to people who are boarders or migrants who do not have washing machines.

The product risk control that Harum Laundry must do involves routine maintenance of washing machines, ensuring the detergents and fragrances used are safe, and using clothes-safe irons. In addition, providing services in a polite and friendly manner, as well as not discriminating against consumers, is also an important part of product risk control.

CONCLUSION

Risk identification for Harum Laundry MSMEs covers several crucial aspects. In terms of financial risk, the owner still relies on personal capital for his business operations. In terms of operational risk, it is known that Harum Laundry only has less than five employees, which hinders a significant increase in business productivity. In terms of marketing risk, Harum Laundry is still limited to marketing in the neighborhood and has yet to utilize social media to expand its market reach. For product risk, the quality of service offered is very influential in attracting customers to use Harum Laundry's services. In comparing the analysis of previous research and current research, the researcher concludes that both have similarities in analysis, but differ in the problems addressed and the solutions provided. The analysis of previous research shows that the biggest risk lies in product risk, while the current research shows that financial risk is the most dominant. Suggestions for this research include: (1) To overcome financial risk, Harum Laundry should prepare raw materials for the long term to anticipate inflation. (2) For operational risk, it is suggested that Harum Laundry set SOPs for employees and increase the number of employees to increase productivity. (3) For marketing risk, it is expected that Harum Laundry will start marketing its business through social media to reach more consumers. (4) For product risk, Harum Laundry needs to maintain the machines regularly to ensure that the service quality is maintained and there are no problems.

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