

Operational Risk Analysis with the Enterprise Risk Management (ERM) Approach At PT. Agropedia Bintan Investama In Bintan Regency

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Abstract. The research aims to analyze and identify the operational risk found at UMKM Agropedia Bintan Investama belonging to Mr. Lie Achee. This research uses a descriptive qualitative approach, the Enterprise Risk Management approach (ERM), using data interview and documentation data techniques. From the study results, some of the operational risks of minor or significant risks are expected after the research; the owner of UMKM can know and find ways to address existing operational risks.

Keywords: Risk; Risk Management; Enterprise Risk Management

1 Introduction

Indonesia is known as an agricultural country, so many Indonesians have businesses engaged in agribusiness. Agribusiness in the narrow sense is defined as the trading or marketing of agricultural results to maximize profits [3]. The agribusiness sector can be said to be the most important and major economic sector in the Indonesian National economy because agribusiness absorbs over 75% of the National Workshop included in 21.3 million small-scale business units in the form of household businesses account for 80% of the national population hanging his life in the agribusiness sector [3]. Revenue from trade vegetables is profitable and can increase the income of vegetable merchants of vegetables to improve the welfare of the vegetable of the vegetables [17]. The increase in competitiveness in vegetables and agribusiness businesses should pay attention to internal and external circumstances by taking into account the aspects of farmer vegetable commodities, farmer aspects of farmers such as cooperatives, and other farmer community aspects [15].

In research conducted by [5], it is known that farming vegetables such as spray, vegetables and vegetables can provide feasible income for farmers in the Diseagalan District of Aceh Besar District. Vegetables can be planted in the house of id hydroponic vegetable plants without using soil media [6][9]. Vegetable planting can take advantage of organic and non-organic waste [19]. The results of research conducted by [10] show that vegetables planted by SMK Posoklaten students can be said that the results of vegetables in the school garden get satisfactory results and meet nutritional intake and are expected to apply in their respective homes.

Agropedia Bintan Investama is one of the efforts engaged in agribusiness. Agropedia has located in Jalan Manunggal Km. 25 Toapaya Asri behind SDN 001 District Toapaya Regency Bintan Regency. Businesses are executed in the form of procurement and sales of agricultural

products such as vegetables, chili, tomatoes, potatoes and many more, as well as the customer wants. The supplier from Agropedia itself comes from the area of place of business on Runcan, derived from plantations in Toapaya area, Cikolek and surrounding areas. The garden supplier is still in the seeding stage, so it takes the supplier of the environment around the business place operates.

Although the new Agropedia will operate in 2022, Mr. Lie Achee as Owner of Agropedia has long been driving the vegetable business field. Agropedia, a profitable business, runs the company because Mr. Lie Achee had had many customers before Agropedia was founded and had many customer requests. This supports the vision of Agropedia namely becoming the largest vegetable producer in Bintan Regency. Despite having a great advantage, the risk must have been in every effort so it needs to explore and understand the management of risk management.

At this time the Agropedia has not yet identified risk and risk management to manage and address the risks that may occur within the company. Some problems arise such as suppliers being late in supplying goods, employees who come at a moment because it has not been established for the exact working hours and merchandise such as some types of vegetables that rotate due to errors in storage. So from the initial observation, the company's operational risk can be seen.

Research conducted by [7][8] examining the risk of supply chain of vegetable products in Malang District found in the presence of that the risk management and mitigation management strategy in the supply chain distribution is expected to be the hap distance of Malang Regency is better prepared in the face of the risk of vegetable distribution. Research conducted [12][20] show that risks that need to be prioritized are the stacking of stock of goods in the warehouse and the discrepancy of the number of goods that comes and the order of the supplies of the supplier and handling the storage of the storage. Operational risk management is expected to apply the principle of prudence with the purpose of the presence of the targeted [2].

From the results of this observation and interview, researchers are interested in researching risk management, especially the company's operating risk at PT. Agropedia Bintan Investama in Bintan Regency.

2 Literatur Review

2.1 Risk Management

According to [4] operational risk is defined as the risk of loss due to internal damage that is not eligible that has been determined. The main operational risk that the administration has identified through the ERM framework can be described as: **Humans**: Failed to recruit new employees, develop and maintain talents that suit their respective personal. **Process**: Failed process or in related control. **Cyberspace**: failed to protect data, damage reputation from the system it and other business disorders. **Customer results**: product failures, processes and services in meeting customer expectations as well as regulators.

Enterprise Risk Management can be defined as a strategic business discipline that supports achieving organizational goals by handling the full spectrum of the risks and managing the combined impact of such risks as related interfaces of risk [1]. According to [14] ERM describes changes in how the risk is collected from the management approach of all corporate dangers comprehensively comparable to managing individually. There are three components required in a comprehensive definition of the ERM process: 1) Description of the underlying process of

corporate risk management, 2) Identify the output of the process, 3) Impacts or benefits arising from the output.

3 Research Methodology

This qualitative research uses a descriptive approach to dig for facts about operational risk based on the Enterprise Risk Management approach (ERM). The data is used as primary data obtained from interviews and observations and secondary data from reference books and journals. The data collection technique used in this study is an interview, observation, and documentation. The object of this research is UMKM Agropedia Bintan Investama belonging to Mr. Lie Achee on Jalan Manunggal Km. 25 Toapaya Asri behind SDN 001 District Toapaya Regency Bintan Regency. The scope of this study is only on variables related to operational risks. In this study, the informant is the owner of the UMKM Agropedia Bintan Investama, Mr. Lie Achee, with sample skiing using purposive sampling where using the consideration of people who operated as an informant is a person who understands the ins and outs of the UMKM Agropedia Bintan Investama.

4 Result And Discussion

4.1 Risk Identification and Impact

Identifying risks in the UMKM Agropedia Bintan Investama is based on business processes running on agribusiness companies. After identifying the risks that may be possible to the company, the next step is to conduct an impact analysis of the risks.

Table 1. Identification and Impact of Operational Risk at Agropedia Bintan Investama

Type Of Risk	Code	Affair	Impact
Human Resources Risk	A1	Employees come at uncertain hours	Work is abandoned because no one can replace
	A2	Employees often do not focus on the type of vegetables purchased by the customer	Customers are angry which can cause customers to switch to other sellers as well as PT Agropedia will lose a customer
	A3	Employees often miscalculate the count of vegetable purchase	Customers are angry which can cause customers to switch to other sellers as well as PT Agropedia will lose a customer
	A4	Employees are often rough in transporting vegetables so vegetable storage made of plastic broke	The dining area and reduction can be damaged if the vegetables are stored in the place on other vegetables
Productivity Risk	B1	Occured damage to the vegetable storage place	Vegetables can be damaged if the damaged storage is a unique refrigerator of vegetable storage
	B2	Happened to fauceet crops so it caused the void of vegetable stock	Vocational stocks vacancies can cause customers to switch to other sellers
Type Of Risk	Code	Affair	Impact
Process Risk	C1	Vegetable stock arrives late	Consequently, there is a vacuum of vegetable stock
	C2	Vegetables sent to PT Agropedia are not in accordance with the booked to the supplier	Can cause a void of certain vegetable stock booked and have little stock in PT Agropedia
	C3	There is an inequality in the order of information that the customer's designs with the accepted owner of the UMKM	Customers are angry and can switch to other sellers so PT Agropedia loses customers
External Risk	D1	Weather factors such as heat can cause last vessel rot	Many vegetables are damaged so the vegetable stock is reduced

4.3 Risk Assessment

After identifying the risks that may be possible to the company and its impact, the next step is to be done by conducting a risk assessment. Risk assessment is based on the probability and effects that occur in the company.

Table 2. Operational Risk Assessment On Agropedia Bintan Investama

Type Of Risk	Code	Affair	Probability	Impact	Value Risk
Human Resources Risk	A1	Employees come at uncertain hours	5	4	High
	A2	Employees often do not focus on the type of vegetables purchased by the customer	1	5	Medium
	A3	Employees often miscalculate the count of vegetable purchase	1	5	Medium
	A4	Employees are often rough in transporting vegetables so vegetable storage made of plastic broke	2	3	Medium
Productivity Risk	B1	Occurred damage to the vegetable storage place	2	3	Medium
	B2	Happened to faucet crops so it caused the void of vegetable stock	3	5	High
Process Risk	C1	Vegetable stock arrives late	3	4	High
	C2	Vegetables sent to PT Agropedia are not in accordance with the booked to the supplier	2	2	Low
	C3	There is an inequality in the order of information that the customer's designs with the accepted owner of the UMKM	3	5	High
External Risk	D1	Weather factors such as heat can cause fast vessel rot	4	5	High

Furthermore, the risk mapping in the Likelihood-impact Matrix, presented in Figure 1

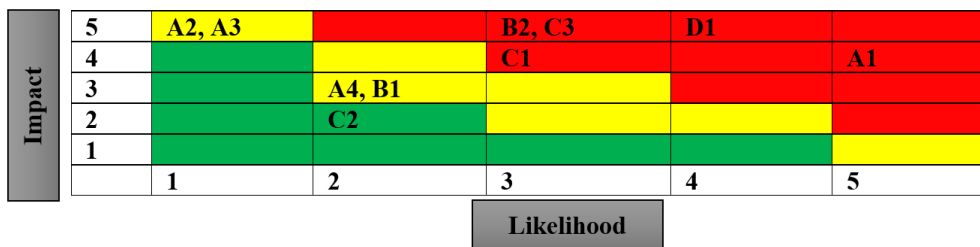


Fig 1. Likelihood-Impact Matrix

4.4 Risk Mitigations

After risk management, then the next step is to make the recommendation of risk management that exists in the company that can be described as follows:

Table 3. Risk Handler Recommendations

Code	Affair	Handling Measures
A1	Employees come at uncertain hours	Make a work schedule and make a penalty for late arrivals
A2	Employees often do not focus on the type of vegetables purchased by the customer	Reprimanded the employees who served the customers while playing on their phones and asked workers to be more careful and gave punishment if the workers ignored punishment more than three times
A3	Employees often miscalculate the count of vegetable purchase	Reprimanded the employees who served the customers while playing on their phones and asked workers to be more careful and gave punishment if the workers ignored punishment more than three times
A4	Employees are often rough in transporting vegetables, so vegetable storage made of plastic broke	Reprimanding the rough employee puts the vegetable storage, and if not ignored, then the best owner should give sanctions
B1	Occurred damage to the vegetable storage place	Provides other storage, such as providing more than one refrigerator and provides more vegetable baskets than needed
B2	Happened to faucet crops so it caused the void of vegetable stock	Owners should look for other suppliers that can be contacted if at any time the supplier suffers a pane failure
C1	Vegetable stock arrives late	Looking for other updates in anticipation of the first shipment being late
C2	Vegetables sent to PT Agropedia are not by the book to the supplier	Confirm back what items will be sent to suppliers
C3	There is an inequality in the order of information that the customer's designs with the accepted owner of the UMKM	The message recipient should be more thorough in the order of acceptance and record whatever is booked, and confirm whether orders are correct or wrong
D1	Weather factors such as heat can cause fast vessel rot	They should not be stored in the sun and not in the damp

5 Conclusion

From the results of research conducted on PT Agropedia Bintan Investama, which begins from identifying the existing risks and obtained results that there are ten types of threats to the UMKM Agropedia Bintan Investama and three categories of operational risks the risk of human resources, productivity risk, and process risk. The stake of human resources in the company includes employees coming in uncertain hours, employees often do not focus on the type of goods purchased by customers, employees often miscalculating the number of purchased goods, and employees often being rough in transporting goods. Hence, vegetable storage made of plastic broke. The risk to productivity in the company, such as damage to the storage of goods, a fault failure to cause a vegetable stock vacuum, and weather factors such as heat can cause fast vessels to rot. While at the risk of the process consists of late suppliers sending goods, suppliers incorrectly delivering items in the message, and there is an inequality in the order of information that the customer wants to be with the accepted owner of the UMKM. There are several recommendations that the Owner of Agroedia Operation Bintan Investama so the owner can handle the existing risks to make the risk not happen again, which may be able to cause loss for the company owner.

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