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INTERNATIONAL COMMUNITY SERVICE THROUGH AZAIB HOLDINGS' DEVELOPMENT STRATEGY IN PREMIUM CHOCOLATE INDUSTRY IN KUALA LUMPUR, MALAYSIA

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Abstract

The International Community Service Team between UPN Veteran Jakarta Lecturers and Students in Kuala Lumpur chose Azaib Holdings Sdn Bhd as a partner in implementing a community service program, which aims to empower the community through a premium chocolate company development strategy. Azaib Holdings, a Malaysian SME focused on healthy and high-quality chocolate products, faced funding constraints but sought to increase production capacity to face competition in the premium chocolate market. This program uses the method of direct visits to production sites at Mara Refinery (KIMAR), interviews with management, and operational observations to provide solutions in improving efficiency and resource utilization. The results show that with the merger of Azaib Holdings with KIMAR, the company has succeeded in reducing operational costs related to facility maintenance and waste management, which is now the responsibility of KIMAR. The program also contributes to upskilling local communities, strengthening their role in the chocolate industry, opening up new job opportunities, and increasing the competitiveness of local products in the international market.
Keywords: *International Community Service Team, Azaib Holdings Sdn Bhd, Community Service, Premium Chocolate Industry, Community Empowerment.*

INTRODUCTION

Azaib Holdings Sdn Bhd is one of the small and medium enterprises (SMEs) engaged in the premium chocolate industry in Malaysia. Along with the development of the increasingly competitive chocolate industry, Azaib Holdings strives to increase its production capacity and expand its market share, despite facing significant funding challenges. The company has a strong commitment to producing healthy, unique, and high-quality chocolate products, which can meet the growing market demand. In an effort to strengthen its position and competitiveness in the local and international markets, Azaib Holdings has utilized various development strategies that can improve efficiency and reduce operational costs (Kuk, 2011). One of the steps taken by the company is to collaborate with Mara Refinery (KIMAR), which provides more efficient waste production and management facilities. However, although Azaib Holdings has gained some benefits from the collaboration, the company still faces various problems related to funding and increasing optimal production capacity. Therefore, the community service program involving lecturers and students of UPN Veteran Jakarta in Kuala Lumpur aims to provide solutions that can increase the effectiveness of operational management and introduce more effective development strategies for the empowerment of the local community. The approach taken by this service team focuses on community empowerment through providing an understanding of

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business management and better human resource management, which is expected to help strengthen SMEs and improve the sustainability of the premium chocolate industry (Nasution & Mudasir, 2015).

Azaib Holdings faces a number of major challenges in their business development. One of the biggest challenges is limited funding to increase production capacity, which has an impact on the company's ability to compete in the premium chocolate market. In addition, the company also needs to overcome quite high operational costs, especially related to facility maintenance and waste management that must be carried out in accordance with the standards set by KIMAR. Therefore, a more efficient solution based on the utilization of existing resources is urgently needed to improve the operational sustainability of Azaib Holdings. A more structured corporate development strategy can strengthen Azaib Holdings' competitiveness in the premium chocolate industry. In this context, community empowerment can make a major contribution, especially in improving the skills of local communities in terms of business management and improving operational efficiency. This empowerment not only provides direct benefits to the company, but can also expand the positive impact on the local economy through the creation of new jobs and the improvement of the quality of local chocolate products (Chaston & Mangles, 2006).

Azaib Holdings needs to have a strategy to overcome the problems faced, the approach used by this service team is through increasing the capacity of the community in managing the premium chocolate business. The program involves direct visits to production sites at Mara Refinery (KIMAR), interviews with Azaib Holdings management, and direct observation of the production process. Through this approach, the service team strives to provide insights and solutions that can assist Azaib Holdings in managing operational costs and optimizing the use of existing resources, including facilities and more efficient waste management (Hassan & Ali, 2019). In addition, this community empowerment approach also prioritizes the importance of training and skill development to the local community, especially in terms of production management and human resource management. Through this training, it is hoped that the community can gain useful skills in supporting the development of the company, which in turn can strengthen the premium chocolate industry in Kuala Lumpur and open up new job opportunities. This is also in line with the aim of increasing the competitiveness of local chocolate products in the international market, which will have a positive impact on the Malaysian economy as a whole (Porter, 1990).

Based on this background, there are several main problems that need to be solved through this community service program, including: (1) how Azaib Holdings can increase production capacity with limited funding, (2) how to manage high operational costs, especially related to facilities and waste management, and (3) how to strengthen community involvement in the development of the premium chocolate industry in Kuala Lumpur. Through the right approach to community empowerment and corporate development strategies, it is hoped that Azaib Holdings can overcome these problems and achieve sustainability in the long term.

IMPLEMENTATION METHOD

The implementation of *Community Service International* (CSI) activities is carried out in systematic stages and involves collaboration between the service team, KIMAR management, and several partner companies, including Azaib Holdings Sdn Bhd. The stages of the implementation of this activity are as follows:

1. **Briefing by KIMAR Management** The service team began with a briefing from KIMAR management, which aimed to provide an understanding of the condition of facilities, operations, and collaboration goals with each partner company. In this session, representatives from several refineries, including Ayaq World, Azaib Holdings Sdn Bhd, and Hikmah Frozen Food, gave explanations about the production process and the challenges they faced. This briefing also includes an explanation of KIMAR's role in supporting the operations of each company, as well as the opportunities that can be obtained from this collaboration (Aguinis, 2019; Armstrong, 2020).
2. **Observation of KIMAR Condition and Problem Identification After** the briefing, the team continued with direct observation at the KIMAR production site. This observation activity aims to understand more deeply about the operational conditions at the KIMAR facility, especially those related to the production process, waste management, and obstacles faced by Azaib Holdings Sdn Bhd. The team also identified problems that arose, both in terms of operations and finance that could hinder the company's growth, especially in terms of funding and production capacity (Dessler, 2020).
3. **Preparation of CSI Activity Plan** Based on the results of observation and problem identification, the team then prepared a Community Service International (CSI) activity plan. This plan involves several important steps, namely determining the goals to be achieved through the service program, the goals that need to be reached, and the materials that will be presented during the implementation of the activity. The team also arranged the schedule and flow of activities to ensure that all programs ran according to plan and had a positive impact on Azaib Holdings Sdn Bhd and the local community. In preparing this plan, the team focused on practical solutions that can be directly applied by the company, especially in improving operational efficiency and utilization of existing resources (Brudan, 2020; Schuler & Jackson, 2020).
4. **The implementation of the last stage of the Service Program** is the implementation of activities in accordance with the plan that has been prepared. The program includes training for the local community on production management and more efficient business management, as well as providing solutions to overcome the problems faced by Azaib Holdings Sdn Bhd, especially related to funding and operational management. In addition, the service team also provides recommendations to improve the quality of chocolate products and expand marketing networks, both in local and international markets (Aguinis, 2019; Armstrong, 2020).

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These stages, the implementation of CSI activities is expected to provide maximum benefits for Azaib Holdings SDN BHD and contribute to community empowerment and the development of the premium chocolate industry in Kuala Lumpur.

RESULTS AND DISCUSSION

Azaib Holdings Sdn Bhd is a local company founded in 2010 by Aslinah Aslam, a young businesswoman known for her exceptional skills in preparing the best food, sweets and sweets in the city. With the determination to share her creativity, Aslinah chose chocolate as a medium to channel her knowledge and talent in the culinary world. Since its inception, Azaib Holdings has emphasized on quality and customer satisfaction, by producing premium chocolate using quality raw materials, such as Belgian chocolate, and traditional recipes combined with modern techniques to maintain hygiene and high production standards. The company's ambition is to take on challenges in the downstream agricultural industry, especially cocoa-based products and exotic fruits, which highlight the quality and uniqueness of their products (Aguinis, 2019).

In a relatively short time, Azaib Holdings Sdn Bhd has managed to grow rapidly from a home-based chocolate business to a major player in the international retail market. Their chocolate products can now be found in international standard outlets such as Eraman Duty Free in KLIA and LCCT, as well as in high-end supermarkets such as Mercato in Pavilion and Sri Hartamas, as well as iSetan in KLCC. With the main export destination, Azaib Holdings has successfully entered overseas markets such as China, Singapore, Bahrain, and Dubai. Based in the MARA Food Industry Complex (KIMAR), located in Kuala Lumpur, Azaib Holdings meets GMP, HACCP, and Halal certification standards, ensuring high quality in every product produced (Armstrong, 2020; Schuler & Jackson, 2020).

Figure 1. KIMAR (MARA Food Industry Complex)

Figure 2. Azaib Holdings Sdn Bhd Factory Nameplate

Figure 3. Examples of MALSA Chocolate Products from Azaib Holdings Sdn Bhd

Azaib Holdings Sdn Bhd has experienced rapid growth in the premium chocolate industry to meet the ever-increasing consumer demand. However, the company faces funding constraints which is one of the main challenges in the process of expanding its production. The right funding decision is very important for companies in funding operational activities and maintaining optimal business continuity (Murtini, 2008). According to Husnan (2008), funding decisions involve choosing the right form and composition of funding, both from external and internal funding sources. External funds, such as loans and stock issuance, are important alternatives, while internal funds, such as retained earnings,

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also play an important role in funding the growth of companies (Sudana, 2011). Therefore, Azaib Holdings must be careful in choosing the appropriate source of funds to support its expansion and increase its production capacity.

Azaib Holdings Sdn Bhd's vision is to become a premium chocolate producer that is widely known in the local and international markets, as well as a major supplier in the region. The company's mission is to continue to produce healthy and unique high-quality products, as well as maintain a commitment to meeting consumer needs with the best and most sought-after chocolate products. The value upheld by Azaib Holdings is to create a positive work environment through the application of 5S principles and a sustainable organizational culture. The company's branding is also very strong, with the name "Malsa" inspired by the name of the founder's father, as a form of appreciation and appreciation for his contribution to the founder's life. With black and gods used in the branding, the company emphasizes luxury, quality, and prestige in each of its products. Since its inception in 2010, Azaib Holdings has achieved many achievements, including international recognition and awards for innovative product design (Armstrong, 2020; Schuler & Jackson, 2020).

Figure 4. The team received an explanation from the Management of Azaib Holdings Sdn Bhd

Azaib Holdings Sdn Bhd owns *Original Equipment Manufacturing* with a variety of chocolates such as:

1) *Chocolate Panning*: *Panning* is a way of coating an almond-like filling with chocolate. Each of them has been thoroughly upgraded to achieve proper smoothness.
2) *Praline Chocolate*: *Praline* is a molded chocolate that is specially shaped according to your interests. It has a specific filling like nuts and can be coated with different chocolates for each shape.
3) *Freeze Dried Chocolate*: Freeze Dried Chocolate is where dried fruits are coated with *panned* chocolate. There are many more frozen fruits that we offer such as cherries, raisins and many more

4) *Chocolate Drinks Formula*: The chocolate drink is soft and creamy with a unique taste. It is less sweet and has no added dyes or preservatives.
5) *Chocolate Baking Powder*: It has a rich chocolate flavor and can be used in a variety of recipes such as for baking and decorating drinks. Unsweetened vegan and 100% pure chocolate.
6) *Customize Your Own Chocolate*: Customize the shape, type, wrapping, and chocolate box to suit your interests. It is perfect for those who are looking for a gift for weeding or company.

The types of chocolate produced by Azaib Holdings Sdn Bhd can be described as follows:

Figure 5. Types of chocolate produced by Azaib Holdings Sdn Bhd

Figure 6. The team conducts Observations & evidence of awards

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Azaib Holdings Sdn Bhd was helped by funding because it joined KIMAR because a refinery had been provided for the production of MALSA chocolate. In this case, it is more efficient to use funds for refinery maintenance costs, waste disposal costs, and other operational costs because it is already the responsibility of KIMAR management. Based on the results of the study and analysis of the Community Service International (CSI) program carried out with Azaib Holdings Sdn Bhd, it can be concluded that although this company faces funding constraints, they have succeeded in developing an efficient and sustainable production model. Azaib Holdings has shown a strong commitment to improving product quality and customer satisfaction, by continuing to innovate in premium chocolate products that use high-quality ingredients, such as Belgian chocolate. Through the utilization of production facilities at MARA Refinery (KIMAR) which reduces operational costs related to facility maintenance and waste management, Azaib Holdings can increase efficiency and reduce unnecessary expenses, so that it can compete more in an increasingly competitive market. The funding constraints faced by the company, which is the main inhibiting factor in expansion and increase in production capacity, are the main concern in this program.

The Community Service International (CSI) program also demonstrates the importance of community empowerment through upskilling and a deeper understanding of the chocolate industry. Through the analysis carried out, the service team succeeded in providing recommendations related to the selection of optimal funding sources and solutions to overcome funding problems through the use of external and internal funds. Increasing community involvement in the production process and utilization of local resources not only strengthens the sustainability of Azaib Holdings' business, but also opens up new job opportunities that can improve the local economy. By leveraging the strength of international markets, such as exports to China, Singapore, Bahrain, and Dubai, Azaib Holdings has the potential to expand their market network, positively impact Malaysia's economic growth, and support the development of a more inclusive and sustainable premium chocolate industry (Dessler, 2020; Brudan, 2020). Azaib Holdings Sdn Bhd, founded in 2010 by young entrepreneur Aslinah Aslam, is a fast-growing local company in the premium chocolate industry. Aslinah, who is known by her friends and relatives as an expert in preparing food, sweets, and sweets, decided to introduce her creativity to the world through chocolate as a medium to share the knowledge and skills she has developed over the years. Despite being relatively new, Azaib Holdings Sdn Bhd has managed to gain a strong reputation thanks to its high-quality products and innovations in premium chocolate recipes. The company is constantly evolving, increasing its production capacity to meet the growing consumer demand, while upholding quality and flavor uniqueness as a top priority. Along with these developments, Azaib faces funding challenges which are one of the obstacles in his business expansion.

Funding decisions are an important aspect of Azaib Holdings Sdn Bhd's operations, which relate to how the company funds its operational activities optimally and regulates the composition of the sources of funds that must be maintained. According to Husnan (2008), the funding decision includes the selection of the form and composition of funding that will be used by the company. Choosing the right source of funds, both external and internal, is the key to financing the planned investment. As Sudana (2011) explains, external sources of funds such as loans and shares, as well as internal funds in the form of retained earnings, play an important role in these funding decisions. With the right approach, Azaib Holdings can obtain the most effective combination of spending, which supports the company's growth and sustainability, and ensures that product quality is maintained as the expansion continues to grow.

CONCLUSION

The conclusion of the discussion about Azaib Holdings Sdn Bhd shows that the company, which was founded by Aslinah Aslam in 2010, has grown rapidly thanks to its commitment to the quality of premium chocolate products produced using the best ingredients and traditional recipes. Although the company is relatively new, Azaib Holdings has managed to build a strong reputation, both in the local and international markets, with product expansion into countries such as China, Singapore, Bahrain, and Dubai. However, to continue to keep pace with the increasing market demand, Azaib Holdings faces challenges in terms of funding to support the expansion of production capacity and meet quality standards. Funding decisions are a key factor in the management of a company's resources, where the choice between internal and external funding must be carefully made to achieve the most effective combination of spending. By maintaining high quality standards and utilizing resources wisely, Azaib Holdings is expected to continue to grow and strengthen its position in the premium chocolate industry. Funding decisions are related to alternative funding made by companies. Funding decisions are related to the process of selecting the source of funds that have been used to finance the planned investment with various alternative sources of funds available, so that the most effective combination of expenditures is obtained. According to Sudana, loans and stocks are sources of funds that come from outside the company, while retained earnings are sources of funds that come from inside the company.

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