

## **THE IMPACT OF PRODUCT RECIPE LEAKAGE ON THE BUSINESS PERFORMANCE OF MANG ADOEL'S BANDUNG STORE**

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### **Abstract**

*Micro, Small, and Medium Enterprises (MSMEs) have a strategic advantage in driving Indonesia's economic growth through the establishment of significant business units and work-related delays. As part of MSMEs, the culinary industry faces significant challenges, so business owners are encouraged to continue innovating to meet the goals of uniqueness and savings. This study focuses on Warung Bandung Mang Adoel, an MSME that uses hereditary recipes as a competitive advantage. However, recipe leaks are a serious problem that has the potential to reduce production efficiency and change consumer perceptions of product quality and originality. This study aims to understand and analyze the effect of product recipe leaks on sales performance at Warung Bandung Mang Adoel MSME. Data collection methods include observation, literature review, and interviews. These findings emphasize the importance of implementing information security systems and internal audits to maintain business sustainability amidst increasingly fierce competition.*

**Keywords:** *SMEs, Culinary Industry, Recipe Leakage, Trade Secrets, Sales Performance, Competitiveness, Warung Bandung Mang Adoel.*

### **Abstrak**

Usaha Mikro, Kecil, dan Menengah (UMKM) memiliki keunggulan strategis dalam mendorong pertumbuhan ekonomi Indonesia melalui pembentukan unit bisnis yang signifikan dan penundaan terkait pekerjaan. Sebagai bagian dari UMKM, industri kuliner menghadapi tantangan yang signifikan, sehingga pemilik bisnis didorong untuk terus berinovasi guna memenuhi tujuan keunikan dan penghematan. Penelitian ini berfokus pada Warung Bandung Mang Adoel, sebuah UMKM yang menggunakan turun-temurun resep sebagai keunggulan kompetitif. Namun, kebocoran resep merupakan masalah serius yang berpotensi mengurangi efisiensi produksi dan mengubah persepsi konsumen terhadap kualitas produk dan keorisinilan produk. Penelitian ini bertujuan untuk memahami dan menganalisis pengaruh kebocoran resep produk terhadap kinerja penjualan pada UMKM Warung Bandung Mang Adoel. Metode pengumpulan data meliputi observasi, studi kepustakaan, dan wawancara. Temuan ini menegaskan pentingnya penerapan sistem keamanan informasi dan audit internal guna menjaga keberlanjutan usaha di tengah persaingan yang semakin ketat.

**Kata Kunci :** *UMKM, Industri Kuliner, Kebocoran Resep, Rahasia Dagang, Kinerja Penjualan, Daya Saing, Warung Bandung Mang Adoel.*

## **I. INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) are businesses that have an important role in the Indonesian economy, both in terms of employment created and in terms of the number of businesses (According to Rudjito, 2003 in Wati et al., 2024). According to Ciptagustia (2019) defines that Distinctive capability is the ability of a company to create sustainable competitive advantage through its uniqueness where its competitors cannot easily and quickly imitate it, which is formed due to a unique combination of external and internal resources. This recipe can be a characteristic of identity as well as a differentiator of products in the market. Warung Bandung Mang Adoel is an example of an MSME that utilizes the uniqueness of the recipe to build a brand and consumer loyalty. The recipe used is passed down from generation to generation and has become an important part in shaping the business image in the eyes of customers. Therefore, if business actors want to gain profit or economic value from an innovation or discovery, they must possess a new, creative innovation or discovery that is unique and unique to others, or has never been created before, within the scope of technology or business. This innovation can be used to improve the economy, according to Faramukti & Sukirno (2022).

However, challenges arise when the recipe is leaked. A recipe is generally a tool for a cook to prepare a dish. Therefore, a recipe is a set of instructions or steps for making a dish, providing clear and sequential instructions on procedures such as mixing, processing, and cooking (Karina et al., 2017).

According to Putri (2019), if this information is not protected, there is a risk of leaks and theft of confidential information, leading to fraud in business competition. This is because the owner of the information owns the rights to the information, and no one else may use it. Therefore, this information in the business world must be legally protected to ensure legal certainty for the owner.

Despite being a crucial issue, few studies have examined the impact of recipe leaks on sales of MSMEs in the culinary sector. This research focuses on analyzing the impact of recipe leaks on the improvement system at Warung Bandung Mang Adoel to identify these gaps. Hopefully, by understanding this research, Warung Bandung Mang Adoel can find strategies to significantly reduce the risk of recipe leaks, thereby optimizing the administrative improvement system and contributing more to the economy and improving the welfare of the

surrounding community.

This article presents five previous studies that served as the basis for this research, which it is hoped will maximize the author's understanding. A journal article by Faramukti & Sukirno (2022) discusses the importance of legal protection for trade secrets, particularly for recipes and business information with economic value. A journal article by Wati et al. (2024) discusses the vital role of MSMEs in Indonesia's economic development, despite facing various challenges that require appropriate development strategies. A 2019 paper by Ciptagustia discusses how effective talent management can enhance the unique capabilities and competitive advantage of rattan furniture companies, emphasizing the importance of internal resources and innovation in creating long-term competitive advantage. Alfreda et al.'s (2021) paper discusses how advances in information technology and the internet have increased the risk of cybercrime, making information protection, particularly trade secret recipe information and sales on digital platforms, crucial. Licensing by trade secret owners is one strategy that can be used to expand a company's business development. This process involves granting permission from the trade secret owner to the licensee to use the trade secret for commercial purposes. Typically, this licensing mechanism is formally stated in a contractual agreement known as a license agreement (Chandrika, 2019).

Based on this description, it is important to conduct research examining the administrative system in MSMEs, specifically Warung Bandung Mang Adoel. It is hoped that this research will provide examples of the risks associated with product information leaks and how these factors impact business operations and day-to-day operations.

## **II. RESEARCH METHOD**

The methodology applied in this study uses a qualitative methodology. Qualitative research is a research approach used to understand and explain phenomena in depth through the collection, analysis, and interpretation of non-numerical data (Rifa'I, 2023), focusing on observation, interviews, and literature review. This study aims to determine the impact of product recipe leaks on efforts to improve the administrative system. Through in-depth interviews, the researcher sought to explore respondents' personal perspectives and experiences, while direct observation at the research location provided a more comprehensive understanding of the operational dynamics at Warung Bandung Mang Adoel. Furthermore, the

analysis will be supported by relevant literature review, referring to theory and previous research. It is hoped that the results of this study will make a meaningful contribution to understanding the challenges faced by MSMEs.

### **Time and Place of Research**

The author conducted the research at Mr. Abdul Azi's business premises, located at Jalan Rungkut Mejoyo Selatan Blok AM No. 3, Kali Rungkut, Rungkut District, Surabaya, East Java. This business also has branches on Jl. Ambengan, Jl. Prapen Indah, Jl. Menanggal, and Jl. Pucang in Surabaya and one branch in the Tropodo area. The Rungkut Mejoyo area was chosen because it is the main research center. This MSME operates in the culinary industry for a long time and has unique product recipes that are its hallmark. The author conducted research on the problem of trade secret recipe leaks, which resulted in decreased sales revenue and consumer inquiries about product authenticity.

## **III. HASIL DAN PEMBAHASAN**

The following is a discussion of an interview with the owner of Warung Bandung Mang Adoel, which provides important information regarding the administrative system and the impact of recipe leaks on business performance and the administrative system:

### **Mang Adoel Chicken Porridge Administration System**

The owner stated that, in general, the business has a written administrative system, but it is still not well-organized. One reason is the lack of a dedicated administrative staff tasked with systematically managing documents. The owner's primary focus is still focused on sales and daily operations. As a result, several important documents, such as SOPs and recipes, are not properly documented. The existing administrative system is still manually operated and often inconsistently documented. This is a weak point in the business's internal management.

### **Confidential Document Management**

The owner explained that recipe documents are stored in two formats: physical and digital. The physical copies are usually handwritten and kept personally by the owner. The digital versions are stored on a personal device that only the owner can access. This storage system is intended to prevent the risk of accidental loss or leakage. However, there is no encryption or specific security system for the digital version; this dual storage is considered the most secure way to protect critical business information. In Chapter IV, business owners

assess that the current administration system is still somewhat slow and a weak point in internal operations. This relates to the discussion in Chapter II about the importance of an information management system (MIS) in managing information effectively. According to Fahzirah (2024), an MIS can assist in formulating informed decisions, which are essential for business continuity.

### **Document Access and Monitoring**

Access to prescription documents is solely for the business owner; no other staff or employees are permitted direct access to these documents. Monitoring is carried out strictly and on a personal basis, given previous leaks. The owner stated that this measure was taken to maintain the authenticity and security of the prescriptions. Furthermore, restricting access is also considered important to prevent potential misuse of information by insiders.

### **Written Rules**

In the interview, the owner stated that a general employment contract was in place, but it did not specifically address confidentiality. This was because the work system still had a family atmosphere. The owner found it difficult to implement overly formal rules due to the close personal relationships with employees. However, after the leak, awareness began to emerge that additional rules were needed.

### **Business Reputation**

The owner explained that the business's reputation was significantly impacted by the leak. One example of this occurred with delivery services like GoFood and GrabFood. The name "Bubur Ayam Mang Adoel" was still used by counterfeiters, but the product delivered differed from the original version. Many customers were disappointed because the taste and quality did not meet expectations. As a result, some customers notified the original owner, Mang Adoel, to question whether this was his original product. The owner felt he had suffered moral and material damage due to the defamation perpetrated by irresponsible parties.

### **Administrative System Improvements**

Following the leak, the owner began to improve administrative management. One step he took was to increase direct supervision of the business branches. Previously, the owner was rarely directly involved in operations. He is now more active, overseeing weekly activities

three times a week. Furthermore, he began to improve document management and organize SOPs more orderly, even though he did not yet have a dedicated administrator. The owner committed to maintaining document security with greater discipline. This step became an important learning experience in managing the business more professionally. In Chapter IV, the business owner highlighted the need for risk management after the leak. According to Gerungan (2016), this type of behavior can result in financial losses and damage a company's reputation. Warung Bandung Mang Adoel was affected, prompting the owner to improve the administration and information collection systems.

### **The Important Role of Administration and Document Security in Maintaining Business Continuity**

The owner stated that the role of administration is crucial, but even more important is to be careful with those closest to you. Excessive trust without oversight can backfire in business. An orderly administrative system can help reduce the risk of leaks and provide a clear work framework. However, the human factor remains the key factor in determining information security. Therefore, the owner recommends that MSMEs focus not only on the system, but also on the security of their operations.

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### **Conclusion**

#### **Comparative Findings**

The findings of this study on trade secrets at Warung Bandung Mang Adoel can be compared with the findings of (Syafindrayani et al., 2025) regarding Indonesian legal protection for trade, particularly in the context of information leaks by former employees.

1. Similar Findings:

- a. The second study emphasizes the importance of protecting trade secrets as a form of intellectual property that must be addressed in relation to their confidentiality. This is similar to the impact faced by CV. Bintang Harapan, due to information leaks by former employees, realized that recipe leaks could harm its reputation and finances, similar to the impact faced by CV Bintang Harapan.
- b. Research (Syafindrayani et al., 2025) shows that trade secrets can occur within an organization, which aligns with the findings at Warung Bandung Mang Adoel, where access to research documents was only available to those who owned them to prevent leaks.

2. Differences in Findings

Unlike (Syafindrayani et al., 2025) regarding violations committed by former employees and the legal sanctions used, this study focuses more on the administrative and internal work at Warung Bandung Mang Adoel. This suggests that despite the need for protection, implementing effective administrative systems remains crucial.

This study also indicates that Warung Bandung Mang Adoel's work culture can be a risk factor, while (Syafindrayani et al., 2025) does not address organizational culture in the context of trade secrets.

#### **IV. CONCLUSION AND SUGGESTIONS**

Based on the research and analysis presented in Chapter IV, it can be concluded that Warung Bandung Mang Adoel has experienced significant growth since its establishment in 2019. This business has successfully attracted a large number of customers thanks to its distinctive flavors and consistent product offerings. However, several challenges remain, particularly in terms of administrative systems and confidential document management. The recipe leak, which occurred due to excessive trust in employees, highlights the importance of better oversight and information management. Although the owner has implemented a written administrative system, important documents such as standard operating procedures (SOPs) and recipes have not been properly documented. Oversight of access to confidential documents remains personal, and a formal audit system has not been implemented, potentially creating the risk of information leaks that could harm the business's reputation and performance.

The analysis reveals that the recipe leak impacted not only the business's reputation but also operational efficiency and revenue. The decline in revenue was caused by customer disappointment after purchasing counterfeit products that did not meet expectations. The business owner recognizes the importance of risk management and the need to improve the administrative system to prevent similar incidents in the future. The corrective measures taken, such as increased oversight and the introduction of a customer loyalty program, demonstrate a commitment to rebuilding customer trust and maintaining business continuity.

Overall, although Warung Bandung Mang Adoel has experienced significant growth, there is still much work to be done in the administrative and information areas.

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