

## **IMPLEMENTATION OF BUSINESS MANAGEMENT FOR SUSTAINABILITY AND BUSINESS DEVELOPMENT IN MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)**

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### **ABSTRACT**

We give this community service activity the theme "Implementation of Business Management to Improve Business Sustainability in Micro, Small, and Medium Enterprises (MSMEs) in the West Jakarta and Tangerang Regions. The targets in this community service activity are MSMEs in the West Jakarta and Tangerang areas. Participants in community service activities were given material explanations and training on business management for business sustainability and MSMEs improvement. It is hoped that with the understanding and creation of business sustainability and the improvement of MSMEs, Indonesia's growth, Indonesia's resilience, and Indonesia's progress will be realized more quickly. The results of the activity concluded that (1) The knowledge of trainees in this case the knowledge of participants regarding halal products and business management is still categorized as lacking in mastering properly and (2) It can also be concluded that there has also been an increase in participants' knowledge and skills regarding halal products and business management.

**Keywords:** business management, business sustainability, MSMEs improvement

### **1. SITUATION ANALYSIS**

Micro, Small and Medium Enterprises (MSMEs) as contributors to the National Gross Domestic Product (GDP) have an important role for Indonesia's economic recovery. The government is committed to continuing to support MSMEs to be able to survive, develop, and grow amidst the challenges of the pandemic and transformation through the National Economic Recovery Program (PEN).

Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (KemenkopUKM) in March 2021, the number of MSMEs reached 64.2 million with a contribution to Gross Domestic Product of 61.07 percent or Rp. 8,573.89 trillion. MSMEs are able to absorb 97 percent of the total workforce, and can collect up to 60.42 percent of the total investment in Indonesia.

The government, in fact, has prepared various programs to support MSMEs, such as interest subsidies, placement of government funds at partner commercial banks to support the expansion of working capital loans and restructuring of MSME loans, guaranteeing MSME working capital loans, Banpres for Productive Micro Enterprises (BPUM), Cash Assistance for PKL and Warung (BT-PKLW), and incentives for Final Income Tax for SMEs borne by the government.

On the other hand, the realization of BPUM has been distributed to 12.8 million micro-enterprises with each assistance value of IDR 1.2 million. Meanwhile, the BT-PKLW, which started running in September, was given to 1 million street vendors and stalls in the amount of IDR 1.2 million each, which was distributed in cash through the POLRI and TNI.

According to a 2020 Central Statistics Agency survey, around 69.02 percent of MSMEs experienced capital difficulties during the Covid-19 pandemic. Meanwhile, according to the Complaints Report to the KemenkopUKM as of October 2020, as many as 39.22 percent of MSMEs experienced difficulties with capital during the Covid-19 pandemic.

These data show that capital assistance for MSMEs is important. Therefore, the government provides support for MSMEs in terms of capital through a credit restructuring program. As of July 31, 2021, it was recorded that more than 3.59 million MSMEs had utilized this program with a value of IDR 285.17 trillion.

Various ease of KUR policies, such as delays in payment of KUR principal installments, extension of time and addition of KUR ceiling limits, as well as relaxation of administrative requirements, have pushed the realization of KUR distribution in 2021 which increased significantly. The realization until September 20, 2021 has reached 64.48 percent or Rp. 183.78 trillion which has been enjoyed by 4.9 million debtors.

Various efforts and programs that have been initiated by the government need to be strengthened and supported by various parties, including the private sector so that they can increasingly provide optimal benefits for MSMEs. Various

strategic steps have been continuously taken for economic recovery through collaboration with various authorities, and inviting the public to remain vigilant about the COVID-19 pandemic.

After MSMEs begin to recover, MSME actors need to be given material explanations and training on business management for business sustainability and the improvement of MSMEs being carried out. It is hoped that with the understanding and creation of business sustainability and the improvement of MSMEs, Indonesia's growth, Indonesia's resilience, and Indonesia's progress will be realized more quickly.

### Partner's Problem

With the recovery of MSMEs, after being given various assistance and programs that have been initiated by the government and other private parties, MSMEs need something that can strengthen and support their business sustainability. So, the problems that occur in community service partners include:

- a. How to do business management planning for MSMEs?
- b. How to implement the implementation of business management in MSMEs?
- c. How to evaluate business management in MSMEs?

### Focus Discussion on Community Service

The focus of this community service activity is to provide material explanations and training on business management for the purposes of business sustainability and MSMEs development.

## 2. SOLUTIONS AND OUTCOME TARGETS

Based on the problems and conditions described in the analysis of the situation above, the solution that will be carried out is to provide briefing to SMEs in Jakarta so that they can better prepare themselves for doing business in the era of competition and being hit by the covid-19 pandemic. So, this community service activity is to provide material explanations and training on business management for the purposes of business sustainability and MSME development.

The expected output target from this community service activity is for Jakarta MSMEs to understand and be able to implement (apply) business management in their business. So it is hoped that business sustainability and MSME development can be realized. For more details about the target output results can be seen in the following table:

Table 1. Solution and Outcome Target

No	Type of Output	Outcomes Indicator
1	Scientific publication in the journal / proceedings1)	None
2	Publication on mass media (print / electronic 2)	None
3	Increased turnover in partners engaged in the economic sector 3)	None
4	Improving community understanding and skills 3)	None
5	Improving community understanding and skills 3)	Existing
6	Increased peace / public health (general public partners) 3)	None
7	Services, models, social engineering, systems, products / goods 4)	None
8	Intellectual property rights (patents, simple patents, copyrights, trademarks 6)	None
9	Textbook 6)	None

## 3. IMPLEMENTATION METHOD

### Goals of Targets

The target of this community service activity is to help overcome the difficulties and limitations of knowledge faced by SMEs today. The form of community service activities is to provide material explanations and training on business management for the purposes of business sustainability and business development for MSMEs actors.

### Purpose of Activities

This community service activity aims to help strengthen and support the business sustainability of MSMEs in the Jakarta area. So, specifically, the objectives of community service activities include:

- a. Provide understanding in conducting business management planning for SMEs?
- b. Provide understanding in implementing the implementation of business management in MSMEs?
- c. Provide understanding in evaluating business management in MSMEs?

### Benefits of Activities

The benefits of this community service activity are that MSMEs in the Jakarta area can understand and be able to implement (apply) business management in their business. So it is hoped that business sustainability and MSME development can be realized.

### **Framework for Troubleshooting**

The implementation of community service activities is carried out by explaining and providing an understanding of the problems faced by MSMEs. So, help solve the problem by providing related solutions regarding the implementation of business management.

### **Evaluation Design**

Participants in community service activities will be given an evaluation of activities in the form of filling out a questionnaire. Questionnaires are given at the end of the session, to assess the level of understanding of the material that has been given to MSME participants from the beginning to the end of the activity.

## **4. COMMUNITY SERVICE ACTIVITIES**

### **Training Activities; University of Malaysia Tertengganu Materials**

Halal is a term for something that can be done, can be eaten, can be drunk, or can be used. Halal married for example, then the intention is that it is permissible to do marriage. Halal food for example, meaning food that can and is not prohibited to eat. Halal goods for example, meaning goods that can be used.

Opponents of the halal themselves are haram. Haram is the opposite, something that cannot be eaten, drunk, done, or should not be used. The reason why something should not be eaten is certainly there. Including why something shouldn't be done.

The halalness of something is not only because of the physicality of it, but also because of other things. One of them is because of how it is processed, for example. For that, some of the following types of halal are good to note. Nevertheless, the following halal distribution tends to be halal in terms of food and beverages.

#### **a. Halal Substances**

Halal part is often discussed in halal foods. A grasshopper, for example, is one animal that is halal to eat, as well as fish. Although the two types of animals are not slaughtered, the two animals are still allowed to be eaten. Eagles, for example, should not be consumed at all. Although the bird died from slaughter, the meat of the bird is still haram to eat. The reason is that the bird has strong grip legs to carry the meat that becomes its meal.

Dogs for example, such animals should not be eaten even if they die by slaughter. The reason is, the animal is not only unclean, but also has sharp canines to injure other animals or similar animals. The examples mentioned are examples of halal animals and not halal substances. Animals that are not halal in substance, even if they are pursued like what, still should not be consumed. This can certainly be well understood.

#### **b. Halal How to Obtain**

Food that is actually halal to be consumed can be haram because of the wrong way to obtain it. This is what needs to be underlined. Fried rice alone, which is clearly halal, is no longer halal if obtained from stealing. Alternatively, the fried rice is purchased from stolen money, for example, then the fried rice becomes not halal.

#### **c. Halal How to Process**

Still discussing about halal, after the substance of the food is halal, how to obtain it is also halal, then just process it. If the food is processed in the wrong way, then it could be that the food becomes not halal.

In this case, it is necessary to pay attention to the mixtures of materials used. Because, it could be a mixture of these ingredients that make the food that should be halal turned into haram. In this case, what was once the case was pork oil and others. Most importantly, in processing food, pay attention to really the things that become the mixture. Or, pay attention to cleanliness so as not to enter something unclean. Including, cooking utensils used, make sure not to be exposed to feces.

#### **d. Cosmetics Halalness**

Cosmetics are certainly not for eating, but for use. In terms of the use of these cosmetics, there are also halal and haram terms. In terms of essence, if one cosmetic contains unclean ingredients such as carrion or something else, then it is not halal that cosmetics are used. Or, when one cosmetic contains harmful ingredients, for example.

With regards to food, drinks, and cosmetics, the government handles it. With a certain set of processes, there are halal labels that will be embedded on certain products for the safety of using these products.

e. Halal Meat and Illegal Meat

The above has been mentioned what animals are allowed to eat and what should not be eaten. However, the animal must be slaughtered in the right way in order to become halal for consumption. Unlike fish and grasshoppers that do not need to be slaughtered is halal. In fact, if both of them die, the two animals are still allowed to be consumed. Therefore, related to this meat, it is necessary to very well know how to slaughter correctly. Wrong slaughter will make the status of the animal not into meat, but into carcasses.

### **Training Activities; Mercu Buana University Materials**

Understanding business management is one of the activities to manage everything in running a business so that the expected goals can be achieved. This usually includes material production, managing finances, managing stocks of goods or raw materials, managing assets and involving marketing strategies. Understanding business management is not only applied to a large business, all business lines of small businesses should even apply business management.

In large companies, business management is usually managed by professionals who are experienced in their fields. Professionals called management are responsible for planning, organizing, directing, and controlling business resources so that they can meet policy objectives. There are several tips and how to manage a good, effective and efficient business management business, namely:

a. Determine the Market

The most common mistake made by prospective entrepreneurs is "*idealism above consumer*". That is, entrepreneurs often only focus on the benefits of the product but pay less attention to consumers.

Use STP (Segmentation, Target, and Product Position) strategies. Who are your consumer segments, determine the target consumers, and also position your product on the needs and desires of consumers. STP strategy is very important in building your product in order to enter the existing market and even create its own market.

b. Don't Forget the Marketing Mix Aspect

Things that are also often forgotten by entrepreneurs are not paying attention to the aspects of marketing mix, namely 7P (price, place, product, promotion, people, physical products, and processes). The marketing mix aspect is also useful for organizing marketing strategies and personnel management in your business.

c. Define Marketing Tools

*Marketing tools* are useful as promotional tools, monitors, and also evaluations in business management or business development. Tools depend on the budget and also business needs. The hasty and haphazard use of tools will only hurt your efforts. For example, you only sell *online* using only Instagram, you don't need to use tools through *out-of-home advertising*.

d. Finding Investors for Funding

The second thing you need to pay attention to is the issue of funding. Do not invest your own money in the business you are about to open. Look for partners or investors who can help provide funds. Partners can be allies, where you will work together. So if there is a problem, there will be a partner who helps you. In addition, make a team at work to facilitate work and can share the burden with each other.

e. Work Hard and Discipline in Business Management

You must have a hardworking attitude and discipline of time. If you are not willing to work hard, overtime, undisciplined, and other good attitudes, then you should not be an entrepreneur. To manage and implement the management of a business, you must have organizational capabilities. This includes organizing yourself with these attitudes. Decide to work efficiently and effectively.

f. Sell Advantages and Quality

If you are just starting a business, you will usually experience problems related to marketing or the market. Therefore, try to sell advantages and good quality, besides that good communication skills will also add value to explain the products marketed. In the future, sales will increase along with the advantages and qualities provided to buyers.

g. Recruit Good and Qualified Employees

Along with the development, your business will of course get bigger, right? Therefore, recruiting employees will be needed. Recruitment should be done carefully. Look for good and qualified employees in order to work together so that business goals will be achieved.

In addition, a good employee will be easy if you give a briefing as one of the management functions. Then, do not forget to assume that employees are assets of the company not as energy.

#### h. Treat Vendors Well

Vendors or suppliers are one of the important things that determine your business management efforts, so treat them as best as possible. They are one of the determinants of business sales factors, if the supplier is late in delivering goods only, you can suffer losses. In addition, if you maintain a good relationship with suppliers, it is possible that you will be privileged such as getting discounts, free shipping or anything that can be profitable for your business venture.

#### i. Using Technology

Technology is a tool that is very helpful for human life, not least also in the business world. In addition to accelerating human work, technology can also be used as a controlling management function. The sophistication of today's technology can help you to exercise control over the company's operations, for example, by using accounting information systems (SIA).

#### j. Complete Business Management with Accounting Software

Business management in a company is needed. By knowing the important components in it, it is not impossible that you as an entrepreneur will be able to gain success in developing the business in the future. In addition, companies can also use the help of technology in the form of accounting software to handle administrative work.

Recently, many applications or software and data storage are equipped with *cloud technology* at a very low cost. This can certainly be utilized by small companies so that small companies can compete also with large companies. One type of accounting software that can help you do business management is Jurnal by Mekari.

Jurnal is a *cloud-based online accounting software* that helps you store financial data automatically. With the android bookkeeping application from Jurnal, you can get easy recording for business purposes anytime and anywhere. Not only recording transactions, Jurnal also provides ERP applications to features of automatic invoicing, tracking the availability of goods, and asset management that will help develop the value of your business assets in the future.

### **Mentoring Activities**

Through mentoring activities, it is expected that participants' problems, especially related to aspects of market access and technology, and still weak business management can be handled by pendamping and business actors properly. Assistance is actually an effort to help, direct and support individuals/business groups through the formulation of problems, planning, implementing and evaluating in their business development.

Assistance in this activity is carried out to trainees covering various business fields, including services, industry, and trade. Business actors who are accompanied are business actors located in Jakarta and Tangerang. The activity of sideways to participants is carried out once every week for 3 (three) months. It is proven that with the implementation of assistance to these participants, business management can run more effectively, efficiently and optimally.

## **5. CONCLUSIONS AND SUGGESTIONS**

### **Conclusion**

Based on the previous discussion, this activity can be concluded as follows:

- a. The knowledge of trainees in this case is the knowledge of participants regarding halal products and business management management is still categorized as lacking in master properly.
- b. It can also be concluded that there has also been an increase in participants' knowledge and skills regarding halal products and business management management.

### **Suggestions**

The advice that can be given to trainees after going through the evaluation results is as follows:

- a. Continuous training activities are needed so that mentoring can run more effectively, efficiently, and optimally.
- b. Material materials should be able to be directly given along with simulating or examples using the data they have so that participants can better understand the material conveyed.
- c. Assistance activities are needed to participants, with mentoring time adjusting the participant's time.

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