

## MSMEs MANAGEMENT DEVELOPMENT TO ACHIEVE BUSINESS SUSTAINABILITY AND ENVIRONMENTAL SUSTAINABILITY: VIEWED FROM VARIOUS MANAGEMENT PERSPECTIVES: MARKETING

Adi NURMAHDI<sup>1\*</sup>, Nur Aktif BUDIONO<sup>2</sup>, and Yusliza Mohd YUSOFF<sup>3</sup>

<sup>1,2</sup>*Universitas Mercu Buana, Jakarta, Indonesia*

<sup>3</sup>*Universiti Malaysia Terengganu (UMT), Terengganu, Malaysia*

\**adi.nurmahdi@mercubuana.ac.id*

### ABSTRACT

Considering business sustainability as well as environment sustainability at post-Covid 19 era like nowadays, the objective of this community service activity is to equip many Micro Small and Medium Enterprises (MSMEs) business owners in Bantar Sari Village District Rancabungur Bogor with the necessary business strategies in the forms of tools and on hand guidance especially to tame the volatile conditions after the pandemic. Profit motive is among major aims of setting up a business, and environmental sustainability could also among other objectives, nonetheless, at the time after a crisis like the pandemic, sales thus profits can be volatile, markets could have been rebound, but inevitable many MSMEs still find difficulties to survive in dealing with effects of the multi-faceted crisis including at the current post-pandemic era. Some MSMEs can survive while many of them are forced out of their businesses. The objects of the activity are MSMEs in Bantarsari Rancabungur Bogor, West Java. Important survival kits/tools and guidance on how to deal with MSMEs businesses especially in the field of marketing theories and real on hand practices guidance to be provided at the event, apart from the provision of the module. The result expected has been delivered including the knowledge and experience on how to provide many MSMEs in the targeted area with more business and marketing management knowledge and personal confidence. The evidence from this activity shows that their business and marketing skills in dealing with the post crisis opportunities has risen, in a hope that many more of them would thrive in businesses. Having the right choice of business strategies, uniquely designed marketing programs including product innovation and e-marketing as well as personal touch services to conquer the current situations are compulsory to provide, along with the provision of a handful of practical examples.

**Keywords:** Business strategies, marketing strategies, Bantar Sari-Rancabungur-Bogor, MSMEs.

### 1. INTRODUCTION

MSMEs play an important role in contributing to the country's GDP in the post-Covid era. MSMEs have been key pillars in Indonesia's economic development. According to data from the Ministry of Cooperative and MSMEs (2021), there are 64.2 million MSMEs with a Gross Domestic Income contribution of up to 61.07%, or 8.573,89 trillion Rupiah. MSMEs' contribution to the national economy includes absorbing 97% of total existing manpower and 60.4% of total investment. Nonetheless, the high number of MSMEs in Indonesia must be balanced against the numerous obstacles they face.

Covid 19 struck at the end of 2019 and severely harmed many MSMEs. According to a survey conducted by Kata data Insight Center (KIC) on 206 MSMEs in Jabodetabek in 2020, the majority of MSMEs, 82.9%, felt the negative impact of the pandemic, with only 5.9% experiencing positive growth. The impact was that 63.9% of businesses saw a decrease in sales turnover, while only 3.8% saw an increase in sales. The survey also revealed that many MSMEs have worked hard to keep their businesses afloat. Efficiency measurements are ongoing: reduced production of goods/services, reduced working hours and staff numbers, and reduced marketing channels, despite a few of them expanding their supply chain. Surveys conducted by BPS, Bappenas, and the World Bank, among others, revealed that many MSMEs struggle to pay their electricity and gas bills, as well as their employees' salaries. Many of them must reduce their workforce. Other challenges include the inability to find inputs and capital, as well as a decrease in customers, distribution, and production.

Aside from this, there has been a shift in consumer behavior, as well as a shift in the business competitive landscape, which MSMEs must anticipate given the levy of restrictions on many activities. Consumers are spending more time at home and making better use of digital technology. Whereas the change in industry landscape and competitive map highlighted four characteristics: hygiene, low-touch, less crowding, and low mobility (CNBC Indonesia, 28 April 2021). This condition shows that the MSMEs sector, where the players are from the middle to lower classes, has a greater impact on the pandemic Covid-19. Companies that can adopt the four characteristics listed above will be successful during the pandemic. MSMEs must be innovative.

Thus, MSMEs must innovate in order to produce products and services that meet market demands. They can also

deliver new ideas that can help to solve socioeconomic problems in the society directly impacted by the pandemic. Nurmahdi et al (2017) cited important of training for business for MSMEs including among teachers who at the same time can be entrepreneurs. Whereas, Wulandari and Yusliza (2023) cited that MSMEs in Cimulang, Bogor when they are in business they need to be introduced with proper branding so that their products can be enhanced in the markets.

### **Partner's Problem**

Having described the situation analysis above, the following are related to partner's problem:

1. What are necessary business skills especially in marketing field at post-pandemic era needed by MSMEs in Bantar Sari area to enhance their existing business or when creating a new business?
2. What practical approaches, strategies, and tactics are required in the form of a business tool with content hand on best practices, low-cost, and easy-to-follow guidance that can be adopted by many MSMEs in Bogor?
3. What are the post-Covid 19 business strategies for quick wins?

### **Solutions and Outcome Target**

The solution that will be implemented in this program is to provide training to MSMEs in Bogor through on-site coaching and to implement the program over a three-month period after the training, so that they can better prepare themselves with necessary business tools when doing business after the pandemic era, particularly when dealing with marketing management and MSMEs' business strategies. The debriefing will include a cue card and tips on how to gain a quick win strategy, as well as a few practical examples that are both cost effective and simple to implement. In summary, the following are the solutions and outcomes that will be produced by this program:

1. To provide MSMEs with the necessary business skills in the field of marketing.
2. To develop practical approaches, strategies, and tactics in the fields of production, financing, marketing and social media, human resources, and the role of IT in business transactions.
3. Provide a solid quick win strategy to boost the morale of many MSMEs and their motivation to continue operating their businesses in the post-pandemic era.

Training and coaching would be provided by combined teams of UMB lecturers and Malaysian partner Universiti Malaysia Terengganu (UMT). Aside from a practical comparison, new ideas and experiences obtained from the UMT team would improve the program. The combination of inputs from the two campuses is expected to strengthen the program in terms of internationalization and MSMEs practices.

### **Goals of Targets**

The program's goals and objectives are as follows:

1. The target audience for this activity would be MSMEs in Bogor areas that collaborate with UMB.
2. The implementation method used for this activity include coaching and training.
3. Participants are invited on the spot activities, seminar, and follow up action ensuring materials from the seminar is properly implemented.
4. The following materials had been provided:
  - a. Business and new business landscape introduction: mindset, core competence, focus, differentiation, pivoting, new normal, collaboration, networking
  - b. Business strategies and tactics: SWOT analysis, production and innovation, financing access, marketing and social media, human resources, production and same-day delivery, and the role of information technology/e-commerce in business transactions.
  - c. Suggestions for Quick Win Strategies
  - d. Implementation plan
  - e. Evaluation and monitoring

### **Purpose of Activities**

This activity aims to provide coaching and training to MSMEs in order to equip and increase their business skills and competencies in the post-pandemic era, allowing them to survive and/or enhance their existing businesses or develop new business development ideas during the post-pandemic economic cycle.

### **Benefits of Activities**

Following this activity, it is expected that all participants will gain the following benefits:

1. Increased ability to review their current businesses using SWOT analysis.
2. Increase ability to determine what product differentiation they would offer to the existing or new markets.
3. Improved focus on specific target markets to serve.

4. Improved ability to provide superior quality products/services, including personalized services.
5. Improved ability to sell products and manage resources: budget allocation, human capital optimization, and productive assets.

### Framework for Troubleshooting

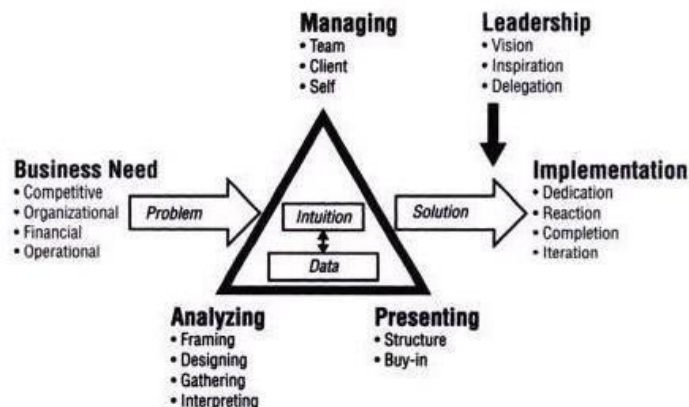


Figure 1. McKinsey's Framework for Troubleshooting

McKinsey's Framework for Troubleshooting is depicted in Figure 1. It begins with problem identification by reviewing business needs, followed by a triangle of activities: analyzing, presenting, and managing through intuition and data, and providing solution through excellent leadership and implementation programs.

Much of this program would adhere to the framework outlined above in the hope that by providing practical training, coaching, and mentoring, MSMEs in Bogor will be able to solve problems that may arise in the post-pandemic era while the market remains open.

### Evaluation Strategy

Training participants will be evaluated at the end of the session in the form of a special test based on materials provided at the start of the session, particularly in better managing their businesses.

It is critical to emphasize that the most important aspect of this program is how the program's objectives can be realized by the MSMEs participants; thus, regular evaluation and control through follow-up coaching is required to execute. The main goal is to close the gaps that MSMEs face after a pandemic.

## 2. METHOD

The method used was face to face direct business investigation and coaching with a team of UMB advisors / coaches came to the venue for delivering the materials and providing business solutions in marketing and other issues. Follow up actions by one to one coaching via zoom meetings. Any business problems are delivered by means of formulating strategies for future implementation.

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  3. Suggestions for Quick Win Strategies.
  4. Implementation plan.
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## 3. RESULTS AND DISCUSSIONS

### Implementation of the Program

1. The program successfully held on 15<sup>th</sup> February 2023 started from 9 am till 1 pm. via on the spot visit to the venue,

- for material delivery and coaching session, attended by 40 participants excluding presenters and students assistants.
2. Banner of the event blasted: There are 11 speakers including two from UMT Malaysia.
3. Activities included: materials delivery on PPT, video recording for YouTube posting, podcast with the Head of Regent Mr. Lukmanul Hakim S.Ag., discussions sessions, follow up business activities actions on marketing materials, and program feedback through questionnaires distribution.
4. Follow up action by one to one coaching via zoom meetings.



Figure 2. Banner of the Program

Source: P2M KLN team, Universitas Mercu Buana, 2023

### Rundown of the Event

- 09.00 – 09.05 Opening : By MC Dr. Sri Hartono
- 09.05-19.10 : Indonesian National Anthem – Indonesia Raya, conductor student Ms. Hanna Asma Syahidah.
- 09.10-09.15 : Pray Dr. Zulfitri
- 09.15-09.20 : Speech by Head of Research and Community Development Service Group - Management: Dr. Ririn Wuladari
- 09.20-09.25 : Welcoming Speech by the Regent of Bantarsari Rancabungur Bogor: Mr. Lukmanul Hakim S.Ag.
- 09.25-09.45 : Presentation of Prof. Dr. Yusliza and Dr. Zikri Muhammad of UMT Malaysia
- 09.45-11.00 : Team presenters each 5 – 10 minutes.
- Slides: 1, 2, 3, Dr. Adi Nurmahdi (Indstry Analysis & Marketing)
  - Slide 4: Dr. Hakiman (Finance)
  - Slide 5: Prof. Noor Salim (Finance)
  - Slide 6: Dr. Ali Iqbal (SWOT)
  - Slide 7: Prof. Masydzulhaq Djamil (Tips of MSMEs Success)
  - Slide 8: Dr. Singmin Johanes (The Real Actions)
  - Slide 9: Dr. Sri Hartono (Marketing Mix)
  - Slide 10: Dr. Setyo Riyanto (MSMEs Opportunities)
  - Slide 11: Dr. Zulfitri (Quick Win Strategies)
  - Slides 12 & 13: Dr. Adi Nurmahdi (Summary, closing)
- 11.00-11.45 Q & A
- 11.45-11.50 Closing & Provide of Appreciation Certificates
- 12.00 Break and Dzuhur Pray.

### **Descriptive Statistic**

Using SPSS 26 for data analysis, data derived from compiling the questionnaires (See appendix 7), out of 40 participants 34 filled in questionnaires completely.

### **Discussions**

1. Out of 8 items in the questionnaire delivered, answered by 34 participants at the event, we got: score 4 (Agree/Good) got the highest rating by 47.1%, followed by score 5 (Very Agree/very good) with 41.2%, with 2 respondents (5.9%) did not answer scores 1 to 5 for all the 8 questionnaires. This indicates that the event had been successfully implemented.
2. Satisfied with Materials Presented, with 17 participants (50%) answered Very Agree / Very Good, and only 4 of them said they were Neutral (score 3) with 11.8%. This indicates that the materials were well presented.
3. Material clearly delivered, with 12 participants (35.3%) chose the same score 3 (Neutral) and 4 (Agree/Good), while only 7 (20.6%) said it was Very Agree/Very Good. This reflects that in the future materials delivery must be a lot better.
4. Materials easily understood, with 12 participants (35.3%) answered Not Agree / Not Good, and 11 they were Neutral (score 3) with 32.4%, while the highest score 5 only chose by 9 respondents (26.5%). This implies that materials must be simpler next and must be easily understood by them, might be because we used some English idioms that made them not easily understood the materials.
5. Satisfied with Presentation Techniques, with less than half of them 15 participants (44.1%) score 5 the highest (Very Agree/Very Good) while 2 persons said it was Not Agree / Not Good. We must keep up this good response.
6. Materials provided me benefits, with 16 participants (47.1%) answered Agree/Good, and 4 of them said they were Very Agree/Very Good. This is a good result and we need to keep up.
7. Intent to implement materials, with more than half : 18 participants (52.9%) answered Very Agree / Very Good, and 10 (score 4) with Agree/Good for 29.4%. Glad to know they meant to implement materials that we delivered.
8. Attracted to the next seminars, with 12 participants (35.3%) answered Very Agree / Very Good, 10 Neutral, and only 7 of them said it was Agree/Good. Overall, we get more people interested and attracted for the next seminars with different themes.
9. Overall event satisfactory, with 12 the highest score 5 (Strongly Agree/Very Good) or 35.3%, 10 of them Neutral and Agree/Good with 7 (20.6%). Overall more than 50% participants said that the event was Strogly Agree/Very Good.
10. The remaining questionnaire 9 and 10 are open end questionnaires, with results as in Table 4.1 above, with questionnaire 9 Topics suitable for me (suggest) included knowledge and practices in all disciplines in management skills, including culinary business, with marketing management being highly demanded especially for online marketing techniques. While for questions 10 regarding the following topics for the next seminar (suggest) include: online marketing, ease of raising finance, packaging and production techniques for rengginang since Bogor is a rainy city, heater device needed for rengginang, including suggestion by four of the participants for us to use more on Bahasa next.

### **4. CONCLUSIONS**

1. Post pandemic has provided increase in potentiality for MSMEs sector including in Bantar Sari, Rancabungur, Bogor where many MSMEs in traditional foods, snacks industries long established here from their ancestors but their existence is relatively small and not in deliberate growth.
2. The knowledge of the many MSMEs in the area seems limited, since there is lack of training and coaching in marketing management including the first P of marketing mix: Product, where their packaging seems a problem, other main problem is lack of online marketing.
3. Most of MSMEs have been selling their products modestly, neglecting marketing mix and tools. They are majority lack of technology and online marketing, though via socmed and application such as Shopee and TokoPedia can be run. There is a tendency of word of mouth marketing, relaying on relatives and neighbor customers.
4. There need be a proper coaching on simple and yet effective marketing actions and tips, then, focus to simple online marketing using available resources, before gradually set their own websites.
5. Synergies between triple helix components seems limited and need be explored to fully arise the potentiality of the MSMEs which produce local wisdom culinary.

### **SUGGESTIONS**

1. There need me follow up actions to boost MSMEs in the area. Marketing plan in terms of practical does and don'ts in marketing need be formulated.
2. Easy marketing action programs using socmed and application need to be initiated

3. They need be channels of distribution also for their products, the leading ones can export to our partner's country Malaysia, quality and consistency in tastes are among major keys.
4. Involvement of other stakeholders apart academicians from UMB and UMT is need, such as bankers, and parent companies conglomerates who can use their CSR funding to finance many prospective MSMEs in the area.
5. Attention by local government must be more detailed and link with the central government to related Departments so that access of information, sources of cheap finance, and market can be viable.

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