

IMPLEMENTATION OF MSME INVENTORY MANAGEMENT IN CIPULIR VILLAGE – JAKARTA SELATAN

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ABSTRACT

Community Service Activities (CSA) were carried out in the Cipulir sub-district. The activity participants are MSMEs who live in Cipulir sub-district. The people at the location generally work as traders and small industries. MSMEs often face problems with shortages or excess supplies which have the impact of hampering business activities. The causes of shortages or excess inventory include: a) MSME actors do not forecast sales, so MSME actors only order inventory according to previous order history. This causes ambiguity between the production plan and the raw material requirements plan, which is the reference for purchasing inventory, b) the absence of safety stock, which is useful for guarding against the possibility of stock outs, c) the absence of clear inventory management, with no there is evidence of inventory recording, as well as inventory control. Based on an analysis of the situation faced by partners, the Community Service Team intends to provide solutions to partner problems by increasing knowledge and understanding regarding inventory management for MSMEs. The method used in this activity is sharing sessions and discussions, which are then given training related to inventory management. Then the activity continued with questions and answers and case study simulations. The results of the evaluation showed that most participants understood the material presented. The evaluation results also illustrate that all participants felt they had benefited from this activity, and were satisfied with the implementation of this activity.

Keywords: management, inventory, MSMEs

1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) play an important role in maintaining and developing the Indonesian economy, and have the opportunity to create jobs, reduce poverty levels, create new markets, process natural resources in order to mobilize people in the family economy. The business form of MSMEs is expected to reduce the unemployment rate in the productive age, so that it can improve the economy of Indonesian society to a higher level. So MSMEs can be said to have an important role in developing the Indonesian economy.

MSMEs have been proven to have strong resilience in facing the economic recession that occurred, one of which was the recession caused by the COVID-19 outbreak.(Mardanugraha, E., & Junaidi, 2022). Based on data from Bank Indonesia (BI), it shows that during the pandemic the number of e-commerce transactions increased almost 2 (two) times compared to the pre-pandemic period, from 80 million transactions that occurred in 2019 it increased to 140 million transactions in August 2022.(Yenita Lisna, 2022). This condition shows that adaptation to e-commerce transactions based on digital technology is a necessity for MSME players as huge market opportunities open up.

Factors that influence business success are market opportunities, competitive conditions and business management(Mardiatmi, BD, Nopiyanti, A., & Resti, 2022). Inventory is an aspect that a company must have, if there is no inventory there will be no trading activity(Ketut, IG, Winata, A., Kartika, M., Dewi, P., Wisarti, KH, Widiastuti, N., Komang, N. & Yuliasitni, 2022). In trading companies, inventory is in the form of merchandise inventory, while in industrial companies inventory is in the form of raw material inventory, semi-finished goods inventory, and finished goods inventory.(Rosyidah, SD, & Nafif, 2022).

Inventory management is needed to help MSMEs control inventory, so they can optimize inventory and also manage accurate stock of goods. Poor inventory management can result in less than optimal profits. Inventory control of raw materials and finished goods cannot be optimal, because the inventory procurement system only uses forecasting according to targeted sales(Kurnia et al., 2018).

The main function of inventory control is to store business needs, whether for raw materials, semi-finished goods, or finished goods from time to time. According to(Husnah et al., 2021)This function is determined by various conditions such as:

1. If the delivery period for raw materials is relatively long, then the business requires sufficient raw material inventory to meet the inventory needs for the business during the delivery period.
2. Often the quantity purchased or produced is greater than needed. This could be because raw materials purchased in large quantities generally have more economical prices.
3. If the demand for goods is seasonal while the production level at any time is constant, then the business can serve the demand by making a rate supply fluctuates with demand fluctuations. Constant production rate

generally preferred because of the costs of finding and training new workers, wages overtime, etc. (if production levels fluctuate) will be greater than costs storage of goods in the warehouse (when inventory levels fluctuate).

4. Apart from meeting subscription demand, supplies are also needed if costs are required looking for replacement goods/materials or costs of running out of goods/materials (*stock out costs*) relative big

If inventory management is not optimal, it will have an impact on financial management, especially with regard to business cash flow.

Like other MSMEs, MSME activities in the Cipulir sub-district carry out operations by processing raw materials, so that they become finished goods which can ultimately be sold to customers. Monitoring inventory in a business is an important thing that must be done. These activities consist of monitoring inventory, updating data, raw material usage, and sales. MSMEs must be able to keep up with demand and maintain sales performance, so MSMEs need to understand inventory management.

Cipulir Village MSME actors, who are partners in this PKM activity, are active shelves in the fields of industry, food, beverages, convection, accessories craftsmen, there are also traders. Initial survey results show that more than 70% of MSMEs in Cipulir sub-district have not implemented inventory management in their businesses. They still don't fully understand the benefits of the importance of inventory management. This condition is caused by a lack of knowledge about inventory management and the absence of records regarding incoming and outgoing activities of raw materials and finished goods.

2. METHOD

Place and time. This activity was carried out for 2 (two) days, namely: The first stage, which is the preparation stage, was carried out on June 24 2023. The second stage, which was the implementation stage, was carried out on July 1 2023 at 13.00 – 15.00. The place for implementing PKM is in the Mangga Ulir RPTRA Hall, Cipulir Village.

Target Audience. The target of implementing this activity is MSMEs in the Cipulir Village area, with a total of 25 participants.

Devotion Method. This PKM activity was carried out in Cipulir sub-district, with the following activities:

- a. Extension Method
Provide motivation to participants to manage inventory records in their business activities, and participants are given material to get a general idea about the importance of managing inventory.
- b. Tutorial Method
Activity participants were given material related to inventory management, then given assistance on how to record inventory, participants were also given a simulation regarding inventory recording. Both raw material inventory, semi-finished goods inventory, and finished goods inventory. This also makes it easier for MSMEs to calculate the Cost of Goods Sold.
- c. Discussion Method
Activity participants were given the opportunity to discuss the problems faced regarding supplies, which have been faced by MSME players.
- d. Evaluation
The series of activities closed with an evaluation of the activities that had been carried out. The purpose of this evaluation is to determine the extent to which participants can understand what has been conveyed. This does not rule out the possibility as a view of plans for further service activities.

Success Indicators. Indicators of success of this service activity are:

1. PKM material according to participant needs
2. PKM activities run smoothly according to the activity plan
3. PKM material can be understood by participants
4. Interactive responses from resource persons and participants
5. PKM activities are able to provide direct benefits to participants
6. PKM activities are able to increase knowledge
7. Participants are able to apply the material provided in business activities
8. Participants were satisfied with the activities they had carried out

3. RESULTS AND DISCUSSION

Preparation

Service activities regarding inventory management for MSMEs in the Cipulir sub-district were carried out after previously coordinating with the Cipulir sub-district. This activity was carried out at the Mangga Ulir RPTRA. Coordination is carried out by discussing what the MSMEs currently need. Based on the results of the discussion, MSMEs still have difficulties in inventory management, including accounting records. This service activity was carried out as one of the Real Work Lecture (KKN) activity programs for students at the Faculty of Economics and Business, Budi Luhur University.

Implementation of Activities

The activity will be carried out on July 1 2023, starting at 13.00 – 15.00. Participants register, which is followed by an opening from the Community Service team. The material was given according to a predetermined theme, namely regarding inventory management. Before being given the material, an initial evaluation was carried out to determine the extent of the participants' knowledge regarding inventory management. Furthermore, for the gardening material, participants were given knowledge about the importance of inventory management for their business. Why is it necessary to create inventory management? What are the impacts if you don't have good inventory management in your business?

The next material is to discuss with the participants what steps must be taken to record good inventory. Starting from what recording method is chosen, what needs to be recorded in inventory management, how to determine the cost price with inventory management.

In the next session, participants were asked to provide examples of inventory records in their businesses, based on the products they produce. Then participants will be given a case example, based on a product example from one of the participants. Participants are invited to record everything they can to monitor inventory, both raw materials, semi-finished materials and finished goods.

After all the material has been presented, it continues with an open discussion regarding the participants' experiences related to inventory management and other related matters. The delivery of the material is adjusted to make it understandable, and interactive dialogue is carried out for each material presented.

In this activity, in-depth and comprehensive observations were also carried out, as well as an evaluation of the implementation of the activity which became a benchmark to determine the achievements in increasing participants' knowledge and understanding. Monitoring activities and participant participation can be seen from the start of the activity to the close of the activity. In this stage, every material presented by the service team receives an active response from the participants. The majority of participants were active in asking questions related to problems faced by their businesses, which were quite relevant to the material presented, namely related to inventory management.

Activity Evaluation

After the series of material presentations and case studies were completed, the activity closed with an activity evaluation. At this stage, the service team evaluates the participants on the material that has been delivered. In this stage, an evaluation is carried out to measure the participant's level of understanding and satisfaction with service activities. Measurement of activities through evaluation is carried out by asking questions and written simulation case questions in short training for participants to answer and work on. The answers that have been received by the service team are assessed and then used to see and obtain an overview, as well as measure the level of understanding of the participants regarding the material that has been presented.

Evaluation is carried out using the following indicators:

1. The number of participants who attended was 25 participants.
2. The level of enthusiasm of the participants was very high, as seen from the level of enthusiasm of the participants who were actively involved in every activity process from start to finish.
3. Evaluation on the level of satisfaction, almost all participants, more than 90%, stated that they were satisfied with the results of the activity, and hoped that there would be further activities of this kind carried out regularly.

Figures and Tables

The following are photos of Community Service activities



Figure 1 Atmosphere of Training Activities

Figure 1 shows the atmosphere during the implementation of training activities. The location of the activity is the Mangga Ulir RPTRA, Cipulir Village. The picture also shows participants taking part in service activities, where participants are carrying out activity simulations, where participants will carry out simulations according to the products produced by MSMEs.



Figure 2. Service Team Presenting Material

Figure 2 shows an activity where the community service team is presenting material on the theme of inventory management to participants, namely Cipulir Village MSMEs.

The following assessment results are used to see, obtain an overview and measure how much the participant understands the material presented in the previous stage.

No	Statement	Rating Scale (Percentage)			
		SS	S	T.S	STS
1	PKM material according to participant needs	40%	60%		
2	PKM activities were carried out according to participants' expectations	32%	68%		
3	The material presented is clear and easy to understand	32%	68%		
4	The time available is in accordance with the delivery of PKM material	48%	52%		
5	Every complaint / question / problem is followed up properly by the resource person/PKM member involved	52%	48%		

6	Participants benefit directly from PKM activities	48%	52%
7	PKM activities succeeded in increasing participants' knowledge	40%	60%
8	Participants will apply PKM material according to their needs	52%	88%
9	In general, participants were satisfied with PKM activities	40%	60%

Source: Questionnaire Data Processing Results

Based on table 1, overall the implementation of PKM can be said to be successful, because participants were able to master the material provided. Both material regarding the benefits of inventory management, as well as the stages in recording inventory, which are part of inventory management. Participants also now understand what must be done in good and effective inventory management. By carrying out the activity "Implementing Inventory Management for MSMEs in Cipulir Subdistrict - South Jakarta" all parties can obtain good results and benefits, especially MSMEs in the Cipulir subdistrict area. It is hoped that there will be further activities that can help MSMEs so that their business activities are better and more organized.

4. CONCLUSION

Community Service Activities carried out in Cipulir Village - South Jakarta were held in the form of socialization and training with the theme Implementation of MSME Inventory Management in Cipulir Village - South Jakarta. Service activities are carried out for 2 (two) days, namely the preparation stage on June 24 2023, and the implementation stage on July 1 2023. During the implementation stage an evaluation is also carried out, to find out to what extent the material presented can be understood by participants, which will later be can be practiced in business activities. The implementation of activities can run well and smoothly, thanks to cooperation with partners and enthusiasm from participants.

Based on the description presented above, it can be concluded as follows:

1. Before implementing service activities, MSMEs did not have the knowledge and ability to understand the functions and benefits of inventory management. Apart from that, they are also unable to carry out basic records of the inventory they have. To find out what inventory they have, they must directly check the physical inventory they have.
2. Participants' enthusiasm can be seen during the presentation of material, case studies, and simulations. This can be seen from the high intensity of communication that exists between the service team and the participants. Participants were also very enthusiastic during discussions related to the businesses owned by the participants. Participants took part in the activity from start to finish, and they stated that the training provided was very beneficial for the progress of their business.
3. Based on the results of the assessment and evaluation of the level of understanding of activity participants, it was discovered that 17 participants (68%) understood the material presented, while 8 participants (32%) really understood the material presented by the service team.
4. The results of the evaluation of activity service satisfaction and participants' expectations were that 10 participants (40%) expressed satisfaction and 15 participants (60%) expressed satisfaction with the activities carried out.

Suggestion

The suggestion from the activity is that it should be carried out continuously so that market traders can be monitored if there are problems in the implementation or application of accounting records. Furthermore, counseling on accounting records can be carried out using accounting applications such as Zahir Accounting or Accurate.

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