

Business management strategies for MSMEs Melati Cake's

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are essential in employing the community to improve the economy and productivity. Kuningan Village is a village whose residents run many MSME businesses. Partners still need help improving their business development, especially in operational, digital marketing, and financial aspects. Universitas Prasetiya Mulya has supported groups in the Community Development program to assist partners in developing their businesses. The group has re-branded logo packaging and provided education on digital marketing to reach potential customers on a larger scale. Second, improvements have been made to cash flow recording so that all financial flows are more controlled. Third, equipment purchases, business licensing realization, and SOP implementation have been done. With group assistance, partners have succeeded in increasing sales profits, increasing awareness of potential customers, increasing productivity, and making partners adaptable to technological developments.

Keywords: Business, MSMEs, Community development, Strategy

1. INTRODUCTION

Micro, small, or medium enterprises, commonly known as MSMEs, are designations used for individuals, households, or business entities that run a business. In general, an organization's business can be classified as MSME by looking at the yearly turnover, the total balance sheet or assets owned, and the number of employees working in the MSME. The Indonesian government fully supports MSMEs because of their contribution to GDP growth, which reached 60.5% in 2022. In 2022, as many as 65.4 million MSME units out of a total of 8.71 million MSME units have succeeded in employing 114.7 million Indonesians. MSMEs in Indonesia are dubbed "critical engines" in the national economy, as they play a significant role and can expand employment for the Indonesian people so that reducing poverty, unemployment, and crime are some of Indonesia's problems in economic and social aspects that are mutually sustainable (Kemenko, 2022).

Of course, in running an MSME, business management knowledge is needed, which is a guide. Business management is a series of processes from planning to achieving the desired target with various divisions in company, for example, the operational division, marketing, finance & accounting, Human resources, etc. The method and application of running an MSME are undoubtedly different from other MSMEs because the

the problems and their work differ. It is crucial to know the knowledge and training in such a way as to encourage the success of MSMEs, which are the primary key to improving the country's economy. Unfortunately, MSMEs lack or do not even get the training and learning about business management that should be obtained. Ignorance of adapting business management can cause an MSME to end up down. Therefore, we have participated in community development programs with the hope and determination to help MSMEs and equip them with knowledge.

Digital marketing also needs to be developed to optimize the use of digital media to get data, markets, and potential customers, so that businesses can take the right marketing steps to accommodate changes in consumer behavior. (Chaffey, 2015). The benefits of digital marketing for companies and MSMEs include being able to connect easily with consumers online, higher sales conversions for targeted consumers, more economical marketing costs, being able to serve consumers in real time and the potential to increase selling power for MSMEs. E-commerce gives producers/small businesses choices about the type of business and business scale to be developed (Schneider, 2015).

2. IMPLEMENTATION METHOD

Community Development activities will occur in February 2023 at Jalan Jirad, Cileuleuy Village, Kuningan Regency. We were chosen to be a companion for Mrs Aat's Melati Cake business. The program that we will do consists of 2 activities, namely primary and social programs. In the preliminary program, we will accompany Melati Cake's business in developing its business from various aspects, such as marketing, operations, finance, human resources, technology, and information. Meanwhile, we will help with social activities in the Cileuleuy Village area social programs.

The activity will be divided into six stages. First, at the Pre-Comdev stage, the group meets with partners online and conducts short interviews to discover what problems and obstacles exist with partners. Then, the group will make a proposal based on the interview results. Second, the Comdev Warm-Up stage, where the group will get a briefing to be implemented during the live-in period. Third, Comdev Kick Off, where a ceremony will be held to release and weigh goods. Fourth, Living in Village is a stage where groups will leave for their respective villages according to the location of the partners. Primary and social programs will be completed in full for one month. Fifth, After Live In, the group will receive mentoring classes and report progress reports regularly—finally, evaluation and reporting, where the review will be carried out during the Community Development program.

3. RESULT AND DISCUSSION

Marketing

Marketing activities are one of the problems partners faces, where their business needs to adapt marketing strategies and carry out digital marketing by many MSMEs to compete in the market and achieve the intended market share. Unable to introduce its products widely. Consequently, low public awareness, especially among the people of the Kuningan area, regarding partner business products. Its mission is to help partners adapt to digital marketing, which includes copywriting, learning, and creating exciting content to be seen on social media (especially Instagram) to highlight the differentiation of partner products compared to competitors' products. Figure 1 shows the packaging design.

Before participating in Community Development, the marketing aspect of partner businesses was still traditional, where their marketing strategy relied on Word of Mouth from customer to customer. Because most customers from partner businesses are acquaintances of relatives who live in other areas, such as Tangerang, and make these relatives as mediators for purchasing pastries. In addition to selling to customers (B2C), partner businesses also sell to resellers who often resell the product with their brand (B2B). For relationships and communication with consumers, there is no other communication method other than WhatsApp, whose primary purpose is to receive cake orders. Partners also have yet to create social media from any platform (Facebook, Instagram, TikTok, etc.) as a medium to do digital

marketing and communicate with consumers and potential customers. D With the spirit and willingness of partners to develop during the period of Community Development for several months, partners have shown significant progress in marketing aspects, such as making improvements to previously used packaging and labels to make it more modern and attractive again and able to attract the attention of consumers with the help of other divisions in the group. After creating a new label, the partner demonstrates editing skills and adds elements to the packaging label as desired and trademark of Melati Cake, a partner business.

The next step after developing tags and packaging partners now has social media, namely Instagram, as a crucial starting point in digital marketing for the future. So far, social media partners have done some posts, but there is still room to grow. With the hope that social media can become crowded and public awareness of partner products can increase, we prepared a Brand Book that summarizes all brand elements of Melati Cakes, such as brand names, logos, and taglines, along with GSM colours and fonts that aim to help in. Team have also been preparing an Instagram Content Bank for several months to guide partners later when they want to create and plan content. The Content Bank placed on Google Sheets has a 3-pillar content plan for Instagram Melati Cake, including promotion, education, and entertainment. Advertising is a range that directly indicates selling to the audience, in contrast to education and entertainment, which is filler content that entertains and educates the audience about our partners' business products.

Information Technology

The main problem experienced by partners is that they need help to adapt to technological developments. Due to the need for more education about digital technology, they are making it difficult to expand their marketing reach. In addition, partners do not have email and business accounts, so it isn't easy to make online transactions. At that time, all orders were made only through Whatsapp and direct orders on the spot. And finally, partners need to understand the adoption of applications that can simplify their business processes. The mission is that partners can go digital in running their business in promotional media, sales, design making, and supplier search. The condition of partners in technology and information before Community Development is very traditional and has not used any technology in their business processes, so its business has not run effectively and efficiently.

Based on the information we have obtained from partners, partners desire to go digital, but there has yet to be an opportunity to learn and adopt it. The main obstacle faced by partners today is in expanding their marketing reach. They only use their stalls as a sales medium. Their products are in great demand by people outside the Kuningan area. This evident from fraud cases committed by various sellers out there on behalf of partners' cakes to be sold out of town. So, partner access to reach consumers is still shallow. In addition, partners have yet to adopt applications that can simplify and speed up their business processes. They need exciting content and packaging because their design process is only through Microsoft Word. In addition, they also need to gain the knowledge to make a Cash Book so there is no record of their sales. There are many applications that they can use to overcome this. The condition of partners in technology and information before Community

Development has experienced many developments. First, partners already have a business account, so consumers can easily transact with Melati Cakes. In addition, this also makes it easier for partners to track the transaction process that occurs during the buying and selling process. Then, we also help partners to create business emails that are used as a bridge to adopt other platforms, such as Instagram, Shopee, and Tokopedia (figure 2).



Figure 1: Packaging Design

Regarding design and packaging, partners have adopted the Canva and Capcut applications, making it easier to create attractive designs. Previously, Melati Cake's packaging design only showed the writing of the store name and product name and was printed on plain black and white paper. And during February, we replaced the label with a more attractive sticker. In addition, we also return the packaging with ziplock, which, of course, is still comparable to their previous plastic price to avoid adding too high costs.

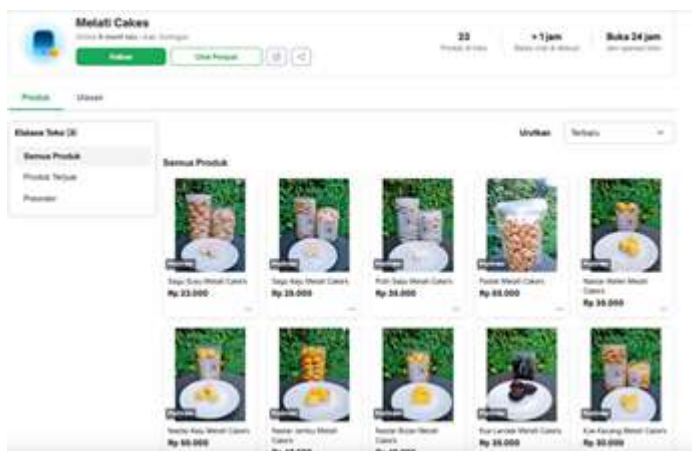


Figure 2: Online Presence

In terms of increasing awareness of potential customers, we have also changed the logo and provided new stickers on packaging to increase consumer interest in buying Melati Cake's products. And on Eid yesterday, we have also provided new packaging on Eid hampers so that potential consumers are interested in buying Melati Cake's pastries as hampers on Eid (Figure 3).



Figure 3: Hampers Lebaran

Finance

Regarding finance and accounting, partners do not record finances at all. This point is very concerning, considering that financial records are crucial in a business. In addition, the calculation of the cost of goods produced by partners only pays attention to direct material to the exclusion of direct labour and overhead. The cost of goods delivered is directly related to the company's profit. Miscalculations of the cost of goods produced can result in successive errors in product prices and partner profit growth. Based on financial problems, we have a mission to make Melati Cake's MSMEs record their finances regularly through the application. We also have a task to determine whether calculating the cost of goods produced so far is correct by paying attention to other cost components. Before the community development program, MSMEs Melati Cake manually did simple direct materials calculations.

The founder of Melati Cake usually records how much it costs to make a cake but does not calculate other costs such as employee costs, gas, electricity, water and additional expenses. Apart from these records, this is the only record made by the founder, whether to whom the cake was sold, how much income that month and others. Seeing the condition of Melati Cake in such a way, we thought about how to solve all problems. The first thing we improved was calculating the cost of goods produced. We use the absorption

costing method to calculate the cost of goods produced. This method is the easiest to understand so that the founder of Melati Cake can figure it out in the future. We added employee and overhead costs to the cost of goods produced and found that some partner calculations needed to be corrected. Then, we also teach partners how to do regular financial records through the application. We found using the app easier to understand as well as easier to use. With just one application, the founder of Melati Cake can see profit growth, send debt bills to customers via WhatsApp and enter stock and control the inventory of remaining goods. The following is an example of the use of applications in finance at Melati Cake's MSME (Figure 4).

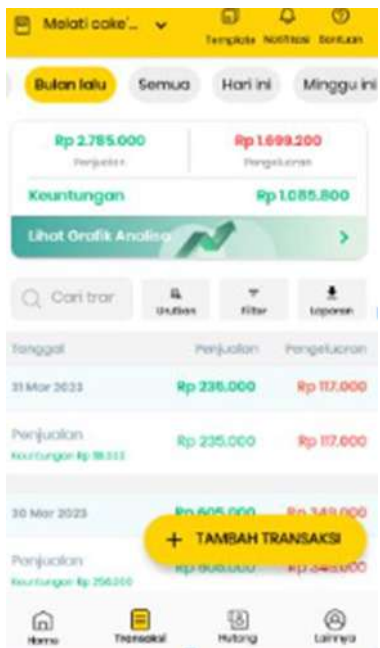


Figure 4: BukuKas Application

Human Resource

In the daily activities of partners, the problems experienced by partners from the Human Resource side are not too many compared to other divisions. Mitra has never attended online or offline training related to his work producing various kinds of pastries. Therefore, partners have never received a certificate of participation in training seminars. Based on the problems from the Human Resources side that have been explained earlier, we have a mission to invite and involve our partners in training seminars related to their fields and get certificates from the training. Before the programs were carried out during Community Development, partners had never attended training seminars related to baking activities.

In addition, partners have also never received a certificate of participation in related training. Therefore, partners are willing to attend training appropriate to their work to add recipes and experience directly from a professional. In carrying out the mission of the Human Resource division, partners have successfully attended training seminars in friendship and baking. Partners attend training seminars held during the Community Development period held by Bogasari. This seminar was held by inviting professional speakers who were chefs from the Bogasari team. In participating partners in this training seminar, partners are given new recipes that can be

be tried and practised by chefs and participants themselves during the training seminar. In addition to getting new recipes, partners also bring new experiences through this training seminar. Not only that, partners currently have certificates showing their participation in a training seminar.

4. CONCLUSION

The results of the implementation of this activity, it can be concluded that many obstacles occur in Melati Cake's business, which is undoubtedly caused by the lack of partner education in developing business management, be it from the aspects of marketing, operations, finance, human resources, as well as technology and information. From the marketing aspect, we help partners adopt digital marketing, where partners learn about the 4P concept and create exciting content. From the active part, we assist partners in making SOPs and providing tools that support the business's success. From the financial aspect, we help partners improve the calculation of production prices to get maximum profit. From the part of human resources, we help partners to enrich their knowledge by attending training seminars. From the aspect of technology and information, we assist partners in adopting digital technology. And after carrying out all business management development activities, partners claim to get a lot of learning and certainly positively impact business continuity. Many things can still be improved to advance Melati Cakes in various aspects. To the next party that carries out community development, they can further optimize aspects of business management to support all the potential of Melati Cake's MSMEs.

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