

Various Sources Working Capital Financing For The Sustainability Micro, Small And Medium Enterprises (MSMEs) Business In Rancabungur-Bogor

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Diterima: 03 03 2023

Drevisii: 27 03 2023

Disetujui: 11 04 2023

SUMMARY

Micro, Small and Medium Enterprises (MSMEs) are the object of community service activities, which are located in the Rancabungur area, West Java. Small, Micro and Medium Enterprises (MSMEs) businesses need to understand various alternative sources of working capital financing, so that it is hoped that micro, small and medium enterprises (MSMEs) can find solutions to financing working capital within the framework of development and maintenance of the business in order to continue to be sustainable. The purpose of this community service activity is to provide training for micro, small and medium enterprises (MSMEs) to get various alternative sources of financing both from commercial banks/Islamic banks or from non-bank financial institutions. For this reason, activities team community service Universitas Mercu Buana Jakarta with the topic: "MSMEs Management Development of Achieve Business Sustainability Viewed from Various Management Perspectives (Marketing, Finance, Human Resources, and Operation)"

Keywords: Types Sources Financing, MsMEs, Sustainable Business

RINGKASAN

Usaha mikro, kecil dan menengah (MSMS) adalah objek dari kegiatan pengabdian masyarakat, yang terletak di daerah Rancabungur, Jawa Barat. Bisnis kecil, mikro dan menengah (UMKM) perlu memahami berbagai sumber alternatif pembiayaan modal kerja, sehingga diharapkan bahwa pelaku usaha mikro, kecil dan menengah (UMKM) bisa mendapatkan solusi untuk mendapatkan sumber pembiayaan modal kerja dalam kerangka pengembangan dan pemeliharaan bisnis usahanya agar dapat terus berkelanjutan. Tujuan dari kegiatan layanan masyarakat ini adalah untuk memberikan pelatihan bagi usaha mikro, kecil dan menengah (MSM) untuk mendapatkan berbagai alternatif sumber pembiayaan baik dari bank komersial/bank Islam atau dari lembaga keuangan non-bank. Untuk alasan ini, Tim pengabdian masyarakat Universitas Mercu Buana Jakarta, mengadakan kegiatan dengan topik: "MSMEs Management Development of Achieve Business Sustainability Viewed from Various Management Perspectives (Marketing, Finance, Human Resources, and Operation)"

Kata kunci: Jenis Sumber Pembiayaan, UMKM, Bisnis Berkelanjutan

1. INTRODUCTION

1.1. Background

In this era of globalization, several economies in developed countries can succeed because of the Small and Medium Industries (SMEs) that are involved in these countries. Most of the small and medium industries are the main part of a country's economy. The number of MSMEs in Indonesia in 2022 has increased significantly, with a total increase of 8 percent and is predicted to continue to increase in the next 10 years. Micro, small and medium enterprises (MSMEs) are currently the center of attention for many people, including the attention of the Indonesian government. Based on data from the Ministry of Communication and Information (2022), the number of MSMEs in Indonesia has reached 65 million business actors, and around 19.5 million MSMEs have moved on boarding to the digital sector. Small and Medium Industries have the potential to make a major contribution to the economy and can provide a solid foundation for generating new industrial growth while strengthening existing industries for the country's future growth.

Overall, Micro, Small and Medium Enterprises (MSMEs) are one sector that contributes a lot to economic growth in the country. This sector not only brings many benefits to the national economy but also provides various advantages and benefits for the people in the country, for example it can reduce the unemployment rate in the country, especially in rural areas.

As it is known that Indonesia and the world have been hit by the Covid-19 pandemic in more than 2 years since Indonesia declared the covid-19 pandemic in March 2020. MSMEs become quiet and unsold. And this has caused many MSMEs to be forced out of business or go bankrupt during the Covid-19 pandemic. The MSME market share is getting narrower, causing MSMEs to no longer be able to move the wheels of the country's economy. Even though there are still MSMEs that can survive, by adapting to pandemic conditions, the number is very small compared to the tens of millions of MSME activists (Suminto, 2020). The Covid-19 pandemic has had a major impact on changes in people's behavior, especially micro, small and medium enterprises (MSMEs). To restore these MSME businesses, of course, they need an injection of funds so they can move again and increase their turnover. Applying for financing to banks is quite difficult because banks will also refer to the soundness of their business, with a declining business turnover, it will be difficult for banks to grant loans proposed by MSMEs, (Buchori, 2020). Siswanti & Suryanto (2021), stated the importance of financial literacy for MSMEs to awaken MSMEs in developing their businesses. There are 63 million micro businesses that may be half unbankable, this can be taken over by non-bank financial institutions to be able to help the effectiveness of financial assistance and as a parameter that shows an increase in public financial literacy, especially MSMEs in accessing financing and financial transactions, (Raharjo, 2020)

At the end of 2022 the government has revoked the policy of Imposing Restrictions on Community Activities (PPKM) and this provides a signal for the revival of MSMEs in Indonesia. But what is a classic problem for MSME players is the problem of obtaining financing for their business capital. The MSME problem is proportional to the number of MSME increases which continues to increase every year. This certainly needs improvement so that MSMEs can continue to grow so that they can penetrate international markets, so that they are not only focused on sales but also on evaluation and improvement. The increase in the number of MSMEs has a very good influence on the economy in Indonesia, but the fact is that many MSME actors experience difficulties in developing their business, one of which is related to capital factors.

1.2. Identification of Problem

Based on the description above, the formulation of the problem of community service activities can be made as follows:

1. The lack of financial literacy for MSMEs related to bank and non-bank financial institutions.
2. SMEs often find it difficult to find financing capital from banks and other financial institutions, because there are many requirements that have not been met.

1.3. Activity Purpose

The purpose of this community service activity is to provide training to SME entrepreneurs in terms of the importance of financial literacy related to obtaining credit/financing from both bank and non-bank financial institutions, as well as the importance of socializing the various requirements for obtaining financing from both banks and non-bank financial institutions.

2. METHOD

The method of implementing community service activities is carried out offline (face to face) stages of implementation of activities as follows:

1. Convey an understanding of financial literacy, both bank and non-bank financial institutions as a place/vessel for obtaining financing. Including explaining the conditions that must be fulfilled to obtain financing and the mechanism for obtaining financing
2. Doing questions and answers to the actors related to their business
3. Give questionnaires to participants regarding the implementation of community service activities

Presentation and discussion activities are carried out via zoom on Thursday, February 14, 2023. The event takes place from 09.00 to 13.00 WIB, Cimulang Village, District Rancabungu, Bogor, West Java with URL address <https://www.youtube.com/watch?v=IQxP1lpBwik>

The event was opened by opening and singing the songs Indonesia Raya and Mars UMB, then continued with a prayer and remarks from the Dean of FEB UMB. Followed by group photos and presentations from PkM partners from Universiti Malaysia Terengganu. After that, it was followed by a presentation by UMB Lecturers and discussions and questions and answers were held.

3. RESULTS AND DISCUSSION

This community service activity has the theme MSMEs Management Development to Achieve Business Sustainability and Environmental Sustainability: Viewed From Various Management Perspectives (Marketing, Finance, Human Resources, and Operations) in collaboration with Universiti Malaysia Terengganu. The event was held in a hybrid manner, so most of the speakers (9 speakers) made face-to-face presentations with MSME actors (offline) and as many as 3 (three) speakers gave online presentations via zoom meetings in an attractive and communicative way. The event will be held on Tuesday, 14 February 2023, starting at 09.00 WIB - 14.00 WIB.

The number of participants is 40 (fourty) MSME actors. This shows the high interest of MSME actors to gain various knowledge, especially banking finance and various types of financing sources that can be used by MSME actors to obtain credit to improve the MSME business that is being managed at this time. By delivering the material delivered by the resource person, the participants could clearly understand it because the material was delivered in a structured, systematic manner so that it was very easy to understand.

From the results of the implementation of this training activity it can be concluded that it was in accordance with the expectations and needs of the participants. So that the majority of participants considered this event very good and satisfying and needed to continue to be carried out, so that in the future the progress can be seen.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

The UMB community service activity was carried out at Cimulang Village, Rancabungur-Bogor district, West Java on Tuesday, 14 February 2023 at 09.00 - 14.00 which was carried out well and successfully. This event was attended by 40 (fourty) MSME actors with a total of 12 (twelve) resource persons. The event was interesting and communicative. According to the participants, this program

was very useful because the resource person could convey the material in simple sentences so that it was easy to understand. The material discussed by the speakers was the concept of Islamic finance in MSMEs

4.2. Recommendations

1. Continuous training activities are needed so that mentoring can run more optimally and sustainably.
2. Assistance activities are needed on an ongoing basis so that the progress of the development of MSME actors can be monitored, and various existing problems can be immediately assisted to overcome.

ATTACHMENT

PHOTOS OF ACTIVITIES DURING SERVICE TO THE COMMUNITY





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