

## Strengthening Business Management and Digital Marketing for the Cagcag Sari Bhakti Weaving SME in Banjar Pesalakan, Pejeng Kangin, Tampaksiring, Gianyar

I Made Pulawan<sup>1\*</sup>, I Made Sara<sup>2</sup>, Dewa Ayu Niti Widari<sup>3</sup>  
Fakultas Ekonomi dan Bisnis Universitas Warmadewa

**Corresponding Author:** I Made Pulawan [pulawanimade@gmail.com](mailto:pulawanimade@gmail.com)

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### ABSTRACT

Bali is renowned worldwide for its culture, including traditional woven fabric (tenun). Despite the influx of modern fabrics, many locals are determined to preserve traditional fabrics like Cagcag weaving from Banjar Pesalakan, Pejeng Kangin Village. Demand for these traditional woven fabrics has increased, overwhelming artisans due to the slow, manual production process. The community service activities target is Cagcag Sari Bhakti Weaving Group. According to Mr. Made, the group faces business development challenges, limited management skills, and a lack of accounting knowledge. They also underutilize digital marketing. The partnership program aims to boost sales and improve financial records through financial management assistance, production management guidance, and digital marketing education. The program has enhanced book-keeping, business management efficiency, and market reach

## **INTRODUCTION**

The province of Bali is renowned worldwide for its culture, which is a product of the creativity, initiative, and feelings of the Balinese people. The manifestations of Balinese culture can be observed in the cultural system, encompassing the ideas, thoughts, mindsets, and concepts of the Balinese people; in the social system, reflected in patterned community activities and interactions; and in the physical culture, seen in objects or tools crafted by the Balinese community. There are numerous examples of Balinese physical culture, one of which is traditional woven fabric (tenun). Traditional woven fabric is one of Indonesia's diverse cultural heritages that must be preserved, as it enriches the nation's identity with its various motifs and patterns. Amid the influx of modern factory-made fabrics, the cagcag woven fabric from Banjar Pesalakan, Pejeng Kangin village, remains sought after by traditional fabric enthusiasts, not only from Bali but also from outside Bali. Recently, the demand for traditional woven fabrics from Pejeng Kangin village has increased, overwhelming the craftsmen in fulfilling orders both locally and internationally. This is due to the traditional production methods, which do not involve machines, making it impossible to produce large quantities quickly.

Cagcag weaving is a distinctive Balinese woven fabric made traditionally and handed down through generations since the era of the kingdom. Over time, traditional Cagcag weaving craftsmen have become increasingly rare, replaced by automated weaving machines. The process of making Cagcag weaving is done by hand using characteristic traditional looms. In the past, this woven fabric was intended only for the royal family and Balinese nobility, particularly during religious ceremonies. The name "Cagcag" derives from the sound of wood clashing as the weaver transforms threads into fabric. Using natural dye threads from plants and hand-weaving techniques, the resulting fabric boasts beautiful and unique patterns. The motifs, colors, and patterns on this fabric are very special, often inspired by the flora and fauna surrounding the weavers. The Sari Bhakti Weaving Business Group, our community service partner, is located in Banjar Pesalakan, Pejeng Kangin Village, Tampaksiring District, Gianyar Regency.

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia's economy represent the largest business group. MSMEs are trading enterprises managed by individuals or business entities that refer to productive economic activities as stipulated in Law No. 8 of 2008. Furthermore, MSMEs have proven resilient against various economic crises, necessitating strengthening of the MSME sector (Amalia, 2020). The most fundamental problem MSMEs face is their low productivity, attributed to the low quality of human resources in MSMEs, especially in management, organization, technology mastery, and marketing. MSME entrepreneurial competencies are also relatively low compared to larger businesses. Besides low productivity, MSMEs face limited access to productive resources, particularly capital, technology, information, and markets. Additionally, MSME failures often stem from entrepreneurial behavior not based on sound business management skills. Business owners frequently view financial management as an automatic activity without the need for planning, budgeting,

and control. Their understanding of financial management is limited to cash management, without considering how to manage finances to generate profit. This situation is exacerbated when MSME owners do not separate micro-business finances from family finances.

The Sari Bhakti Cagcag Weaving Business started on May 13, 2020, during the pandemic when many people lost their jobs due to Covid-19. Initially, Mr. Made began this business by gathering ten women. The Department of Trade and Industry of Gianyar Regency conducted a training on weaving design and natural dyeing for the Sari Bhakti Weaving Group. During this training, the group was taught how to create various colors from different types of leaves, such as coffee leaves for brown, mango leaves for yellow, ketapang and singapore cherry leaves for black, sappanwood for red, and indigo leaves for blue. The challenges faced by Mr. Made in this business arise when tourism returns to normal, causing weavers to be unable to weave full-time, and there are also marketing issues. The business management is still done conventionally. Based on field visits and interviews, it can be concluded that business management is still carried out in a simple and routine manner. Standard financial reports have not been made, and bookkeeping is not in place, making it impossible for owners/craftsmen to accurately know the profit and the costs incurred in production and operations. The common problem is that business owners prefer conventional methods even though they know technology can make businesses more efficient (Martadiani et al., 2021). This happens mainly because they do not understand how to use technology, so they are reluctant to switch from the old ways. According to research by Bismala and Susi (2014), in developing MSMEs, the business management model adopted encompasses company functions based on production management, human resource management, marketing management, and financial management (business management). Additionally, in its implementation, the business management model also develops business performance measurement criteria, enabling business owners to know their business progress and conduct evaluations (Tahwin et al., 2019).

Community service through the Community Partnership Empowerment scheme is a follow-up to previous research. Several previous studies have proven that accounting information systems play a crucial role in improving organizational performance. Sinarwati (2017) revealed that many MSMEs still do not understand the importance of integrated accounting in financial reports, despite its significant benefits for business development. It can be concluded that the level of MSME business owners' adoption of information technology and social media communication in Gianyar Regency is still low. This perception stems from views that the systems are complicated, difficult, and not useful. The contribution of this research to community service is that given the negative perceptions of technology adoption, a specific strategy is needed to implement it among business owners, particularly the Sari Bhakti Cagcag Weaving Group. This poses a challenge for the service team to ensure the program runs effectively as planned.

Marketing relies on information from Instagram and Facebook, but these platforms are rarely updated due to the owners' limited ability and understanding in operating them, especially regarding content. Consequently, the information conveyed does not reflect the current conditions, whether it concerns price information, products, or contact correspondence. Marketing is essential in entrepreneurial activities, whether in small-scale or large-scale businesses. According to Kotler & Keller (2013), marketing involves activities that provide customer satisfaction with what they need. Practically, marketing is the process of managing or organizing profitable customer relationships. Digital marketing through platforms or marketplaces allows consumers to enjoy products while staying at home (Kusumawardhani et al., 2020). The utilization of social media as a platform for digital marketing has not been maximized, especially for those with low educational backgrounds or older generations who are technology-averse. This is also influenced by the strategies or innovations used to overcome challenges during the Covid-19 pandemic (Ibrahim & Nurdian, 2020; Prayogo & Nurdian, 2020). The Sari Bhakti Cagcag Weaving Business is still relatively new, with a narrow market. Therefore, the community service team aims to assist business owners in increasing their income through digital marketing methods. Specifically, the goal of this activity is to provide education and training on proper and correct production processes, digital product marketing, and the creation of several digital platforms such as Instagram, WhatsApp, Tokopedia, and Shopee. Here are some images of the products produced by the Sari Bhakti weaving MSMEs:



**Figure 1. Documentation of the Initial Observation Situation**



**Figure 2. Example of Products**

Given the problems faced by the MSME partner, it is necessary to conduct community service activities with the Sari Bhakti Cagcag weaving group in Banjar Pesalakan. The objective of this service is to enhance the partner's capabilities in applying business management related to financial management, accounting management, and marketing management. This service aligns with the strategic plan of the LPM Universitas Warmadewa, which focuses on tourism development through a local economic approach.

## **IMPLEMENTATION AND METHODS**

The location of this community service project is Banjar Pesalakan, Pejeng Kangin Village, Tampaksiring, Gianyar, Bali. The implementation focuses on the Sari Bhakti Cagcag weaving group. The methods used include observation, interviews, counseling, and mentoring.

### **Observation and Interview Method**

Before implementing this community service program, in-depth observation and interviews were conducted with the partner to identify their problems, prioritize these issues, and discuss appropriate solutions. This method aims to accurately understand the partner's issues based on their business needs and capabilities, and to encourage the partner's active role in designing, implementing, and being accountable for the program provided. These methods are conducted continuously to identify the priority issues that need to be addressed.

### **Lecture/Counseling Method**

The counseling method is used to improve business management for the cagcag weaving business by focusing on three main areas of financial management: funding, investment, and asset management. These three areas are interrelated and must be considered comprehensively. The knowledge imparted from the business management training is expected to lead to better business management. The outcomes achieved from this service include (1) partner understanding basic accounting concepts and recognizing accounting as a business information language useful for decision-making in any business; (2) partner accurately calculating the cost of production, which improves efficiency and makes their selling prices more competitive and superior; (3) partner utilizing digital marketing in business management to expand market reach and sustain and grow their business.

### **Mentoring Method**

The mentoring method is used to implement the accounting system. An accounting system can enhance efficiency and effectiveness in planning profits. Mentoring in the creation of this system aims to increase sales and expand the market share of the Sari Bhakti Cagcag weaving group.

## **RESULTS AND DISCUSSION**

Based on the three priority issues addressed with the partner, the steps taken to provide solutions to specific problems can be outlined as follows. The first step, depicted in Picture 3, involves mentoring in recording according to the accounting system. Entrepreneurs are provided with books formatted to meet their needs. The goal is to facilitate the calculation of production costs and profit planning.



**Figure 3. Mentoring in Bookkeeping**

The second step, depicted in Picture 4, involves training in digital marketing strategies using lectures and practical sessions utilizing online media. Entrepreneurs are provided with methods and strategies for selecting the appropriate media for their marketing strategy. The goal is for entrepreneurs to be able to choose the right media according to their management and financial capabilities.



Figure 4. Discussion and Training on Cost of Goods Manufactured

The third step, depicted in Picture 5, is training in creating product catalogs. Through product catalogs as promotional media, both online and offline, it is expected to increase sales and market share of cagcag weaving. During this opportunity, partner are given a chance to express their complaints and challenges. Unhealthy competition can be addressed if entrepreneurs can provide products that meet customer needs. Entrepreneurs must proactively seek information to innovate.



Figure 5. Training Results of Product Catalog for the Sari Bhakti Cagcag Weaving Group

The final step, depicted in Picture 6, involves the distribution of books and exhibition equipment according to the partner's needs. Exhibition equipment includes five bamboo display racks and two aluminum display racks. This aid is expected to increase the display capacity of various types of cagcag woven fabrics during exhibitions.



**Figure 6. Distribution of Books and Equipment**

The objective of the Community Partnership Program activities is to enhance the business management and digital marketing capabilities of SMEs producing cagcag weaving crafts. The social impact is to increase the role of SMEs producing cagcag weaving crafts in supporting Bali as a tourist destination. The economic impact is expected to improve the welfare of SME entrepreneurs, employees, and the community. The community service team also provides exhibition equipment in response to partner requests, such as bamboo and aluminum racks, to increase the capacity of fabrics displayed during exhibitions by the Sari Bhakti Cagcag weaving group. The community service program activities are conducted with the support of all partner, including the owners and artisans of the cagcag weaving business group. The contributions of the partner to the community service activities are presented in Table 1 below:

**Table 1. Benefits and Contributions of Partner in the Activities**

| Solutions offered   | Benefit  | Partner Contributions  |
|---|--|--|
| Assistance in compiling bookkeeping using accounting system | The partner group of cagcag weaving artisans is capable of accurately calculating production costs and maintaining proper bookkeeping, enabling effective profit planning.       | Partner are willing to be accompanied for 2 months and monitored at the end of each month  |
| Business Management Training                                | The partner are able to achieve improved business management, specifically by (1) possessing knowledge to optimize profits, and (2) being able to analyze financial performance. | The partner provided the venue, assisted with preparations, offered refreshments, and actively participated in the lectures with enthusiasm. |
| Product Catalog Assistance                                  | The partner are also able to create product catalogs as promotional media, both online and offline, thereby enhancing sales and expanding the market share of their products     | The partner prepared all necessary equipment, and participants followed the training with enthusiasm.  |

Based on observations, the cagcag weaving business has opportunities for development due to the growth of tourism and culture. Cagcag weaving entrepreneurs should begin by implementing product innovation strategies. Cagcag woven products can be developed in terms of shape, color, and design. The next strategy is to implement a recording system using the accounting system. Accurate recording in every transaction facilitates entrepreneurs in determining prices and planning profits. To market products, use marketing strategies through online media with up-to-date product catalogs. Steps to develop the cagcag weaving business can be taken through strategies that align with both management and financial capabilities.

## CONCLUSIONS AND RECOMMENDATIONS

Community service activities through training and mentoring have had a positive impact on the cagcag weaving business operators. The bookkeeping assistance, aligned with accounting systems, has been beneficial in accurately determining production costs. Entrepreneurs have gained the capability to record transactions correctly in accordance with accounting principles pertinent to their business operations. Proper bookkeeping also serves as a prerequisite for obtaining credit when additional capital is needed. Business management training for cagcag weaving business owners has imparted an understanding of asset management analysis, followed by asset management evaluation based on

financial performance. Financial performance can be measured using ratio analysis techniques, including liquidity, solvency, activity, and profitability ratios.

The outcomes of this community service include: (1) cagcag weaving group business owners are now able to calculate production costs accurately and maintain proper bookkeeping, (2) business owners have gained knowledge in optimizing profits, and (3) business owners are now proficient in using digital marketing. To foster healthy competition, it is recommended that the cagcag weaving SMEs form a community to collaborate. The goal is to facilitate access to information on products and other business-related issues, thereby enabling cagcag weaving businesses to compete healthily. Cagcag weaving partner need to develop strategies and be creative in producing products that meet consumer preferences.

Based on the community service results, it is recommended that cagcag weaving business operators enhance their business management skills, maintain proper bookkeeping to record every transaction, and keep up with information technology advancements and their applications tailored to their management capabilities. The program implementation results indicate that after the mentoring activities, partner now capable of creating product catalogs to facilitate marketing both offline and online, and their financial recording has become more structured, reducing errors in the financial recording process.

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