

Development of Financial Management and Production Process for Bag Craft SME Workers in Serang Regency

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ARTICLE INFO

Keywords: Effort; Souvenirs; SMEs; Management; Finance

Received : 05, Februari

Revised : 10, Maret

Accepted: 15, April

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ABSTRACT

The development of SMEs through a business empowerment approach needs to pay attention to social and cultural aspects in each region. Based on the analysis of the needs of each UKM and the agreement between the service team and the partner UKMs, the target to be achieved in implementing the service program in the context of solving partner problems is how to improve bookkeeping including aspects of inventory lists, initial balance sheets, diaries, purchase books, books sales, book inventory, calculate profit and loss, make a final balance sheet and be able to calculate the cost of production per unit based on orders or other products, add product types and diversify product designs, and procure machinery ergonomic sewing for SME partners.

INTRODUCTION

Productive businesses carried out by the community have a significant impact on the economy (Hardilawati, 2020), one of which is through the Micro, Small and Medium Enterprises (MSMEs) industry which has proven to be resilient and reliable in dealing with changing economic conditions that are difficult to predict (Renowati Hardjosubroto et al., 2021; Thaha, 2020). Many countries recognize the importance of MSMEs in their domestic economy, because of their capacity and resilience in dealing with crises. Currently, MSMEs are expected to have strong competitiveness in order to expand market share and increase exports to other countries (Thaha, 2020). In Indonesia, the benefits of MSMEs in spreading the welfare economy to rural and periphery areas are also apparent. Therefore, MSME actors are required to be more productive and efficient in production so they can compete in developing the MSME product market and maintain their market share.

Limited and inadequate human resource (HR) expertise regarding the industrial world and technical changes usually becomes an obstacle to the development of MSMEs UMKM (Johan et al., 2021). The production technology used by each operator or individual entrepreneur has a significant impact on the expansion of their own business (Renowati Hardjosubroto et al., 2021). The lack of available human resources results in the cessation of business growth and even reduces the level of competitiveness with imported goods. Local artisans have seen their competitiveness erode as a result of the current scenario, which sees increasingly simple and open economic competition between countries that have no national borders. This can be achieved by producing something that is superior to what consumers initially valued or expected (Hardilawati, 2020).

Based on the analysis of the needs of the two UKM partners and the agreement between the service team, the targets to be achieved in implementing the export product development service program to address the problems of the two UKM partners are as follows:

1. Improving bookkeeping which includes aspects of inventory lists, initial balance sheets, diaries, purchase books, sales books, inventory books, calculating profit and loss, preparing final balances and being able to calculate the cost of goods manufactured per unit of product for each type of product produced, both based on orders and other products.
2. Procured ergonomic sewing machines for the two SME partners, as well as procured work equipment to increase the productivity of the two SME companies so that work could run smoothly.
3. Adding product types and diversifying existing product designs to increase product variety and product quality, which is expected to increase product competitiveness.
4. Conduct training for business owners and 5 employees of each UKM in the field of design and production processes, such as pattern making, cutting, sewing, embroidery and packaging. Improving employee skills is carried out by bringing in embroidery experts.

IMPLEMENTATION AND METHODS

The following is the method of implementing the dedication to product development as a result of UKM Bag Craftsmen that will be carried out::

1. Production Facilities

SMEs need to improve production facilities, including procuring and arranging tables and shelves to store tools and production results. In addition, it is necessary to arrange display shelves in showrooms owned by SMEs, given the limited area of the exhibition space, which is less than 12-16 m², so that an efficient layout is required.

2. Product Diversification

By adding product types and diversifying existing product designs, it is expected to increase product variety and quality as well as product competitiveness. To realize this, business owners and employees of each UKM will be trained in design and production processes, including pattern making, cutting, sewing, embroidery and packaging.

3. Financial Management

Bookkeeping improvements cover various aspects, such as inventory lists, initial balance sheets, diaries, purchase books, sales books, inventory books, profit and loss counters, preparation of final balance sheets, as well as the ability to calculate the cost of production per unit product for each type of product produced. both based on orders and other products.

This community service activity was carried out in conjunction with the Bina Bangsa University Social Work Lecture (KKM) which took place at the center of the bag and shoe industry in Petir District, Serang Regency, with a duration of 1 month.

RESULTS AND DISCUSSION

Financial Management Development

Conceptually, the MSME operational methodology can be compared with the manufacturing industry as a whole. The manufacturing industry method allows research on the production process and supply chain of SMEs for the purpose of evaluating and improving the performance of these organizations. The basic principle of the production process, namely reducing waste, is the first basis, followed by the principle of continuous improvement menerus (Indra Setiawan et al., 2021). As the second basis. The two main goals of continuous improvement are reducing waste to cut costs and improving products and procedures to increase customer satisfaction. For continuous improvement to be implemented effectively, the participation of all employees and management at all levels of the organization is required in finding and implementing ways to improve work processes. The goal of continuous improvement is to realize improvements that are implemented throughout the system.



Figure 1. Presentation of the activity plan in front of stakeholders

Prior to attending the training, two SME company partners faced problems in managing financial administration, where almost all MSMEs did not have good financial administration reports. In addition, financial administration reports are also required as a condition for applying for capital loans to banks for business development. Therefore, a simple bookkeeping training was held as a solution to this problem. The training begins with a theoretical presentation of simple bookkeeping, which is then followed by a simple bookkeeping simulation guide. After all the material was explained, all participants practiced a simple bookkeeping simulation for about 110 minutes. In this simulation, participants were divided into two groups and given the same initial capital (copy notes) to start a bag craft business. Each group has the flexibility to purchase raw materials, produce goods, sell products, pay workers' wages, calculate shop rent expenses, and manage personal needs. All these activities are recorded neatly and in detail in the print out column provided by the community service team.



Figure 2. The target bag craftsmen of the activity program

After attending this training, participants will have the ability to understand and carry out administrative records through a simple simulation taught by the instructor, although they still require intensive correction and guidance in recording. It is hoped that through this Simple Bookkeeping Training, the two SME company partners can independently and continuously understand and make simple financial administration reports every month in their respective workplaces.

Procurement of Work Equipment

This activity also included assistance in procuring work equipment such as two border sewing machines for bag craft SMEs. The purpose of procuring the work equipment is to increase the productivity of the two SME companies and ensure smooth operations, bearing in mind that old and

obsolete work equipment often hinders work due to frequent damage. After the community service team handed over work equipment, worker productivity increased significantly. This is caused by the addition of new ergonomic tools, which assist workers in making physical or mental effort to process products (Hardilawati, 2020).

Prior to procuring an ergonomic sewing machine, workers often complained of neck pain, back pain, lumbago, fatigue, and aches because the machine table could not be adjusted in height according to the worker's posture, and the condition of the sewing machine was old and worn out. This results in sub-optimal work results because it does not match the ergonomic size of the table height for workers in SME Partner Companies. Therefore, it is necessary to design and provide chairs and tables for embroidery sewing machines that can be adjusted in height according to the worker's posture so that the worker's sitting posture becomes more comfortable and reduces fatigue.

After procuring new and ergonomic sewing machines for the two SMEs, production continued to increase with more and more products. In addition, workers no longer complain of neck pain, back pain, back pain, fatigue and aches, so that worker productivity increases. This is in line with the view of (Panudju et al., 2022) which states that the quality of the workforce is influenced by various factors such as education, health, income, employment opportunities, management, and government policies.



Figure 3. Procurement of 2 units of sewing machines

Design Diversification

To meet the diverse needs of consumers, souvenir makers need to expand/diversify their product designs. According to (Ali et al., 2012), a diversification strategy is an effort to find and develop new products or markets, or both, with the aim of increasing growth, increasing sales, profitability, and flexibility. Through intensive assistance with a long interpersonal discussion approach and problem solving on product design issues related to orders for handicraft goods from consumers or exporters, industrial partners began to enrich embroidery designs and the latest designs of bags and wallets to increase product sales both domestically and abroad. country.

This activity is carried out to increase product diversity and improve product quality, with the hope of increasing product competitiveness. To realize this, business owners and employees in every UKM in the field of design and production processes, such as pattern making, cutting, sewing, embroidery

and packaging, work together actively.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions that can be drawn from the implementation of community service include:

1. High participation from community service program partners has a positive impact on program implementation. In general, the social engagement program at this stage is running well, good cooperation between partners and the implementing team really supports all the activities that have been carried out.
2. Procurement of sewing machines and ergonomic sewing machine tables for the two SMEs has been carried out, this is done to increase the production level of craft bags. After the sewing machine was procured, UKM production increased and turnover also increased.
3. The real impact of this program is the increase and increase in the amount of production. Previously, SMEs could only produce 550 pcs/month, but after this program, production increased to 777 pcs/month.

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