

## The MSMEs (Micro, Small Medium Enterprises) Development Program and Family Empowerment in Pauh Kamar Village, Nan Sabaris District, West Sumatra

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### Abstract

The COVID-19 pandemic decreased Micro, Small, and Medium Enterprises (MSMEs). Therefore, This community service program aims to improve community welfare through the development of MSMEs based on local wisdom in Padang Pariaman Regency, West Sumatra. Nan Sabaris District, Padang Pariaman Regency has several MSMEs producing various products, especially Padang Pariaman speciality cakes. Pauh Kamar village is a culinary destination in Nan Sabaris District. Not all MSMEs in the Pauh Kamar Village were well managed. There was potential products development, but their production and marketing were still limited. The main focus of this MSMEs development program was empowerment through business training and mentoring. This program included business management, financial management, product packaging, and online marketing training. In addition, it also performed family empowerment in the target community. This program focused on the strengthening phase of the community empowerment program. The program evaluations showed that the beneficiaries were very satisfied with the training and business monitoring program. In addition, the program was very effective for beneficiaries in business management abilities, marketing management, business motivation, business turnover, and parenting knowledge. Furthermore, beneficiaries had increased a business turnover of approximately IDR 1.5 million/month and an average income of IDR 750 thousand/month after receiving training and mentoring programs. The MSMEs development program and family empowerment are satisfactory and effective for MSMEs actors in Pauh Kamar Village. The community service team will recommend partners receive financial assistance from other programs and build cooperation with various stakeholders.

**Keywords:** MSMEs development program; Covid-19 Pandemic; Family empowerment

### Abstrak

Pandemi covid-19 berpengaruh pada seluruh aspek kehidupan masyarakat, khususnya aspek ekonomi. Banyak pelaku UMKM yang terimbas dampak pandemi ini dengan turunnya omset usaha bahkan matinya usaha mereka. Sebagai salah satu bentuk pengabdian dosen untuk masyarakat maka diadakanlah Program Pengabdian kepada Masyarakat (PkM). Program pengabdian ini bertujuan untuk meningkatkan kesejahteraan masyarakat melalui pengembangan usaha mikro kecil menengah di kawasan pedesaan berbasis kearifan lokal di Kabupaten Padang Pariaman, Sumatera Barat. Program dilakukan dalam 2 bentuk, yaitu pelatihan dan pendampingan. Secara umum program pemberdayaan masyarakat terdiri dari beberapa tahapan, yaitu: tahap penumbuhan, tahap penguatan dan tahap pemandirian. Namun dalam program ini akan lebih difokuskan pada tahap penguatan pada program pemberdayaan masyarakat. Penerima manfaat program pengabdian ini akan diberikan pelatihan dan pendamping ekonomi, seperti pelatihan manajemen usaha, manajemen keuangan, pengemasan produk, dan pemasaran. Selain itu, program ini juga difokuskan untuk penguatan keluarga yang dilakukan dengan pemberian pelatihan parenting. Hasil evaluasi program menunjukkan bahwa terdapat peningkatan rata-rata omset usaha penerima manfaat, yang awalnya hanya Rp 1,5 juta/bulan

menjadi Rp 3 juta/bulan. Jika dikonversikan kepenghasilan rata-rata, artinya terdapat kenaikan penghasilan rata-rata penerima manfaat sebesar Rp 750 ribu/bulan. Selain itu, juga diadakan pengukuran kepuasan penerima manfaat yang menunjukkan bahwa bahwa penerima manfaat merasa sangat puas dengan pelatihan dan pendampingan yang diberikan.

**Kata Kunci:** UMKM, Pandemi Covid-19, Ekonomi, Pengabdian

## INTRODUCTION

The World Bank (2004) considers that the government must implement effective public policies by establishing partnerships with the private sector and society organizations to advance the economy substantially. The partnership strategy is essential to create a conducive situation in economic development, which is expected to be inclusively felt by the community.

One of the efforts for economic development is to foster entrepreneurial activity or entrepreneurship. Frinces (2004) defines entrepreneurship as an attempt to create value by recognizing business opportunities, risk-taking management, communication, and management skills to mobilize the human, financial, and resources needed. Entrepreneurial activity is one of the media to create jobs for the wider community. Various studies show that entrepreneurship activities can give solutions to overcome poverty in the long term. In addition, the concept of entrepreneur has been echoed by Prophet Muhammad for a long time, as stated in the Hadith of Ahmad's History, "You should trade because there are nine of ten doors of sustenance." Rasulullah taught his people to make a trade, one of the entrepreneurial activities.

Ministry of Industry in 2019 revealed that the number of entrepreneurs in Indonesia only reached 3.1% of the population. This number was still lower than in neighbouring countries, namely Singapore (7%) and Malaysia (5%). Therefore, Indonesia still needs a minimum of 4 million entrepreneurs to boost the national economy. Furthermore, World Health Organization (WHO) declared COVID-19 a global pandemic that needed serious attention from all countries on March 11, 2020. After that, on March 31, 2020, President Jokowi ordered the implementation of Large-Scale Social Restrictions to limit the spread of COVID-19 among the public. This situation limits community activities and significantly affects the economic sector, especially micro, small and medium enterprises (MSMEs). Thus, the COVID-19 pandemic decreased Micro, Small, and Medium Enterprises (MSMEs). Therefore, This community service program aims to improve community welfare through the development of MSMEs based on local wisdom in Padang Pariaman Regency, West Sumatra.

## GENERAL DESCRIPTION OF THE COMMUNITY, PROBLEMS, AND TARGET SOLUTIONS

### General description

Nan Sabaris District is a fertile area located along the coast (Pemkab Padang Pariaman, 2020a). Villages in this sub-district also have plantation and fishery potential. However, the main product in this sub-district is culinary. There was one group of productive MSMEs totaling ten people. However, the remaining around 40

were unproductive MSMEs actors. Nan Sabaris District, Padang Pariaman Regency is the main route from Minangkabau International Airport to various areas (Pariaman, Padang, Bukittinggi, etc.) (Palanta, 2020). Nan Sabaris District has several MSMEs producing various products, especially Padang Pariaman speciality cakes, such as peanut crackers/cracks, *rakik maco*, *peanut kipang*, *ladu aray*, *balado karipik*, chocolate sponge cake, and others (Pekab Padang Pariaman, 2020b). Villages in Nan Sabaris District only have 30 – 45 minutes from the airport, one of which is Pauh Kamar Village. Besides having beautiful village views, Pauh Kamar village is a culinary destination in Nan Sabaris District.

### **Problem**

Based on survey that the problem in the target are economic problem. The target can not to develop their product so that too risky increase family income.

### **Target solution**

According the problem, the main focus of this community services area MSMEs development program was empowerment through business training and mentoring, from production to marketing. The program included business management, financial management, product packaging, and online marketing training. This program aims to strengthen businesses in the target community so that their products can meet standards and enter e-commerce. In addition, this community service activity also performed family empowerment in the target community.

### **METHOD**

These parties worked together to make this program a success. CTE Corp is one of the social enterprise institutions engaged in research, training, assessment, and consulting to improve the quality of human resources. In addition, the ADPI is a unifying association of lecturers in community service activities. After regular training and mentoring in this community service, CTE Corp and ADPI would supervise, especially controlling marketing, so that beneficiaries were actively involved in this program.

This program implementation prioritized technology. The methods and stages of technology application were:

- a. The community service team assisted and discussed with MSMEs via face-to-face meetings and online;
- b. The community service team expanded product marketing through technology or e-commerce;
- c. The community service team created social media accounts.

### **Product Description of Implemented Technology**

The technology implemented in this program included:

- a. **Zoom Meeting:** an online meeting application with the concept of screen sharing. This application allows users to meet face to face with more than 100 participants. Not only on a PC or laptop, but the users can download this application on a smartphone.

- b. Social Media: an online media where users can easily participate, share and create social networks, wikis, forums, and virtual worlds.
- c. Whatsapp: a message smartphones application that allows us to exchange messages without credit because WhatsApp Messenger uses internet data.
- d. E-commerce: distribution, purchase, sale, and marketing of goods and services through electronic systems such as the internet, television, or other computer networks.

**Work procedures**

The work procedures in this community service included education regarding the use of technology with partners, mentoring in applying technology, program assistance by involving partners, and regular online and face-to-face training.

**Evaluation of Program Implementation and Program Sustainability**

Evaluations of program implementation consisted of:

- a. Monthly monitoring and assessment to ensure the program runs well
- b. Measurement of the satisfaction in training and monitoring program
- c. Evaluation of program effectiveness

Table 1. Beneficiary Satisfaction and Program Effectiveness Score Ranges

Score	Category
Program satisfaction/Program Effectiveness	
0% – 25%	Dissatisfied/Ineffective
26% – 50%	Less Satisfied/Less Effective
51% - 75%	Satisfied/Effective
76% - 100%	Very Satisfied/Very Effective

**RESULTS AND DISCUSSION**

**Program Stage**

This MSMEs development focused on the strengthening phase. The limited funds and the short period had not been able to create independence in the beneficiary community. The community empowerment program generally consists of the growth stage, the strengthening stage, and the independence stage. The activities of the strengthening phase in community empowerment programs are:

- a. Improvement of group skills and assistance,
- b. Strengthening of organizations and groups,
- c. Identification and analysis of business support facilities,
- d. Increasing the managerial capacity of beneficiaries in running a business,
- e. Increasing the capacity of beneficiaries in marketing techniques,
- f. Pioneering market networks (Divisi Ekonomi Dompot Dhuafa, 2020).

In addition, the activities of the independent phase in community empowerment programs are:



- a. Preparing local cadres and institutions to become a forum for program development
- b. Ensuring that local institutions have played an active role as companions
- c. Ensuring that the institutional mechanisms and agreed rules are effective enough to control activities.

### **Program Strategy**

This community service activity used training and mentoring methods. Intensive mentoring in the transformation phase is one of the wise choices until the beneficiaries change with their resources. The right strategy and program are essential in this process. However, building individual or social capacity is not easy because the poor are weak in almost all aspects of life. For this reason, it takes patience and a long time to realize its empowerment (Arianto, 2020). Several strategies of community empowerment, especially in the economic aspect, are: (a) Direct assistance in the community (live in & base on community), (b) Local economic development program with the growth of business clusters, (c) Formation of community-based clusters of MSME actors, (c) Improvement of skills and awareness of the economic potential of the community through integrated coaching and training, (d) Program technical assistance in the application of appropriate technology. (Hadi & Ardhi Khairi, 2020)

### **Program Implementation**

The community service in economic empowerment has several stages/flow of activities. The first activity carried out is the initial assessment process to get an initial picture of the actual condition in the target community. This assessment activity also assesses the potential for the community's social capital and economic capital in the target area (Satrio & Yuni, 2014). In this community service, after the initial assessment, the program included training to increase the capacity of beneficiaries, business monitoring, product quality improvement, and product marketing expansion. In addition, there was parenting training to improve beneficiaries' knowledge about parenting so that the busyness of the beneficiaries did not interfere in caring for their children. The number of questions asked by participants during the training session showed good enthusiasm when participating in the training activities.



Figure 1. Business Training for Beneficiaries in the Community Service

Strengthening access and marketing networks is very important in the business development chain. Several components affecting access and marketing network include marketing facilities and infrastructure, product (quality, quantity, continuity), price competitiveness, distribution, and promotion. The community

service team provided training to increase access to marketing and create business marketing accounts on social media and Shopee. Furthermore, the expansion of marketing access also involved ADPI networks so that partner products were marketed outside of West Sumatra Province. (Masita & Maimunah, 2019)



Figure 2. Some Partner's Products that Promoted on ADPI Social Media

After the training program, the community service team monitored partners' businesses to provide input on business strengthening and motivation. CTE Corp has expertise and experience in community empowerment programs. Thus, its role was to monitor businesses individually or grouped in the target community. Next, the beneficiaries are prepared to run and develop their businesses independently in the independence phase. However, the independence phase has not been carried out in this community service due to limited costs and the period of program implementation. (Masita, E. D., Isnaini, Y., & Lestari, P. C. A., 2021)

Furthermore, the final stage is the program sustainability phase. The sustainability and continuity of an empowerment program are crucial. Therefore, various efforts and support from all parties are critical to achieving the empowerment program's success. Some success indicators of the empowerment program include 1) creating community independence, 2) growing awareness, 3) changing community mindsets, attitudes, and behavior towards a better direction, 4) developing businesses, 5) increasing welfare levels, 6) full support from related parties and 7) the existence of local cadres and institutions.

Evaluation is one of the most crucial program improvement efforts, so a comprehensive evaluation mechanism is essential. The proper evaluation instrument will provide an opportunity to obtain accurate and valid information and data. Thus, the conclusion-making process as a recommendation for developing a program follow-up plan will follow the program's objectives. Kelsey LD (1955), in the 2013 SDP profile book, mentions that evaluation is a process to determine the value of a program or activity. In other words, evaluation becomes a method to find out to what extent activities progress and achieve goals. Rogers (2003) states that effectiveness is a program's ability to achieve its goals. Boyle (1981) has outlined several effectiveness standards based on program type. The effectiveness of developmental programs is measured by: (1) the quality of solutions; and (2) the level of ability of individuals, groups, or communities to develop problem-solving efforts. The effectiveness of institutional programs is measured by competencies and assessing consumers or partners. In addition, the effectiveness of informative programs is evaluated by program affordability and information transfer. Furthermore, evaluation of program implementation is

carried out by two methods: (1) Measuring the satisfaction of program beneficiaries and (2) Measuring the effectiveness of the service program (Masita, E. D., & Ristanti, A. D. (2020).

### **Measurement of Program Beneficiary Satisfaction**

This community service evaluated the satisfaction of the beneficiaries in training and mentoring activities. Three indicators of beneficiary satisfaction in training activities were the technical implementation of training, training materials and methods, and quality of trainers. The score of beneficiary satisfaction in the training program was 90%. Thus, the beneficiaries were very satisfied with the training program.

In addition, three indicators of beneficiary satisfaction in monitoring activities were the technical implementation of training, activities during mentoring, and quality of facilitators. In general, the score of beneficiary satisfaction in the mentoring program was 94%. Thus, the beneficiaries were very satisfied with the mentoring program.(Fithri et al., 2017)

### **Measurement of Service Program Effectiveness**

Increasing business management ability, marketing management ability, business motivation, business turnover, and parenting knowledge were indicators to evaluate the effectiveness of this service community service. The results of measuring the program's effectiveness for beneficiaries showed a score of 90%. Thus, the service community program was very effective for beneficiaries in business management abilities, marketing management, business motivation, business turnover, and parenting knowledge.(Masita & Maimunah, 2019)

Furthermore, the beneficiaries increased the average business turnover from IDR 1.5 million/month (average income of IDR 750 thousand/month) to IDR 3 million/month (average income of IDR 1.5 million/month). Thus, training and mentoring programs successfully increased business turnover and the average income of beneficiaries twice.

*Rakik maco* (n): crunchy snack made from rice flour and fish

*Kipang kacang* (n): snacks made of peanuts and brown sugar

*Ladu aray* (n): traditional pastries originating from Central Pariaman, West Sumatra

*Balado karipik* (n): spicy cassava chips

## **CONCLUSIONS AND SUGGESTIONS**

The MSMEs development program and family empowerment are satisfactory and effective for MSMEs actors in Pauh Kamar Village. The community service team will recommend partners receive financial assistance from other programs, primarily to assist the business capital of the beneficiaries. In the long term, the community service team will also build cooperation with various stakeholders, such as the village, sub-district, district, and provincial governments, especially the Coordinating Ministry for Economic Affairs. The output is so that the target community can become a model for improving the MSMEs' economy during a

pandemic. This program also prioritizes sustainability every year because the final achievement is community independence.

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