

Increasing the Productivity of SMEs based on partnerships: How to Achieving Competitive Advantage

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ABSTRAK

Upaya pengembangan Usaha Kecil dan Menengah (UKM) yang diusung oleh Universitas Dian Nusantara (UNDIRA) di Desa Situgadung, Tangerang melalui kerjasama dengan IKRT Family Care Plus hadir sebagai solusi untuk menjawab tantangan yang dihadapi oleh UKM khususnya di bidang manajemen. dan teknologi dengan produk yang tersertifikasi. KKN ini memberikan dukungan teknologi berupa alat produksi yang lebih baik untuk meningkatkan produktivitas, pelatihan pengelolaan keuangan dan pemasaran online sebagai upaya penguatan kompetensi sumber daya manusia. Keterlibatan UNDIRA dalam pelatihan pengelolaan keuangan, pembuatan mesin produksi dengan teknologi otomasi proses diharapkan dapat meningkatkan produktivitas IKRT Family Care Plus, menciptakan lapangan kerja, meningkatkan kualitas produk ramah lingkungan dan meningkatkan penjualan. Program ini juga dapat menjadi model kemitraan bagi lembaga pendidikan lainnya, untuk memperkuat daya saing UKM dan menggairahkan perekonomian masyarakat.

ABSTRACT

Efforts to develop Small and Medium Enterprises (SMEs) promoted by Dian Nusantara University (UNDIRA) in Situgadung Village, Tangerang through a partnership with IKRT Family Care Plus is here as a solution to answer the challenges faced by SMEs, especially in the fields of management and technology with products which are certified. This Community Service Program provides technological support through better production tools to increase productivity, financial management training, and online marketing to strengthen human resource competence. UNDIRA's involvement in financial management training, and manufacturing production machines with process automation technology is expected to increase the productivity of IKRT Family Care Plus, create employment opportunities, improve the quality of environmentally friendly products, and increase sales. This program can also become a partnership model for other educational institutions, to strengthen the competitiveness of MSMEs and stimulate the people's economy.

INTRODUCTION

Small and Medium Enterprises (SMEs) are one of the pillars of the Indonesian economy. SMEs have an important role in absorbing labor, reducing poverty and improving community welfare. However, SMEs also face various challenges, such as limited capital, market access, skills and management, (Ali, 2020; Jalil *et al.*, 2022). SME development is an effort to increase the competitiveness and productivity of SMEs. SME development can be carried out by various parties, such as the government, private sector and universities, (Harney & Alkhalaf, 2021; Yeboah, 2021).

Dian Nusantara University (UNDIRA) is committed to playing an active role in community empowerment. One form of this commitment is through community service activities. Towards

the end of 2023, UNDIRA will carry out community service activities with the theme "Partnership-Based SME Development". This activity was carried out in partnership with IKRT Family Care Plus, an SME producer of environmentally friendly cleaning fluids located in Situgadung village, District of Pagedangan, Tangerang Banten. With product variants, in the form of: 3 in 1 detergent, hand sanitizer, pine carbolic acid, citronella carbolic acid, ceramic cleaner, floor cleaner, dishwasher, car shampoo, glass cleaner, disinfectant and hand washing soap.

As a household business that has been operating since 2018, IKRT Family Care Plus is currently facing several challenges. One of the main problems is the lack of monitoring of business performance, as well as limitations in planning operational strategies effectively and sustainably. This causes unpreparedness in facing market growth and competition. Other challenges involve limited human resources, production management, marketing management and financial management that are not yet optimal, which directly affect the quality of products and services provided to consumers. To overcome this, contingency plans need to be prepared, such as building partnerships with other parties. Apart from that, IKRT Family Care Plus is also experiencing difficulties in market expansion, including entering the online market, because it has not yet obtained the required BPOM certificate and Halal certificate. This coaching program has great importance, with several significant aspects, including:

1. IKRT Growth Support:

This development program provides the necessary support for the growth of IKRT, which is the main pillar in the country's economy. With this program, it is hoped that IKRT can develop and compete effectively in an increasingly competitive market.

2. In the financial reporting aspect, UNDIRA provides assistance to IKRT Family Care Plus in terms of:

- a) Explanation of accounting principles
- b) Filling out the financial report form
- c) Analysis of financial statements
- d) After assistance, IKRT Family Care Plus has been able to prepare complete and accurate financial reports. These financial reports are then used by IKRT Family Care Plus for management and making business decisions.

3. Empowerment of Local Entrepreneurs:

The focus of this coaching program is to help local entrepreneurs improve the sustainability of their businesses, improve product quality, and create better economic opportunities for the surrounding community.

4. Innovation and Research:

This program encourages innovation and research in the development of environmentally friendly products and businesses, as well as promoting collaboration between the University and IKRT to create better solutions.

5. University Partnership Model with IKRT:

This program can be an example for other educational institutions in fostering IKRT and protecting the environment. This creates a partnership model that can be adopted to advance the IKRT sector and environmental conservation.

6. Superior HR Development:

Through this program, students, lecturers and university staff have the opportunity to be involved in fostering product development, business and research. This can encourage the development of superior human resources in various fields.

This partnership-based SME development program is not only aimed at providing benefits to SMEs but is also expected to have a positive impact on the environment, human resources and the community economy as a whole.

METHOD

In this coaching program, the UNDIRA team contributes to providing understanding of the skills and technical assistance needed. They help SMEs develop environmentally friendly products, understand changes in market demand, and improve business management efficiency. As a partner, UNDIRA seeks to support the growth of SMEs while encouraging environmental conservation, (Sulistyo, 2022; Troise, 2022)

Stages of partnership activities will include:

- a) Documentation study, checking documents related to documentation of the business that has been carried out, BPOM regulations and applicable requirements.
- b) Interview, interact with IKRT Family Care to explore the obstacles faced.
- c) Collection of required supporting data
- d) Data analysis, related to trends, obstacles and opportunities in business development.
- e) Recommendations, carried out by developing recommendations and mapping appropriate solutions.

The following are the solution steps to overcome this problem:

- 1) **Strengthening Organizational Governance:**
Strengthen organizational governance by developing a clear organizational structure and job descriptions.
- 2) **Ensure registration of Business Identification Number (NIB)**
This registration is not only to get the NIB, but also to ensure the product category number. Apart from that, it is also necessary to register the Brand Name: Family Care Plus, in order to obtain legal protection for the name rights.
- 3) **Improved Financial Management:**
Improve financial management capabilities in accordance with financial accounting principles.
- 4) **Preparation of SOPs:**
Develop Standard Operating Procedures (SOP) as a guide for monitoring and evaluating production performance.
- 5) **Marketing Strategy Development:**
Develop marketing strategy capabilities to increase competitive advantage through aspects of product quality, promotion (branding, packaging, marketing communications), services, and collaboration with strategic partners.
- 6) **Improved Production Quality:**
Improving production quality by designing and developing semi-automatic production machines such as water filters and mixers.
- 7) **Application for BPOM Permit and Halal Certification:**
Apply for BPOM permits and halal certification, by accompanying partners to fulfill the necessary requirements.
- 8) **Improved Online Marketing:**
Improve online marketing capabilities by developing digital social platforms through social media to increase awareness, expand markets and improve consumer service.
- 9) **Strengthening HR Competencies:**

Strengthening human resource competencies, especially regarding the use of technology in the production process, such as filtering and stirring liquids.

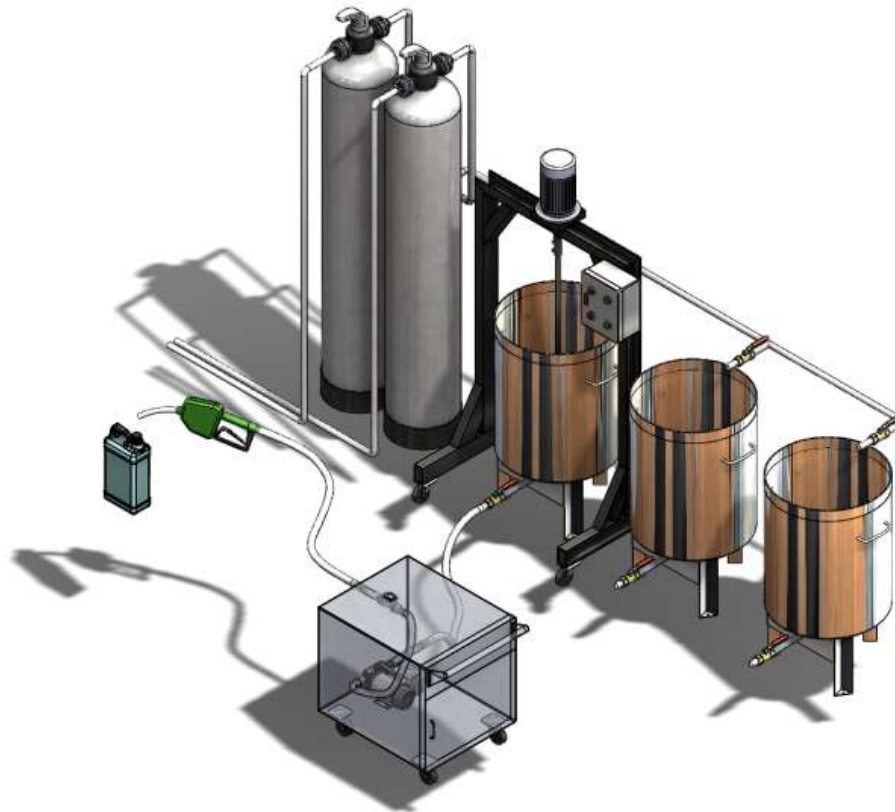


Figure 1 Semi-Automatic Mixing Tank Design prepared by the PKM Team

By implementing these steps, it is hoped that IKRT Family Care Plus can grow and develop, create new jobs, and make a positive contribution to the local economy. Products with an environmentally friendly green care concept are also expected to protect consumers from viruses, germs and bacteria, as well as provide a safer and more hygienic alternative to conventional detergents which tend to be harmful to health and the environment, (Hock-Doepgen, 2021; Müller, 2021)

RESULT

1. At the implementation stage, UNDIRA provided assistance to IKRT Family Care Plus in preparing financial reports, SOPs and governance, marketing development and operational management. This assistance is carried out by the implementation team consisting of UNDIRA lecturers and students, (Arsawan, 2022; Denicolai, 2021).
2. In the aspects of SOP and governance, UNDIRA provides assistance to IKRT Family Care Plus in the preparation of Standard Operating Procedures (SOP) for IKRT Family Care intended to improve their production standards, ensuring environmental sustainability, and supporting sustainable business in the eco-friendly cleaning sector. This SOP will detail the steps to be followed throughout the production process. The process includes:
 - a) Production Process Assessment:
Evaluation of the production process that has been ongoing so far.
 - b) Consultation with IKRT Family Care:
Consult with IKRT Family Care to get input regarding the production process and obstacles faced.

Development of SOP Documents:

Design a clear SOP document, covering production stages, quality standards, quality control and work safety guidelines.

c) SOP Trial:

Conduct trials to ensure effectiveness and understanding of SOPs, and make improvements if necessary.

d) IKRT Producer Training:

Provide training regarding SOP implementation, understanding procedures, and the importance of sustainability to IKRT producers.

e) Continuous Monitoring and Assessment:

Carry out continuous monitoring and assessment to evaluate the implementation of SOPs, with the aim of ensuring consistent product quality and sustainable practices implemented.

3. Guiding partners to create simplified financial reports by creating an accounting program to make it easier to issue invoices and travel documents. This general ledger is a very important component in accounting because it contains records of all financial transactions. With this report, companies - especially those using a double entry bookkeeping system can ensure the amount of debits equals credits by preparing journal entries in carry out accounting calculations so that they are accurate in the financial report records. General ledger is also used to see comparisons of data on sales, purchases of goods, income, expenses, stock movements and profitability in different years to carry out trend analysis. Each transaction data is separated according to type, then needs to be entered into asset accounts, owner's equity, liabilities, income and expenses. The big picture purpose of general ledger recording is to measure business status so that you can take corrective steps to increase work efficiency, (Hertati1 & Lilis Puspitawati2, 2023).



Figure 2 Guiding partners to create financial reports that have been simplified and adapted to the needs of SMEs

4. Create designs and production support tools such as mixer machines and water filters aimed at improving IKRT Family Care production standards, maintaining environmental sustainability, and supporting sustainable business growth in Situgadung Village. With appropriate design and production support tools, it is hoped that IKRT Family Care can

increase production capacity, reduce production time, and produce consistently high quality products, (Jalil *et al.*, 2022).

5. This process involves an engineering team consisting of mechanical engineering experts, electrical engineering experts and IKRT members who provide input in designing the machine according to the partner's needs. The stages of the design and manufacturing process include needs analysis, design concept development, detailed design of machine components, prototyping, SOP testing, IKRT manufacturer training, and ongoing monitoring and assessment, (Farida, 2021).

The stages carried out are:

- a) Needs analysis. Identify machine designs and specifications.
- b) Concept design. Develop design concepts to meet needs and take into account energy efficiency.
- c) Detailed planning. Design of machine components including agitator systems, filters and operational controls.
- d) Prototyping. Build machine prototypes for initial testing and design refinement.
- e) Testing and improvements. To ensure optimal performance and make improvements if necessary.



Figure 3 Explanation of procedures for use and supply of environmentally friendly cleaning fluid production equipment.

Furthermore, assisting IKRT Family Care in introducing technology to automate and improve production processes. This aims to enable them to produce better products, increase efficiency, and support sustainable business growth in Situgadung Village. This initiative involves a technology team with various experts experienced in production process automation. The technology implementation process includes needs assessment, technology selection, procurement, installation, training, ongoing monitoring and evaluation, and integration with sustainable practices, (Chege & Wang, 2020).

Steps to implement this technology include:

- a) Needs assessment. Conduct an audit of technological needs and production processes carried out so far.

- b) Selection of appropriate technology. Selection of technology based on scale and type of production, including mixing machines, automatic filling and quality monitoring devices.
- c) Procurement and installation. Procurement of devices, equipment and installations at IKRT production facilities.
- d) Training. Training for IKRT Family Care rims in the use and maintenance of equipment as well as automation process management.
- e) Monitoring and evaluation. Monitor the performance of the automation system and carry out regular evaluations to ensure production efficiency and quality continues to be improved
- f) Continuous integration. Aligning technology with sustainable practices. Including waste management and use of environmentally friendly raw materials.
- g) Performance monitoring. Monitor machine performance regularly and carry out preventive maintenance.



Figure 4 Technologies for automating and improving production processes

Product development and production processes are also a focus to improve product quality and production efficiency. This activity involves a team of researchers and product experts to conduct market research, mapping environmentally friendly raw materials, developing product formulas, quality testing, optimizing production processes, and training producers.

Steps taken include:

- a) Market research and analysis, the team conducted market research to understand trends and consumer preferences regarding environmentally friendly cleaning products.
- b) Mapping environmentally friendly raw materials Developing product formulas, developing products that are effective and in accordance with safety and hygiene standards.
- c) Quality testing, to ensure product effectiveness, safety and quality.
- d) Optimization of production processes, increasing efficiency in the production process to reduce energy consumption.
- e) Train manufacturers, to adopt the new system (Curado & Sousa, 2021).

Explain that marketing and branding strategy development is carried out to increase effective marketing and build a positive brand image. Steps include understanding the target market, brand development, creating marketing materials, collaboration and partnerships, launching marketing campaigns, customer education, dissemination of certification and labeling, as well as performance monitoring and feedback. The steps taken include:

- a) Understanding the target market. Conduct surveys to understand potential customer profiles and their preferences for environmentally friendly cleaning products.
- b) Brand development. Build a strong brand identity including a logo, slogan and values that reflect sustainability and quality.

- c) Development of marketing materials. Create informative, engaging marketing materials, including digital brochures, websites and social media.
- d) Cooperation and partnership. Establish partnerships with local shops, retailers and other businesses to expand distribution networks.
- e) Marketing campaigns. Launching a marketing campaign includes online advertising, social media and product promotions.
- f) Customer education. Disseminate information to potential customers about the benefits of environmentally friendly cleaning products through educational content.
- g) Promotion of certification and labeling. Socialize BPOM certification and halal labels for products which will increase consumer confidence.
- h) Monitoring and feedback. Track campaign performance and collect feedback from customers to continuously improve marketing strategies.

Lastly, facilitating IKRT Family Care partnerships with potential partners aims to expand the network, increase market access and increase business sustainability. The stages taken include helping to improve business through partnerships, identifying and connecting with potential partners, approaching mutually beneficial proposals, and ensuring each partnership is carried out with an effective collaboration framework and strategy.

The stages carried out include:

- a) Helping to improve the IKRT business through partnerships with companies that have the same vision and values.
- b) The IKRT Team identifies and contacts potential partners. The team from the university will involve members who have experience in business partnerships and relevant expertise.
- c) Use various information sources and business networks to identify potential partners.
- d) Approach potential partners with clear and mutually beneficial proposals.
- e) Ensure every partnership is carried out with a strong framework and effective collaboration strategies to improve business.

CONCLUSION

Community service activities carried out by UNIDIRA in partnership with IKRT Family Care Plus have provided positive results. IKRT Family Care Plus has experienced improvements in aspects of financial reporting, SOP and governance, as well as operational management.

This increase can be seen from:

- a) More complete and accurate financial reports
- b) Clear and documented SOPs and governance
- c) More controlled production costs

The increase experienced by IKRT Family Care Plus shows that partnership-based SME development can be an effort to increase the competitiveness and productivity of SMEs.

SUGGESTION

Based on the results of service activities, UNIDIRA provided several suggestions, including:

- 1) There needs to be ongoing assistance to help SMEs implement SOPs and consistent governance
- 2) There is a need for training on production management to help SMEs improve production efficiency and effectiveness
- 3) There is a need for capital assistance to help SMEs develop their businesses

CONFESSIO

This Partnership-Based SME Development Activity can be carried out well with funding support from DIKTI grants through the 2023 Kedaireka Program.

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