

Strengthening Carving Business Management In Siangan Village, Gianyar, Bali

Partiwi Dwi Astuti^{1*}, Ni Putu Riasning²

^{1,2} Faculty of Economics and Business, Universitas Warmadewa, Denpasar, Bali, Indonesia

*Corresponding Author:

Email: partiwi_astuti@yahoo.co.uk

Abstract.

Strengthening the management of the carving business is necessary because the existence of this business provides high economic value and has the potential to go global, so that the business is required to be able to face competition, generate product growth with new innovations, technological renewal, create jobs and improve the welfare of the local community. This community service was carried out in Siangan Village, Gianyar, Bali. The purpose of this community service activity is to increase knowledge of the role of the marketing mix, understanding of financial management and entrepreneurial knowledge of carving businesses. The method used to strengthen the management of the carving business is community education through counseling. The results of this community service show that there is an increase of 20% related to knowledge about the role of marketing mix, understanding of financial management and entrepreneurial knowledge of carving business actors.

Keywords: *Management, marketing, financial, entrepreneurial, and carving business.*

I. INTRODUCTION

Small and medium enterprises (SMEs) are recognized as having an important role in economic empowerment, especially in several developing countries because of their ability to create jobs and social welfare for the majority of the population, especially those who do not have access to formal jobs in the public sector [1]. In Indonesia, SMEs are an important pillar of the economy, able to absorb 97% of the total workforce and collect up to 60.4% of total investment [2]. One of the SMEs that has high economic value and has the potential to go global is a carving business in Siangan Village, Gianyar, Bali. From Denpasar City, Siangan Village is ±29 km away which can be reached by road for ±1 hour 8 minutes. The majority of carving businesses in Siangan Village are individual businesses that have been passed down from generation to generation. The carvings produced are carvings in Balinese style, such as carvings on windows, doors, symbols, *ringring* (carvings on the edge of the roof of the house), *pandil/parba* (carvings on the walls), and *saka* (poles). Carving business produces only if there is an order. Product orders are usually made in advance, before carving products are used. Orders served can be in the form of only carving services, and can also be directly for materials as well as carving services. These art businesses in general can also work on carvings of a complete Balinese house. On average, order processing can be completed within three to four months for complete Bali buildings.

In addition to producing Balinese-style carving products, the carving business in Siangan Village also provides decoration rental services. Rent the decorations depending on the season. During the wedding season, there are more service users than on other days. Product marketing is still done by word of mouth. Customers order products on the recommendation of acquaintances who have ordered products before. Along with the development of the times and technology, this carving business is facing difficulties in finding workers. The interest of the younger generation to pursue the carving business is declining because the process is complicated and takes a long time. Most of the younger generation tend to choose to work in the tourism sector because this sector is considered to provide a more certain and easier income. There is a carving art business in Siangan Village that has taken advantage of access to capital from sources of capital providers, although not yet for all of the products it produces. Because it is an individual business, and with

limited human resources, both in terms of quantity and quality, financial management is still managed by the owner. Separation of financial management for business interests and the owner's personal interests has also not been carried out. All of this causes business development to run slowly.

These various conditions indicate that being able to develop a sustainable business is a challenge for SMEs [2]. The conditions faced by the carving business in Siangan Village can threaten the sustainability of the business. In fact, the carving business makes a significant contribution to the enrichment and preservation of the nation's culture, besides also having a very strategic role in absorbing labour, as well as improving the welfare and standard of living of the local community. Carving, as an expression of community cultural creativity, has provided an opportunity for the people of Siangan Village to move, create, maintain, transmit and develop their skills by creating new forms of products. Siangan Village carving business also has an important position. If developed better, these businesses can absorb more workers and improve people's welfare, especially in Siangan Village and in many cases these businesses can become glue and can stabilize social inequality problems. Efforts are needed to strengthen the management of the carving business in Siangan Village to support the accelerated development of the local area. The strengthening of the carving business is carried out by introducing business management based on modern management theory, particularly marketing, financial and human resource management. The purpose of this community service activity is to increase knowledge of the role of marketing mix, understanding of financial management, entrepreneurial knowledge of carving business actors in Siangan Village.

II. METHODS

The method used to strengthen the management of the carving business in Siangan Village is community education through counseling. Strengthening the management of the carving business in Siangan Village, is the focus of academics on community groups/SMEs and activities for the development of science, technology and art in academic institutions which are carried out as follows:

a. Marketing management

Strengthening marketing management is done by providing an understanding of marketing mix which includes 7P—product, price, place, promotion, people, process, physical evidence. The method used in this activity is marketing mix counseling to carving business actors.

b. Financial management

Strengthening financial management is given to carving businesses by conducting counseling on the basics of bookkeeping in accordance with accounting concepts and knowledge of capital, so that carving businesses can understand, have knowledge of business cash flow and the effectiveness and efficiency of working capital use. In addition, counseling regarding knowledge and information related to access to working capital is also provided which is more affordable from lending institutions, so that carving business actors find it easier and know the procedures for obtaining working capital.

c. Human Resource Management

Carving business actors receive counseling related to entrepreneurial knowledge. The aim is that business actors have the knowledge to develop businesses in increasing efficiency, productivity and production scale as well as business competitiveness.

III. RESULTS AND DISCUSSION

4.1 Strengthening marketing management

Before providing counseling about marketing management, a pre-test was carried out to measure the extent to which carving business actors know and understand the role of marketing mix—product, price, place, promotion, people, process, physical evidence—for business sustainability. The measurement uses a 5-point category scale (1=very unfamiliar and do not understand to 5=very familiar and understand). The results show that the carving business actors are not very familiar with and understand the role of marketing mix for business sustainability (3=quite familiar and quite understanding).

Table 1. Impact of Community Service Activities

Impact	Pre Test	Post Test
Knowledge of the role of marketing mix	Not very familiar with and understand the role of marketing mix for business sustainability.	Familiar and understand more about the role of marketing mix for business sustainability.
Understanding of financial management	Not understand the basics of bookkeeping based on the accounting concept. Not quite understand with capital knowledge.	Quite understand with the basics of financial management according to the accounting concept. Better understanding of the knowledge regarding capital.
Entrepreneurial knowledge	Understand enough about entrepreneurial knowledge.	Understanding of entrepreneurial knowledge.

In this community service, in terms of products, they are introduced and given an understanding of how to develop products that can meet the wants, needs and tastes of the market, so as to increase productivity, production scale and product competitiveness through innovation and product quality to expand the market. In terms of price, they are introduced and given an understanding of how to set the right price. From the point of view of place, an understanding related to physical distribution is provided, namely the transfer of product ownership from business actors to customers, including distribution channels, logistics, warehousing decisions, product handling, inventory control, and the ordering process. Related to promotion, carving business actors are introduced to the use of information technology as a digital marketing medium. Online technology and digital applications are considered as the most effective tools to initiate closer relationships with consumers [3]. Traditional marketing strategies are no longer sufficient and relevant in a highly competitive business environment to create competitiveness and sustainable growth [4]. SMEs can benefit through the effective utilization of social media and advanced technological tools for business management due to the lack of traditional resources [5]. Carving business actors are given an understanding of people, namely anyone who has contact with customers who can give an impression and will have a big impact—positive or negative—on customer satisfaction. Brand reputation is in the hands of these people, so they must be properly trained, properly motivated and have the right attitude.

An understanding of the process as part of the marketing mix is given to carving business actors by emphasizing the service delivery process and the behavior of the person providing the service has an important role for customer satisfaction. Issues such as waiting times, information provided to customers and worker assistance are all important to keep customers happy. In addition, business actors are also introduced and given an understanding of physical evidence that a business must be able to help potential customers "see" what they are buying. Case studies and testimonials can provide evidence that a business keeps its promises. After counseling, a post-test was carried out. The results of the post-test show that the carving business actors know and understand more about the role of marketing mix for business sustainability (4=familiar and understand). These results indicate an increase of 1 point from point 3 (pre-test) to point 4 (post-test), or it can be said that there has been an increase of 20% in the knowledge of carving business actors regarding the role of the marketing mix for business sustainability. Business actors have knowledge and understanding of how to increase the competitiveness of the products of the carving business they produce by innovating products, improving product quality, and setting competitive prices. In addition, by introducing digital marketing to market the products of the carving business, businesses can market their products more broadly, because they can sell or take orders online. Business actors also understand the importance of information technology as a medium for marketing products and understand the important role of people, processes and physical evidence that supports competitive advantage and business sustainability.

4.2 Strengthening financial management

Based on measurements with a 5-point category scale (1=very not understanding to 5=very understanding), the results of the pre-test show that carving business actors do not understand the basics of bookkeeping based on the accounting concept (2=not understanding). The results of the pre-test also show that business actors are not quite understand with capital knowledge (point 3)—based on a 5-point category scale measurement (1=very not understanding to 5=very understanding). In this community service, business

actors are given counseling on the basics of bookkeeping according to accounting concepts and knowledge of capital to determine the flow of business cash flows as well as the efficiency and effectiveness of the use of working capital. Given that SMEs have limited access to external sources of finance and are overly dependent on short-term finance, efficient management of working capital is essential for business survival, growth and profitability [6]. The absence of adequate records in SMEs is a barrier to properly monitoring working capital [7]. Business actors are also introduced to access to capital other than their own capital to institutions providing capital, namely microfinance institutions both in the form of banks and non-banks, venture capital including cooperatives.

After counseling, the results of the post-test show that the business actors are quite understand with the basics of bookkeeping according to the concept of accounting (3=quite understanding). This shows that there was an increase from point 2 (pre-test) to point 3 (post-test). This means that there is an increase of 1 point (by 20%). The results of the post-test also show that business actors have a better understanding of the knowledge regarding capital (4=understanding). These results indicate an increase from a point of 3 (pre-test) to a point of 4 (post-test). This means that there is an increase of 1 point, which is equal to 20%. Through these activities business actors gain understanding, have knowledge of business cash flows and the effectiveness and efficiency of the use of working capital. For SMEs, working capital management is the most important tool leading them to respond quickly to management changes and decisions [7]. With this counseling, business actors know the lending institutions, both in the form of banks and non-banks, so that business actors will find it easier and know the procedures for obtaining working capital. Relying only on internal financing is not enough to encourage SMEs development [8]. SMEs can look for other financing such as bank loans as one of the main sources. According to [9] better access to external funding is an important growth factor for small businesses, without external funding a business cannot achieve good financial performance results.

4.3 Strengthening human resource management

Prior to counseling the carving business actors, they are given a pre-test related to entrepreneurial knowledge. Based on measurements with a 5-point category scale (1=very low understanding to 5=very good understanding), it shows that business actors understand enough about entrepreneurial knowledge (3=sufficient understanding). This community service provides an understanding of entrepreneurship knowledge to entrepreneurs in carving arts to strengthen their ability and will to develop, organize and manage a business and all its risks, have flexibility and be able to adapt to change. The results achieved from these activities were an increase in entrepreneurial knowledge by 20% compared to before being given an understanding of entrepreneurial knowledge. The results of the post-test showed that the carving business actors expressed an understanding of entrepreneurial knowledge (4=understanding). This shows that there was an increase in point from the pre-test (3=sufficient understanding) to the post-test (point 4=good understanding).

Through this activity, carving business actors gain an understanding of the nature of entrepreneurship, entrepreneurial spirit and competence, and cultivate an entrepreneurial spirit. Carving business actors understand that as business actors they must have an entrepreneurial spirit, namely having innovative, creative behavior, liking change, progress, and challenges. Having an entrepreneurial spirit encourages business actors to apply creativity and innovation in solving the problems they face and finding opportunities for business continuity. This in turn encourages business actors to create added value by combining various resources in new and different ways to gain competitive advantage. According to [10] competitive advantage can be designed with a strategy to create entrepreneurial competitiveness. Entrepreneurial competitiveness makes creativity and innovation an added value of individual resources in creating business opportunities [11].

The implementation of community service activities is shown in Figure 1 below.



Fig 1.Implementation of Community Service in Carving Business in Siangan Village, Gianyar, Bali

IV. CONCLUSION

This community service program activity demonstrates the achievement of the objectives: increasing knowledge about the role of marketing mix, understanding of financial management and entrepreneurial knowledge, from carving business actors in Siangan Village. Nonetheless, in order for business actors to be able to manage their businesses more effectively and to inspire other community members to empower the community, ongoing assistance is still needed. This can be done in the form of continuing education and business incubation. The implication of this community service program is that policy makers, business support organizations, bank and non-bank lenders, and academic institutions need to focus on educating SMEs more effectively in financial management, thereby reducing the risk of cash flow problems and business failures. Governments, regulatory authorities and financial institutions should take steps to improve access to finance for SMEs. Another implication is that relevant governments and universities can continuously conduct entrepreneurship training to increase the capacity of business actors so that they can seize opportunities and improve the digitalization capabilities of SMEs.

V. ACKNOWLEDGMENTS

The authors would like to thank the Faculty of Economics and Business, Universitas Warmadewa and the anonymous referees for constructive comments on earlier version of this paper.

REFERENCES

- [1] S. K. Agyei, "Culture, financial literacy, and SME performance in Ghana," *Cogent Econ. Financ.*, vol. 6, no. 1, pp. 1–16, 2018, doi: 10.1080/23322039.2018.1463813.
- [2] P. D. Astuti, L. K. Datrini, and A. Chariri, "Understanding the antecedents and consequences of sustainable competitive advantage: testing intellectual capital and organizational performance," *Economies*, vol. 11, no. 4, pp. 1–14, 2023, doi: 10.3390/economies11040120.
- [3] M. T. Nuseir and A. Aljumah, "The role of digital marketing in business performance with the moderating effect of environment factors among SMEs of UAE," *Int. J. Innov. Creat. Chang.*, vol. 11, no. 3, pp. 310–324, 2020.
- [4] G. Kaur, "The importance of digital marketing in the tourism industry," *Int. J. Res.*, vol. 5, no. 6, pp. 72–77, 2017, doi: 10.29121/granthaalayah.v5.i6.2017.1998.
- [5] M. Durkin, P. McGowan, and N. McKeown, "Exploring social media adoption in small to medium-sized enterprises in Ireland," *J. Small Bus. Enterp. Dev.*, vol. 20, no. 4, pp. 716–734, 2013, doi: 10.1108/JSBED-08-2012-0094.
- [6] K. Padachi, "Trends in working capital management and its impact on firms' performance: an analysis of Mauritian small manufacturing firms," *Int. Rev. Bus. Res. Pap.*, vol. 2, no. 2, pp. 45–58, 2006, doi: 10.24104/rmhe/2017.03.01008.

- [7] D. V. E. Dato-on, R. P. Monto, N. M. Calaylay, G. B. Villanueva, J. K. F. Velez, and E. N. O. Temanel, "Working capital management of small and medium enterprises in Cebu," *Univ. Visayas-Journal Res.*, vol. 8, no. 1, pp. 173–190, 2019.
- [8] S. He and M. Ausloos, "The impact of the global crisis on SME internal vs. external financing in China," *Banking and Finance Review*, 2017.
- [9] D. Poderys, "Does access to external finance affect development of small and medium enterprises and economic growth?," *Eur. J. Bus. Sci. Technol.*, vol. 1, no. 1, pp. 43–53, 2015, doi: 10.11118/ejobsat.v1i1.37.
- [10] J. C. Ha, J. W. Lee, and J. Y. Seong, "Sustainable competitive advantage through entrepreneurship, market-oriented culture, and trust," *Sustainability*, vol. 13, no. 7, pp. 1–14, 2021, doi: 10.3390/su13073986.
- [11] R. D. Ireland and J. W. Webb, "Strategic entrepreneurship: creating competitive advantage through streams of innovation," *Bus. Horiz.*, vol. 50, no. 1, pp. 49–59, 2007, doi: 10.1016/j.bushor.2006.06.002.