

Optimizing The Use Of Social Media And The Importance Of Financial Management For Smes/Smes In Pematang Siantar City

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Abstract.

MSMEs are the foundation of the people's economy that supports the nation's economy. In Indonesia, MSMEs contribute a lot to the regional budget. The position of MSMEs is considered very significant because this sector is not only a source of livelihood, but also provides direct and indirect employment opportunities for people with relatively low levels of knowledge and skills. During Covid-19, MSMEs experienced a significant decline. Do not escape MSMEs in Pematangsiantar City. Many MSMEs are confused because their companies are hindered and cannot even develop. Globally, supply chains have weakened due to the impact of Covid-19 due to restrictions in several surrounding areas, commodity prices have fallen, and the possibility of a global economic crisis has increased. The urgency of carrying out this community service activity with the theme of the Workshop on Optimizing the Use of Social Media and the Importance of Financial Management for IKM/UKM Actors in Pematang Siantar City is to provide additional understanding and knowledge to IKM/UKM owners as well as strategies to increase turnover from sales made. The method used in carrying out this activity is through lectures and discussions related to the topic of service. The stages of implementing this event include opening and explaining social media that is often used by consumers, strategies for using social media, explaining the importance of financial management and existing financial reports for a business. After the community service activities are completed, follow-up interviews are conducted regarding the impact of the community service activities. In accordance with the results of the interviews, it is known that the understanding of SME/UKM actors regarding social media knowledge and financial management has increased by 90%.

Keywords: Social Media, Sale, Financial management and Financial statements.

I. INTRODUCTION

Someone will be disturbed by environmental conditions, in this case adapting the needs needed to the real conditions that occur. Facing situations that cause discomfort in terms of meeting the necessities of life, each individual has a different way. Starting from the phenomenon above, nowadays many small businesses have emerged that are run from homes. This small business is involved in the categories of food, beverages, fashion, shoes, sandals and other daily needs. The term for them is home industry or more precisely the term Small Micro and Medium Enterprises (MSMEs). The existence of MSMEs can start with a special expertise in the field they control or start with friendships in certain communities, start trying certain businesses because of pressure situations so they have to start from scratch. Ups and downs they may experience, it all goes naturally. Success does require hard work and unyielding effort. The majority of business actors have something in common in marketing their products, namely by using social media. This requires in-depth knowledge of current technology. The opportunity to increase the sales volume of products marketed through social media is indeed quite promising. Especially by looking at the use of smartphones which cover almost all groups, it makes it easier for promotions carried out by MSME owners (Setyawan et al., 2020). Based on the various problems that occur with MSME partners, it can be concluded that they need assistance and training in terms of digital/online marketing and how to brand partners' products to a wider market. Good product branding and marketing strategies are needed in an effort to increase sales and income for MSME partners.

Therefore, efforts are being made to return and increase sales and income of MSME partners by providing assistance and training on product branding and online/digital marketing strategies (marketing on

online platforms). Partner problems encountered through pre-survey activities and opinion polls with partners obtained several problems, including the low knowledge and understanding of business owners due to additional strategies regarding the proper and correct use of social media. The next problem is the understanding of the importance of financial management and the use of financial reports that are in accordance with standards which are still low. The purpose of the activity is to increase motivation for using social media, increase understanding of financial management, and increase understanding regarding the use of financial reports. The expected benefits of the activity are an increase in the correct use of social media as evidenced by an increase in customers by 80%, an increase in understanding of financial management by 80%, an increase in understanding of the types of financial reports by demonstrating an increase in knowledge and skills related to the use and utilization of financial reports by 85%.

II. TARGET OUTPUT

As for those that are targets based on priority issues that must be addressed, some of the solutions offered to partners are as follows: Increase knowledge for business actors regarding product (goods or services) marketing strategies through e-commerce or social media to market their products properly and correctly. Increase understanding of the importance of financial management and preparation of financial reports. The output of this community service activity is to empower IKM/UKM actors to increase turnover in sales by using social media and optimizing the use of financial reports. Further details of the output target, namely increasing knowledge for business actors regarding product (goods or service) marketing strategies through e-commerce or social media to market their products properly and correctly, increase understanding of the importance of financial management and preparation of financial reports.

Partners are IKM/UKM business actors in the city of Pematang Siantar by holding discussions at the address Merdeka street No. 3, Proclamation, West Siantar, Pematangsiantar City, North Sumatra. The activity was held on Feb 17, 2023, from 09.00 to 12.30 WIB at the Dekranasda Building, Pematang Siantar City, attended by assisted MSMEs. The distance to the partner location, namely from the Sultan Agung High School of Economics Campus, is in the range of 3 Km 6 or takes around 7 minutes if the trip is taken by using a four-wheeled vehicle and 3 minutes if taken by using a motorbike.

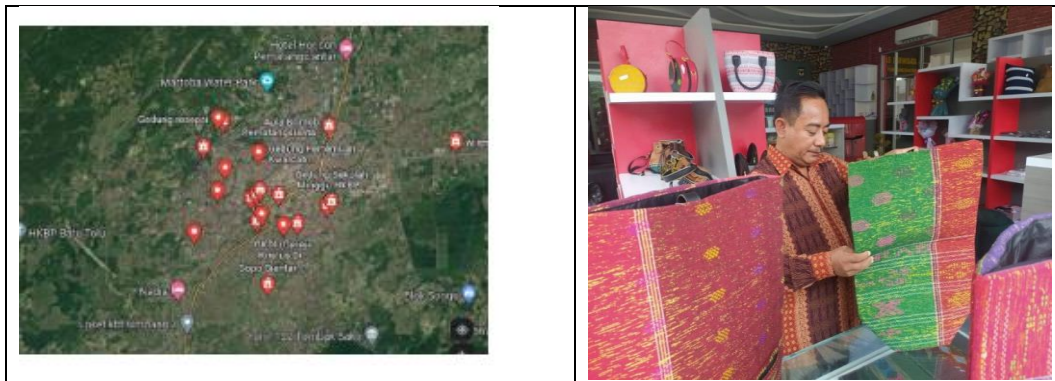


Fig 1. Service Location Map (Dekranasda Building, Pematang Siantar City)

III. METHODS

The implementing mechanism is an overview of the activity plan that shows steps for solving problems in both aspects, namely: partner for the service implementation schedule. In addition, at this initial stage, coordination will also be carried out with the implementing team as well as making the necessary correspondence in the process of implementing community service activities. The socialization stage for partners of the community service implementation team will provide an understanding of the importance of the success of this Community Service activity and its impact on partner knowledge, especially regarding entrepreneurial digitization. Next, the team conducts evaluation and monitoring in order to see what obstacles and problems that arise in the field. Monitoring and Evaluation is carried out to determine the success rate of activities based on the targets that have been achieved. Then an evaluation is carried out if obstacles and problems do arise to then find a solution so that the activity continues properly as expected.



Fig 2. Submission of Material Benefits of Using Social Media in Small and Medium Enterprises

IV. RESULT AND DISCUSSION

a. Result

The rapid development of the world of technology and information in recent years has made the internet a communication tool that is in great demand by the public. Smartphones provide various facilities, ranging from SMS, MMS, chat, e-mail, browsing, and social media facilities. Based on data, Indonesia's internet users reached 16 million users, an increase of nearly 50% compared to 2004, which only had 11 million users. While at the end of 2011 Indonesian internet users had reached more than 50 million users. In line with that, the potential for Small and Medium Enterprises (SMEs) in cyberspace has considerable potential. This can be proven by some data submitted by the online buying and selling site provider company, where the Kaskus internet site claims that the number of transactions reaches IDR 575 billion per month, Tokobagus IDR 300 billion per month. Not to mention the perpetrators of buying and selling online through social media (social media) which is currently the most powerful media to be used as a marketing medium. Upright Decision said that the average online transaction in Indonesia is dominated by social media Facebook (50%), Kaskus (14%), Twitter (12%), Wordpress (5%), LinkedIn (2%), and the remaining 17 % use other social media.

This is of course interesting in the midst of the government's efforts to encourage people to become entrepreneurs and encourage the growth of SMEs, business actors are starting to get an important tool in developing their businesses by utilizing online buying and selling site services and social media as promotional tools for free. Even today, social media is not just a promotional medium, but is also used as an interactive marketing tool, service, building communication with customers and potential customers and as a tool for selling and buying products online (Siswanto, 2018). Currently, Instagram is one of the most popular social media for business people to create their business accounts. In contrast to Facebook, which limits friendship to only 5,000 people, Instagram offers an unlimited follow feature, so that businesses can collect as many followers as they hope to have a significant effect on their turnover. The use of Instagram for business can also be adapted by MSMEs so that in the midst of the Covid-19 pandemic as it is today, it is hoped that MSME businesses can survive and even increase their turnover from online sales (Kusuma et al., 2020). This activity also includes exposure to the importance of managing finances in a business, how to prioritize personal finances and business finances. In this activity, IKM and UKM actors were very enthusiastic about listening to explanations about the importance of managing their business finances. Based on field observations, there are several factors that affect the difficulty of managing MSME finances, which include difficulties in implementing personal finance and finance for their business, lack of understanding of business actors, ignorance of MSMEs about the importance of financial management, and a lack of human resources in managing finances (Frialyani and Huda, 2008).

b. Discussion

According to data from the Ministry of Finance of the Republic of Indonesia, Indonesia's economy experienced a contraction in the second quarter of 2020 with economic growth of -5.3 percent. The contraction was caused by a decrease in household consumption due to social restrictions to prevent Covid-19, a decrease in investment spending including for the construction of fixed asset acquisition funds, and a decrease in the realization of government spending including spending on goods. One of the sectors that has been greatly affected by the Covid-19 pandemic is Micro, Small and Medium Enterprises (MSMEs), which also has implications for the decline in the national economy. In general, the majority of MSMEs have experienced a decline in income and even bankruptcy due to the pandemic. Facing this, a strategy is needed for MSMEs to survive and be able to develop their business in the midst of the Covid-19 pandemic. One of the aspects that greatly impacted MSME actors was the decrease in the number of sales which put the MSME's financial condition in a crisis.

It is recognized that micro, small and medium enterprises (MSMEs) play a very vital role in development and economic growth. Not only in developing countries, but also in developed countries. SMEs are very important because these business groups absorb the most labor. Micro, small and medium enterprises in Indonesia are starting to emerge in line with increasingly stringent global competitiveness. Micro, small and medium enterprises are a driving force for the economy, the rapid development of MSMEs will make a positive contribution to the Indonesian economy, so with good processing it will produce good small and medium enterprises. So from this contribution it will be even better if it can deal with various existing MSME problems, one of which is utilizing management knowledge which can be used as material for consideration in making business decisions. Simple steps in carrying out digital marketing or using social media are effective for MSMEs (Sasa et al., 2021), namely:

1. Get to know our products/services well, what are the strengths and weaknesses, focus on the strengths, what words or images best describe our products/services.
2. Get to know who our target market is, start by answering the following questions, who are they, where are they located, can our product solve their problems, what social media do they use, what are their habits, what time do they access the internet most often, market which place do they use most often, and so on.
3. Find out Competitors, what are their strengths/weaknesses, make sure our product is the answer to their shortcomings, what words or images they use to describe their products, the digital media they use, and so on.

4. Prepare marketing content that can be shared easily through various social media, email, short messages and so on. Use interesting words, photos and videos. Short, interesting content of short duration will have the opportunity to be read by the recipient.
5. Upload or distribute the marketing content that has been prepared to the digital networks used by our targets (consumers/prospective consumers), for example on social media, email, blogs, YouTube and others.
6. Evaluation and strengthening of content, after uploading marketing content, it's time to evaluate to find out which content and which digital channels get the most response and provide closing sales. It must be kept in mind that our ultimate goal is to increase sales, not just responses or comments. If the content doesn't get the response as expected, it means we have to fix it and provide reinforcement so that it works optimally.
7. Scheduling and Setting Targets, after understanding the types of marketing content that consumers (prospective) respond to, it's time for us to set targets for the type of digital marketing that we use, for example: % increase in followers, % web/blog visitors, % responses from short messages, % increase in sales (the most important). Next, determine a routine schedule for uploading marketing content so that (prospective) consumers know and are expected to follow the updates that we are doing.
8. Consistent and Update: This part is the most difficult part, because often MSME actors get bored or tired, even though in building digital marketing consistency is needed because our target market is always changing and we must consistently monitor and adapt our marketing content to the conditions of the target market.

If the use of social media is carried out optimally by SMEs, of course this can increase the competitiveness of SMEs themselves. SMEs will find it easier to communicate through social media regarding prices, products, distribution, and promotions carried out (Siswanto, 2018).



Fig 3. Presentation on the Importance of Preparing IKM/UMKM Financial Management

Good financial management will provide great benefits for MSMEs. By keeping financial records in an orderly manner, MSMEs can find out their financial condition as well as their business development. The condition of MSME assets, debt, capital, cash flow, and profit fluctuations can be easily identified, thereby helping MSME actors in making important business decisions, such as buying new assets and planning business development. Good financial management will also improve aspects of business control, where MSME actors can find out whether their financial plans have been achieved or not and help find out the causes. Likewise with the capital aspect. There are five tips in managing business finances, including:

1. The need for separation between business finance and personal finance;
2. Determine the percentage of finance that will be used for business needs;
3. Carry out financial records (bookkeeping) in an orderly manner to control all financial transactions, both income and expenses, as well as debts and receivables;

4. Reducing the risk of trade payables;
5. Controlling the smooth flow of business cash.

Financial management is an important aspect of business, but it is often neglected, both because of the lack of knowledge of business actors and because of the busyness of daily business operations. For example, mixing personal/household finance with business finance will make it difficult for entrepreneurs to monitor their business progress. Similarly, cash flow arrangements are needed by entrepreneurs to ensure the availability of cash to pay for purchases of raw materials from suppliers and pay short-term debts that are due.

V. SUGGESTION

Optimizing the use of social media needs to be done because it has a positive impact on business actors in advancing their business. IKM/UKM actors should be more open-minded and adaptable in the technological era. The wheels of the economy will continue to run with maximum achievement through social media which can increase sales for business actors. It is hoped that socialization activities regarding social media like this can be carried out to all other IKM/UKM who still use conventional forms of marketing because they are very useful in increasing knowledge in the field of marketing in accordance with the latest technological developments. 22 IKM/UKM actors are advised to pay more attention to good and correct financial management behavior so that in carrying out business activities there will be no misunderstandings in the financial system. In addition, UKKM actors must also study the use of budgets, financial records, financial reporting and financial control to increase profits from selling their business and make financial management a strategy to survive in their business activities.

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