

Increasing The Business Potential Of Msmes Through The Utilization Of Digital Bookkeeping And Digital Marketing In Sebatik Island

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Abstract.

The characteristics of the Indonesian economy are supported by the micro, small, and medium enterprise sectors, which account for 98.33% of the enterprise population in Indonesia. This is evidenced by the increasing number of business units, labor contribution, and contribution of MSMEs to GDP. The post-COVID-19 pandemic has brought major changes to the lifestyle of businesses and consumers along with the use of digitalization. The existence of digitalization provides opportunities for businesses to increase online sales and fast and efficient bookkeeping. The obstacles faced at this time are that Sebatik Island MSME actors still have obstacles in utilizing digital applications. Therefore, this research began by conducting community service on 13 September 2023 to provide training on digitalization to business actors. The samples in this study were 27 MSME actors dominated by culinary businesses. The methods used include mapping, interviews with UMKM participants, formulation of problems and solutions, determination of problem-solving strategies, and implementation of MSMEs seminars.

Keywords: Digital Bookkeeping, Digital Marketing, Business Potential and MSMEs.

I. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are a form of trading business associated with the creative economy sector, and their role has become increasingly important in driving Indonesia's economic growth, especially in line with the expansion of local government authority. Each region competes to optimize their local potential, which in turn will increase regional income (Nilam Cahya, 2021). Although MSMEs have great potential, many of them face a number of significant obstacles. Some MSME business actors still do not have adequate management skills and have not made the best use of technology. Therefore, an appropriate strategy is needed to ensure that MSMEs can grow and survive in the increasingly dominating digital era. In addition, MSMEs also face external challenges such as intense competition, limited product marketing infrastructure, and the impact of free markets such as AFTA and AEC that can burden their business development efforts (Fathoni & Rohim, 2019). Indonesia's economic characteristics are supported by the micro, small, and medium-sized sectors, which account for 98.33% of Indonesia's enterprise population. This is indicated by the increasing number of business units at 98.8% of total enterprises, the contribution of labor at 96.99% of the total workforce, and the contribution of MSMEs to gross domestic product (GDP) at 60.3%. Therefore, the need to develop MSMEs in accordance with the pentahelix model includes strengthening human resources from academics, increasing brand image digital presence by utilizing the media, the role of the government as a regulator, expanding the community and building cooperation with business partners both BUMN and the banking sector.

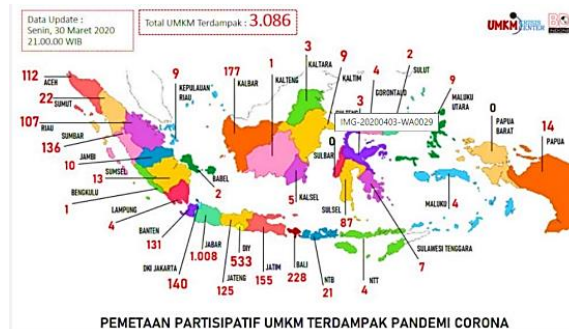


Fig 1. COVID-affected MSME data

The post-COVID-19 pandemic has brought major changes to the lifestyle of businesses and consumers along with the use of digitalization. The presence of digitalization provides opportunities for businesses to increase online sales and fast and efficient bookkeeping. Mistakes that often occur in the financial management of MSMEs include not separating personal assets and business assets, not recording transactions regularly due to lack of resources and simple financial reports are not available. Some things that need to be considered in the financial management of MSMEs are checking the sources of income and expenses in the business, re-planning the budget in cash flow, separating company and personal finances, evaluating company debt, increasing income, expanding business and utilizing technology. Various financial management software that can be utilized by business people, The MSME sector is one of the strong pillars in Indonesia's economic structure. The support of artificial intelligence (AI) in today's business world supports businesses and consumers to fulfill their needs through fast and efficient digital services (MS et al., 2022). In fact, during the 1998 economic crisis, MSMEs have proven to make a very positive contribution in maintaining Indonesia's economic stability at that time. The same thing happened when the Covid-19 pandemic hit, where the MSME sector has great potential to become a driving factor in national economic recovery (Sari & Arianto, n.d.).

One of the strategies is to increase the digitalization of MSMEs through digital marketing. With the increase in digital marketing in MSMEs, projections towards 2025 indicate that Indonesia has the potential to become a digital economy leader in the Southeast Asia region. However, a number of obstacles have emerged, including the need to increase digital literacy and develop the quality of human resources for MSME actors (Suwandi et al., 2019). This is due to the low level of digital literacy and SDM skills that UMKM actors have had over the years, which has an impact on the less optimal production of their superior products. In fact, the majority of MSME actors are willing to adopt digital business models in developing their businesses (Susanti et al., n.d.). In the context of MSMEs, digital marketing can play an important role in promoting and marketing their products and services, opening up new market opportunities that were previously limited by constraints such as distance, time, and means of communication (Sasongko et al., 2020). The advantages of digital marketing applications include the ability to reach broader markets, improve marketing cost efficiency, and create flexibility in marketing space and time. This is in line with the digital marketing trend which is currently an important opportunity for MSMEs to adapt to the industrial era 5.0 (Irfiani, 2020). In addition, digital marketing also facilitates the sales promotion process, especially through the use of marketplace applications such as shopee, considering that shopee has a crucial role in the current digital marketing ecosystem because it provides a strong platform for MSMEs to market their products online to a larger audience. Thus, marketplace applications such as Shopee are an integral part of the digital marketing ecosystem that provides significant benefits for MSMEs in increasing competitiveness and optimizing their market potential (Budi Harto, 2021).

II. METHODS

The method to overcome the problems that have been identified is the direct observation method before conducting the "Sebatik Island MSME Seminar," which aims to provide training in the field of Digitalisasi marketing and bookkeeping as a strategy to increase the potential of MSME actors. Thus, the methods used to increase the potential of MSMEs in Sebatik Island are as follows:



Fig 2. The methods used to increase the potential of MSMEs

The expected target of this community service activity is the implementation of a forum for sharing, consultation and assistance with MSMEs designed in the MSME Seminar activity.

III. RESULT AND DISCUSSION

This community service activity was carried out on Sebatik Island, Nunukan Regency. This community service activity was attended by 27 MSME actors spread across several regions. This activity was welcomed positively by MSMEs because with the digital marketing and digital bookkeeping training MSMEs find it easier to market their products using applications, utilize excel in bookkeeping and preparation of financial reports and the material presented is easily understood by participants. There were several participants who asked questions and hoped that in the future training would be held for sharing and consultation on digital marketing developments, especially using the shopee application. Community service activities have been carried out in accordance with the planned schedule. In general, MSMEs experience difficulties when they are promoting or selling their products.

The obstacles faced vary from each MSME actor and with different conditions. Based on the results of interviews, most MSME actors have difficulty operating digital applications and there is a desire to introduce their products to a wider market. This is a problem for MSME actors that must be given a solution when MSME actors will develop their business. Of all the activity participants, it is known that none of the MSME actors have not been able to access digital applications, especially shopee. In fact, in the digital era, the use of social media, which is also part of digital marketing, is often integrated with marketplaces such as Shopee to increase product visibility. Therefore, Shopee and similar platforms provide convenience in sales promotion, by utilizing features such as advertising and product promotion that can be accessed by businesses (Jara & Putra, 2021). Not only the use of excel is very helpful for MSMEs in recording transactions and especially the presentation of financial statements, especially profit and loss, but also in recording transactions.



Fig 3. Documentation of the Sebatik Island International PKM Implementation



Fig 4. Documentation of Presentation of Bookkeeping Digitalization



Fig 5. Documentation of business products

IV. CONCLUSION

Based on the results of the Community Service that has been carried out, it is concluded that:

- a) The implementation of community service in the form of a “Panciro Village MSME Seminar Upgrading” has been carried out in accordance with the planned schedule.
- b) The implementation of this Community Service shows an increase in the preparation of participants when facing challenges in the digitalization era.
- c) Further assistance is needed for digital marketing training for provision in facing challenges in the digitalization era.
- d) Continuous training with different training materials is needed to improve the readiness of MSMEs.

The recommended suggestions are as follows:

- a) Community service activities related to digital marketing with the use of the shopee application need to be improved and there is ongoing training on digital marketing, so that the function of academics can be channeled to MSMEs that need training and the latest programs according to the needs in the field.
- b) There needs to be an evaluation sheet circulated to the trainees to determine the level of need and feedback from the participants about this training.

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