

## ASSISTANCE STRATEGY OF THE SURABAYA CITY OFFICE OF COOPERATIVES, SMALL AND MEDIUM ENTERPRISES AND TRADE (DINKOPUMDAG) IN IMPROVING THE SUSTAINABILITY OF MSME BUSINESSES IN DUKUH SETRO VILLAGE

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**Abstract :** This research aims to determine the impact of MSME and home industry assistance carried out by students during the internship program at the Surabaya City Small and Medium Enterprises Cooperative and Trade Office (Dinkopumdag), precisely in Dukuh Setro Village. In the Certified Independent Study Internship (MSIB) program as MSME assistants, students become an extension of the Surabaya City Dinkopumdag who are tasked with providing assistance to their fostered MSMEs. This research focuses on the strategies applied by the Cooperative and MSME Agency assistants, the challenges faced in mentoring, and the impact of mentoring on the sustainability of MSME businesses in Dukuh Setro Village. This research uses primary data collection techniques with observation and field interviews related to business conditions and constraints. Literature review also used in this study in order to support the data that has been obtained. The object of the research is MSMEs in Surabaya assisted by Dinkopumdag with a sample of 10 MSMEs in the food and beverage sector in Dukuh Setro Village, Surabaya. The results of the assistance in this study include digital marketing, branding, making legality and simple financial bookkeeping for MSMEs.

**Keywords:** Business Sustainability, Dinkopumdag, MSMEs, Digitalization, and Assistance.

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## INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the economic drivers in line with the dynamics of the global economy. In practice, MSMEs are owned by an individual or group of business actors who have an important role in creating jobs, increasing community income, and driving local and national economic growth. In the midst of increasingly fierce market competition and global challenges such as digitalization, changing consumer trends, and economic uncertainty, MSMEs are required to continue to innovate and improve competitiveness. Support from various parties, including the government, financial institutions, and effective utilization of technology, are the keys to success in ensuring MSMEs can survive and develop sustainably.

As globalization continues to develop, it certainly poses increasingly stringent challenges in market competition, so increasing the competitiveness of MSMEs is very crucial. There is a need for a program to increase business capacity from the capacity of business productivity, product quality, operational efficiency, and competitiveness in the market with

one effective approach. A business that successfully enters and participates in the market according to its market relevance, by choosing the appropriate product or service to offer becomes a market access that can support sustainable business. By paying attention to good market access, the product's reach to *customers* will be wider, and even get a new market reach that was previously unreachable. , broad market access can further improve the sustainability of MSME businesses.

UMKM Cooperative and Trade Office UMKM assistance is regulated in PP No. 7 of 2021 concerning the Ease, Protection, and Empowerment of Micro and Small Enterprises. In the PP, article 48 paragraph (1) obliges the central and regional governments to provide Legal Aid and Assistance Services (LBPH) for MSMEs.

One of the agencies that plays a role in assisting MSMEs is the Surabaya City Cooperative Office for Small and Medium Enterprises and Trade (Dinkopumdag). Through One of its programs is the Certified Independent Study Internship (MSIB), Dinkopumdag is one of its partners by providing student internship opportunities. This MSIB internship program aims to gain experience in the world of work in government agencies, one of which is the department, knowing the dynamics of MSME business actors in Surabaya City, as well as the management of industrial workers in the field of small and medium industries.

In this case, the Surabaya City Government through Dinkopumdag provides a forum for MSMEs in the form of coaching and mentoring to improve business sustainability on the scale of marketing, legality, and business development to strive for Classroom MSMEs in Surabaya City, especially in Dukuh Setro Village. Along with the rapid growth of MSMEs, improving business quality is very important. To support sustainable business and extensive marketing, an MSME empowerment strategy must be designed. This mentoring program is a strategic step in improving the sustainability of MSME businesses in Surabaya City so that it can encourage local economic recovery.

Collaboration between MSME business actors, Surabaya City Government, and academics, to improve the business sustainability of MSME business actors. Therefore, mentoring activities for MSMEs and home industries are part of the position or division in the internship program which is intended to be an extension of Dinkopumdag in improving business sustainability. The focus of this activity is the acceleration and empowerment of MSMEs in Surabaya City. This program is one of the strengthening of MSME sustainability in Surabaya City which is needed to improve business quality in the context of Surabaya City's economic recovery.

This research has the aim of knowing more about the effectiveness of the Surabaya City home industry MSME assistance strategy, specifically Dukuh Setro Village, in order to support business sustainability for MSMEs.

## LITERATURE REVIEW

### 1. Business Sustainability

Business sustainability is a condition in which a company can survive in dynamic competition, and meet the needs of stakeholders and consumers. MSME business sustainability is the ability of MSMEs to maintain their business and fulfill their financial obligations in the long term. MSME business sustainability is important for economic development and job creation.

MSME *sustainability* is a form of MSME success in maintaining its business by striving for all existing resources. Whether in the form of human resources or capital resources owned to run a business.

According to (Widayanti et al., 2017) business sustainability is a stability of the business situation, where sustainability is a system of business continuity that includes growth, continuity and approaches to protect business continuity and business expansion.

Business sustainability is an achievement that requires a process to achieve because it cannot be obtained instantly. Noe et al. (2011) state that business sustainability is a condition that leads to the success of a business to survive in dynamic competition seen from how well the business meets the needs of stakeholders.

Success in the global market that has good quality will make business sustainability safe for the environment as well. Based on some of the above definitions, it can be concluded that business sustainability is a business that can take place from time to time in a downward manner in the long term with the same leadership, can maintain the results of the products produced and continue to follow market developments.

There are several aspects of MSME business sustainability, among others:

1. Use of resources

MSMEs must manage existing resources, both human resources and capital resources, effectively.

2. Innovation

MSMEs need to innovate to maintain business sustainability. Innovation can be done to deal with changes in consumer needs and tastes, technology, product life cycle, and competition.

3. Digital transformation

Digital transformation can help MSMEs overcome barriers to market entry, reach customers, and increase productivity.

4. Business model

The business model used by MSMEs needs to be reviewed to achieve sustainable value. A sustainable business model can be realized through ongoing relationships with stakeholders and customers.

2. Office of UMKM Cooperatives and Trade of Surabaya City (Dinkopumdag)

The Surabaya City MSME Cooperative and Trade Office was formed as part of the Surabaya City Government structure (Dinkopumdag) with the aim of supporting local economic growth through the management of cooperatives, micro, small and medium enterprises (MSMEs), and trade. The existence of this office is closely related to government policies in encouraging the country's economic growth.

The Surabaya City SME Cooperative and Trade Office is assigned to assist the Mayor in the implementation of government affairs as regional authority. As well as assisting tasks in accordance with Surabaya Mayor Regulation No. 83 of 2021

concerning Position, Organizational Structure, Job Description and Functions and Work Procedures of the Surabaya City Small and Medium Enterprises Cooperative and Trade Office. The location is at Siola 3rd Floor, on Jalan Tunjungan No. 1-3 Surabaya City Postal Code 60275

The implementation of the authority and duties of the department performs the implementation of the above functions: Policies are formulated relevant to the scope of their duties; policies are implemented in the scope of duties accordingly; monitoring is always carried out, evaluation and reporting in the scope of their respective duties; the implementation of administration in the service in the scope of their respective duties; as well as the implementation of other functions of the Mayor's administration containing the functions of their respective duties.

According to Law No. 20/2008, MSMEs or Micro, Small and Medium Enterprises are productive businesses owned by individuals or individual business entities that meet the criteria of micro, small, or medium enterprises.

### 3. MSME

MSMEs (Micro, Small, and Medium Enterprises) are a type of economic business that is independently managed by individuals, families, or small business entities. MSMEs focus on productive activities in various economic sectors, with a smaller scale of operations compared to large enterprises. MSMEs have a strategic role in the economy, such as creating jobs, improving community welfare, and supporting local and national economic growth. In addition, MSMEs are often the backbone of the country's economy, particularly in empowering communities and strengthening community-based economies.

MSMEs are an important sector that contributes greatly to national economic growth, its ability to absorb a significant amount of Indonesian labor. MSMEs are businesses that are independent and managed by individuals or business entities in various economic sectors in Indonesia, such as food and beverages, *fashion*, crafts, laundry services, tailoring, and others. These MSMEs are associated with economic productive activities that are independent in the way they operate, the manager can be an individual or a business entity, nor are they part of or controlled by other medium or large enterprises. MSMEs meet certain business capital criteria according to predetermined limits.

According to Law No. 20/2008, MSMEs or Micro, Small and Medium Enterprises are productive businesses owned by individuals or individual business entities that meet the criteria of micro, small, or medium enterprises.

MSME criteria are differentiated based on business capital:

- Micro Business: Maximum business capital of IDR 1 billion, excluding land and building of the business premises
- Small Business: Business capital between Rp1 billion - 5 billion, which includes land and building of the business premises.
- Medium Business: Business capital between IDR 5 billion - IDR 10 billion

#### 4. Business Digitalization

According to Harisno & Pujadi (2009), Digital business is the process of conducting business online, which includes buying and selling, as well as providing services to customers, and collaborating with business partners.

MSME digitalization is the process of changing conventional or traditional systems to digital to improve the efficiency and effectiveness of MSME operations and business processes. Digitalization of MSMEs can be done by using information and communication technology (ICT) in various aspects of the business, such as: Production, Marketing, Financial management, Administration. The benefits of this digitization from the side of business actors can facilitate the production process, manage finances more easily, digital marketing, and conduct company financial bookkeeping transparently. From the consumer side, namely being able to reach and obtain MSME products and services at more affordable prices and facilitate access to them because they are more practical. Therefore, business transformation in digitalization is one of the steps that can advance business development in aligning with technological developments society.

#### 5. Assistance

SMES Assistance is one of the steps program of community empowerment in which the mentor or facilitator will be involved as a communicator and dynamicator. The goal is to achieve the success of the empowerment program and improve the standard of living of the community by helping to improve Human Resources (HR).

A mentor has a role in providing advice, direction and consultative assistance without full authority to be owned, while aligned goals must be owned by the assisted community. Mentoring is an effective solution in economic empowerment through training, guidance, and coaching, in the form of facilities, as well as processes, by producing a significant influence on the development of MSME businesses. Therefore, the overall goal of mentoring is to improve the ability of individuals in the community to live a better life in the future. Therefore, mentoring can be concluded as an activity to support an individual or a group of people to support the success and sustainability of the program being run.

## RESEARCH METHODS

This research on MSME assistance strategies by Dinkopumdag is a research with a descriptive qualitative approach. This qualitative approach means that the approach is carried out in writing from case studies of interviews and observations of field results. Namely describing the conditions regarding a person's behavior in the field. In this case, it is an MSME business.

The data collection technique for this research uses primary data by direct observation and interviews in identifying constraints and business conditions for MSME actors. Observations were made by going directly to the field to find out the conditions of several MSMEs that were assisted. In addition, this research uses a literature review to support existing data.

Miles and Huberman are cited in the data analysis method. Pawito (2007) refers to Miles and Huberman's (1994) data analysis as the Interactive model technique, which is made

up of three parts: conclusion testing, data presentation, and data reduction. Ten MSME business actors who received assistance were observed and interviewed in the field to gather data. The data was then reduced, selected, and key components were highlighted in order to draw conclusions. The study's focus is on MSME business players who receive support from Dinkopumdag in Tambaksari District, Dukuh Setro Village, Surabaya City. This aid is distributed over three sub-districts in Surabaya.

## RESULTS AND DISCUSSION

MSMEs often face various obstacles in developing their businesses and expanding their market reach. These obstacles are generally related to limitations in the aspects of financial business competition, as well as the utilization of technology, which ultimately reduces their competitiveness compared to larger business actors, because it happens that all MSMEs that receive this assistance are engaged in the *food and beverage* sector.

The strategy applied by the assistance of the Cooperative and MSME Office with MSME Facilitators in the Certified Independent Study Internship (MSIB) program which includes assistance in making business legality, digital marketing, financial management and human resources which has one of the objectives of creating MSME business sustainability.

This mentoring strategy has resulted in an increase in the quality of business of several MSME actors in Dukuh Setro Village, Surabaya. MSME mentoring in Dukuh Setro Village is carried out with a systematic and structured approach. The method applied starts with the identification of problems and needs, where the MSME facilitator makes direct observations to MSME business places to collect data, then understand the conditions and challenges faced. This process is complemented by interviews or discussions with MSME actors to explore specific needs, such as marketing, legality, and digitalization.

Assistance is conducted on a personalized basis to provide solutions that are relevant to the needs of each MSME. In , MSME facilitators make small discussions between the MSMEs it assists. This activity is designed to bring together MSME players to share strategies, experiences, and challenges, while encouraging collaboration in expanding business networks.

Assistance also includes providing practical solutions, such as assisting MSME players in creating promotional content, managing social media accounts, and designing product packaging, banners, menu catalogs, and stickers. Not only that, the mentors also assist in the process of obtaining business legality, such as Business Identification Number (NIB), halal certification, or trademark registration.

Then recording simple bookkeeping and financial applications that have been taught to several MSMEs to make it easier for MSME business actors to monitor their profit and loss turnover in proper financial records. In addition, it also registers MSME business locations on Google Maps to get free marketing from Gmaps in order to make it easier for consumers to find the desired product in the nearest location. So that MSME products are better known by the public. Promotion using Instagram is also carried out to market several MSME products on personal Instagram social media with posters and catalogs made, as well as business owner Instagram promotions to reach new markets in the student environment.

The following are some of the results of MSME assistance in Dukuh Setro Village which was carried out during the MSIB internship:

1. Business Digitalization
  - E-commerce and digital marketing training. Helping MSMEs join Gobiz Online Merchant for Gofood, and Grabfood
  - Create WhatsApp Business marketing for some MSMEs
  - Use of applications for financial recording (e.g. BukuWarung)
2. Legality and Certification
  - Assist MSMEs to obtain NIB (Business Identification Number) through OSS (Online Single Submission).
  - Supporting halal certification through facilities from the Ministry of Religious Affairs Self Declare BPJH
  - Assisting MSMEs in registering their business brand certification at HKI (Intellectual Property Rights)

Picture 1. Sihlal Draft Proposal for Sari Food MSMEs

No. Dokumen	Nama Dokumen	Kategori Dokumen	Status Dokumen	Uraian Dokumen
1	Surat Permisian	Surat Permisian	SAH	Surat Permisian dari Dinas Kesehatan Kabupaten Kota
2	Surat Keterangan Usaha	Surat Keterangan Usaha	SAH	Surat Keterangan Usaha dari Dinas Koperasi dan UKM Kabupaten Kota
3	Surat Keterangan Usaha	Surat Keterangan Usaha	SAH	Surat Keterangan Usaha dari Dinas Koperasi dan UKM Kabupaten Kota

Picture 2. NIB of Sari Food MSME



### 3. Enhanced Branding and Promotion

- Make logo design, Instagram management for MSME businesses, website creation simple, packaging sticker design, and product branding as well as conducting training for several MSMEs that need it
- Making product catalogs and MSME posters
- Assist in personal social media promotion

The following are some of the results of assistance and design for branding MSME products that have been used:



Picture 3. UMKM Sticker



Picture 4. New UMKM Banner Design



Picture 5. New MSME logo





Picture 6. Photos MSME Products



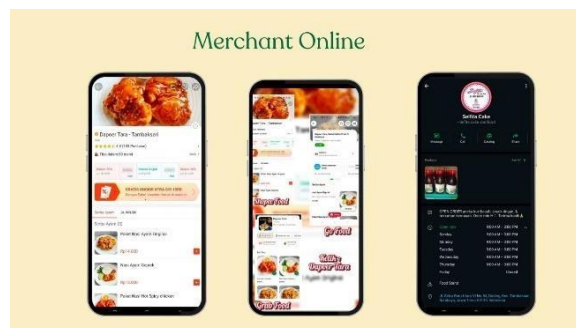
Picture 7. Food Katalog Menus



Picture 8. Poster for MSME promotion



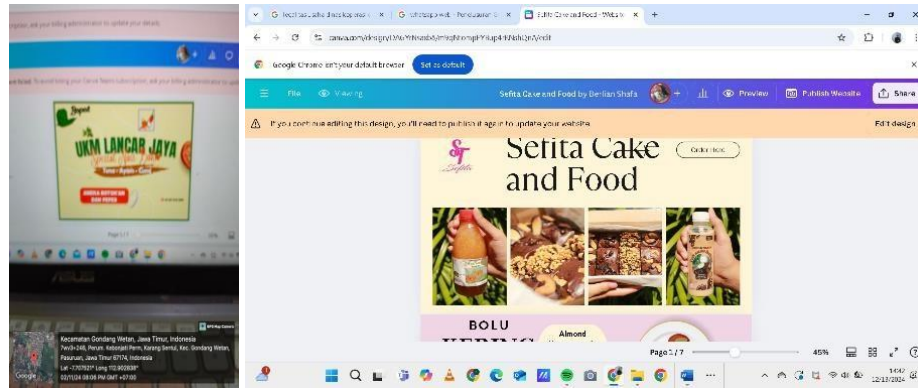
Picture 9. Make Social media and a simple landing page



Picture 10. Online merchant registration and WhatsApp Business MSMEs  
Dapoer Tara and Sefita Cake and Food



Picture 11. Addition of MSME business location points on Gmaps



Picture 12. The process of making simple banners and landing pages for MSME products

Meanwhile, in assisting MSMEs in Kelurahan Dukuh Setro, there are obstacles experienced, the first is that there are MSMEs that explicitly refuse assistance that do not need assistance because they do not want to focus too much on their current business, in other words, making this business only a side business. Then there are also several MSMEs that find it difficult to find free time in conducting business assistance so that maximum assistance cannot be provided. And the last is technological limitations, due to the fact that some of the MSME business owners have entered the age of old age and are not familiar with the use of technology such as social media, *e-commerce*, so it is not easy for them to use digital facilities. However, this can be overcome by providing education and training to MSME players regarding the use of technology for digital marketing. This training can include the introduction of basic digital marketing concepts, such as how to create interesting content, utilize social media for promotion, and use e-commerce platforms to reach a wider market.

To overcome the obstacles in the rejection of MSME assistance, it is as much as possible without coercion to give MSMEs an understanding that this assistance is very good for business sustainability, especially since it is a facility from the Surabaya City Government, UMKM Cooperative and Trade Office (Dinkopumdag).

Then in scheduling assistance with MSMEs with little time due to busy production, taking care of family, events, and others. This assistance is carried out by monitoring online via WhatsApp, asking about their business needs and making it from afar but still coordinating as much as possible to complete it by finding a time when the business owner is not too busy, usually at night.

Of the several obstacles above, the most important key in this mentoring activity is good communication and *time management*. As an MSME facilitator, it is very important to communicate something well, both with MSME business owners and with field assistants or mentors to get solutions to the obstacles faced, coordination must be carried out regularly so that it can be in accordance with the needs of MSMEs. Good *time management* can make it easier during the mentoring process, with a clear *timeline* and priority mapping of the needs of each MSME, will make this MSME mentoring activity run effectively and on target.

Monitoring and evaluation is conducted periodically to assess the development of MSMEs during the mentoring process. Field facilitators and mentors provide



feedback from the apprentice MSME facilitators in the form of appropriate recommendations to overcome obstacles based on the results of work in the field in the evaluation.

By implementing and understanding all the benefits and at least the knowledge gained during the assistance, business actors can feel new benefits in running their business in the long term so that it can support business sustainability.



Picture 13. mentoring program as it progresses

## CONCLUSION

Through this research, it is hoped that a comprehensive picture of the effectiveness of the MSME mentoring strategy by Dinkopumdag can be obtained. Assistance to MSMEs through MSIB Internship activities in partnership with Dinkopumdag has resulted in positive responses and impacts on the sustainability of MSMEs. Although it does not avoid some obstacles in the field, this activity increases the knowledge of MSME actors regarding online marketing or digital marketing, branding strategies, adding and making business legality, addition, some MSMEs have succeeded in identifying market needs, identifying competitors, using the right media and platforms to market products, managing social media, and effective promotions to maintain consumer loyalty. This is very beneficial for the sustainability of MSME businesses in the long term.

Likewise for internship students at Dinkopumdag, this program is very useful to add new learning in the dynamics of MSMEs and experience to enter the world of work, especially government agencies. It is hoped that from this mentoring activity, MSME business actors and the community in Surabaya City, especially in Dukuh Setro Village, can be motivated to further increase their turnover and business sustainability. Likewise for internship students at Dinkopumdag, this program is very useful because it adds new learning and experience to enter the world of work, especially in the community and government agencies.

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