

Increased Addes Value Msmes Through Innovation Management in Entrepreneurship

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Article Information:

Received March 22, 2024

Revised April 22, 2024

Accepted April 30, 2024

Keywords:

Benefit; Creative

Economy Actors;

Entrepreneurship;

Innovation Management;

MSME

Abstract

The existence of a community among MSMEs/creative economy actors is an important thing that needs to be considered in innovation, to meet consumer needs. This Community Service aims to strengthen the capacity of MSMEs in understanding innovation management in entrepreneurship. The scope of PkM is intermediation with MSMEs/creative economy actors for the products/services produced to be accepted by users, understanding, knowledge of creativity and innovation management are needed. The method used uses a qualitative approach through participatory discussions during the implementation of PkM, pre-survey - participatory observation, and interviews with key informants and main informants and supporting informants. The analysis used in this article is qualitative data analysis, namely measuring knowledge of innovation and providing suggestions/input for improvements so that it can be followed up by MSME players. The output of this Community Service is to increase the community's understanding and skills in understanding the creativity and innovation of the products they produce because so far most of them do not have an understanding of innovation management in entrepreneurship. The results of the PkM are that UKM guidance, namely output officials, will follow up on these outcomes and be accompanied by UMB lecturers. The conclusion is that MSME actors in Meruya Selatan Subdistrict do not yet understand the importance of creativity and innovation, including market changes (user) needs, technological developments and innovations that can be used in the business value chain (entrepreneurship) as well as the use of digital in entrepreneurship, especially digital transformation for marketing channels.

A. Introduction

Small and Medium Enterprises (SMEs) are one of the business sectors that can develop and be consistent in the national economy (Setiyawan et al., 2023). As labor-intensive businesses, SMEs do not require

How to Cite : Santoso, S., Setyadi, A., Marfatah, M. R., Macariola, J. S., Ananda, J. R., & Sabila, N. (2024). Increased Addes Value Msmes Through Innovation Management in Entrepreneurship. *DIKDIMAS : Jurnal Pengabdian Kepada Masyarakat*, 3(1), 57–67. <https://doi.org/10.58723/dikdimas.v3i1.262>

ISSN : 2830-2834

Published by : Asosiasi Profesi Multimedia Indonesia

certain requirements such as education level, worker skills, and use of relatively small business capital and the technology used tends to be simple (Santoso & Asih, 2021). The SME sector is also faced with various problems (Handayani et al., 2018). Obstacles and problems include aspects of capital, business management capabilities and the quality of human resources managing them (Shandy et al., 2023). The condition of MSMEs/creative economy actors in the Meruya Selatan Subdistrict environment has different knowledge backgrounds and different types of business. There are those who have cake shops, home catering, grocery (trading) shops, online Muslim clothing, and so on. Business actors can prepare financial reports for their respective businesses (Lestari et al., 2023). So that participants can make simple financial reports that can describe the condition of the business's financial position as financial information that can be used to make business decisions to improve the business to become more developed and more advanced (Santoso, Pradipta, et al., 2021).

Innovation management in the context of MSMEs (Micro, Small and Medium Enterprises) can be defined as the process of managing innovation in MSMEs so that it can be useful for creating sustainable competitive advantages (Santoso, Natanael, et al., 2021). Innovation management is a strategic management process that aims to encourage the creation, development and implementation of innovation in an organization. Sources of innovation opportunities can be found in various forms, such as product, process, method, technology and management innovation (Andrea & Santoso, 2020).

Analysis of gaps in community service is that on average MSMEs in Meruya Selatan subdistrict do not yet have standardization and certification (Purwaningsih & Hardiyati, 2021). The basic rationale for community service is, Conditions and needs of local MSMEs, Product development and marketing (education and training about the importance of product development, creativity and use of technology in product development, as well as effective marketing) and Collaboration with related parties. The aim of community service is: To strengthen the capacity of MSMEs in understanding innovation management in entrepreneurship. The aim of this Community Service is to strengthen the capacity of MSMEs in understanding innovation management in entrepreneurship with indicators (Santoso, Alfarisah, et al., 2021). Implementation of the Strategy Implementation of community service is based on mastery of scientific application methodology that is appropriate to the field of expertise, type of activity, as well as the level of complexity and depth of activity targets based on the UMB RIP, UMB PkM activity scheme and field of science and has the potential to follow up with product improvements (Santoso, Hapsari, et al., 2021).

B. Method

The population of this Community Service is the people of Meruya Selatan Subdistrict, with the sample consisting of respondents who are MSME/creative economy actors in the area. Sampling was carried out using the Non-Probability Sampling technique with Purposive Sampling which is a technique for collecting data sources with certain considerations (Ubaidillah & Santoso, 2022). Considerations in sampling include variations in background knowledge and type of business of MSME actors. The Community Service implementation method was carried out qualitatively with a descriptive exploratory approach. Data was collected through a participatory observation process and interviews with key informants and supporting informants. Data was collected through a direct survey of 6 MSMEs on February 21 2024. On March 6 2024, around 30 people attended a community service event with the agenda of developing MSMEs at the Meruya Selatan subdistrict Office. In addition, secondary data was obtained from the Meruya Selatan subdistrict office for 2023. The testing tool used was triangulation of data sources to combine various points of view (Santoso et al., 2022). includes statistical tests and comparisons carried out using Excel, as well as descriptive data management (Dewi & Santoso, 2023; Shandy et al., 2023). The Community Service includes community service with a descriptive qualitative and participatory approach. This Community Service aims to make a real contribution to the development of the MSME sector in the region. However, there are methodological limitations, such as focusing on only one subdistrict and time constraints, which may affect the generalization of Community Service results to a wider population. PkM participant lecturers will visit several MSME actors directly to carry out observations and carry out rapid assessments of several MSME actors. The purpose is to find out innovations and provide suggestions/input for improvements so that they can be followed up by MSME players (Anzelina, 2021; Pranowo et al., 2022).

C. Result and Discussion

Implementation of Dedication to the Society is carried out by the Faculty of Economics and Business (FEB) of the University of Mercu Buana (UMB) with the title of the Activity of Devotion to the Community (PKM), in West Jakarta, Wednesday (6/3). The main topic was "Management Development of UMKM for

Business Sustainability and Environmental Sustenance: Reviewed from Various Management Perspectives (Marketing, Finance, Human Resources, and Operational)”. Participants seem enthusiastic about running this PKM program. 11 lecturers from the FEB University of Mercu Buana were present as speakers in the PKM program this time.

1. R Eddy Nugroho, who talks about the diversity of food consumption
2. Bambang S Marsoem, who associates participation as an agent of smart banking as a capital solution for the sustainability of ultra micro enterprises
3. Agustinus Hariadi, presenting the Application of Management Systems in Improving Performance for Business Sustainability and Environment
4. Sugeng Santoso, discussing the Improvement of Value Added to UMKM Through Innovation Management in Entrepreneurship
5. Sudjono, explaining the application of Microsoft Excel for UMKM
6. Aslam May Nur Widigdo, exhibiting the literacy of the Halal Certification for the sustainability of UMKM
7. Mirza, delivering Digital Marketing for UKM
8. Dipa Magnificent, providing e-Marketing
9. Asep Risman, providing the Improved Performance and Continuity of Business UMKM through Digital Finance
10. Aldina Shiratina, discusses the role of Social Media Marketing in Achieving Business Sustainability
11. Nia Kusuma Wardhani, addressing the enhancement of the competence of the UMKM stakeholder in Business Communications to Achieve the Level of Business.

Some of the important things presented by Dr. Sugeng Santoso in the training exhibition that discusses the Enhancement of the Added Value of UMKM Through Innovation Management in Entrepreneurship are as follows:

Some important things presented by Dr. Sugeng Santoso in the training exhibition that deals with Increasing Value Added Through Innovation Management in Entrepreneurship are as follows:

Innovation management in entrepreneurship processes from beginning to end: production management, enterprise management

1. Changes in 'Market Structure & Industry': Changes to consumer behavior that are fully online with social media or social media facilities (e.g. Instagram, Facebook, YouTube, etc.) or markets that restrict physical interaction and reduce outdoor activity that have given UMKM an opportunity to connect with the digital ecosystem to survive or thrive amid a pandemic towards new normal conditions. Digitization of SME development can be done through applications & digital transformation
2. Changes in perception: an understanding of technology, the limitations of production processes and market access not maximized, as well as consumer perceptions

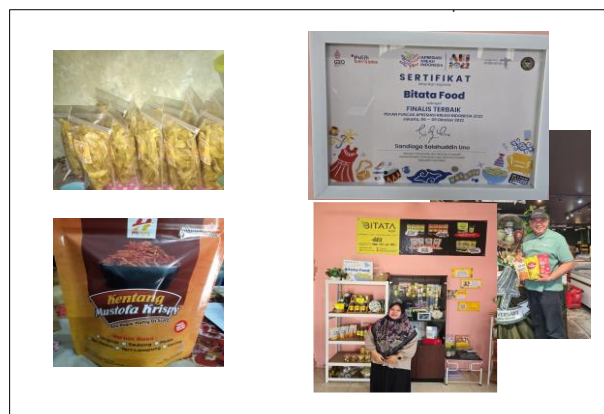


Figure 1. Examples of UMKM Products and Culinary Creative Products

In the figure 1 on the top is an example of UMKM / Culinary economic credentials who have already received culinary training as well as attending the conference and competition of Food Startup Indonesia organized by the Agency for Creative Economy (BEKRAF) and the Ministry of Tourism and Creative Economics (Kemenparekraf) / Agency for Tourism & Creative Economy. (Baparekraf). Products of

creative culinary economists who earn training certification with attractive packaging, taste, and market at modern outlets/ markets/ malls at premium prices (Alika et al., 2021; Tania et al., 2023) .

Creative Economy Culinary Sector

The coverage of the culinary sub-sector in Indonesia is divided into two main categories reviewed from the end-of-sales offered, namely culinarian services and gastronomic goods.



Figure 2. Dr. Sugeng Santoso in a Role in Coordinating the Development of the Creative Economy Ecosystem

1. Culinary services referred to are food and beverage provision services outside the home. In terms of preparation and presentation aspects can be divided into two general categories, namely restaurants and catering services (Endri et al., 2020).
2. Culinary goods referred to in the scope of the culinary subsector are food and beverage processed products that are generally products in special food packaging (Lovika et al., 2022). Special food is unique compared to ordinary food

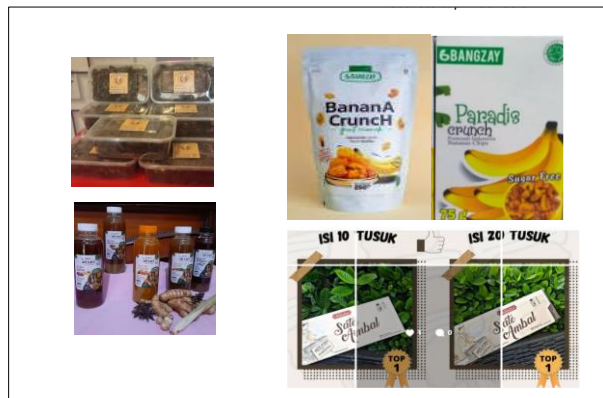


Figure 3. Examples of MSME Products and Innovative Culinary Creative Products

On the figure 3 on the top is an example of MSME / culinary economic credentials who have already received culinarian training as well as attending the conference and competition of Food Startup Indonesia organized by the Agency for Creative Economy (BEKRAF) and the Ministry of Tourism and Creative Economics (Kememparekraf) / Agency for Tourism & Creative Economy (Baparekraf). Examples of creative culinary economics products that utilize technology and innovation, e.g. Sate packaged in packaging that can last up to a few months and only put in hot water then the sate can be eaten, this is as an example of food served during the trip e. g. when riding a car, KA restaurant and others (Andrea & Santoso, 2020). Small and medium-sized enterprises are forced to embrace technology and innovation through Innovation Management in Entrepreneurship in order to increase added value with resources that exploit sources of innovation opportunities (Santoso et al., 2020).



Figure 4. Training Atmosphere at the Time of Delivery of Material by Dr. Sugeng Santoso

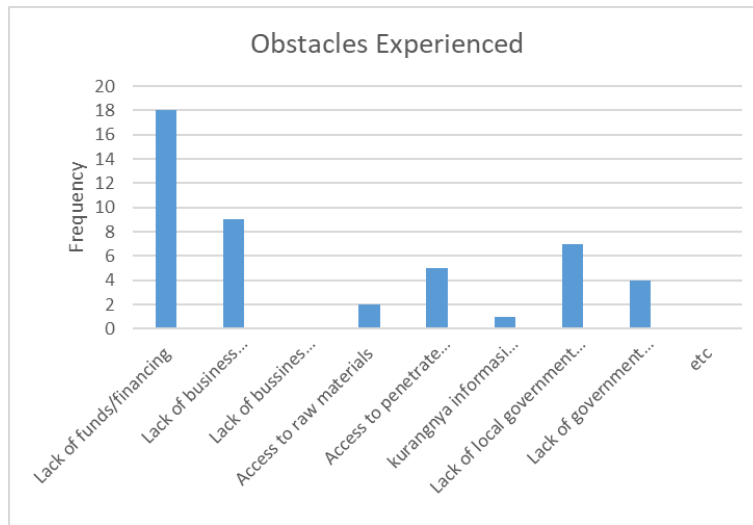
An overview of the observations of the participants and the interviews conducted against the key informant, the owner of the Potato Mustofa Krispy: Ms. Sadiyah as follows:

1. When does the product start launching? Answer: In 2018
2. What is the sale price range of Krispy Mustofa Potato products? Answer: For 150 grams sold for 35 thousand rupees, for 200 grams for 40 thousand, and for 250 grams, for 50 thousand.
3. How is the production of Krispy Mustofa Potato manufacturing products? A: Supply such potatoes from the market, on the process of making assisted family using techniques manually without automatic machines such as potato scrubber, melting the potato using a scratch tool used in cooking mothers, so it takes a long time to make the order.
4. Is there any thought to buy an automatic machine? A: Yes, but the machine used to melt the potatoes has a size that does not match the production used on this product.
5. Do you already have a certification on krispy mustofa potato products? Answer: already have bpom label and halal certification
6. Is the process of making BPOM Label and halal certification very difficult? Answer: For BPOM label and halal certification assisted by Jakarta Entrepreneur as a guide in the manufacture of Potato Mustofa Krsipy products
7. How is marketing on the product? Answer: The product is marketed through online applications and from the buyer's mouth to mouth.
8. On the packaging of products whether made by yourself or by yourself Answer: For packaging performed printing in East Java on the City of Sidoarjo

Query Data Processing

Surveys were conducted to participants in the training of UMKM/Creative Economics Officers in the South Meruya Selatan Subdistrict of West Jakarta Development District in order to dedicate to the community of lecturers of Master of Management at the Faculty of Economics and Business of Mercu Buana University on March 6, 2024. The survey was conducted on 27 training participants who completed questionnaires including respondent profile, business profile, implementation of the training and the usefulness of training maintenance. Here are the results of the survey:

1. Obstruction



Source: Data Processing, 2024

Figure 5. Results of Obstructions Data Processing

There are several obstacles experienced, based on survey results, the biggest obstacle is a lack of funds/financing and the smallest obstacle is a lack of business development skills. Based on the obstacles above, researchers have several alternative solutions as follows:

- a. Facilitating the owners of small and medium-sized enterprises in the field of creative economics to develop their business through training of potential ecrafpreneurs on access to funding that has been implemented at the University of Eleven March (UNS) Surakarta 2016 last (<https://uns.ac.id/id/uns-update/pelatihan-calon-ekrafpreneur-uns-startup-dituntut-kreatif-dan-inovatif.html>).
- b. Conducting incubator programmes for start-ups or creative SMEs. Consisting of four stages, any start-up entering the incubator program will be built first. They will be facilitated and educated on the development of a business plan, including the establishment of a company. (PT). Construction of financial reports, education on projections, and introduction to investors or angel capital. (<https://wartaekonomi.co.id/read138736/bekraf-sebut-20-perusahaan-startup-masuk-pasar-modal>) (Buku Akses Permodalan, Tantangan dan Telaah Strategi, Badan Ekonomi Kreatif ISBN 978-602-60735-0-1 (2017).

2. Gender and Age

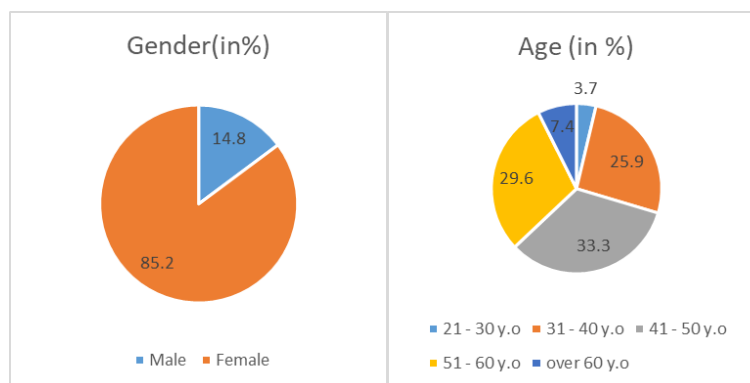


Figure 6. Results of Gender and Age Data Processing

Based on the circle diagram above, it was found that the participants were predominantly female with 85.2% and the lowest was male with 14.8%, while the age of the participants was dominant with a vulnerable age of 41 s.d. 50 years.

3. **Education and Working Experience**

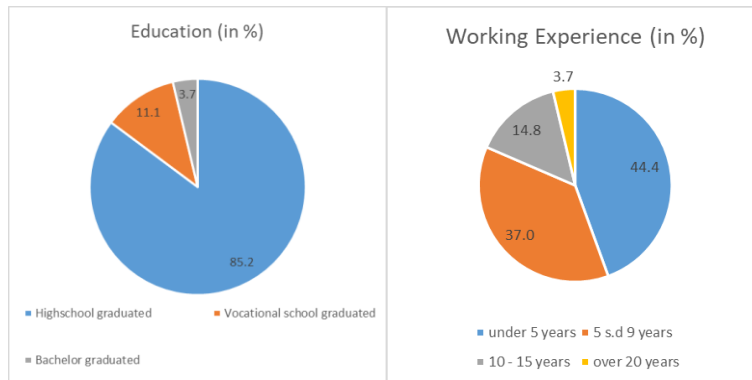


Figure 7. Results of Education and Working Experience Data Processing

Based on the circle diagram above it was found that the participants were predominantly with a graduate education of SMU of 85.2% and the work experience of the participants in general had less than 5 years of experience of 44,4%.

4. **Employment**

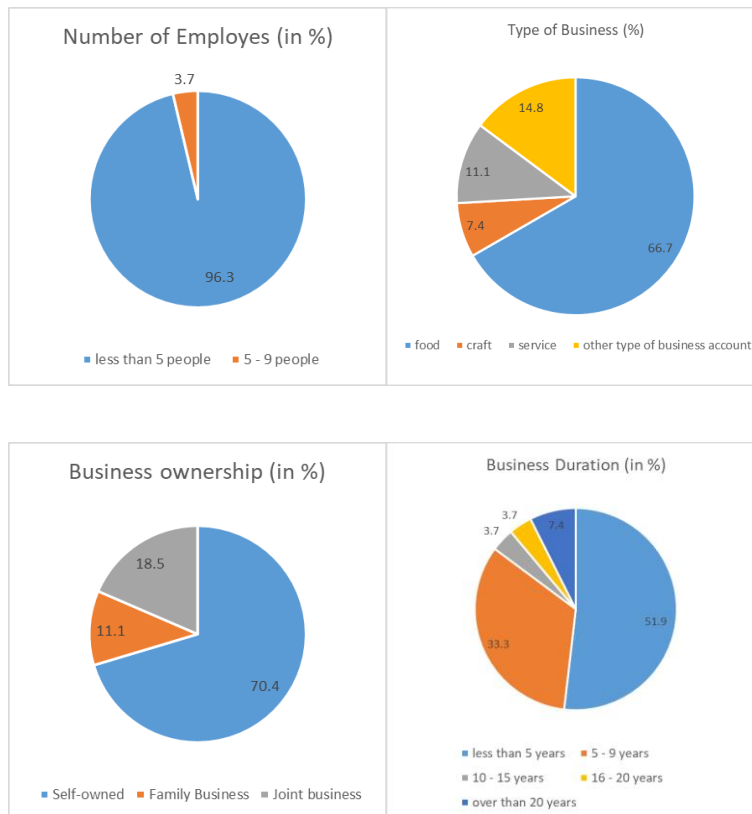


Figure 8. Results of Employment Data Processing

According to the circle diagram, the most dominant participant has a number of employees less than 5 with a percentage of 96.3%. In the type of enterprise more participants have a food enterprise with a percent of 66.7%. For the ownership of the enterprise, the participant generally has a own enterprise of 70.4%.

5. *Monthly Income*

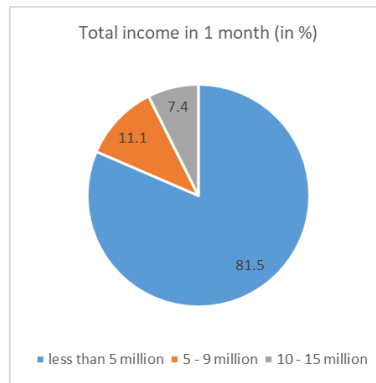


Figure 9. Results of Monthly Income Data Processing

Based on the circle diagram above, it is found that participants generally earn less than 5 million of 81.5% and the lowest have a monthly income of 10 lbs. 15 million of 7.4%.

6. *Tested Material*

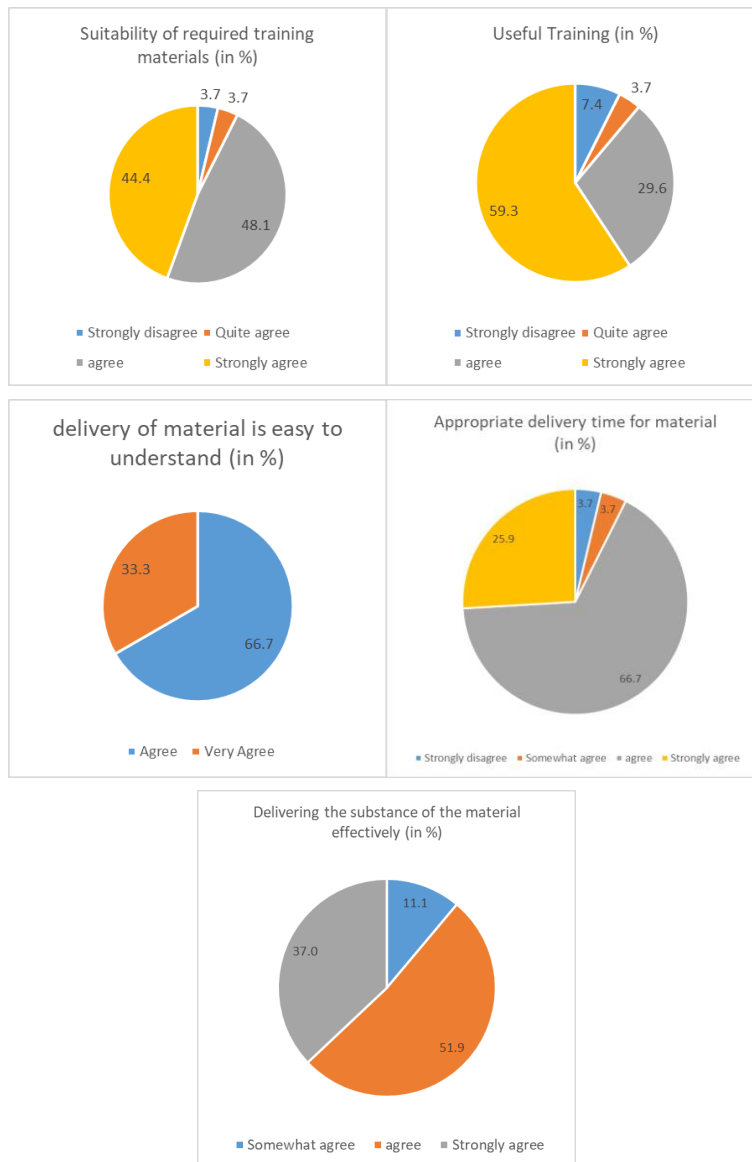


Figure 10. Results of Tested Material Data Processing

In terms of the suitability of the material given, approximately 48.1% of participants agreed with the statement. In general, participants agree strongly with the usefulness of the training with a percentage of 59.3%. In the length of the 895, in general participants agree with a percent of 66.7%. For the longest of the fulfillment of time, the participants agree to the accuracy of the timing submitted by the supplier with a rate of 66,7%.

7. Location and facilities

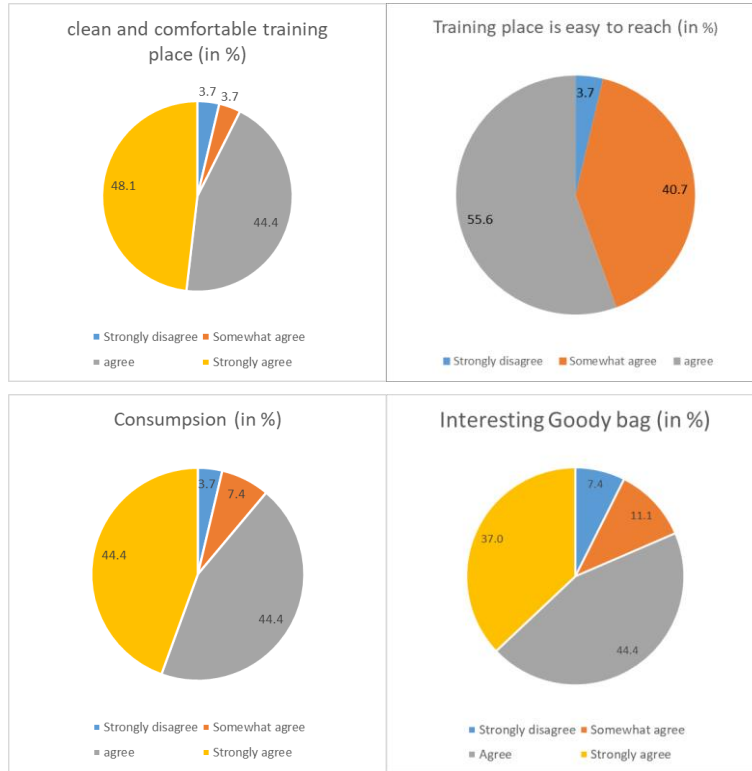


Figure 11. Results of Location and Facilities Data Processing

At an adequate training place, the participants generally agree strongly that it is marked with a percentage of 48.1%. The participants also strongly agree that the training place is affordable with a percent of 55.6%. At the consumption participants agree firmly and agree with the consummation that is marked by a percentual of 44.4%, and at the goody bag participants agree generally that the percentages are marked by 44.4%.

8. Entire Event

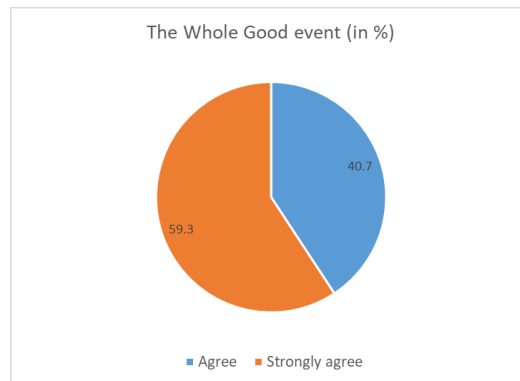


Figure 12. Results of entire event data processing

Based on the circle diagram above, it was found that in general, the participants were very much in agreement with the overall good event and obtained a percentage of 59.3%, while about 40.7% of the participants agreed with the statement.

D. Conclusion

The conclusion that can be drawn is that Micro, Small and Medium Enterprises in Meruya Selatan Subdistrict do not yet understand the importance of creativity and innovation, including changes in market (user) needs, technological developments and innovations that can be used in the business value chain (entrepreneurship) as well as the use of digital in entrepreneurship, especially transformation. digital for marketing channels. Therefore, with the presence of Community Service actors, MSMEs/creative economy actors can understand management innovations so that if they are put into practice they will be able to increase added value (benefits).

E. Acknowledgments

The authors would like to express their gratitude to all parties that participated in this community service activity

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