

## CHALLENGES FACED BY MICRO AND SMALL BUSINESSES TO SURVIVE

Ria Satyarini<sup>1</sup>; Meidila Anggita<sup>2</sup>; Ignasia Tiffani<sup>3</sup>; Triyana Iskandarsyah<sup>4</sup>

Universitas Katolik Parahyangan, Bandung<sup>1234</sup>

Email : satya@unpar.ac.id<sup>1</sup>; meidila.anggita@unpar.ac.id<sup>2</sup>; ignasia.tiffani@unpar.ac.id<sup>3</sup>; triyana@unpar.ac.id<sup>4</sup>

### ABSTRACT

Micro and small business owners have to fight for their businesses to survive. In order to survive, micro and small business actors must first know the problems they face. The method used to find out the problems faced by conducting observations and also interviews with micro business actors. This research reveals the problems faced by micro and small business actors based on three company operating functions, namely Operations Management, Financial Management and Marketing Management. The results show that in the Operations section, micro and small business actors must improve production planning, 5S and layout arrangement. In the financial section, what must be addressed is financial recording, and in the marketing section, what must be addressed is product development and market expansion by penetrating the marketplace. Improvement of the problems faced is carried out by assisting MSEs by improving the company's operating functions.

Keywords : Micro and Small Enterprises; Business Constraints; MSME Mentoring; Company Operation Function.

### ABSTRAK

*Pemilik usaha mikro dan kecil harus berjuang agar usahanya dapat bertahan. Agar dapat bertahan, para pelaku usaha mikro dan kecil harus terlebih dahulu mengetahui permasalahan yang dihadapinya. Metode yang digunakan untuk mengetahui permasalahan yang dihadapi dengan melakukan observasi dan juga wawancara kepada para pelaku usaha mikro. Penelitian ini mengungkap permasalahan yang dihadapi oleh para pelaku usaha mikro dan kecil berdasarkan tiga fungsi operasi perusahaan, yaitu Manajemen Operasi, Manajemen Keuangan dan Manajemen Pemasaran. Hasil penelitian menunjukkan bahwa pada bagian Operasi, para pelaku usaha mikro dan kecil harus memperbaiki perencanaan produksi, 5S dan penataan tata letak. Pada bagian keuangan, yang harus dibenahi adalah pencatatan keuangan, dan pada bagian pemasaran, yang harus dibenahi adalah pengembangan produk dan perluasan pasar dengan melakukan penetrasi pasar. Perbaikan terhadap permasalahan yang dihadapi dilakukan dengan melakukan pendampingan kepada para UMK melalui perbaikan fungsi operasi perusahaan.*

*Kata Kunci : Usaha Mikro dan Kecil; Kendala Usaha; Pembinaan UMKM; Fungsi Operasional Perusahaan*

### INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a significant and crucial role in the macroeconomic landscape of Indonesia. According to official data released by the Ministry of Cooperatives and MSMEs, between 2018 and 2019, MSMEs accounted for 99.99% of total business actors in Indonesia, which equates to approximately 64.2 million business units (Simangunsong, 2022).

However, the COVID-19 pandemic triggered an economic crisis that greatly impacted micro enterprises (Pribadi et al., 2023). MSMEs experienced a notable decline in revenue during the pandemic period (Siyanti et al., 2023). Not only MSMEs, but businesses of all scales were affected by the pandemic (Sugiarti et al., 2020). Micro enterprises, in particular, had to struggle more to survive, primarily due to the many limitations they face compared to medium or large businesses.

To support the growth of micro enterprises, it is important first to understand what efforts have been made and what challenges they continue to face. The challenges encountered by MSME entrepreneurs in improving their business capacity are complex and interconnected. These include lack of capital—both in terms of amount and sources—limited managerial skills, operational expertise, and restricted access to markets (Suci, 2017).

Efforts to rescue micro enterprises from the impact of the COVID-19 pandemic must be supported by both short-term and long-term sustainable strategies (Sugiri, 2020)

To date, the Faculty of Economics at Parahyangan Catholic University (FE UNPAR) has collaborated with the SCORE program, an initiative by the International Labour Organization (ILO). SCORE is a support program for micro and small enterprises that provides not only training but also business mentoring to help these enterprises grow. The support provided through SCORE focuses on three key functional areas: operations management, financial management, and marketing management. These three functions are vital, as they have consistently influenced both the success and failure of enterprises.

Internal challenges faced by MSMEs can be analyzed by examining the quality of human resources, technical aspects of the business, operational efficiency and effectiveness, as well as strategic and marketing capabilities (Diana et al., 2022). Performance measurement can also be assessed through financial indicators, human resources, production, and marketing (Siagian et al., 2019). To better understand the constraints faced by these enterprises, in-depth observation of their current practices is necessary.

In the current coaching and mentoring program, nine micro enterprises and one small enterprise are being supported. Each of these enterprises is assigned a coach/mentor to guide and assist them through the process. Micro-scale entrepreneurs, in particular, must adapt to the challenges and changes in the business environment driven by globalization and the effects of the pandemic (Chan et al., 2022).

## **LITERATURE REVIEW**

Micro, Small, and Medium Enterprises (MSMEs) are a vital component of both national and regional economies. MSMEs represent small- to medium-scale economic activities carried out by the community, which need to be protected to prevent unfair business competition

(Widiastoeti & Sari, 2020). MSMEs serve multiple roles, including absorbing a large number of workers, utilizing local materials, and producing essential goods at affordable prices (Simanjuntak et al., 2020). Their presence has rapidly increased and continues to expand across Indonesia. MSMEs are also regarded as a movement that offers various forms of financial assistance, contributes to income generation, creates job opportunities, and fosters broader economic development (Yustitia & Adriansah, 2022).

Discussions related to operations management in MSMEs often involve aspects such as layout, product defects, and the 5S methodology.

Layout refers to the physical arrangement of departments within a company (Krajewski, 2022). A well-planned layout aims to improve efficiency or enhance operational flexibility.

Product defects are failures in the production process that do not meet customer expectations (Krajewski, 2022). Quality defects result in rework or failed products, which can lead to lost capacity, rescheduling, increased inspection efforts, or even loss of customer goodwill (Krajewski et al., 2022). The 5S methodology (Krajewski, 2022) is a system designed to organize, clean, standardize, and sustain a productive work environment. The five components, all beginning with the letter “S,” are interconnected. For a visual representation of the cyclical relationship among these components and their detailed definitions, please refer to Figure 1 and Figure 2

Every business has its own sources of investment, both internal and external, which significantly influence the size and capacity of the enterprise—especially in the context of MSMEs (Rachman & Sandi, 2023). A common weakness among MSMEs is the lack of separation between personal and business finances. Many MSME actors do not maintain proper financial records, making it difficult to track cash inflows and outflows (Triwastuti et al., 2019).

In 2016, the DSAK (Financial Accounting Standards Board) introduced the SAK-EMKM (Accounting Standards for Entities Without Public Accountability – MSME version), which officially came into effect in 2018. These standards are intended to guide MSMEs in preparing financial statements (Simanjuntak et al., 2020).

As economic actors with taxable income, MSMEs also represent a growing base of new taxpayers with the capacity to contribute to state revenue (Indrawan et al., 2018). The determination of Cost of Goods Manufactured (COGM) is critical for MSMEs, as it forms the basis for setting the selling price. Setting prices too low can lead to losses, while prices that are too high may reduce consumer demand (Pratama & Marshela, 2018).

Marketing management within MSMEs covers aspects such as product packaging, social media promotion, and selling through online marketplaces. Modifying a product's packaging can open up new markets, potentially increasing sales volume (Arifudin, 2020).

According to research, promotional activities carried out by MSMEs on social media platforms are generally effective, achieving an effectiveness score of 71.50%, which falls into the “good” category (Huda & Prasetyo, 2020).

Many MSMEs believe that joining online marketplaces significantly helps increase their sales and sustain their businesses, especially during the pandemic (Irawati & Prasetyo, 2020)

### **RESEARCH METHODOLOGY**

Method is a method of work that can be used to obtain something. While the research method can be interpreted as a work procedure in the research process, both in searching for data or disclosing existing phenomena (Zulkarnaen, W., et al., 2020:229). To understand the condition of each business, data collection techniques were carried out through observation and interviews. Observations involved visits, monitoring, and discussions with micro-enterprise actors by MSME facilitators. Structured interviews were conducted using guided materials that needed to be reported in the Baseline Assessment (BLA).

The results of the interviews were then compiled into narrative and graphical reports, which were subsequently analyzed descriptively to draw conclusions from this study.

### **RESULT AND DISCUSSION**

The participants in this mentoring session consisted of nine micro enterprises and one small Enterprise

As shown in Figure 3 (Appendix), the vast majority of enterprises in this study (90%) are categorized as micro businesses, while only 10% are classified as small businesses. This distribution highlights the dominance of micro enterprises in the local economy, emphasizing their critical role in employment creation and poverty reduction. However, the small proportion of small enterprises also indicates a limited transition or scaling-up process among micro businesses, suggesting barriers in growth and business development.

According to Figure 4 (Appendix), about 10% of MSMEs were established between 1999 and 2003, roughly 20 years ago, while another 20% were established between 2010 and 2016, about 10 years ago. Notably, 70% of the businesses were established between 2016 and 2021, meaning that the majority are relatively young enterprises with an average age of 5 years. This pattern reflects the increasing popularity of entrepreneurship in recent years, driven partly by digitalization, shifts in consumer demand, and broader government support for MSMEs.

The operational profile of these enterprises, depicted in Figure 5 (Appendix), reinforces this trend. Seventy percent of MSMEs have been running for less than five years, two businesses have survived for over a decade, and only one has been operating for more than twenty years. This distribution demonstrates that while many new businesses are emerging, long-term business sustainability remains a challenge. High turnover rates among MSMEs point

to issues such as financial constraints, limited managerial capacity, and vulnerability to market fluctuations.

The challenges faced by MSMEs are summarized in Figure 6, which shows that 38% of businesses reported problems in production, 29% in marketing, 19% in finance, and 14% in human resources. Production-related issues dominate, ranging from inefficient processes to poor standardization and lack of quality control. Meanwhile, marketing difficulties highlight weak competitiveness, limited access to digital platforms, and inadequate branding strategies. Financial issues are tied to poor financial literacy and low access to formal credit, while HR-related challenges stem from reliance on unskilled or temporary labor.

### **1. Production Management**

In the production section, data were collected on key aspects of operational activities, including the production process, product standardization, implementation of the 5S methodology (cleaning and labeling), and the organization and safety of the production area.

The assessment of production management among the participating micro and small enterprises (MSEs) provides valuable insights into both their current practices and the persistent challenges they face in maintaining operational efficiency. Based on table 1, only 33.3% of the enterprises conduct regular production meetings, while a significant proportion (66.7%) do not incorporate such routines into their operations. Meetings serve as a fundamental mechanism for communication, coordination, and problem-solving, and the absence of structured discussions may hinder the timely identification of production-related issues. Furthermore, 11.1% of enterprises continue to report frequent production errors caused by insufficient information flow, highlighting weaknesses in internal communication and documentation practices. These findings suggest that improvements in production planning are urgently needed, particularly with respect to communication strategies and decision-making processes that can mitigate avoidable disruptions.

Record-keeping practices are another critical area requiring attention. The findings show that 44.4% of enterprises already maintain production logbooks, and a higher proportion, 77.8%, record the inflow and outflow of goods. Such practices provide a foundation for better monitoring of production flows and inventory management. Nevertheless, the fact that more than half of the businesses lack systematic documentation means that they are ill-equipped to forecast production volumes, plan raw material procurement, or allocate labor efficiently. Inconsistent or absent record-keeping undermines the ability of enterprises to generate reliable data for operational decisions, leaving them vulnerable to inefficiencies, stockouts, or overproduction. This deficiency also limits their preparedness to adopt digital technologies, which increasingly require structured and reliable data as inputs for automation and analytics.

In relation to product quality, the survey indicates that 55.6% of enterprises have established product standards, but only 44.4% regularly analyze or count defective goods. Without systematic evaluation of rejected products, many enterprises miss opportunities to identify the root causes of defects and implement corrective measures. Quality control is a central component of competitiveness, particularly in markets where consumers have access to substitutes, and failure to meet standards can lead to reputational damage and declining sales. Moreover, quality-related inefficiencies translate into wasted resources, additional costs, and potential customer dissatisfaction. The findings imply that many MSEs are still operating reactively rather than proactively when addressing product quality issues.

Another area of concern is employee involvement in process improvement. The data show that only 11.1% of employees are accustomed to putting forward ideas, whereas 88.9% remain passive contributors in organizational development. This indicates a lack of participative culture, which is problematic in the context of small enterprises where human resources represent a key driver of innovation. Encouraging employees to contribute ideas not only enhances morale but also generates valuable insights for operational improvements. The absence of such practices suggests that many enterprises may be missing out on incremental innovations that could enhance their long-term resilience and adaptability.

Workplace organization and hygiene practices present a more positive outlook, although they remain uneven. 55.6% of enterprises report implementing general cleaning routines, and 62.5% perform cleaning before closing operations. Furthermore, 75% report regular cleaning of work equipment, which is critical for sustaining product quality and preventing contamination. Despite these improvements, other indicators suggest lingering weaknesses: only 44.4% of workers consistently use protective equipment, and just 50% of enterprises report clean and dry work areas. Additionally, while 62.5% of enterprises successfully prevent pest infestations, the remaining proportion continues to struggle with basic hygiene. Collectively, these findings suggest that while hygiene standards are partially observed, they are not yet institutionalized across all enterprises. This inconsistency may pose risks not only to occupational health and safety but also to the overall productivity and reputation of the enterprises, particularly in food-related sectors.

Formalization of work processes is another encouraging development. The findings show that 66.7% of enterprises have implemented standard operating procedures (SOPs) and job descriptions, reflecting progress toward structured and replicable processes. SOPs provide clarity regarding responsibilities, reduce variability in output, and support compliance with external requirements such as government regulations or certification standards. This progress,

however, is not universal, leaving a significant proportion of enterprises vulnerable to inefficiencies arising from informal work practices.

In terms of infrastructure and layout, the data are more favorable. 77.8% of enterprises report efficient workspace arrangements, minimizing unnecessary movement and enhancing workflow. Safety indicators also demonstrate progress: 87.5% report safe installation of utilities such as electricity and gas, and 100% confirm safe flooring and access to drinking water, while 87.5% report adequate air circulation. These findings highlight that many enterprises recognize the importance of creating safe and ergonomic work environments. Such efforts contribute not only to productivity but also to worker satisfaction, retention, and long-term health outcomes.

Despite these positive developments, the findings also reveal a striking and universal gap in fire safety preparedness. Alarming, 0% of enterprises possess fire extinguishers or conduct fire safety training. This absence of basic fire safety measures exposes businesses to catastrophic risks, including the potential loss of assets, disruption of operations, and threats to employee lives. The neglect of fire preparedness highlights a broader issue: the limited prioritization of occupational health and safety in small enterprises, which often operate under resource constraints and with a short-term survival mindset. Addressing this gap should be considered an urgent priority in capacity-building programs targeting MSEs.

Finally, product labeling practices are inconsistent. The findings reveal that 50% of enterprises use product labels, while the other half neglect this practice. Labeling is a relatively low-cost intervention that provides multiple benefits: it facilitates inventory management, enhances traceability, and communicates essential product information to consumers. In the absence of labeling, businesses risk undermining consumer trust and missing opportunities to differentiate themselves in competitive markets.

Taken together, the findings of Table 1 paint a complex picture. On the one hand, enterprises show encouraging progress in areas such as workplace organization, infrastructure safety, and the adoption of basic SOPs. On the other hand, substantial weaknesses remain in production planning, systematic record-keeping, quality control, employee engagement, and fire safety preparedness. These weaknesses not only limit day-to-day efficiency but also undermine long-term competitiveness and resilience. For policymakers and practitioners, the findings suggest that targeted interventions should focus on strengthening record-keeping systems, institutionalizing quality control practices, fostering participative workplace cultures, and embedding occupational safety measures—particularly fire preparedness. By addressing these deficiencies, MSEs will be better positioned to enhance productivity, safeguard employees, and remain competitive in increasingly dynamic and globalized markets.

## 2. Financial

In this community service activity, the financial issues faced by MSMEs include difficulties in obtaining capital, challenges in bookkeeping (managing contra vouchers and record-keeping), difficulties in determining the cost of goods sold where the owner's labor costs are not yet accounted for, and the merging of personal and business finances. The analysis of financial practices among the surveyed micro and small enterprises (MSEs) highlights significant weaknesses that could undermine their long-term sustainability.

The investment sources for these MSMEs are entirely derived from personal funds, with none utilizing bank loans. This is attributed to the lack of understanding among MSME actors in seeking additional funding and their limited access to financial resources.

Based on Table 3 (Appendix), the data reveal that 56.4% of enterprises have not separated family finances from business finances, while only 44.4% report proper separation. This finding suggests that many entrepreneurs continue to treat their businesses as extensions of personal household finances. Such practices complicate financial accountability, obscure business performance, and hinder effective decision-making. The persistence of this issue is closely linked to the low level of financial literacy among MSME actors, which constrains their ability to implement basic financial management principles.

While 66.7% of enterprises record their business expenditures and revenues, only 33.3% prepare annual financial reports. The absence of formal financial statements indicates that most enterprises lack comprehensive documentation of assets, liabilities, income, and expenses. Without such records, it is difficult to evaluate business performance, secure external financing, or comply with regulatory requirements. The limited use of formal accounting practices therefore remains a major obstacle to financial transparency and sustainability.

Tax compliance also remains a pressing issue. The findings show that only 25% of enterprises pay business taxes based on turnover, while the vast majority (75%) do not comply with established regulations. This reluctance to fulfill tax obligations is attributable to both low tax literacy and a perception of taxation as a financial burden rather than a civic duty. Such attitudes prevent MSMEs from integrating fully into the formal economy and diminish their potential contribution to national revenue. Moreover, non-compliance with taxation exposes enterprises to risks of penalties or restrictions that may affect their growth opportunities.

Pricing practices provide further insight into the financial management capacities of MSMEs. Encouragingly, 66.7% of enterprises determine their selling prices using cost-based analysis, and 55.6% update their cost calculations regularly. Additionally, 66.7% include electricity and water expenses as part of the cost of production, suggesting some awareness of overhead allocation. However, the findings also reveal that only 25% of enterprise owners

receive a regular salary from their business. This omission reflects a failure to account for the opportunity cost of the owner's labor and leads to an underestimation of the true cost of goods sold. As a result, pricing strategies may become distorted, with some businesses setting prices too low—thereby eroding profit margins—or too high, which risks reducing consumer demand.

Overall, the financial practices of MSMEs remain underdeveloped. While basic bookkeeping and cost analysis are observed in some enterprises, critical gaps persist in financial literacy, record-keeping, tax compliance, and the recognition of owner labor costs. These weaknesses not only limit the accuracy of financial decision-making but also constrain the ability of enterprises to access formal credit, expand operations, and ensure long-term resilience. Strengthening financial literacy, promoting the use of standardized accounting frameworks, and encouraging compliance with tax regulations are therefore essential policy measures to improve the financial sustainability of MSMEs.

### 3. Marketing

In the marketing section, data was obtained regarding the product development carried out by MSMEs and the methods they use to market their products.

Based on Table 4 (Appendix), the results show that 77.8% of MSMEs do not develop new products on a regular basis, while only 22.2% attempt product innovation, often without consistent schedules. New product development, when it occurs, is generally reactive and based on identifying popular items rather than being driven by structured market research or innovation strategies. This highlights a limited capacity for continuous product renewal, which is critical for maintaining competitiveness in dynamic markets.

In terms of market expansion, 77.8% of enterprises report no effort to expand gradually into new markets, with only 22.2% pursuing expansion initiatives. Similarly, product packaging a key determinant of market appeal—remains underutilized as a marketing tool: 66.7% of MSMEs have never modified their packaging, while only 33.3% have attempted to redesign packaging in order to capture new customers. These findings suggest that most MSMEs adopt a static approach to marketing, missing opportunities to increase visibility and appeal in broader markets.

Basic marketing tools are somewhat more prevalent. 55.6% of enterprises report having business cards, brochures, or product catalogs, but many indicate that these tools are not fully aligned with their intended target market. Meanwhile, 44.4% lack even these fundamental promotional instruments, underscoring limited marketing preparedness.

Encouragingly, digital readiness appears stronger. 77.8% of MSMEs already maintain email accounts, and the same proportion utilize social media platforms such as Facebook and Instagram for promotion. However, despite this relatively high adoption rate, many enterprises

seldom update their content, reducing the effectiveness of their online presence. This inconsistency reflects a limited understanding of digital marketing as a continuous engagement strategy rather than a one-time promotional effort.

Finally, with respect to e-commerce, only 33.3% of MSMEs report selling through online marketplaces such as Bukalapak, Lazada, or Shopee, while the majority (66.7%) remain absent from these platforms. This indicates that despite the proven role of online marketplaces in expanding reach and sales especially during the pandemic most MSMEs have yet to take advantage of digital distribution channels.

Overall, the findings highlight that while MSMEs are beginning to adopt digital tools such as email and social media, their marketing practices remain fragmented and underdeveloped. Limited product innovation, minimal market expansion, and weak utilization of packaging and online marketplaces continue to hinder growth potential. Strengthening digital marketing literacy, fostering regular product innovation, and integrating MSMEs into e-commerce ecosystems are therefore essential strategies for improving competitiveness and long-term sustainability.

### **CONCLUSION**

In the field of operational management, the primary focus of improvement is production planning, ensuring efficiency and continuity in production processes. From a financial management perspective, emphasis should be placed on maintaining accurate financial records, providing a clear picture of the business's financial condition. Meanwhile, in marketing management, attention is directed toward product and market management, including regular product innovation and efforts to maintain and expand market share.

One strategy to expand the market is through the utilization of digital marketing, particularly via online marketplaces, which have become increasingly popular. This aligns with the trend of growing online interactions due to the high penetration of the internet through smartphones. Digital technology offers significant opportunities for MSME entrepreneurs to conduct business in a more accessible and cost-effective manner (Siwiyanti et al., 2023). By leveraging technology, MSMEs can achieve inclusive growth through broader access to potential markets, both locally and globally.

Future research is expected to increase the number of MSME entrepreneurs involved and include discussions from the perspective of human management, focusing on opportunities that can be developed by MSME entrepreneurs. The scope of entrepreneurs should ideally be expanded to cover the entire West Java region.

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FIGURE AND TABLE

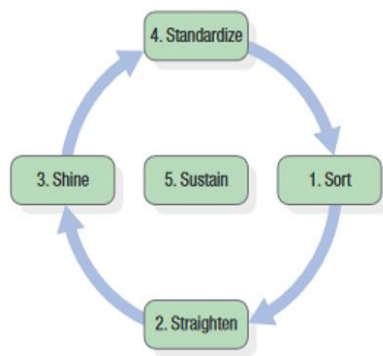


Figure 1. 5S Diagram  
Source: Krajewski (2022)

TABLE 4.2 | 5S DEFINED

| 5S Term        | Definition                                                                                                                                                                                                                                                            |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Sort        | Separate needed items from unneeded items (including tools, parts, materials, and paperwork) and discard the unneeded.                                                                                                                                                |
| 2. Straighten  | Neatly arrange what is left, with a place for everything and everything in its place. Organize the work area so that it is easy to find what is needed.                                                                                                               |
| 3. Shine       | Clean and wash the work area and make it shine.                                                                                                                                                                                                                       |
| 4. Standardize | Establish schedules and methods of performing the cleaning and sorting. Formalize the cleanliness that results from regularly doing the first three S practices so that perpetual cleanliness and a state of readiness are maintained.                                |
| 5. Sustain     | Create discipline to perform the first four S practices, whereby everyone understands, obeys, and practices the rules when in the plant. Implement mechanisms to sustain the gains by involving people and recognizing them through a performance measurement system. |

Figure 2. Explanation of 5S  
Source: Krajewski (2022)

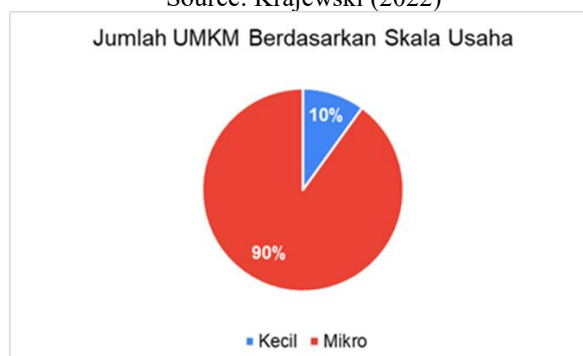


Figure 3. Number of MSMEs Based on Business Scale  
Source: Processed by the Author (2023)

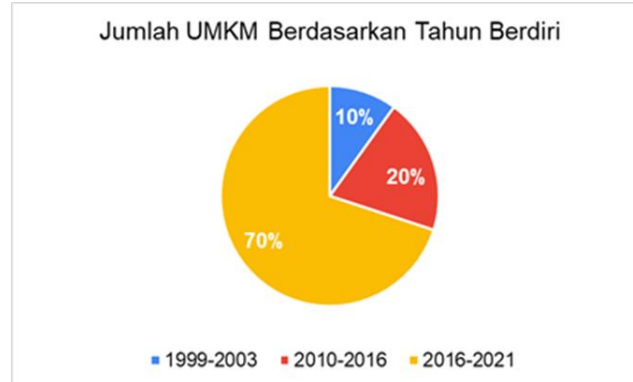


Figure 4. Number of MSMEs Based on Year of Establishment  
Source: Processed by the Author (2023)

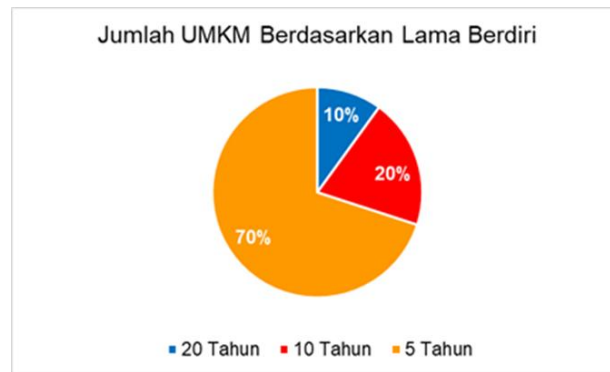


Figure 5. Number of MSMEs Based on Length of Establishment  
Source: Processed by the Author (2023)

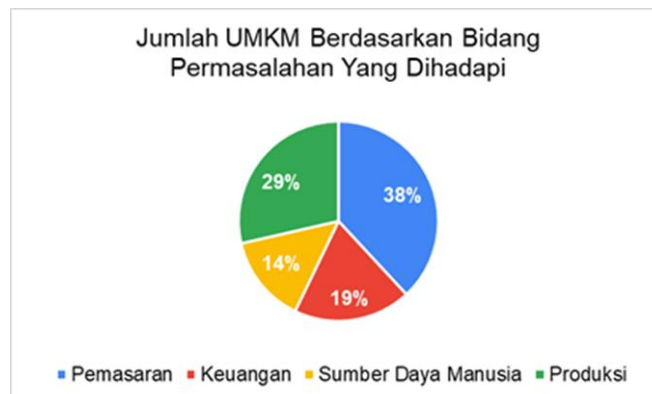


Figure 6. Number of MSMEs Based on the Problems Faced  
Source: Processed by the Author (2023)

Table 1. Production Management Indicators among Micro and Small Enterprises

| Indicators                                                      | Yes   | No    |
|-----------------------------------------------------------------|-------|-------|
| There are regular meetings (daily/weekly) to discuss production | 33.3% | 66.7% |
| Production errors often occur due to lack of information        | 11.1% | 88.9% |
| Already have a production log book/production board             | 44.4% | 55.6% |
| already kept records of goods entering and leaving              | 77.8% | 22.2% |
| The company has product standards                               | 55.6% | 44.4% |
| Rejected goods are analyzed regularly                           | 44.4% | 55.6% |
| Rejected goods are collected and counted                        | 44.4% | 55.6% |
| Employees are accustomed to putting forward ideas               | 11.1% | 88.9% |

| Indicators                                                          | Yes   | No    |
|---------------------------------------------------------------------|-------|-------|
| The company carries out general cleaning regularly                  | 55.6% | 44.4% |
| Cleaning before going home is routinely done                        | 62.5% | 37.5% |
| The work area is clean from dust, rags and other dirt               | 55.6% | 44.4% |
| Workers wear safety equipment (safety shoes, masks, head coverings) | 44.4% | 55.6% |
| Work equipment is cleaned regularly                                 | 75%   | 25%   |
| Clean and dry work area                                             | 50%   | 50%   |
| No insects and mice in the work area                                | 62.5% | 37.5% |
| There are work standards                                            | 66.7% | 33.3% |
| There is a job description                                          | 66.7% | 33.3% |
| The current work area layout is efficient (not much back and forth) | 77.8% | 22.2% |
| The installation of electricity/gas/kerosene/etc. is safe           | 87.5% | 12.5% |
| Safe floor (no risk of falling)                                     | 100%  | 0%    |
| The risk of moving goods is low                                     | 62.5% | 37.5% |
| Good air circulation                                                | 87.5% | 12.5% |
| Workers have easy access to drinking water                          | 100%  | 0%    |
| Fire extinguishers available                                        | 0%    | 100%  |
| Regular fire extinguisher training                                  | 0%    | 100%  |
| There is a product label                                            | 50%   | 50%   |

Source: Processed by the Author (2023)

Table 2. Investment Sources

| Personal | Bank |
|----------|------|
| 100%     | 0%   |

Source: Processed by the Author (2023)

Table 3. Financial Indicators among Micro and Small Enterprises

| Indicators                                                             | Yes   | No    |
|------------------------------------------------------------------------|-------|-------|
| Family finances are separated from business finances                   | 44.4% | 56.4% |
| Business expenses and income are recorded                              | 66.7% | 33.3% |
| There are annual financial reports                                     | 33.3% | 66.7% |
| Business tax is paid based on turnover value                           | 25%   | 75%   |
| Business tax is paid based on turnover value                           | 55.6% | 44.4% |
| Selling price is determined based on cost price analysis               | 66.7% | 33.3% |
| The cost price is calculated for changes on a regular basis            | 55.6% | 44.4% |
| Electricity/water for business is calculated as part of the cost price | 66.7% | 33.3% |
| The owner gets a salary from the business every month                  | 25%   | 75%   |

Source: Processed by the Author (2023)

Table 4. Marketing Indicators among Micro and Small Enterprises

| Indicators                                                                          | Yes   | No    |
|-------------------------------------------------------------------------------------|-------|-------|
| There are new products regularly                                                    | 22,2% | 77,8% |
| The company is gradually expanding its market                                       | 22,2% | 77,8% |
| Companies make packaging changes to gain new markets                                | 33.3% | 66.7% |
| The company has basic marketing tools (business cards, brochures, product catalogs) | 55.6% | 44.4% |
| The company has email                                                               | 77.8% | 22.2% |
| The company does promotions on social media (Facebook page, Instagram)              | 77.8% | 22.2% |
| Companies sell through marketplaces (Bukalapak, Lazada, Shopee)                     | 33.3% | 66.7% |

Source: Processed by the Author (2023)