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# The Role of an Integrated Business Service Center in Consultation and Assisting Micro, Small, and Medium Enterprises (MSMEs) in Jember District

Selfi Budi Helpiastuti, Agus Suharsono, M Hafid Syahbana\*

University of Jember

\*Correspondence: M Hafid Syahbana

hafidruwanda21@gmail.com

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## **Abstract**

The development of the Indonesian economy cannot be separated from the role of MSMEs in national economic development, apart from playing a role in economic growth and employment. Integrated Business Service Center – MSMEs is a program organized by the Ministry of Cooperatives and SMEs to provide integrated and comprehensive services for developing cooperative and SME businesses. This research aims to determine the role of Integrated Business Service Center in consulting and assisting MSMEs actors in the Jember Regency. The data type used is primary data obtained from observation, interviews, and documentation. Meanwhile, secondary data comes from field notes, archives, and documents. Determining informants uses purposive sampling, namely collecting data from competent subjects or informants who are determined deliberately. The technique for testing data wetness is using triangulation techniques and data analysis using interactive models. The results of this research are the role of consultation and mentoring for MSMEs actors in the Integrated Business Service Center Jember Regency. The conclusion of this research is that Integrated Business Service Center plays a role in implementing program assistance through business consultant services in 5 areas, namely\*: institutional, human resources, production, financing, and marketing. Carrying out training programs through coaching, technology guidance, field studies, partner meetings, independent classes, and Integrated Business Service Center Teaching.

# **Keywords**

organizational role, MSMEs, consultation and assistance

## Introduction

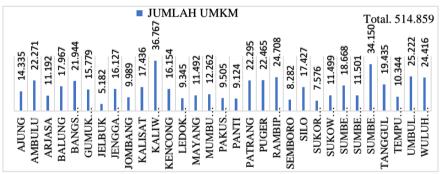
The development of Indonesia's national economy cannot be separated from the role of MSMEs (Micro, Small, and Medium Enterprises) in economic development, apart from playing a role in economic growth and employment energy absorption. MSMEs are independent productive business units, carried out by individuals or business entities in all economic sectors. MSMEs can become a priority or backbone of the people's financial system to reduce poverty and poverty problems, apart from that, MSMEs also play a role in the distribution of development results. The existence of MSMEs is an essential thing in the economy, wherein an economy that is not conducive, MSMEs are an alternative that can reduce the heavy burden that hampers the national economy.

The role of MSMEs is very large in the growth of the Indonesian economy, with their number reaching 99% of all business units. The contribution of MSMEs to GDP also reached 60.5%, and labor absorption it was 96.9% of the total national labor absorption. The total number of MSME units in Indonesia has now reached 64 million spread across various sectors. The development of MSMEs in developing countries is hampered by many obstacles such as limited working capital and investment, difficulties in marketing, distribution, and procurement of raw materials and other inputs, limited workers and low human resources and technological capabilities, high transportation and energy costs., limited communication, high costs due to complex administrative and bureaucratic procedures, especially in processing business permits, and uncertainty due to unclear and uncertain economic regulations and policies.

In this case, the government really needs to advance the economy in Indonesia for MSMEs through the Integrated Business Service Center - Micro, Small, and Medium Enterprise Cooperatives (Integrated Business Service Center-MSMEs). The Integrated Business Service Center-Micro, Small and Medium Enterprise Cooperatives (Integrated Business Service Center -MSMEs) is one of the Ministry of Cooperatives and SMEs' programs to encourage SMEs to move up in class. This program began to be implemented in 2014 with the issuance of PERMENKOP No. 9 of 2013. Integrated Business Service Center -MSMEs is a program organized by the Ministry of Cooperatives and SMEs in order to provide integrated and comprehensive services for the development of cooperative and SME businesses. Thus the role of establishing Integrated Business Service Center is given to the regional government. Regional governments are asked to provide allocations from the Regional Revenue and Expenditure Budget (APBD) for Integrated Business Service Center purposes.

Integrated Business Service Center Jember Regency was built in January 2021 and began operating in August 2021. Since the start of operations, Integrated Business Service Center Jember

Regency has provided assistance and guidance to MSMEs. Based on initial observations, the Integrated Business Service Center Jember Regency has implemented several programs or activities in accordance with the aim of establishing the Integrated Business Service Center office in the Jember Regency. The program implemented takes the form of assistance and consultation facilities at the Integrated Business Service Center office or by going directly to the field. There are several service facilities provided by Integrated Business Service Center, namely: 1) Business Consulting (Institutional, HR, Production, Marketing, Financing); 2) Technical and Managerial Training (Technical Guidance Class and Independent Class); 3) Business Registration (Business Legality and Marketing Permit); 4) Selection and Curation (Products and Licensing); 5) MSMEs data collection (data collection form); 6) Synergy between Institutions (Collaboration in Mentoring, Training and Facilitation); 7) Promotion and Marketing Facilities (Corner Shop, Market Place, etc.); and 8) Facilitation of the Growth and Creation of MSMEs and Entrepreneurship (Integrated Business Service Center Teaching and Business Incubation). Based on data collection carried out by the Jember Regency Cooperatives and SMEs Service (DISKOPUM) in 2023, the number of MSMEs in Jember Regency will reach 514,859 thousand. The data will be displayed in the form of the following graph.



**Figure 1**. Graph of the Number of MSMEs in Jember Regency in 2023 (Source: Portal-data.jemberkab.go id (data has been processed)

Judging from the graph above, it can be concluded that Jember Regency has a large number of MSMEs, namely a total of 514,859 thousand. Based on initial observations at the end of 2022, the number of MSME actors who have been facilitated is around (±) 1000 business actors. The very unequal comparison between the number of business actors who have not been served and those who have been served, is homework that must be done by Integrated Business Service Center. Meanwhile, the existence of Integrated Business Service Center will help MSMEs to develop their business. It is hoped that developing MSMEs can help improve the local economy. To become a Integrated Business Service Center coach is very easy, MSME players simply come

directly to the Integrated Business Service Center building meet the receptionist to fill out the guest book and consultation form, and then the receptionist will direct them to the business consultant room. After that, MSME players can meet business consultants according to the problems they are facing, there MSME players can consult on the problems they are facing, then the consultant will provide direction and the best alternative solutions for MSMEs in solving their problems.

## Materials and Methods

Based on the background, problem formulation, and research topic described in the previous chapter, the type of research that is appropriate for this research uses descriptive research with a qualitative approach. The descriptive qualitative research method was used by researchers to understand the object being studied in depth by describing the data obtained directly from Integrated Business Service Center -MSMEs. This research was conducted at the Integrated Business Service Center -MSMEs Jember Regency office.

The focus of this research is the role of the Integrated Business Service Center-Micro, Small and Medium Enterprise Cooperatives in consulting and assisting MSME actors in Jember Regency. The informants determined in this research are the managers and accompanying consultants of the Jember Regency Micro, Small, and Medium Enterprise Cooperative Integrated Business Service Center. The data collection techniques used in this research are as follows.

## a. Observation

In this case, the researcher uses open observations of the sources regarding the aims and objectives to be achieved in the research.

#### b. Interview

In this research, researchers will use semi-structured interviews where the question-and-answer process with informants will take place more freely but still within a clear topic framework in the research. In this research, researchers will use semi-structured interviews where the question-and-answer process with informants will take place more freely but still within a clear topic framework in the research.

## c. Documentation

Documentation is very important in research documentation allows researchers to collect and obtain data related to the research because documentation is part of the data collection technique. This research requires some relevant data related to the research problem.

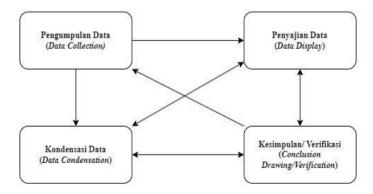
Table 1. Criteria for checking data validity

Criteria	Examination Techniques
Credibility (degree of trust)	Opt-in extension Perseverance of observation Triangulation
	Peer checking Referential adequacy Negative case study Member checking
Certainty	Detailed description
Dependency	Dependency audit
Certainty	Assurance audit

Source: Moleong (2017:327)

In this study, researchers used data triangulation and method triangulation. Data triangulation uses various data sources, such as documents, archived interview results, observation results, or interviewing several subjects who are considered to have different points of view. Meanwhile, triangulation methods researchers use several methods to research something. In this study, researchers used observation, interview, and documentation research methods.

Meanwhile, in carrying out data analysis, there are various techniques, one of which is the Miles and Huberman model data analysis technique (2014:14) as used in this research, shown in the Figure 2.



**Figure 2**. Interactive Model Data Analysis

Source: Miles dan Huberman (Miles, Huberman dan Saldana, 2014:14)

The components of interactive model data analysis are explained as follows.

## 1. Data Collection

The first stage is data collection. Data was collected from various sources, both from print media (books, documents, interviews, etc.) and online media.

# 2. Data Condensation

Data condensation refers to selecting, focusing, simplifying, abstracting, and transforming data obtained from interview transcripts in the field which are written notes and documents. As explained by Miles et al (2014) Data condensation refers to selecting, focusing, simplifying, abstracting, and transforming the data that appears in the full corpus (body) of written-up field notes interview transcripts, and documents. Based on this statement, data condensation strengthens the data obtained. At this stage, the researcher focused on the data obtained regarding the role of PLUT-KUMKM in consulting and assisting MSME actors in Jember Regency.

# 3. Data Presentation (Data Display)

After data condensation, the next step is data presentation. Presentation of data in the form of data obtained and analyzed from observations, interviews, and documentation can be done in the form of short descriptions, charts, flowcharts, and the like. Presenting data with brief descriptions, charts, and tables can make it easier for researchers to present.

# 4. Conclusion, Withdrawal or Verification (Conclusion Drawing/ Verification)

The final step in qualitative data analysis is concluding and verifying data that has been presented in a form as a form of implementing the data presentation process. The initial conclusion is still temporary and will change if strong supporting evidence is not found at the next stage of collection. In this way, researchers make conclusions based on the presentation of data supported by strong evidence. The conclusion is the final step which is the answer to the questions that have been expressed from the start.

#### **Results and Discussion**

The role played by Integrated Business Service Center in serving MSMEs in Jember Regency is by providing mentoring and coaching services to MSME actors in an integrated manner to increase the productivity and competitiveness of MSMEs which are ultimately able to grow into sustainable businesses on a larger scale (upgrade).

# Integrated Business Service Center's role in consulting and assisting MSME actors

It can be seen that the role played by Integrated Business Service Center in mentoring services by 5 business consultants and Integrated Business Service Center managers is as follows: a) Institutional Sector, including: formation and strengthening of Cooperative and MSMEs institutions, legal facilities, strengthening UKM/Cluster/region centers, income, registration and MSME

licensing, advocacy for MSME protection. b) The Human Resources (HR) sector includes: cooperative training, entrepreneurship, and internships. c) Production sector includes: access to raw materials, product development (improving quality, design, branding, and packaging), product diversification, product standardization and certification, and technology application. d) The financing sector includes: the preparation of business plans, business proposals, facilities and mediation, bank and non-bank financial institutions, financial management, and capital advocacy. e) Marketing includes: market information, promotion, increasing market access, developing marketing networks and partnerships, utilizing IT (e-commerce), as well as developing databases related to MSME development.

Mr Gustafia explained the mentoring services provided by PLUT as follows.

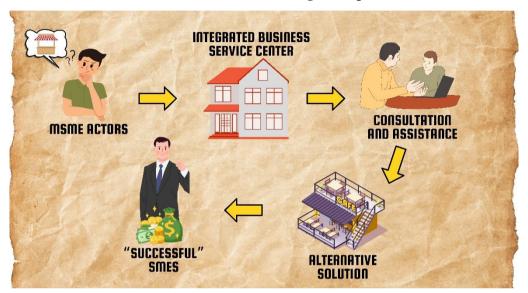
"The business assistance or mentoring services provided by PLUT consist of five areas, each guided by a business consultant, first in the Institutional Sector by Mrs. Suci Hastuti, second in the Human Resources Sector by Mr. Bhakti Darmawan, third in the Production Sector by Mr. Aries Nugroho, fourth "Financing Sector by Mr. Kusnun Wibisono, and the five Marketing Sectors by Mr. Gandi Prastyawan and mentoring services are also provided by all PLUT-UMKM managers, both PLUT-UMKM leaders and all employees."

This matter was also explained by Mr. Kusnun in the interview as follows.

"In mentoring services, PLUT accompanies the MSME learning process and provides solutions to the problems faced by MSME actors in Jember Regency. Every MSME player who faces marketing problems or cannot sell their products will be assisted and guided by marketing consultants, MSME players who have licensing problems such as NIB, IUMK, P-IRT, and NPWM will be assisted by institutional consultants. For MSME problems such as packing, product quality, and procurement of raw materials, production consultants will assist, for MSMEs that experience financing problems such as difficulties in making business proposals to apply for financing at banks or non-banks, managing business finances, and so on, they will be assisted by a financing consultant. "MSMEs that experience Human Resources (HR) problems such as product manufacturing skills and improving HR will be assisted by HR consultants."

There are no special requirements to become a member of Integrated Business Service Center, MSMEs only have to have their own business and be produced continuously. By becoming a Integrated Business Service Center member, MSME players can easily get coaching information such as training, technical guidance, independent classes, and so on. The guidance carried out by Integrated Business Service Center is through several programs including training programs, technological guidance, field studies, exhibitions or fairs, and partner meetings.

The following is the flow/method of conducting consultations with business consultants at Integrated Business Service Center. MSME actors come directly to the Integrated Business Service Center building. Meet with the reception to fill out the guest book and consultation form. After that, the receptionist will direct you to the accompanying consultant room. Then MSME actors can meet accompanying consultants according to the problems they are facing, their MSME actors consult on the problems they are facing, and accompanying consultants will provide direction and the best alternative solutions for MSMEs in solving their problems.

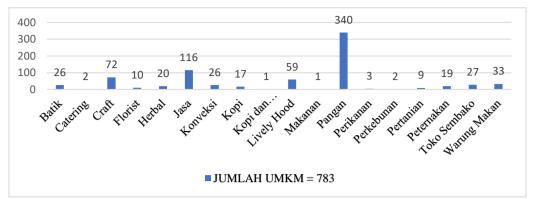


**Figure 3**. Consultation and assistance flow at the integrated business service center Source: research results (data has been processed)

After becoming a Integrated Business Service Center member, MSME players will easily get information about the coaching carried out by Integrated Business Service Center. The coaching Integrated Business Service Center provides includes training, technical guidance, independent classes, etc. The guidance carried out by Integrated Business Service Center for MSME actors as stated by Mr. Gustafia is as follows.

"The guidance carried out by Integrated Business Service Center in the context of empowering MSMEs is through training programs, Technological Guidance, Field Studies, holding bazaars or exhibitions, and so on. "This training is carried out to provide empowering provisions to perpetrators to be able to develop their businesses independently."

The following is data on the number and types of MSME (Micro, Small and Medium Enterprises) products in Jember Regency that have received support from the Integrated Business Service Center.



**Figure 4**. Graph of the Number and Types of MSME Products assisted by the Jember Regency Integrated Business Service Center

Source: DISKOPUM Jember Regency (data has been processed)

The graph above displays data on the number of active members assisted by PLUT spread across the Jember Regency area. This number is members who are active members of PLUT. They are categorized as active members because they always take part in programs provided by PLUT, such as independent class programs, teaching classes, MSME bazaars, and other programs. Apart from that, MSME players are also active in using social media as a digital marketing tool.

From the graph above, the number of MSMEs that have been fostered by the integrated business service center is around 783 business actors. Overall, there are 514,000 MSMEs in Jember Regency. The following is the percentage of MSME actors who have been coached and assisted by the Integrated Business Service Center.

$$\frac{783}{514,000} \times 100\% = 0,001\%$$

Of the total MSMEs in Jember Regency, only 0.001% are fostered by the Integrated Business Service Center.

#### Conclusion

Integrated Business Service Center's role in consulting and assisting MSME actors in Jember Regency, namely.

- 1. Implementing a mentoring program through business consultant services in 5 areas, namely the institutional sector, HR sector, production sector, financing sector, and marketing sector.
- 2. Implementing coaching programs through training, technology guidance, field studies, partner meetings, independent classes, and Integrated Business Service Center teaching.

# Suggestion

Seeing the large number of MSMEs in Jember district and only facilitated with a percentage of 0.001%. So we need to work harder to carry out outreach throughout the Jember Regency area. So that MSME actors can be fully facilitated, what must be done is to increase human resources and accompanying consultants or collaborate with other parties. So that MSME actors in Jember Regency are thoroughly facilitated.

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