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BUMDes Business Plan Training in Tunah Village

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Abstract

Poverty alleviation and inclusive economic growth are agendas in sustainable development (Sustainable Development Goals/SDGs). One of the channels to alleviate poverty at the village level is to strengthen the institution of Village-Owned Enterprises (BUMDes). For this reason, a team of lecturers from the Department of Economics, Faculty of Economics and Business (FEB), Airlangga University (Unair) conducted community service in strengthening the institution of BUMDes Tunah Village to accelerate poverty reduction. Previously, it was known that the level of extreme poverty in Tunah Village reached 12%. This community service program was implemented in the form of training and assistance in preparing a business plan (Renbis) for the development of BUMDes Tunah Village. The final result of this activity is expected to be the preparation of a Renbis document as a guideline for the development of BUMDes Tunah Village to contribute to poverty reduction there.

Keywords: : *community service, BUMDes, poverty, economic growth*

INTRODUCTION

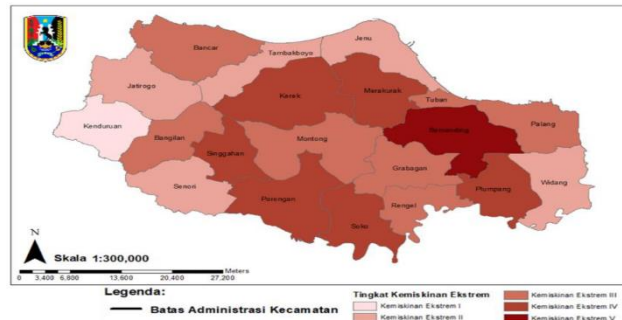
Poverty is an unavoidable problem in a country, especially in developing countries, and is an inherent part of human life (Garba & Bellingham, 2021). Poverty is a very complex and chronic personality trait, so overcoming poverty requires careful analysis involving all components of the problem, appropriate handling strategies, and sustainability (Mitra & Bhattacharya, 2023). Based on data collected by BPS (2023), the percentage of poor people in rural areas is higher (12%) than urban residents (7.29%). Therefore, it is understandable that unemployment affects poverty and economic growth in a region (Imanto *et al.*, 2020).

Poverty is a major concern for developing countries, including Indonesia, and must be recognized and addressed as a global problem. Every poverty alleviation program needs to be viewed holistically and aligned with other initiatives. The main priority of the SDGs is to eradicate poverty (Cantika, 2022). In this regard, SDGs Number 1 & 8 are interconnected. SDGs number 8 calls for promoting sustainable, inclusive and sustained economic growth, full and productive employment, and decent work for all (Rai *et al.*, 2019).

Poverty reduction and the availability of decent work and inclusive economic growth in villages are responsibilities that must be borne by the village government and local communities. With the existence of Village-Owned Enterprises (BUMDes), it is hoped that there will be synergy in empowerment between the village government and the local community so that poverty rates can be reduced or even overcome with the resources available in the village. This is in line with the objectives contained in the Preamble to the 1945 Constitution, namely to improve general welfare, which can be realized through empowering the poor (Mulianingsih, 2022).

Production factors such as labor and natural potential in it can be utilized as a step in overcoming poverty. Through BUMDes, the community can communally change potential into a source of income. In this case, BUMDes has a role as a driver of the village economy by processing various existing village potentials. Thus, BUMDes becomes an institution that can generate Village Original Income (PADes) (Izzah & Kolopaking, 2020). In this case, BUMDes as a rural institution is expected to be a pioneer in developing the local economy.

Tunah Village is one of the villages included in the administrative area of Semanding District, Tuban Regency. Semanding District is a District with the highest level of extreme poverty in Tuban Regency. Tunah Village is one of the villages in Semanding District which is classified as having extreme poverty reaching 12%



Source : Dinsos P3A PMD Kab Tuban (2023)

Figure 1. Extreme Poverty Map at Sub-District Level in Tuban Regency 2023

The majority of the population of Tunah village are farmers (90%) but the characteristics of the land in the village are dry land. It can only be planted during the rainy season. This makes the people of Tunah village survive by doing "odd" work outside of agriculture during the dry season. Tunah village has natural potential, namely the lontar tree (*Borassus flabellifer* Linn) which is a type of palm tree that is resistant to drought conditions.

Currently, the palm trees in Tunah village are only used by the community to make legen (a traditional drink made from the sap of the palm tree). In fact, every part of the palm tree can be optimized into products with economic value. However, due to limited capital from palm farmers, the current use of the product is only to make legen which is directly sold to small shops around the village or sub-district.

This is where BUMDes Tunah Village can actually play its role in increasing the added value of derivative products from lontar trees. However, the obstacle is that the BUMDes management does not yet have a business development plan in that direction. The existing condition of BUMDes shows that the BUMDes business is currently on hiatus for almost 2 (two) years due to mismanagement. Currently, the Village Government of Tunah Village has formed a new BUMDes leadership which will later focus on developing derivative products from lontar trees. In order to avoid the same mistakes, the FEB Unair lecturer team helped conduct training in preparing the BUMDes Tunah Village Renbis document as *guidance for* BUMDes development in the next five years.

METHOD

Problem Solving Framework

This community service activity was carried out using the *Service Learning* (SL) method. Service learning applies four steps in service learning: (1) investigation; (2) preparation; (3) action; and (4) reflection (Kaye in Pramanik, 2021).



Figure 2. Steps in Community Service of BUMDes Tunah Village

The investigation stage that will be carried out in the development of BUMDes Tunah Village is to conduct a survey of partner villages. This stage is to find out the planning problems in BUMDes Tunah Village and explore the potential in the village. The survey was conducted on a number of *stakeholders* starting from the village head and village apparatus of Tunah. The new management of BUMDes Tunah Village and representatives of the Lontar farmer group in the village.

The preparation stage is carried out by designing a schedule and technical implementation of the activity so that it runs smoothly. The first step is to analyze the village's economic potential which will be included in the training module. The second step is to compile a training module. The preparation of the training module is adjusted to various existing situations and conditions. The action stage is providing training. The training is provided twice, namely on Tuesday, August 13, 2024 and Tuesday, September 14, 2024. As well as providing assistance during August 13 - September 30, 2024 for BUMDes

administrators to prepare their business plans. At this stage, it is carried out to correct existing deficiencies. The last stage is reflection, by carrying out monitoring to ensure sustainability so that the increase in SDGs no. 1 and 8 can be achieved optimally.

RESULTS AND DISCUSSION

Tunah Village Profile

Tunah Village is a village located in Semanding District, Tuban Regency, East Java. Geographically, Tunah Village is directly adjacent to Ngadirejo Village to the north, Patihan Village and Kalisari Village to the west, and Mliwang Village to the south. Tunah Village has a relatively small area, but its dense population reached 9,588 families in 2022, with a total population of 16,019 people. The demographic structure of this village shows that most of the population are farmers and fishermen, with additional work in the livestock sector such as goats and chickens. The land development pattern in this village is more dominated by food farming activities such as secondary crops (rice, corn) with the use of Technical Irrigation (Pumping).

Tunah Village has a fairly high unemployment rate, reaching 45.5%. Meanwhile, farmers (22.1%) and entrepreneurs (17.4%) are the majority of livelihoods there. Tunah Village has a Sustainable Development Goals (SDGs) score of 51.32, higher than Semanding District & Tuban Regency, which are 50.8 & 50.9 respectively. This is an achievement for Tunah Village where they received an assessment above the average for sub-districts and regencies. Tunah Village has a Village Budget structure that always increases every year. In 2022, Tunah Village had a budget of 1.488 M. Then it increased to 1.564 M in 2023. In 2024, Tunah Village has a draft budget of 1.639 M. Village funds, which are *transfer payments* from the central government, have the highest budget composition compared to others.

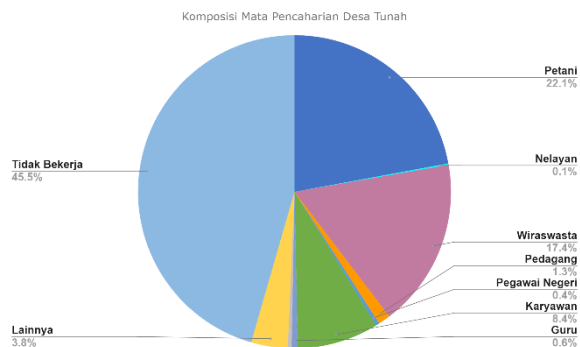


Figure 3. Composition of Livelihoods in Tunah Village

Public facilities in Tunah Village are quite adequate. As with educational facilities, Tunah Village has 2 Kindergartens (TK) and 3 Elementary Schools (SD) under the auspices of the Ministry of Education and Culture. Meanwhile, trading facilities in Tunah Village include groups of shops, markets, and supermarkets, each numbering one. Financing facilities such as cooperatives and other institutions do not yet exist in Tunah Village, so this is a challenge for the local community in developing its economy.

BUMDes Business Plan Preparation Training for Tunah Village

The BUMDes Business Plan Document is a mandatory document that must be owned by every BUMDes in accordance with Government Regulation 11/2021. The business plan according to PP 11/2021 contains several provisions, such as: First, the Bumdes Vision-Mission, Second, the BUMDes organizational structure, Third, the BUMDes HR list, Fourth, the village potential analysis, Fifth, the BUMDes work plan and financial projections and Seventh is the BUMDes performance indicator.

The Bumdes management plans to manage the Lontar tree as the main commodity to be developed. Currently, the utilization of this tree is only for making traditional drinks (Legen). In fact, the Lontar tree can be utilized in all parts, from the fruit to the roots of the tree. In addition, the Lontar tree can be utilized in several aspects, such as: Economy, Ecology, and Socio-Culture (Hasibuan & Aksa, 2023).



Figure 4. Palm Tree Derivative Product Development Plan

The palm tree has various products that can be utilized economically. One of the most famous is palm sap, which is taken from the palm tree flower. This sap can be processed into sugar, alcoholic beverages, and other food products. Palm sugar has a high selling value and is increasingly in demand in the market, both locally and internationally, because it is considered more natural and healthier than granulated sugar. In addition to sap, other parts of the palm tree also have economic value. Palm leaves can be used as raw materials for handicrafts, such as mats, roofs, and various types of decorations. The strong and durable trunk of the palm tree is also often used for construction and making household furniture.

The management of BUMDes Tunah Village is currently still focused on developing palm tree derivative products such as Legen, Brown Sugar, Crafts from palm leaves and oil from palm trees will implement a partnership strategy. This strategy focuses on palm farmers who are mostly still classified as poor farmers or subsistence farmers (their garden produce is only enough for daily consumption). The role of these farmer partners will be focused on *supplying* the availability of raw materials. Meanwhile, for small palm tree craftsmen, they will be focused on designing crafts from palm trees. We propose that in the Renbis a partnership scheme is formed that forms the following value chain:



Figure 5. Value Chain Design in Renbis Tunah Village

Next, we conducted a business plan preparation training activity at BUMDes Tunah Village. This training was attended by 30 (thirty) BUMDes management participants and BUMDes partners. The business plan preparation training received a fairly positive response from both participants and the Tunah village government. This was indicated by the high level of participant attendance. Participants really followed the training activities from beginning to end enthusiastically. Likewise, the village provided high support by facilitating the place where this activity was held.

To measure the effectiveness of the training, participants were given a questionnaire before and after the training. This was intended to measure the increase in manager knowledge in preparing business plan documents. The distribution of participants' knowledge levels about preparing business plans can be seen in the following graph:

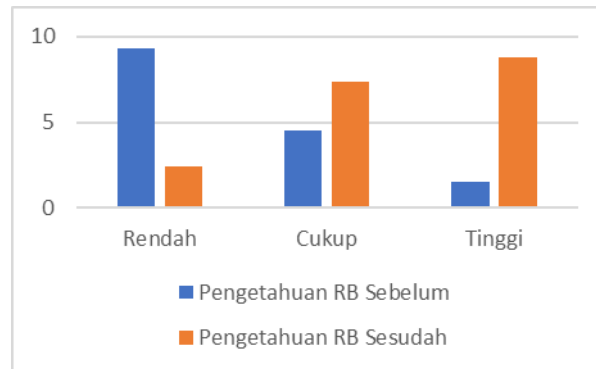


Figure 6. Pretest & Posttest Results of BUMDes Renbis Knowledge

Figure 6 shows that the training we have conducted has an effect on increasing the level of knowledge of participants regarding the preparation of business plans. The group of participants divided into three groups shows that the proportion of participants who initially had low and medium levels of knowledge in preparing business plans has decreased.

Meanwhile, the group of participants with a high level of knowledge experienced an increase of 9.87%. At the end, there was a *mini FGD* on how to determine the vision and mission of the BUMDes organization of Tunah Village in the future. Participants gained an understanding of the vision and mission and the components that must be present in its preparation. After participants received training on preparing a business plan, they reported being able to prepare a business plan.

This business plan document contains the vision and mission, market strategy analysis, product and service strategy analysis to be developed, and BUMDes financial report. Thus, it is expected that BUMDes Tunah Village in the future can play an active role in eradicating extreme poverty in Tunah Village. The following is the Documentation of Community Service Activities in Tunah Village which has 4 (four) series of activities.



A



B



C



D

Figure 8. Technical Implementation Activities (A) Presentation of Material on Introduction to Tunah Village & BUMDES, (B) Presentation of Material on Optimizing Village Potential, (C) Presentation of Material on Compiling Vision - Mission, (D) Submission of Vision Compiling Module

CONCLUSION

The community service program which is the result of collaboration between the Department of Economics, FEB Unair and the Yatim Mandiri Foundation was well organized and ran according to the previously planned output target. The village government, BUMDes functionaries, and youth organizations reached a level of 100% during the activity. Then, from the results of observations and tests conducted, participants were able to understand the materials well, so that participants were considered ready to reactivate BUMDes Desa Tunah.

Based on the evaluation results of the implementation of community service activities, several suggestions were obtained. First, it is necessary to optimize community empowerment by BUMDes to optimize the management of Lontar products and reduce poverty rates. Second, further training is needed both in terms of management and operations. If the follow-up program runs well, then the expected results such as poverty alleviation and inclusive economic growth in Tunah Village can be achieved.

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