



## ENHANCING FEASIBILITY STUDIES FOR MICRO, SMALL, AND MEDIUM ENTERPRISES DURING THE COVID-19 PANDEMIC

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### ABSTRAK

*Pandemi Covid-19 telah berlangsung lebih dari satu tahun dan telah berdampak besadi berbagai sektor kehidupan, tidak terkecuali sektor ekonomi. Hampir semua usaha di semua tingkatan skala bisnis terdampak termasuk usaha mikro kecil dan menengah (UMKM). Sebagai contoh, Kota Tegal yang memiliki klaster-klaster UMKM unggulan juga terdampak. Tim pengabdian melaksanakan pengabdian dengan mitra pelaku UMKM di Kota Tegal dengan judul "Workshop Studi Kelayakan Usaha Mikro Kecil Dan Menengah di Masa Pandemi COVID 19". Pelaksanaan pengabdian akan dilakukan dengan metode ceramah, tanya jawab, diskusi, simulasi, dan pendampingan. Beberapa materi yang akan diberikan tidak hanya peluang bisnis di masa Pandemi Covid-19 tetapi juga mempertimbangkan permasalahan UMKM yang melekat sampai dengan saat ini seperti strategi bisnis, kelayakan usaha, pembukuan, tata kelola kas, arus kas dan investasi.*

### ABSTRACT

The COVID-19 pandemic has been ongoing for more than a year and has significantly impacted various sectors of life, including the economic sector. Almost all businesses at all levels of the business scale have been affected, including micro, small, and medium enterprises (MSMEs). For example, Tegal, which has clusters of prominent MSMEs, has also been affected. The community engagement team conducted an engagement with MSME actors in the city of Tegal under the title 'Workshop on Feasibility Study of Micro, Small, And Medium Enterprises During the Covid-19 Pandemic.' The engagement activities will be conducted using lectures, question-and-answer sessions, discussions, simulations, and mentoring. Some topics that will be covered include business opportunities during the COVID-19 pandemic and the ongoing issues faced by MSMEs, such as business strategies, feasibility, bookkeeping, cash management, cash flow, and investment.

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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in Tegal can be divided into clusters: duck farming, metalwork, batik, food processing, handicrafts, and tourism. Before the COVID-19 pandemic, all businesses in each cluster showed satisfactory growth and development. For instance, one group within the duck farming cluster achieved provincial and national awards in 2015 and 2016 with its salted egg products.

However, the ongoing COVID-19 pandemic has had significant impacts across all clusters, lasting for over a year. Decreased sales revenue and business bankruptcies serve as examples of the undesirable effects of the COVID-19 pandemic on MSMEs and the government. To survive and succeed through the challenging times of the pandemic, the Central Government and the Local Government, through relevant departments, have attempted to assist MSMEs through various policies, such as capital provision and financial flexibility. MSMEs can access local government capital assistance and loans with relatively low-interest rates through the KUR scheme. Nevertheless, despite its impact on all aspects of life, Covid-19 is one of many issues MSMEs face. Thus, to effectively implement these policies, support from within the MSME community is necessary.

MSMEs encounter distinct issues that are inherent in each cluster. For example, the metalwork cluster in Tegal mainly produces metal products based on orders. The duck farming cluster's revenue has declined due to the opening of the Pejagan-Brebes-Tegal toll road and the emergence of competitors from outside the region (Blitar) offering significantly lower prices. Although most businesses in the food processing cluster have acquired the necessary licenses, such as PIRT certification, many lack complete licenses, such as Halal certificates, BPPOM, and MD. Another challenge the food processing cluster faces is that MSME products need help to enter larger retailers like Transmart due to difficulties in reaching conclusive sales agreements. Collaboration through consignment agreements is more feasible but relatively risky for MSMEs. In the batik cluster, MSMEs need help finding labour as youth interest in batik-making is low, leading to suboptimal Batik production levels. Across all

clusters, MSMEs still grapple with unresolved issues. One of these issues is proper record-keeping or bookkeeping for their businesses.

From the perspective of MSMEs, all business activities within each cycle are managed by the owners. This leaves them limited time for record-keeping or bookkeeping, and they might not see these tasks as necessary. However, managing a business effectively requires a snapshot of business activities, namely financial reports generated from knowledge, abilities, and proper bookkeeping practices (we cannot manage what we cannot measure). Therefore, the local government's policies addressing the community's welfare, particularly MSME welfare during the COVID-19 pandemic, need support from the MSME community in Tegal to ensure the effectiveness of the established policies.

## METHODS

The program will be conducted in the form of training, which means that the participants will receive instructional materials from the presenters, who are none other than the proposing engagement team. The problem-solving solutions offered by the proposers are closely related to cognitive objectives. According to Krathwohl et al. (1964), cognitive objectives can be grouped into six categories. These categories encompass intellectual skill competencies ranging from superficial (knowledge level) to the most complex (evaluation level). These six categories are assumed to be hierarchical, meaning that higher-level goals can only be achieved if the lower levels have been mastered. Therefore, at the beginning of the engagement activities, the engagement team will conduct an initial test to assess the understanding of the MSME actors, and at the end of the program, a post-test will also be conducted.

The stages of implementing the engagement activities are as follows:

### 1. Preparation Stage:

The preparations to be carried out include contacting the existing MSME community in the city of Tegal, preparing materials, and assigning tasks. The speakers who will collaborate in the engagement are from the UNNES team and possess expertise in accounting, specifically for micro, small, and medium enterprises. Below are

the detailed areas of expertise of each member of the proposing team.

The engagement team and partners will then determine the timing, location, and target audience for the engagement activities, ensuring their successful execution. The engagement team will prepare materials, resources, and consumables for the activities, with assistance from the engagement partners.

### 2. Implementation Stage:

The engagement team will serve as speakers for all material presentations. The topics will be presented sequentially when meeting with the partners. The first topic is SKU and Business Opportunity Identification. The second topic is Record Keeping or Bookkeeping. The third topic is Business Assessment from a Financial Aspect. The MSME actors will also be grouped according to their respective clusters for case method learning, discussing topics related to each material. The engagement team will also assist with any questions after the engagement.

### 3. Evaluation Stage:

The evaluation stage is utilized to determine the extent of the success of the engagement activities, both in terms of execution and the improvement of understanding and skills among the engagement targets. The evaluation will be conducted simultaneously with the other stages of the engagement activities. The success indicators for this engagement activity include (1) completing all stages of the engagement activities; (2) publication of the engagement activities in local media or as draft articles in national academic journals or proceedings with ISBN; and (3) participants' ability to create profiles for their respective business ventures.

	theory of cash flow recording in financial statements based on the Financial Accounting Standards (FAS) for Micro, Small, and Medium Entities (MSMEs).	partners know the theoretical framework for cash flow recording in financial statements according to the Financial Accounting Standards for MSMEs (FAS EMKM).	knowledge about cash flow in financial statements based on the Financial Accounting Standards for Micro, Small, and Medium Entities (FAS EMKM).
2	Provision of training on the cash flow recording system in financial statements based on the Financial Accounting Standards (FAS) for Micro, Small, and Medium Entities (MSMEs).	Partners can comprehend the training in conducting cash flow in financial statements based on the Financial Accounting Standards for Micro, Small, and Medium Entities (FAS EMKM).	All activity partners are capable of understanding the practical application of cash flow in financial statements based on the Financial Accounting Standards for Micro, Small, and Medium Entities (FAS EMKM).
3	Practicing the system of recording cash flow in financial statements based on the Financial Accounting Standards (FAS) for Micro, Small, and Medium Entities (MSMEs).	To enable partners to practice in the field and effectively record cash flow in financial statements based on the Financial Accounting Standards (FAS) for Micro, Small, and Medium Entities (MSMEs).	Partners engage in the practice of cash flow in financial statements based on the Financial Accounting Standards (FAS) for Micro, Small, and Medium Entities (MSMEs).

**Table 1.** Implementation Process

## RESULTS AND DISCUSSIONS

The Community Engagement activity was carried out on July 16, 2022. The event took place at the MSME Meeting Hall. This engagement activity, agreed upon by the MSME participants, saw the engagement team partnering with the Department of Cooperatives and MSMEs of the Tegal City Government to work with MSMEs in Tegal City. The details of the activity are in the table below.

Steps	Activity	Purpose	Expected results
1	Explanation about the	To ensure	Partners possess

### *Training Activity on Cash Flow Preparation for MSMEs in Tegal City.*

A cash flow statement is one of the components of financial statements. The cash flow statement is a crucial indicator of the progress and sustainability of MSMEs. The cash flow statement is a supporting document for MSMEs to establish collaborations with creditors.

In this activity, there were several speakers. Kris Brantas Abiprayu and Muhammad Ihlashul'Amal acted as presenters, discussing the

concept of the Cash Flow Statement. Dorojatun Prihandono spoke about Bankable Business Feasibility, while an MSME partner presented the digital-based cash flow statement application.

### **Cash Flow Statement Content**

The Cash Flow Statement comprises three activities. First, there is the operational activity. In this activity, cash flow records originate from the company's operational activities, such as trade. For example, buying, selling, or leasing activities form the core of micro-business operations. Second, there is the financing activity. Financing activity involves seeking funds, or in other words, cash inflows into the micro business. In simple terms, this is the entrepreneur's activity of raising funds or attracting investors. Lastly, there is the investment activity. The mentioned investment involves allocating existing funds to be reinvested in similar sectors or outside the main activities to obtain returns from the investment.

Explaining the cash flow preparation material has improved financial management among the MSMEs. Previously, their record-keeping was limited to operational matters only. The other two activities, financing and investment, had received little attention from the business actors. Their financing activities were primarily focused on the micro-banking level, while investment could have been more transparent, lying between personal investment and investment for business development purposes.

### **Program Documentation**

All engagement activities have been carried out from the beginning until mid-July 2022. The culmination event took place on July 19, 2022. Below are some documentation highlights from the engagement activities.



**Figure 1.** The importance of bookkeeping material

## **CONCLUSION**

The program aimed to empower Micro, Small, and Medium Enterprises (MSMEs) in Tegal City with enhanced financial management skills, emphasizing effective cash management and advanced financial strategies. Adopting tailored accounting standards underscored a commitment to robust financial reporting practices.

Structured around preparation, implementation, and evaluation, the program's educational approach facilitated comprehensive learning. Solutions addressing specific MSME challenges, as explored in Hery's "Manajemen Usaha Kecil dan Menengah" (2020), directly responded to industry needs.

Through practical application, guided by insights from "Praktis Menyusun Laporan Keuangan" by Hery and Herna Selvia (2015) and "Studi Kelayakan Bisnis" by Sunyoto and Tri Admojo (2014), participants gained tangible skills. The culminating event on July 19, 2022, showcased an increased understanding of cash flow and business feasibility.

Ultimately, the program's tangible impact transcended theory, significantly bolstering financial literacy and business acumen among Tegal City's local MSMEs.

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