

Study of Small Business

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STUDY OF SMALL BUSINESS POTENTIAL IN ORDER TO EMPOWER SMALL ENTREPRENEURS IN DISTRICT MEDAN DELI

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Abstrak

The development of business / small industry gets serious attention from various groups, the government or the public, it is inseparable from the role in employment and small business resilience to shocks, such as the economic crisis in 1997 ago. Other than that small businesses also act as a significant source of economic growth that directly helped create increased income neighborhoods.

The purpose of this study was to explore the potential of small industries in order to empower small entrepreneurs in the district of Medan Deli in accordance with regional potential and capabilities of local human resources in order to increase revenue and create business opportunities. This study is expected to open people's minds about the potential of small industries. The weakness in this study is that not all small industries in the region will be taken jarring her advice, because only a sample taken alone.

The approach used is a qualitative approach through field surveys and observational studies. Research samples of small industries and small industrial entrepreneurs in Sub Mabar with purposive sampling method. The location in the Village Mabar Downstream because many have small industries subdistrict of Medan Deli. Using descriptive qualitative analysis.

Keywords: small industries, community development, regional potential

Background

The monetary crisis which hit several countries in Asia (Korea, Thailand, Indonesia, Malaysia) in 1997 at least to witness history and provide a very valuable lesson that the real economic development of the nation based conglomerate that are vulnerable to storm the monetary crisis. Efforts to assist small industry has done a lot of government, including the government assist in the capital and also help in the form of training

District of Medan Deli is one of the districts in the city of Medan that have many small industries that are potential to be developed, district of Medan Deli has a number of small industries as many as 171 businesses and household industries as many as 154 enterprises Number of small industry and households most in the village Mabar Hilir.

Theoretical framework

Basic Concepts of Small Industry

According to the Act. No. 9 of 1995 is a small business is a business that has a maximum net worth of 200 million excluding land and buildings or has a sales turnover of up to 1 billion per year.

Small and Medium Industries (SMI) is an industrial business activities that have assets up to 5 billion excluding land and buildings, and an annual turnover of up to 25 billion per year. Small industry is an activity to change the shape mechanically and chemically higher new product benefits, either by using machinery, labor or other tools in order to be sold or used alone. In other words, the industry is an activity to transform raw materials into finished goods of higher value.

Category Small Industry

Small industrial categories according to the Ministry of Industry as in Wulandari (2006) are as follows:

a. Modern Small Industry

Modern small industry includes small industries which use intermediate process technology (intermediate process technologies), has a limited production scale, depending on the support of large and medium-sized industries and the domestic and export marketing system, using a special machine tools and other capital equipment. Small industries Traditional

b. Traditional small industry in general is characterized, among others, the process technology used in a simple, used machinery and other capital equipment of relatively simple, rural sites, and access to different markets outside the adjacent environment is limited.

c. Small Craft Industry.

Small industry is very diverse, ranging from small industries that use simple technology to process small industry that uses process technology middle or even already using a high tech process.

Problems Top Small Industry

Some of the major problems associated with the industry, small diperdesaan among others (Tambunan, 1995) (a) The vast majority of employers or workers only have a formal education at the primary school level (SD), (b) The agricultural sector is increasingly crowded with labor so resulting in real income is low, while on the other hand, wants the younger generation in rural areas to work as farmers or as agricultural laborers waned. (C) infrastructure and other facilities to support the development and growth industries of medium and large is still very limited. (D) Average revenue diperdesaan population is still low, so it is one of the obstacles to the development of efficient local markets. (E) There is still a lot of raw materials or agricultural commodities that are not yet fully managed by rural communities themselves, thus resulting in an underdeveloped local economy.

Factors Affecting Industry

Factors affecting the industry there are five, namely:

- raw materials,
- transport facilities, transportation within the industry is very important both to bring in raw materials and spread the product.

Empowerment (Empowerment)

Empowerment in small industry is to provide the opportunity for employers to be able to survive and thrive and to encourage or motivate them to be able or empowered to make their choice. One of the efforts of empowerment is the formation of "a group or community" that individuals feel kinship. The formation of the group is certainly not as easy back hand, because each individual has the character and interests are different.

RESEARCH METHODS

Research Design and Procedures

This research use field survey and observational studies. This research includes research design development (developmental research) done within 3 years gradually.

Population Research.

In this study, the study population was small industries and small industrial entrepreneurs in seven villages located in the region subdistrict of Medan Deli

Sampling Method

The research sample was taken by purposive sampling method (sampling in accordance with the purpose of the researcher) which, taken two small industries in every village inventoried small industrial enterprises and households with different types of industries in each village.

Data collection technique

Data collection, carried out by:

- 1) Survey the field to small industrial businesses that serve as the respondent, the required data in this study, among others, education level, gender, age, capital, labor, raw materials, production facilities and infrastructure, as well as marketing.
- 2) interviews and participant observation: to gather key information 'is not revealed from the way people act, their relationships, and to gather the information disclosed from informal environments. Preliminary studies have begun the process of mapping the industrial potential of small local areas, strengths, weaknesses, opportunities and threats
- 3) Search for information from the relevant authorities about the program that has been done

Data analysis technique

The research data will be analyzed descriptively. In addition, it also carried out a comparison between the results with the results of related studies and carried out the correlation between the results of these studies with the relevant theory or concept. Further descriptive analysis can also be performed with a relatively simple statistical techniques, such as using tables, charts, and cumulative percentage. With reference to the definition of the descriptive analysis then even the methods of analysis used in this study is relatively simple, but can answer the purpose of research in the formulation of policy recommendations.

Research result

Business Profile and Potential of Small Industries ¹ in the district of Medan Deli
Description of existing businesses in the district of Medan Deli as follows:

a. Various efforts cake: This business is located in the village Mabar Downstream, this effort is largely their own business led by a housewife with three levels of Diploma education . Production equipment used is modern cookware because usually the product of mass and continuously. Because of the capital comes from equity and there is also payable at the bank then the business has a direction for the development of marketing, marketing proved not only locally but to also outside the field so that it absorbs some labor with daily wages and contract. Therefore, this effort has administrative records more orderly than other businesses. This effort Has the potential to be developed, especially if it can be developed as a superior product. Generally, the problems facing this business is: , (A) The quality or the quality of the products produced are still many who do not meet standards and many consumers are not satisfied with the results of the products that have been produced. (B) Raw Materials, still a lot of raw materials that are difficult to obtain because the limited natural resources and limited funds. In food products, they use CPM prohibited. (C) Marketing, free markets and competition with competitor countries. Lack of access to transport and information sufficient to allow marketing of these products is limited and underdeveloped. (D) Capital or fees,

b. Shoe-making business: The Way Wire III Gg. Tanjung Mulia Hilir family owned by Mr Yusri. This effort is a small industry that has begun to show results with a turnover of USD 30 million, - per month proved to be marketing not only local but also outside the State until such to China, these artisans also absorb some labor with daily wages and contract. Therefore, this effort has administrative records more orderly than other businesses. These industries also have their own store. Problems faced: (1) the ability to access the limited market (2) The quality is not consistent, and the understanding and application of the IPR is limited, (3) The absence of a trading house who can help marketing abroad, (4) Financial assistance for exports is not yet available ,

c. The business of making know, this venture is owned by Mr. Deni Iskandar is located at the Slaughterhouse Lk. 10 Mabar, this is their own business but there are also due to hereditary so businesses run by family members with capital derived from their own capital. If no external power, usually not far away where he lived with a low educational level (elementary, middle) so it does not have an adequate record keeping. Most of its business is less focused due only to provide for the family so that marketing only to meet local needs are taken middleman for sale around. The problem faced by (1) lower export capabilities, (2) many competitors, (3) the technology is still traditional.

d. The business of making tempe: jl. Platina V 12 Village neighborhood Titi Papan. This business is owned by Mr. and Mrs. Anik Sadikun Father, this is their own business but there are also due to hereditary so businesses run by family members with capital coming from owner's equity. In addition to local marketing objectives also leads out of the city as to Kabanjahe and Brastagi. This effort has a number of workforce of 6 people, problem faced by (1) lower export capabilities, (2) many competitors, (3) the technology is still traditional.

e. Batik artisans Business: This business is owned by a housewife named Leni with business locations in the village Mabar this effort as its own business which is run by its own sizable capital primarily to the cost of raw materials. Marketing is not only local but also to the outside so that it has the manpower from outside the daily wage and own recording. If handled more seriususaha can be developed. Traits - traits that spesipik of this effort; (1) Opportunities quite extensive export market, (2) The raw material is available, (3) a relatively simple technology, (4) absorbs a lot of manpower

f. Dent making business: The business location is located in Tanjung Mulia Hilir, business is run by family members and is assisted by a force from the outside with a little daily wage by the number of workforce of 2 people. Business owners have low education levels that do not have adequate records. The business is run by its own capital therefore most of the marketing for the local area and the lack of development direction. The problem faced by (1) lower export capabilities, (2) many competitors, (3) the technology is still traditional.

g. Business craftsmen accessories: Business owners have named mother Yani located in the village Mabar Downstream, these accessories various businesses run by family members and hereditary This entrepreneur has enough high school education level) that have at least a simple registration. The business is run by its own capital with simple equipment. The raw materials are usually purchased outside the area once a month for at Medan Deli and surrounding incomplete and expensive. Their products in various style bag with not only local marketing. If taken seriously this effort could be developed with better management. Traits - traits that spesipik of this effort; (1) Opportunities quite extensive export market, (2) The raw material is available, (3) a relatively simple technology, (4) absorbs a lot of manpower

h. Fish bread-making business: Business owners have named mother Ramaiyah located in the village of Kota Bangun, these businesses are usually run by force from the outside with a daily wage. Employers have low education levels so it does not have the recording. With its own capital these businesses are run with a simple apparatus with local consumers, namely the neighbors around the house. The problem faced by (1) lower export capabilities, (2) many competitors, (3) the technology is still traditional.

h. Ulos craftsmen businesses, business owners have named mother Ratna Simanjuntak located in the village of Tanjung Mulia Hilir, these businesses are usually run by family members, especially women and aided from outside, in daily wages. These craftsmen mempunyai 2 workers with marketing area still localized. The problem faced by (1) lower export capabilities, (2) lack of modalpesaing, (3) the technology is still traditional.

In general, small industries in Medan Deli enough .The sampled many kinds there are 10 types of small businesses. Of the 10 types of businesses can be

seen that society is technically quite mastered his job, and still have the will to be upgraded.

Obstacles and Supporting Factor

Profiles of various industries in the district of Medan Deli, there are some business problems that are found. Among others :

- a. Motivation. Generally speaking entrepreneurs to develop their business motivation is still low.
- b. The knowledge and skills of the entrepreneurs is low or insufficient thus less desire to develop marketing.
- c. Limitations of financial / capital, capital problems that become obstacles for entrepreneurs fearing could not repay the loans, and the terms and procedures in banking is too complicated. Moreover, many moneylenders allegedly guise of cooperatives that offer various facilities to pick up the ball for prospective models debtor even at high interest rates.
- d. Raw materials, for some small businesses ¹ in the district of Medan Deli, the raw material of their products still dependent from outside the area, for example for batik artisans and craftsmen accessories raw materials sometimes - sometimes still difficult to obtain, this is because the amount of raw material availability is limited and prices high raw material and sometimes - sometimes the quality of the raw goods less attention this causes the quality of the product is reduced.
- e. Production. Problems related to the production of, among others, equipment / technology, production systems, and standardization of products. Peralataannya still modest even still manual. So the quality of its products less than the maximum.
- f. Marketing
- g. Waste.
- h. Group / business associations

FACTORS SUPPORTING

Factors supporting the development of small industries in the district of Medan Deli, among others:

- a. Still many idle productive forces in the sense of no school and no job, so if empowered to participate in developing the business and reduce unemployment that is around.
- b. The products produced by small industries in Medan Deli generally yan g product demand by the public so that the possibility still exists for developing
- c. ¹ Help from the government and outside parties either in the form of working capital loans, equipment, training etc.

Empowerment pattern Small Entrepreneurs in the District of Medan Deli

Empowerment is the effort made by governments, businesses, and communities in the form of fostering regional business development, coaching and development so that small businesses are able to grow and strengthen itself to be a strong and independent businesses. Small business empowerment aims to foster and enhance the ability of small businesses into the business a strong and independent and can develop into medium-sized businesses and increase the role of small businesses in the formation of national products, the expansion of job opportunities and businesses, fiber enhancement and equitable distribution of income to manifest itself as the backbone and nasioanl strengthen the economic structure. So

according to the Law Small Usah, the responsibility of empowering small businesses not only in government but also the business world and society.

Based on these factors above obstacles and supporting factors, the researchers found the pattern empowerment of small entrepreneurs in the district of Medan Deli can be explained as follows:

a. Lack of motivation, empowerment Small and Medium Enterprises (SMEs) is one of the mainstay for the economic resilience of a country. Proven in times of crisis with falling many debt-ridden conglomerate business abroad, small and medium enterprises, especially export-oriented precisely tremendous profit. Some of them survive in many ways because of the small investment rotating danmodal. For that the solution provided is necessary given training to increase motivation to small entrepreneurs so that the orientation of their efforts not only to provide for the family.

b. Lack of knowledge and skills, the solution provided is the Government needs to improve training for small businesses both in terms of entrepreneurship, management, administration and knowledge and skills in business development. Moreover, it also needs to be given the opportunity to apply the training in the field to practice the theory through the development of pilot partnerships.

Capital constraints, The solution provided is the Government needs to extend special credit scheme on terms that are not burdensome for small enterprises, to help increase its capital, either through financial services sector formal financial services sector informal, the guarantee scheme, leasing and venture capital funds, Funding for SMEs should use the Micro Finance Institutions (MFIs) existing and non banks. Bank Microfinance Institutions

b. Limitations of technology, the solution provided is government assistance or technological equipment can also cooperate with universities that can produce technology

c. Raw material shortages, raw materials To overcome the limitations of the entrepreneurs must have raw material suppliers more than one or pace so that if one supplier can not or lid, employers still have another supplier so the production process can continue running.

d. Marketing limitations, the solution given is; the solution given is the Government providing promotional agency for small enterprises as well as to cooperate with universities that could, provide training provision promotional tool to market products of small industries

e. The problem of waste, the solution provided is the small entrepreneurs were given some sort of training for waste management and knowledge of EIA

f. The formation of the association's group to facilitate the development of business information network that is needed

CONCLUSION

1. Small industries in the district of Medan Deli, among others: The business of making tempe, shoe making business, making business idea, business Ulos craftsmen, dent making business, business accessories craftsmen, fish bread-making business, business of making cakes, business of making manufacture dish soap, batik craftsmen Enterprises.

2. Factors constraints such attempt is still low motivation; knowledge and skills are inadequate; capital; raw material; labor; production-related equipment /

technology, production systems, and standardization of products, packaging and marketing reach, Waste and there is no group or association

3. The supporting factors, among others, there are still many idle productive forces in the sense of no school and no job, so if empowered to participate in developing the business and reduce unemployment that is around. as well as the products produced by small industries in Medan Deli in general product of interest by the public so that the possibility still exists for developing

4. The pattern of empowerment that may be appropriate is motivational training, training to improve entrepreneurship, ease of capital, technology assistance, marketing agencies as well as the provision of waste and formation pemanfaatan association group

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