

The Role of MSME Business Development Training on Increasing Business Performance of BMT Beringharjo Ponorogo partners

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Abstract

Research aim : This research aims to determine the role of MSME business development training on improving the business performance of BMT Beringharjo Ponorogo partners.

Design/Method/Approach : In this research and service, we use direct observation methods in the field and use training and mentoring methods for BMT Beringharjo Ponorogo partners.

Research Finding : The result of carrying out this research and service is that the MSME partners of BMT Beringharjo are able to understand and implement the concepts of financial recording, marketing methods through normal means and digital marketing, warehousing operations and HR management within the scope of their respective MSMEs.

Keywords : The Role of MSMEs, Business Development Training, Increasing Business Performance

1. Introduction

The increase in the economy in an area is caused by the increasing number of business people carrying out many transactions. These business people come from various circles and various types and forms of business. In Indonesia itself, people own small and medium businesses or what are known as MSMEs. MSMEs are an extension of Micro, Small and Medium Enterprises [1]. This commerce could be a commerce that's not as well expansive in scale but encompasses a part in financial advancement. MSMEs are beneficial businesses possessed by people or trade substances that meet the criteria for being a micro-enterprise [2].

Indonesia has great potential for economic development through MSMEs, however, not many MSMEs manage them in accordance with good business management [3]. So these entrepreneurs have not been able to plan and organize their businesses for the long term. For this reason, an analysis of the application of business management in a business is needed [4]. To help minimize losses and build business strategies to compete with competitors, one of the

roles is BMT Beringharjo [5]. The scope of a businessman and a business is to seek profit, but there are many things that need to be considered to make a profit. The implementation analysis that will be carried out is a sharia-based business management analysis [6].

The application of Islamic business management should be implemented by Muslim entrepreneurs. However, many MSME owners have not implemented Islamic business management [7]. Because this application is adjusted to the correct foundation, namely the Qur'an and Sunnah. Management in the Islamic view applies the value of justice. Islamic management is based on Islamic values and ethics in accordance with the Qur'an and Sunnah [8]. After introduction has explained, this research aims to determine the role of MSME business development training on improving the business performance of BMT Beringharjo Ponorogo partners.

1.1. Statement of Problem

1. What aspects are needed to analyze Islamic business management in MSMEs?
2. What is the role of BMT Beringharjo in advancing MSME partners?

1.2. Research Objectives

1. To find out the aspects that need to be analyzed in implementing Islamic business management in MSMEs
2. To find out the role of BMT Beringharjo in advancing MSME partners

2. Litature Review

In running a business, management is needed to manage the business. Management is a series of activities that aim to organize an activity. According to George Terry, in business management there are 4 theories in business management. The 4 theories are POAC or Planning, Organizing, Actuating and Controlling [9]. Business management in Islam is the same as business management from a conventional perspective, but business in Islam has basic principles. Rafik Isa Beekun [10] explained that there are 5 basic principles in managing sharia business, these five principles are as follows:

1. *Tauhid*
2. Balance
3. Free will
4. Responsibility
5. *Ihsan*

MSMEs have a fairly large role in economic development in Indonesia. Based on information from the Service of Cooperatives and Little and Medium Endeavors of the Republic of Indonesia (Kemenkop) in 2017, 60% of Indonesia's GDP came from MSMEs and the rest came from expansive businesses [1]. 9 It was recorded that in 2019 there were 65.47 million MSMEs in Indonesia. 10 Every year the number of MSMEs continues to increase, but every year many MSMEs have to close down because they do not have management and strategy in running their business [11]. The BMT function must directly deal with a complex society so it is required to be clever in its behavior [12]. For this reason, it is necessary to pay attention when carrying out evaluations in order to map the scale of priorities that must be

considered, for example in financing matters, BMT must pay attention to customer suitability in terms of customer groups and types of financing. At KSPPS BMT Beringharjo, they really pay attention to customer eligibility in terms of financing, customers are classified into 3 classes, namely micro/small class, middle class and upper class. At KSPPS BMT Beringharjo is different from conventional, because it is seen based on collateral, while in KSPPS BMT Beringharjo KCP Dolopo it is classified based on the customer's ability or income [13].

3. Research Method

The type of research that researchers use is qualitative research, namely by conducting research in certain fields in order to obtain the various data and information needed. However, when viewed from the level of explanation, the research is descriptive [14]. Descriptive research is research that describes a situation, whether it is what is seen, heard, in a situation and place. With this, descriptive research is field in nature. The data used is primary data which is obtained directly and the level of authenticity is in accordance with existing reality, namely through interviews and documentation [15]. Therefore, the research wants to know determine the role of MSME business development training on improving the business performance of BMT Beringharjo Ponorogo partners.

4. Results and Discussion

Islamic business management means managing business management based on Islamic values which are based on Islamic principles with the guidance of the Qur'an and Sunnah [16]. Islamic business is a business unit where those who run the business apply sharia principles. The Islamic principles referred to are all operations and operations of business units based on the provisions of Islamic sharia, such as carrying out muamalah in an Islamic way, by avoiding things that contain usury, things that harm other people, gharar or deception, dharar or things that are dangerous and evil or obscurity is also any form of harming others [9] [17].

According to George Terry, management has 4 functions [18]. These four functions have a relationship with each other, so if one function is not used then the process will not run perfectly. The goal of management is to achieve company goals. To achieve this goal, the first steps needed are as follows:

1. Planning

In Islam, planning is an initial activity that must be arranged in a job or organization with the aim of achieving maximum results. The planning process includes vision, mission, goals, strategies, operational policies and procedures and regulations.

2. Organizing

Organizing is one of the dynamic management functions and is a process of obtaining an organization that becomes a tool or forum for managers in carrying out their activities to achieve company goals. The organizational structure depicted in work positions includes division of work, types of work to be done superior and subordinate relationships, groups, components or sections, management levels and communication channels.

3. Directing/ Actuating

Direction is a form of mobilization or supervision, direction can be carried out after a plan has been made by the company and the employee's work plan. The aspects included in the direction are a manager's leadership model, the motivation given to employees and developing communication. Communication is a form of providing information between parts and between divisions.

4. Controlling

Control in the Islamic view is carried out to straighten out what is not straight, correct what is wrong and justify what is wrong. The control process originates from oneself which is based on *Tauhid* and faith in Allah and originates from the existing system within the company. After these four functions, the analysis that needs to be carried out is an analysis of Islamic values. According to Rafik Isaa Beekun [10], there are 5 basic principles in managing a sharia-based business. The 5 principles are as follows:

1. Tauhid

Tawhid leads humans to acknowledge the oneness of Allah as Lord of the universe [19]. Therefore, all activities, especially in muamalah and business, should follow Allah's rules which are written in the Qur'an and Sunnah. Business people are advised not to abandon their worship activities, especially obligatory prayers and distribute some of the profits earned in business to people in need.

2. Balance

Balance, fairness or equality are concepts that indicate the existence of social justice [20]. Islamic teachings are oriented towards creating human character who behaves and behaves in a balanced and fair manner in the context of human relations. As a business person who applies sharia principles, a businessman needs to pay attention to matters relating to his business. A businessman should mutually benefit partners, not harm partners or customers. Not harming other parties is a form of fairness in business.

3. Free will

Humans have the potential to make a variety of choices [21]. However, when determining a decision, it should be compared with the interests aimed at so as not to harm other parties. These interests can be based on individual, collective or community interests. Responsibility

4. Responsibility

A businessman's credibility is determined by everything, services, goods or services offered, work partners and even prices [22]. Business people who adhere to sharia principles should sell good and good goods or services, and not commit fraud. Every businessman also has a big responsibility towards his employees. The responsibility of a businessman is also seen in how the leader manages and organizes his business. Everyone is responsible. Responsible for what has been done to Allah and to customers.

5. Ihsan

Ihsan is a form of kindness and placing business with the aim of doing good. Basically, the business orientation in Islam is to achieve 4 things, profit which is the main target of every company, and non-profit benefits, business growth, business sustainability and blessings [23].

Baitul Mal wat Tamwil is a sharia microfinance institution. As a financial institution, BMT certainly carries out the function of collecting funds and distributing them. The way BMT funds work and turnover still looks very simple. Initially, BMT funds were expected to be obtained from the founders, in the form of special principal savings. As ordinary members, the founders also pay principal deposits, mandatory deposits, and if there are voluntary savings facilities [24]. The existence of BMT is actually an alternative philanthropic institution, apart from being a zakat, infaq and shadaqah amil institution, both managed by the government and the private sector. Its existence is expected to increase the role of managing Zakat Infaq and Sadaqah (ZIS) funds which have not been touched by zakat institutions. It is hoped that it will also increase the role of distribution to parties (mustahiq) who need it more evenly.

BMT Beringharjo has been around for decades, founded by three women, and has spread to East Java, including Ponorogo district, where apart from financial operations, it also has activities, namely BINA MITRA [5]. The vision of BMT Beringharjo is sharia education, which means that in daily activities, both in business and in trading activities, there are things that are haram and halal to do, so being a Muslim or Muslim trader, we are obliged and must choose the halal path to obtain blessings in life. Next is to suppress the loan shark's actions. The practice of loan sharks under the guise of cooperatives is very common and widespread in society, this really puts people into debt with high interest rates. So BMT Bering. The third vision is Empowerment. BMT wants to empower members to be able to move up in class and improve economically [25].

Companies that have been established are expected to continue to develop with blessings in them, not to justify any means in doing business. The conventional business management perspective provides a perspective that is quite different from Islamic principles.

5. Conclusion

The results of carrying out this research and service are that the MSME partners of BMT Beringharjo are able to understand and apply the concept of financial recording, marketing methods through normal and digital marketing methods, warehousing operations and HR management within the scope of their respective MSMEs. MSMEs are able to apply theory in entrepreneurship to improve the quality and quantity of their business.

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