

# The Role of Business Consultation on Business Management for Small Entrepreneurs in Sumberpinang Village, Pakusari District Jember Regency

Sudarsih

Department of Management,  
Faculty of Economics and Business, University of Jember

Susanti Prasetyaningtiyas  
Department of Management,

Faculty of Economics and Business, University of Jember

Diah Yulisetiari

Department of Management,  
Faculty of Economics and Business, University of Jember

Bambang Irawan

Department of Management,  
Faculty of Economics and Business, University of Jember

**Abstract:-** The aim of this research is to examine the role of business consulting to improve the entrepreneurial abilities of small entrepreneurs in Sumberpinang village, Pakusari subdistrict, Jember regency. This type of research is descriptive because it aims to provide an overview of the problems faced by small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency. The methods used in this community service are mentoring, lectures and discussions about the material that will be presented on the role of business consulting to improve the entrepreneurial abilities of small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency. The research results show that: 1) The public's lack of knowledge, especially about business organization management and entrepreneurship, makes it difficult to manage a business, this is due to their low entrepreneurial spirit; 2) The impact in carrying out their business activities is less than optimal in the sense that they have not mastered the forging techniques well; 3) In general, people do not realize and understand how to manage their business wisely and maintain their commitment to reducing expenditure budgets according to planning and 4) People still do not have planning and evaluation in managing their business so that many people are still satisfied with the situation they have achieved. This is clear does not support them moving forward to improve their business.

**Keywords:-** Business Consulting, Role, Management, Entrepreneur and Business.

## I. INTRODUCTION

Sector MSMEs can encourage economic growth and create jobs, so it can be said that the MSME sector can play a role in maintaining economic stability (Muzdalifa, 2018). In an effort to improve small and medium businesses, the government has issued various policies regarding funding and development business reserves, which have not provided the expected results because there is no protection for small businesses which must be obeyed by all parties. Apart from

that, small and medium businesses are required to be tough and independent in anticipating economic openness to free trade. In this regard, small businesses empower themselves through several things, including 1) fostering a business climate that supports the development of small and medium businesses and developing guidance and development for small and medium businesses and business partnerships.

The success of empowering small businesses requires cooperation between the government, the business world, society and universities. By empowering small businesses, it is hoped that small businesses will become resilient, independent and also be able to develop on their own, which in turn will increase the national product, employment opportunities and equal distribution of development results. MSEM really needs assistance from various institutions in applying knowledge management, both from the government, agencies and educational institutions (Bismala, 2016). The form of business development needed by entrepreneurs is assistance on how to make appropriate financial reporting, the right system for business and facilitating consultations on problems or questions regarding business and finance.

These include the marketing aspect, namely how products can be marketed well, even though there are strong competitors in the same area. Apart from that, consultation is also required regarding business so it increases financial, owners and/or managers of MSMEs are expected to be able to make appropriate management and financial decisions for the success and sustainability of the business (Aribawa, 2016). There is a tendency to overcome their limitations, MSMEs have cooperative characteristics in running their business to complement each other's limitations and obtain specific competitive advantages to compete in the global environment (Aribawa, 2016). If a business sector that is able to make a large contribution to society is given greater attention so that it can develop more competitively with other economic actors. The government needs to increase its role in empowering MSMEs in addition to developing mutually beneficial business partnerships between large entrepreneurs and small entrepreneurs, and improving the quality of MSME

human resources. This research will discuss the role of business consulting in overcoming the various obstacles it faces.

Sumberpinang village is part of the Pakusari sub-district, Jember Regency. The population of this village is approximately 6857 people. The business fields of this village's residents are sharecroppers, agricultural laborers, and small entrepreneurs. In Sumberpinang village, having small entrepreneurs, apart from being able to increase the residents' income, can also absorb labor. Based on the important role of small businesses, in supporting family income, providing employment opportunities, increasing income and community welfare, there is a need for concern and participation from the government, community and universities. The absorption of labor and income of entrepreneurs can be increased by increasing production output and sales of their products. However, the problem that every entrepreneur experiences in increasing their production output is the lack of capital and the low level of entrepreneurial spirit and managerial skills in managing their business. So that small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency can improve their businesses, they are provided with business consulting services. The aim of this research is to examine the role of business consulting to improve the entrepreneurial abilities of small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency.

## II. LITERATURE REVIEW

### A. Business Consulting

"Consultant" is defined as a person (expert) whose job is to provide guidance or advice in an activity. The word "Consultation" is defined as exchanging ideas or asking for considerations in deciding something and asking for advice (Sukitman, 2015). Prayitno in Tohirin states that consultations are basically carried out individually in a face-to-face format between the counselor and the consultant, who is an individual who asks for help from the supervisor so that he or she is able to handle conditions or problems experienced by a third party for which at least part of it is his or her responsibility, while the other party third are individuals whose conditions or problems are questioned by the consultancy (Aini and Vitria, 2022).

A business is an organization that sells goods or services to consumers or other businesses, with the aim of making a profit. Historically, the word business comes from English, namely business, from the word busy which means busy in the context of individuals, organizations and society. In the sense of doing work that brings profit (Kamaluddin, 2017). Business is an organization that sells goods or services to consumers with the aim of making a profit for the company (Ningsih, 2014). Business consists of all activities and efforts to seek profit in providing goods and services needed for the economic system (Louise, 2007).

Raymond E. Glos explains that business on the other hand is defined as all activities organized by people involved in the field of commerce (producers, traders, consumers and

the industry where the company is located), in order to improve standards and quality of life (Umar, 2005). The main motivation for business activities is actually profit, which is defined as the difference between income and costs incurred. Small entrepreneurs must be able to serve customers in a profitable way so that the company's survival is guaranteed in the long term. Apart from that, small entrepreneurs must always be sensitive to new opportunities or possibilities in satisfying buyers' desires.

According to Griffin and Erbert (2007), a business is an organization that provides goods or services with the intention of making a profit. Research concludes that business is an organization's activity in meeting the needs of society by creating goods or services to gain profits in improving the quality of life. Business provides benefits for every actor involved, some of the business benefits include:

#### ➤ *Obtain awards/recognition*

Awards or recognition can be obtained by doing business. Having a business that is successful, grows and develops and has a positive impact on society will provide positive recognition from the community itself.

#### ➤ *The opportunity to be your own.*

By doing business, you will be the decider and leader of the business being run. The size of the business is determined by the ability of the owner or manager of the business himself to run the business.

#### ➤ *Pay yourself*

The benefits of a business, namely the amount of income earned, are determined by us ourselves as business owners.

#### ➤ *Can set your own time*

By doing business or owning a business, we have more flexible time compared to being an employee in a company.

#### ➤ *A brighter future*

It could be said that our own future is in control, the more persistent we are in business, the more potential we have to have a brighter future.

Business has the function of increasing the value (usefulness) of a product, which was originally of little value, after being changed or processed into something that can meet the needs of society or consumers. The utility value created by business activities so that it can meet the needs of society is summarized in the main functions of business. There are several business functions including:

- Business functions to change the form of business (form utility) which is none other than the production function.
- Business functions to move forms (place utility) or distribution functions
- Business functions to change ownership (possessive utility), namely the sales function.
- Business functions to delay utility time or marketing functions

According to Steinhoff, there are main functions of business, namely:

- Looking for raw materials (acquiring raw materials)
- Converting raw materials into finished materials (manufacturing raw materials into product).
- Distributing finished goods into the hands of consumers (distributing products to consumers)

#### B. *Micro, Small and Medium Enterprises (MSMEs)*

Kwartono (2007) explains that Micro, Small and Medium Enterprises (MSMEs) are people's economic activities that have a maximum net worth of IDR 200,000,000, where the land and buildings where the business is located are not taken into account. And/or those who have an annual sales turnover of at most IDR 1,000,000, and are Indonesian citizens. Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises Chapter 1 Article 1 explains that micro businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro businesses. Small businesses are productive businesses that stand alone, carried out by individuals or business entities that are not subsidiaries of companies owned, controlled, or be part, either directly or indirectly, of a medium or large business that meets the criteria for a small business. Medium-sized businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of small businesses or large businesses with total net worth or annual sales results.

Aufar (2014) explains that small businesses (UK), including micro businesses (UMI), are business entities that have a net worth of at most Rp. 200,000,000, excluding land and buildings where the business is located and has annual sales of a maximum of Rp. 1,000,000,000. Meanwhile, Medium Enterprises (UM) are business entities owned by Indonesian citizens who have net assets greater than Rp. 200,000,000 to Rp. 10,000,000 does not include land and buildings. MSMEs are businesses owned by individuals, business entities that are not subsidiaries or branches of other companies with the criteria of having business capital which has certain limitations which do not include land and buildings where the business is located and are owned by Indonesian citizens.

### III. METHOD

This type of research was descriptive because it aims to provide an overview of the problems faced by small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency. Data collection includes a preliminary survey to obtain an overview of the organization and find out the problems to be researched, a field survey in the form of observations and direct interviews with small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency. Data from the community was obtained through repeated interviews and processed further.

This research was community service research. The methods used in this community service are mentoring, lectures and discussions about the material that will be presented on the role of business consulting to improve the entrepreneurial abilities of small entrepreneurs in Sumberpinang village, Pakusari District, Jember Regency. In general, these activities include 1) Lectures on business consulting to improve the entrepreneurial abilities of small entrepreneurs and 2) Providing direct guidance and direction regarding business to improve the entrepreneurial abilities of small entrepreneurs.

### IV. RESULT AND DISCUSSION

#### A. *Situation Analysis*

Geographically, Sumberpinang village is an area with a rural feel in the Pakusari sub-district, Jember Regency. It has 4 (four) hamlets, namely Krajan hamlet, Jeding hamlet, Jatian hamlet and Bunder hamlet. The distance between Sumber Pinang Village and the sub-district capital is approximately 1 (one) km with a travel time of approximately 15 (five) minutes using a motorized vehicle, while the distance from the capital of Jember Regency, which is approximately 8 (eight) km, requires a travel time of approximately 20 (twenty) minutes using a motorized vehicle. The border of Sumberpinang village to the East is bordered by Subo village, Pakusari District and to the West it is bordered by Antirogo village, Sumbersari District. To the south it borders the village of Kertosari, Pakusari District,

Problem solving steps were carried out by forming a preliminary meeting group at the Sumber Pinang Village office, Pakusari sub-district. The next activity is to complete the activity by providing explanations or lectures by the team regarding understanding capital development alternatives, providing business improvement incentives and fostering an entrepreneurial spirit so that they have managerial skills in managing a business. Then continued with a question and answer session. Delivery of material is carried out using counseling and consultation so that coaching can achieve targets. Business consulting services to small entrepreneurs were carried out in Sumberpinang Village, Pakusari District, Jember Regency, when the implementation took place, namely June 2018 until the end of August 2018, adjusted to the schedule of small entrepreneurs.

The targets of this community service are entrepreneurs of tape, crackers, duck eggs, corn, plastic, herbal medicine, nuts and small traders. The aim of the activity is to empower the target audience, so the activity method used is through explanatory lectures regarding capital development alternatives, business improvement alternatives and fostering an entrepreneurial spirit so that they have managerial skills in managing a business.

#### B. *Research Achievement Results*

The public's knowledge is still minimal, especially about business organization management and entrepreneurship, making it difficult to manage a business, this is due to their low entrepreneurial spirit. The impact in carrying out their business activities is less than optimal, in

the sense that they have not mastered product production and marketing techniques well. In general, people do not realize and understand how to manage their business wisely and maintain their commitment to reducing expenditure budgets according to planning. The community still does not have planning and evaluation in managing their business so that many people are still satisfied with the situation they have achieved, this clearly does not support them moving forward to improve their business.

Based on this community service activity, the community was very enthusiastic in receiving the material and many of them even asked questions and talked about the problems faced by the community and became more aware of the fact that managing a business requires a strong and wise commitment in accordance with the planning and financial targets to be achieved, especially fulfillment. future needs. The interesting thing about this activity was the enthusiasm of the community in their desire to become entrepreneurs in an effort to increase family income, the residents to open businesses such as selling food, designing and many asked about techniques for running a business to be successful. The business consultations provided include the following.

#### ➤ *Business Improvement Alternatives*

New business opportunities that will bring various types of risks. If those who are starting a new business can assess their level, they will have confidence in their ability to succeed or the entrepreneur will be able to conclude that they should work for someone else. Although there is no known way to make such an assessment with any precision, there are ways by which individuals can assess the qualifications to start and manage a new business successfully. The characteristics of successful entrepreneurs with high willpower will provide guidelines for self-analysis.

#### • *Innovative capabilities.*

Innovation requires the search for new opportunities. This means improving existing goods and services, creating new goods and services, or combining existing production elements in new and better ways.

#### • *Tolerance for business risks*

This means the ability to deal with things that are unstructured and unpredictable. This characteristic is closely related to the innovative process. Innovativeness comes from existing creativity that requires improving existing conditions, depends on one's abilities, and is totally absorbed in the process. Creative people have the ability to build structure from unformed situations.

#### • *Desire to achieve.*

The desire to achieve is an important sign of entrepreneurial drive. This marks its owners as people who will never give up in achieving the goals they have set for themselves.

#### • *Reality planning capabilities.*

Setting challenging and workable goals is a sign of entrepreneurship.

#### • *Leadership is focused on goals.*

Entrepreneurs need activities that have high goals motivating them to direct their energy, colleagues and subordinates towards the set goals. All efforts in an organization are focused on achieving the organization's main goals.

#### ➤ *Internal and External Capital Development*

The focus of attention in financial matters is the management of various financial aspects of a business. One of the strategic resources for running a business, the problem of financial management is the problem of determining various possibilities for obtaining sources of funds or capital, namely those that can be obtained at relatively low costs and their use to finance various business activities in accordance with specifically determined priorities, namely working capital management. As with other forms of business, business organizers cannot be separated from the need to develop working capital. Developing working capital is necessary to ensure the smooth running of business activities.

Working capital is all assets that are expected to return to their original form within one year or one cycle of normal business activities. So what is taken into account is cash, receivables, inventory and short-term investments. The focus of cash management is on achieving a balance between cash disbursed and cash received. As is known, cash is the most liquid asset, apart from that, cash is also an asset that does not have a clear identity of ownership. Therefore, in relation to internal capital development, cash management is directed at the following conditions:

- Available in amounts that finance transactions during the period
- Avoiding unemployment in relatively large numbers
- Avoid misuse of cash

In connection with the above objectives, we must try to utilize cash that has not been used for the time being to finance productive activities. Meanwhile, the action that must be taken to avoid misuse of cash is to separate responsibilities between the parties who receive cash, disburse cash, and write off cash. and cash irregularities. By separating responsibilities, the possibility of carrying out a whole series of transactions related to cash by someone can be avoided. Next, this can be done with short-term investments. This short-term investment is usually made to utilize excess cash, namely to obtain additional income.

#### ➤ *Fostering an Entrepreneurial Spirit*

Entrepreneurship is a non-physical ability that is able to move physical figures, combining production factors. A superior entrepreneur has at least five things which are the essence of:

- Confidence and example
- Strong-willed and full of dynamism
- Sharpness and ability to see opportunities
- Courage to act seriously'
- Firmness and toughness in facing challenges

Points 1 and 2 are the initial requirements for people who may become entrepreneurs without having strong beliefs and example, it will be very difficult to be able to rise as a good and successful entrepreneur. The ability itself is the driving force for someone to succeed. This desire and example are active, creative and dynamic steps in taking the initiative to discover something new. Sharpness in seeing or looking for new opportunities is the main quality of entrepreneurs. This ability and sharpness of seeing may be obtained because they really work hard and understand the business field they are handling and their professionalism sees opportunities about what other people need compared to the existing resources to meet those needs. This ability can be built through education and training or through personal passion for experiencing environmental conditions in a concrete way. The courage to act to start something no matter how small is a prerequisite for success in business. People who always doubt will not start something, and those who do not start something will not get results. The courage to act certainly takes into account the risks, the greater the risk, the greater the opportunity to gain profit or loss. Determination and toughness in trying are factors that are no less important. People who always doubt will not start something, and those who do not start something will not get results. The courage to act certainly takes into account the risks, the greater the risk, the greater the opportunity to gain profit or loss. Determination and toughness in trying are factors that are no less important. People who always doubt will not start something, and those who do not start something will not get results. The courage to act certainly takes into account the risks, the greater the risk, the greater the opportunity to gain profit or loss. Determination and toughness in trying are factors that are no less important.

#### ➤ Evaluation of activities

Overall, this service activity ran smoothly. Some of the obstacles to activities were that only a portion of the community was attended due to busy activities. Several things that must be considered for future activities are that extension activities can be carried out continuously, directly or indirectly. Directly, this is by holding direct and group meetings with community members, indirectly through communication media by opening a consultation room in business management for small entrepreneurs in Sumber Pinang.

## V. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of community service activities carried out with business consulting services, several conclusions can be drawn, namely 1) The lack of public knowledge, especially about business organizations, management and entrepreneurship, makes it difficult to manage businesses, this is due to their low entrepreneurial spirit; 2) The impact in carrying out their business activities is less than optimal in the sense that they have not mastered the forging techniques well; 3) In general, people do not realize and understand how to manage their business wisely and maintain their commitment to reduce expenditure budgets according to planning and 4) People still do not have

planning and evaluation in managing their business so that many people are still satisfied with the situation they have achieved. This is clear does not support them moving forward to improve their business.

In an effort to improve business management, it is important that business consulting continues to provide knowledge and consultation on an ongoing basis. The important role of government in supporting and fostering an entrepreneurial spirit with counseling, seminars and training as well as technical assistance in advancing business.

The author would like to thank the respondents who took the time to fill out the questionnaire and provide information related to the data that the author researched.

## REFERENCES

- [1]. Aini, Khurrotu dan Vitria, Puri Rahayu.2022. Hubungan Pengetahuan Kewirausahaan Dengan Keberhasilan Usaha Mikro Kecil Menengah (UMKM) di Citra Niaga Samarinda. *Jurnal Prospek : Pendidikan Ilmu Sosial dan Ekonomi* 4 (2).21-32
- [2]. Aribawa, D. 2016. Pengaruh literasi keuangan terhadap kinerja dan keberlangsungan UMKM di Jawa Tengah. *Jurnal Siasat Bisnis*. 9 (2). 24-31
- [3]. Bismala, L. 2016. Model Manajemen Usaha Mikro Kecil Dan Menengah (UMKM) Untuk Meningkatkan Efektivitas Usaha Kecil Menengah. *Jurnal Enterpreuner Dan Entrepreneurship*, 5(1), 19–25
- [4]. Griffin, Ricky dan Ebert, Ronald. 2007. *Bisnis*. Jakarta : Erlangga.
- [5]. Kamaluddin, 2017. *Administrasi Bisnis*. Indonesia; SAH Media
- [6]. Muzdalifa, Irma, Inayah Aulia Rahma dan Bella Gita Novalia. 2018. Peran Fintech Dalam Meningkatkan Keuangan Inklusif Pada Umkm Di Indonesia (Pendekatan Keuangan Syariah). *Jurnal Masharif al-Syariah: Jurnal Ekonomi dan Perbankan Syariah* 3 (1). 21-28
- [7]. Soegoto, E. S. 2014. *Entrepreneurship Menjadi Pebisnis Ulung Edisi Revisi*. Elex Media Komputindo
- [8]. Sukitman. Tri. 2015, *Bimbingan dan Konseling* , Yogyakarta: Diva Press
- [9]. Suryana, 2017. *Kewirausahaan: Pedoman Praktis Kiat dan Proses Menuju Sukses*, (Edisi Keempat). Jakarta: Salemba Empat
- [10]. Umar, Husein. Studi kelayakan *bisnis*. Jakarta (ID): PT. Gramedia Pustaka Utama