



## Improving governance and increasing the competitive advantage of Donut Donnich micro enterprises in Karang Sambung village

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### ABSTRACT

Activity Devotion Lecturer is part of the Tri Dharma Universities implemented in the district Karawang village link carry empowerment program public village with creative economy effort creates independent community human resources. Service program activities carry out programs including devotion to social, education in doing business, implement economy creative attempt to create independent community human resources in trade-off resource its territory. The service team has done the best, with reports that have been achieved in published activity in the form of photo activities, short videos, social media publications, social improvement facility production partners, implementation of economic programs creative for partners, and articles scientific activity devotion. Recent developments in economic development are increasing, providing impetus for business actors to develop businesses and seize business opportunities with the right business strategy.

**Keywords:** governance, excellence compete, business micro.

## 1. INTRODUCTION

In general, business opportunities caused by the surge in demand for goods and services by the public are always won by large companies. This is because these companies always conduct market studies and research related to changes in public demand for goods and services that are fast and dynamic, coupled with the entry of other business entities in the same industry with superior technology, price level, quality, after-sales, and product features. This will lead to high competition between companies in the industry, impacting market mechanisms that better adjust the price level of products and services. Due to the nature of the market, which has the characteristics of perfect competition, where companies are free to enter and leave the market, plus companies have weak power to control prices, it is possible for businesses that are less productive to immediately resign or close their businesses because they are unable to compete in the market. My world is very competitive. These unproductive businesses are experienced mainly by small and medium enterprises or small to medium enterprises (SMEs); in terms of the production process of goods and services that are too simple, the workforce that carries out the transformation process of goods and services is not reliable and the use of machinery.

Very old production machines become the main obstacle for SMEs to compete. Another obstacle that worsens MSME business performance is the obstacle in marketing the goods and services that have been produced, so it is not uncommon for us to find a scarcity of MSME products in the market due to the low public interest in buying MSME products because these products are less well known than large companies and marketing factors. Others participate in controlling the demand for MSME products.

The above obstacles are the company's peak that must be addressed immediately so that in the future, market players will be more dominated by MSMEs. For this reason, the role of innovation in creating new products that can compete and have different product characteristics from competitors is the main key primary small and medium businesses to dominate the market. With the rapid development of digital technology and technology for the transformation of raw materials into finished materials, supported by changes in consumer tastes and fast business competition, like it or not, MSMEs are forced to develop products on an ongoing basis through the development of innovative new products through modification of original products, make improvements to products that are less attractive to consumers and make product variations that are in line with

consumer tastes through market research and appropriate operating productivity (Kothler, 2014).

Many MSMEs trying to create new products have failed, resulting in a decrease in consumer interest in the products offered, which in turn will have an impact on the decline in the company's net profit caused by new products sold to the market. The second failure often ignored by business actors, especially SMEs, is a poor product strategy because small businesses lack focus and have low concentration on their superior products, in addition to poor design, development, and appropriate marketing models for these SMEs. Therefore, an effective product strategy should be able to link product decisions, working capital management, target market determination, predictive market share determination, and product life cycles as a reflection of the extent of MSME product divestment as a result of developing competitive advantage with innovative products, product features with various powerful features and quick response to changing consumer tastes.

The distribution of MSMEs in the Village Karangsembung is dominated by the trade and agriculture sectors, followed by the home industry sector, and then complete with the food processing sector, namely donuts, cakes, pastries, and other processed snacks. Food famous in the village of Karangsembung is a donut because it tastes delicious with simple raw materials and an efficient process, causing this snack to be very popular with the surrounding community. However, that is only at certain times, such as community celebrations or weddings. The process of making donuts in the village of Karangsembung is not too complicated, coupled with the availability of raw materials readily available in traditional markets or traditional markets mini market around.

The limitations of human resources, coupled with the difficulty of finding the target market due to the constraints of marketing donut products, the donut operation process that still uses traditional methods causes the popularity of donuts to seem to disappear. The process flow for making donuts starts from purchasing raw materials consisting of flour, sugar, eggs, and yeast. After all the ingredients are put in a prominent place, the next step is the moving process that uses human power. The time required to process making donuts depends on the raw material we want to produce.

The development of food technology and findings on processed machines donuts are only enjoyed by business actors who already have a broad market supported by a supply chain always well-maintained and innovative packaging. Therefore, to deal with the problems faced in the above explanation, it is necessary to make efforts to create innovative products that can compete with competing products in the market by modifying the production process, which is supported by production machines so that donut production activities donnich can have high productivity through the continuous availability of superior donut products.

In addition to improving the production process and product innovation of MSMEs in Karangsembung Village, financial reports must be in the form which aims to provide a comprehensive picture of the performance of MSMEs from a financial perspective. As we know, MSME or Sole Proprietorship is a small business that a capital owner mostly

funds; therefore if the company goes well, then it is an encouraging thing because the overall net profit of the business will be enjoyed by someone who is the sole owner of the funds. However, if he has debt, then the debt will become the obligation of the owner of the funds because his business activities are considered integrated with his activities, plus the calculation of business taxes will also see the personal income of the owner of the capital (Ross, 2013). in procuring production machines, it is necessary to consider alternative funding, whether to use debt or increase the wealth of the owner of capital; this needs to be considered business capital budgeting. For that, we need a financial application that will guide small business actors regarding what strategic steps need to be taken to improve business performance.

As we know that the financial application is a simple application built using Microsoft Excel consisting of several worksheets or WorkSheet containing elements of financial statements such as the Initial Business Balance, Sales Per Period, Operational Activities consisting of the Production Process, Raw Materials, Labor Direct, Business Overhead, Marketing, Administration, Final Balance Sheet, Profit and Loss, Changes in Capital and Cash Flow Statement. With the financial application, it is hoped that MSMEs can conduct studies and evaluate their business progress.

## 2. METHOD IMPLEMENTATION

### Partner Problem Resolution Stages

The steps that will be taken in solving partner problems are as follows:

1. Conducting field observations related to problems, main obstacles, and other factors that become business obstacles, then the team identifies issues related to the decline in MSME productivity in Karang Connect Village
2. Mapping and analyzing the prospectus of MSME Donuts, coupled with planning related to business financial simulations starting from determining sales plans, determining production plans, determining financial goals, and determining plans for future capital needs.
3. Implementation of the plan through the production of more innovative Donuts by always maintaining Donuts original; besides that, we, as the initiators, are looking for a target market for the donuts which have been completed in production and are ready to be sold to target customers.
4. The stages of implementing an Android application-based business finance program start from preparing standard financial reports according to financial accounting standards to ending with business financial analysis and business prospects.

### Implementation Method

solute from the various obstacles faced by business actors in Karang Connect Village, especially obstacles related to problems in preparing financial reports, obstacles in the production process, and obstacles in meeting the wishes of target customers.



Chart 1. The flow of implemented methods

### Donnich Implementation and Original Donut Modification

Implementation is a concrete action or series of plans that have been made initially to achieve the strategic goals previously set (Kaplan & Norton, 2010). With the implementation of activities through community empowerment in Karang Connect, it is hoped that it will be able to increase productivity and the resulting business potential so that in addition to being able to maintain the typical food of Jatireja village, it is also able to make UMKM Don'nich Coral Connect Village compete in the national market.

Implementation starts from checking the required equipment and available equipment. Testing is carried out to determine what materials are the right choice for producing donuts—quality at an affordable price. It is proposed to make slight modifications to the original donuts without reducing the existing taste.

### Finding Target Markets and Expanding Market Reach

In creating new markets, it is recommended to join the MSME bazaar, which will be organized as a service program Pelita Bangsa University Lecturer with To do market expansion through social media (Instagram) succeed promoted by colleagues lecturer at Pelita Bangsa University at Karang Connect Village. Then approach distribution channels in several nearby markets to help sell Donuts Karang Connect Village with a fair profit-sharing system.

### Improving Continuous Operation Process

In this activity, the concern is how the production process that is less efficient and effective is reduced, or even the operation is more refined by improving the flow, selecting raw materials with the suitable composition and dosage, updating equipment, designing more attractive packaging with good price considerations. . The process starts from carrying out a series of activities in transforming raw materials into finished goods, namely donuts that are ready for customer consumption. Therefore, selecting quality raw materials using the right production equipment and machines supported by qualified human resources will produce products that suit the community's tastes (Kothler, 2014). Improvements to packaging, make changes and modifications using graphic design for selecting packaging images, logos, and compositions that are made as attractive as possible.

For Donnich, using easy ingredients obtainable and affordable on the market, which is identical with usage (flavors and toppings above donuts that we make more interesting )/ what makes the difference Among donuts beginning with donuts that have been our develop is from the taste and topping of the

donuts that we modify ourselves Becomes more many variations, it is hoped that it will increase the demand for and demand for Donnich Coral Connect.

### MSME Budgeting Plan

Regarding MSME Donuts, including the type of business, a home-based company that converts raw materials into finished materials, so to see the growth of capital from the capital investment of the capital owner, a plan is needed a budget that describes the initial financial position of MSMEs. This budget report only contains the amount of deposit available to start a business.

Furthermore, the capital will be used to purchase production equipment. If it is lacking, then the plan for the lack of money to buy production equipment can be submitted to a low-cost external funding source, namely through the allocation of village assistance funds. Only the remaining shortfall can apply for a loan to a bank with loan interest and affordable loan schemes.

### Making a MSME Budget

They are making the MSME financial budget by considering the suitability of reports based on Financial Accounting Standards. Individual business entities should create standard financial information to make it easier for users of financial statements, especially owners of capital, to know the financial performance of MSMEs. Making The budget starts with making initial financial reports, reports on sales, early-stage production and future production plans, raw material needs, purchases, use of raw materials, selling prices, and net profit to be achieved.

### Evaluate and Revise if anything needs to be done

Based on the experience and analysis that has been conducted During MSME development, we can conclude the evaluation of the results as follows:

1. To do innovation by adding various flavors like \_ Chocolate, Cheese, Tiramisu, Strawberry, and Matcha, with topping combination becomes different topping variants (Oreos, Peanuts, Choco Chips, Cheese, Chocolate Milk, Chocolate, And Colorful Meses Ceres)
2. Production process standardization
  - Standard dose ingredients (no taste stable)
  - Standard frying time (still many haven't died)
  - Standard drying process (still many oils)
  - Standard packaging (labeling, packaging, standard contents, how many grams)
  - Standard HPP calculation explained About Cost Sales)
  - Determination of one source purchase ingredient raw
3. Expand marketing
  - Custody on campus (Pelita Bangsa ), Do Marketing until to factories the place members ( Program Devotion Lecturer at Karang Connect Village ) Work
  - Making an account shop online on Social Media ( Instagram and WhatsApp )
  - To do promotions ( discounts, online promotions )
  - Promote through the MSME bazaar, which will organize members (Program Devotion Lecturer at Karang Connect Village) at the end of the Program period Devotion Lecturer.

### Evaluate and Revise if anything needs to be done

Based on marketing and analysis conducted During MSME development can conclude the evaluation of the results as follows:

1. Production process standardization
  - Determination of one source purchase ingredient raw
  - Standard size packaging must be customized with size donuts
2. Expand Marketing
  - Store Account Creation online in e-commerce (Shopee, Go Food, Grab Food, etc. )
  - By Door to Door through the tester to a neighbor or closest friends.
  - To do promotions ( discounts, online promotions)
  - Enter the place effort go to google maps

### 3. RESULTS AND DISCUSSION

As for the results and discussion in devotion about Improved governance and improvement Superiority competing Micro Enterprises Donuts Donnich at Karang Connect Village namely :

#### Type of Expertise Required

The type of expertise needed to solve the problems faced by business SMEs donuts as partners are as follows:

- a. Skill Entrepreneur :  
That skill covers how to plan business until with manage the finances of our business run.
- b. Catering Expertise:  
That is, skills and abilities process food Become processed cake that can be marketed and consumed by many people.
- c. Packaging and Marketing Expertise :  
That is a skill in choosing appropriate packaging design with size cake or Donuts made and also craftsmanship marketing for choose market segmentation based on location geography, age nor income from candidates' consumers.
- d. Social Media Skills :  
That is enabling skills\_ user for present about himself, a product and interact with a user other without knowing regional boundaries, age, gender, and others.

#### Expert skill Businessman

Entrepreneurship is a process of applying creativity and innovation to solve and seek opportunities for problems everyone faces in everyday life ( Suryana 2013) . Based on this definition, the essence of entrepreneurship is creativity and innovation.

Entrepreneurship Skills the is the main and needed in implementing this program, in addition to that, soul entrepreneurship also requires students for capable manage well from side production, operations, managing human resources, managing finance, marketing on social media platforms, and marketing direct hand consumer end. So that hopefully, donut SMEs this capable for improved from the side marketing and revenue.



Figure 2. Implementation process creativity and innovation Donnich

#### Expert Catering expertise \_

Catering is knowledge in the field of cuisine (the art of cooking food) covering the scope of food, from preparation to processing to serving the food, both traditional and international ( Ulfah, N., 2013) because \_ that skill making donuts by students and also by existing SMEs from Mrs. I'in from Hamlet 1 Karang Connect Village combined and modified by appetite contemporary as form innovation and customized with packaging that has been ready market.



Figure 3. Preparation for processing

#### Skill Packaging and Marketing expertise

Packaging involves designing and producing the container or wrapper for a product which means that the packaging process consists in designing and producing activities; the primary function of the packaging itself is to protect the product so that the product quality is maintained (Kotler and Armstrong, 2012). Product commercialization is the stage of introducing products that have been produced to consumers with more attractive packaging. At this stage, expertise is needed to create a draft product packaging image through application software Corel draw or application other.

process with the target market for realizing potential exchange with meaning, satisfying needs and wants human, building profitable relationships, and understanding the needs of the



Figure 4. Packaging Don'nich

### Expert Social Media skills

Social media is a medium on the internet that allows users to represent themselves and interact, work together, share, communicate with other users to form virtual social bonds (Nasrullah, 2015). Therefore, this skill is very necessary because it can increase sales and product marketing.



Product Instagram Donnich Coral Connect

## 4. CONCLUSION

The high demand from the public for the demand for processed food products has caused the development of the world of eating or various snacks to be the choice of some business actors to try to introduce their products to customers in the market. With the increasing number of business actors participating in the food business world, causing increased competition among fellow entrepreneurs, therefore a breakthrough is needed that is more identical to food processing innovations that suit the tastes of consumers or customers. Karang Connect Village has excellent potential, namely donuts with a delicious and sweet taste. Still, it is only produced at certain events, so the echo is less well-known in the community. Therefore we need a plan that must be turned into a program and implemented in business activities, namely how to create a marketing system that can

introduce and increase the potential of Karang Connect donuts by always considering the delicious taste, ease to get, can order delivery using the facilities the best delivery and good marketing and promotion channels by always prioritizing affordable prices. In addition, it is also necessary to have an integrated corporate financial system to provide an overview of the business performance of Karang Connect donuts in the sense of giving an overview of profitable business activities that small businesses can do in their business. Generate sustainable profit growth (Sustainability profit growth ); therefore, to create sound financial reports, it is necessary to be accompanied by guidelines for preparing financial statements that follow the Financial Accounting Standards issued by the Accounting Association. Finance.

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