Sinergity of Village Owned Enterprises and MSMEs in Upgrading Daergic Potentials: Study on Sido Makmur Village, Getasan Village, Getasan District, Semarang Regency

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Abstract
Getasan Village has strategic potential and sufficient resources to advance Micro, Small and Medium Enterprises (MSMEs). The village's vision and mission, enshrined in Village Regulation No. 2/2019, focuses on the development of MSMEs. Although most MSMEs in the village still operate on a small and home-based scale, they remain a pillar of the local economy. However, challenges such as limited capital, lack of management knowledge, less supportive infrastructure, as well as limited market access hinder the growth of MSMEs. To address this, Village-Owned Enterprises (BUM Desa) are considered a potential solution. Law No. 6/2014 on Villages provides a legal foundation for the establishment of BUM Desa. With the synergy between BUM Desa and MSMEs, local economic potential can be maximized. The research used participatory observation methods and a qualitative approach. The results show several patterns of effective synergy between BUM Desa and MSMEs, such as capital strengthening, infrastructure development, skills training, and joint promotion. These measures are expected to improve the competitiveness and growth of MSMEs and provide positive impacts for the government and community. The formulation of BUM Desa's strategy in utilizing local economic potential and mobilizing MSMEs is also detailed to provide direction for further development.

Introduction
Getasan Village is one of the largest trading centers in Getasan District located in Semarang Regency. Many grocery stores, restaurants, and various public facilities such as Community Health Centers (PUSKESMAS), Post Offices, Religious Affairs Offices (KUA), Banks, Minimarkets, Government Offices, even the largest market in Getasan District is located in Getasan Village (Sufri et al., 2023). The location of Getasan Village is also only 3 KM from the tourist destination of Kopeng Tourism Park. These things make Getasan Village has the potential to develop the economy, especially in the field of trade. The development of village Micro, Small, Medium Enterprises (MSMEs) is one of the priorities of the Getasan Village Government to build the prosperity of rural communities through the trade sector (Baroroh et al., 2023; Putri et al., 2024).

The strategic location of Getasan Village to its adequate resources is an opportunity that can be utilized and maximized to build Getasan Village MSMEs to be more advanced (Prasetya & Prajanti, 2023; Irawan & Esthi, 2024), and this is used as one of the vision and mission of the village as outlined in Getasan Village Regulation Number 2 of 2019 concerning the Village Medium-Term Development Plan (RPJM Desa) of Getasan Village for the 2019-2025 Period. Although in reality most MSMEs in Getasan Village are still running perfunctory and still on
a household scale, it is undeniable that the MSME sector plays a very important role in the economy of the local community (Varga, 2021).

However, MSMEs in Getasan Village can be said to be not developing, far from expectations considering the large potential in the trade sector. There are 28 MSMEs spread throughout the Getasan Village area, only 3 MSMEs have business licenses, and the majority are still income gathering and business fundamentals are not yet strong. There are many problems that become obstacles and obstacles to the development of MSMEs in Getasan Village. Among them are limited sources of capital, limited management knowledge, inadequate infrastructure, lack of broad market access, low quality of labor, and lack of knowledge of innovation and marketing technology. Other problems faced by MSMEs are related to the lack of clear business prospects and planning, as well as the unsteady vision and mission of MSMEs. This characteristic can be seen from business behavior which is generally a family-owned business, the use of simple technology, limited access to capital, and there is no separation of business capital from personal capital (Grigorescu et al., 2021; Gaisie et al., 2021).

From these various problems, basically the village itself has a source of strength morally and materially. Among these sources of strength, the existence of Village-Owned Enterprises (BUM Desa) can be a solution to all problems that occur in MSMEs in Getasan Village. As stipulated in Law of the Republic of Indonesia Number 6 of 2014 concerning Villages which states that villages can establish Village BUM. So by looking at the potential in the trade sector in Getasan Village, the existence of Village BUM should be more focused on developing the local economic potential of the village, especially MSMEs. Through the synergy of Village BUM with MSMEs in raising regional potential, it is hoped that it will be a solution to solve these problems.

BUM Desa Sido Makmur Desa Getasan is the only business institution or business entity formed by Getasan Village. BUM Desa Sido Makmur Desa Getasan has several business units, namely: (a) Waste Management Business Unit; (b) Electronic Business Unit of Warung Gotong Royong (E-WARONG); (c) Multipurpose Building Parking and Rental Business Unit; (d) Stationery and Photocopy Shop Business Unit; and (e) Wedangan Business Unit.

This study aims to understand the economic potential, resources, expertise, and other local potentials in Getasan Village. This objective will help identify potential opportunities and sectors that can be developed through synergies between Village BUM and MSMEs.

Methods

The research method used to examine the synergy between Village BUM and MSMEs is participatory observation with a qualitative approach. This approach involves researchers actively in the activities and interactions that occur in the environment under study. In participatory observation, the researcher not only becomes a passive observer, but also engages in the observed activity. Researchers will interact with the actors involved, such as Village BUM members and MSME actors, and be actively involved in the ongoing process. This allows researchers to understand in depth the dynamics, interactions, and contexts in the synergy between Village BUM and MSMEs. A qualitative approach was used in this study to understand the perspectives, motivations, and experiences of individuals involved in the synergy of Village BUM and MSMEs. This method collects in-depth and detailed data on the relationship between the two entities, focusing on contextual and interpretive understanding. Through the use of participatory observation with a qualitative approach, this research can provide rich and deep insights into the synergy between Village BUM and MSMEs, as well as the factors that influence the interaction and performance of both.
Results and Discussion

The Role of Village BUM in MSME Development

Law of the Republic of Indonesia Number 6 of 2014 concerning Villages Article 78 states that village development aims to improve the welfare and quality of life of rural communities and overcome poverty through meeting basic needs, building infrastructure, developing local economic potential, and sustainable use of natural resources and the environment. One way to encourage village development, the central government gives authority to village governments independently through village economic institutions. One of these village economic institutions is Village BUM in accordance with the Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises. The data is supported by the results of an interview with Mr. Suwarlan, Head of Getasan Village, who stated that:

“In relation to the development of the village economy, the Getasan Village Government empowers Sido Makmur Village BUM to participate in advancing the village by strengthening the functions of its business units. So the village will provide capital to support the smooth running of the business.”

The same thing was also expressed by Mr. Agus Riyanto as Director of BUM Sido Makmur Village, Getasan Village, Getasan District, Semarang Regency, who stated that:

“It is an honor for me and my management friends to be able to take part in village development through BUM Desa, to participate in making Getasan Village prosperous, independent, and able to serve the community through the development of creative economy businesses and social services.”

In accordance with Law Number 6 of 2014 concerning Villages, Article 90 states that village governments encourage the development of Village BUM by providing grants and/or access to capital. The capital budgeted by the Getasan Village Government is determined by the Getasan Village Government through the Village Revenue and Expenditure Budget (APBDES) both in the participation of business fund capital and in the form of business building capital. This data can be seen in Table 1.

Table 1. List of Capital Budgeting BUM Sido Makmur Village Getasan Village

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Description</th>
<th>Nominal (IDR)</th>
<th>Stipulation Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Village BUM Capital Participation</td>
<td>20.000.000</td>
<td>Perdes Getasan No.1 of 2019</td>
</tr>
<tr>
<td></td>
<td>Village Kiosk Construction Budget</td>
<td>40.000.000</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>Village BUM Capital Participation</td>
<td>20.000.000</td>
<td>Perdes Getasan No.7 of 2019</td>
</tr>
<tr>
<td></td>
<td>Village Kiosk Construction Budget</td>
<td>79.323.000</td>
<td>Perdes Getasan No.7 of 2020</td>
</tr>
<tr>
<td>2023</td>
<td>Village BUM Capital Participation</td>
<td>20.000.000</td>
<td>Perdes Getasan No.7 of 2022</td>
</tr>
<tr>
<td></td>
<td>Sarpras Unit Wedangan Development Budget</td>
<td>45.000.000</td>
<td></td>
</tr>
</tbody>
</table>

The capital data is supported by the results of an interview with Mr. Agus Riyanto, Director of BUM Desa Sido Makmur Desa Getasan who stated that:

“The Village Government provides capital assistance to Village BUM for the development of existing business units in Village BUM. Assistance is given every year in the form of cash or the use of shop buildings or village kiosks as a means of business.”
The Getasan Village Government builds village shops or kiosks which are village-owned assets which in their use are given to BUM Desa Sido Makmur Desa Getasan as a means of business. This is in accordance with the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 4 of 2015 Article 18 Paragraph (1) which states about village capital participation, one of which consists of village assets in accordance with the provisions of laws and regulations on village assets.

Analysis of MSME Development Problems in Getasan Village

The development of Village MSMEs is one of the priorities of the Head of Getasan Village to build Getasan Village. The potential of Getasan Village is so great in the development of the MSME sector. This can be seen from the strategic location of Getasan Village to its adequate resources. This potential is utilized and maximized to build Getasan Village to be more advanced, and this is used as one of the visions and missions of the village as outlined in Getasan Village Regulation Number 2 of 2019 concerning the Village Medium-Term Development Plan (RPJM Desa) of Getasan Village for the 2019-2025 Period, as the results of an interview with Mr. Suwarlan as the Head of Getasan Village which stated that:

"The development of Village MSMEs is indeed one of my priorities to build Getasan Village. Because the potential of Getasan Village is large, judging from the location of the village to its resources. This potential must be truly utilized and maximized to build Getasan Village to be advanced. So the development of MSMEs in Getasan Village became one of the visions and missions of the village in this period."

According to Rindrayani (2016), MSMEs play an important role in economic growth, namely as an alternative provider of broad economic services to the community, can create new jobs, have high flexibility compared to larger capacity businesses, and as a forum to create new entrepreneurs. In an effort to compile the right steps in the development of MSMEs in Getasan Village, at the beginning of his tenure, the Head of Getasan Village formed a special team to conduct research on the potential, opportunities, and constraints of MSME development in Getasan Village, as conveyed by Mr. Suwarlan, Head of Getasan Village:

"Initially, I formed a team to conduct research on MSMEs in Getasan Village to explore information about the potentials in the village, what are the obstacles so far, and what opportunities can be utilized. Because in my opinion, Getasan Village has potential in the development of MSMEs but is not well managed."

The special team consists of several village officials, chaired by the Village Secretary and in its implementation assisted by students who are conducting Real Work Lecture (KKN) activities in Getasan Village. The research activity was carried out from the beginning of June 2019 to the end of November 2019, using a simple SWOT Analysis method. The results of the research were documented in a 2019 Getasan Village MSME Research Report, and presented at the Getasan Village Government forum in December 2019. The results of the exposure from the study are:

The Strengths of Getasan Village in supporting the development of MSMEs

Geographic Sector

Getasan Village is located +/- 9 KM or 20 – 30 minutes from Salatiga City, which is one of the trading center areas. Getasan village is traversed by the provincial route (Salatiga - Magelang Line) where road access infrastructure and public transportation are very crowded. Getasan Village is a sub-district city that has many public facilities compared to other villages in the Getasan District area, such as markets, banks, Post Offices, minimarkets, Inpatient Health
Centers, Police Stations, Koramil Offices, KUA, government offices, schools, and others. The location of Getasan Village is close to the tourist attractions of Kopeng.

**Economic Sector**

There are many stalls or shops of various types of marketed products in Getasan Village such as food stores, food stalls, catering, iron shops, grocery stores, clothing stores, snack shops, agricultural stores, stationery stores, and so on, which can be said that the trade sector in Getasan Village is quite advanced. There are many MSMEs that are being pioneered or developing. The existence of Village BUM which can be an alternative to economic development in Getasan Village. The availability of agricultural and livestock products produced in Getasan Village, such as vegetables, chicken, mutton, beef, and milk.

**Human Resources Sector**

Good community skills in processing and creating MSME products. There are frequent trainings for villagers on food product processing skills organized by both the government and universities through Real Work Lectures (KKN), as well as the availability of government assistance in the form of business capital and appropriate technology tools. Many teenagers or young people in Getasan Village are creative and innovative.

**Weaknesses of Getasan Village in the development of MSMEs**

MSME products of residents are unable to compete with factory products or larger home industries outside the village. Lack of knowledge of citizens about effective and efficient promotion. The lack of media or suitable facilities or places to market their products. The lack of public awareness to buy residents' own environmental products.

The packaging of MSME products is still simple. The packaging design of MSME products is less attractive. Limited ability and access of residents to obtain business licenses (PIRT, BPOM, Halal Certification, and so on). Most citizens do not have capital power. Running out of capital occurs when the product does not sell. And when business capital is back there, residents discourage selling because of market conditions or purchases that they think are not prospects.

Limited manpower owned by an MSME to receive orders or orders for many products. Labor costs that are not proportional to the profit obtained. Getasan Village Opportunities in MSME development. The potential location of Getasan Village which is quite strategic such as close to tourist attractions, the area is crowded because it is traversed by roads or provincial routes, and has sufficient agricultural and livestock resources, as well as many public facilities available, providing opportunities for Getasan Village to maximize the trade sector.

The existence of Village BUM can be an opportunity for the Village Government to be able to organize all MSMEs in Getasan Village. BUM Desa Sido Makmur Desa Getasan has so far had several business units that are developing and also have sufficient capital flow. The existence of several minimarkets in Getasan Village makes one of the threats to MSMEs residents who have many weaknesses, both in terms of product packaging, branding, product variations, and so on. Many MSME or home industry products from outside the village are marketed in shops or food stalls in Getasan Village.

**Root Cause Analysis (RCA) Data Analysis**

From the data collection carried out, it is known that there are 4 factors that affect the non-development of MSMEs in Getasan Village, namely (1) Product Factors; (2) Marketing Factors:
Product Factors

The packaging of MSME products is still simple. The packaging design of MSME products is less attractive. Limited ability and access of residents to obtain business licenses (PIRT, BPOM, Halal Certification, and so on). MSME products of residents are unable to compete with factory products or larger home industries outside the village. Many MSME or home industry products from outside the village are marketed in shops or food stalls in Getasan Village.

Marketing Factors

The lack of media or suitable facilities or places to market their products. The lack of public awareness to buy residents' own environmental products. The existence of several minimarkets in Getasan Village makes one of the threats to MSMEs residents who have many weaknesses, both in terms of product packaging, branding, product variations, and so on.

Human Resources (HR) Factors

Lack of knowledge of citizens about effective and efficient promotion. Limited manpower owned by some MSMEs to receive orders or orders for many products. Labor costs that are not proportional to the profit obtained. The lack of public awareness to buy residents' own environmental products.

Capital Factor

Limited working capital. Most of the population does not have enough capital. Capital availability often occurs when products do not sell well. When business capital is available again, many residents are reluctant to sell because they consider market conditions or buyer demand unpromising.

Synergy Pattern of Sido Makmur Village BUM with Getasan Village MSMEs

Based on the theories obtained and a general description of the condition of Getasan Village and Sido Makmur Village BUM Getasan Village, several synergy patterns were obtained between Sido Makmur Village BUM and MSME actors in Getasan Village that can be formed and can be implemented effectively to be able to lift regional potential, namely:

Funding and Access to Capital

The availability of capital strengthening every year allocated by the Getasan Village Government for Sido Makmur Village BUM makes Village BUM strong in terms of capital. This allows BUM Desa Sido Makmur to establish a Savings and Loans Business Unit, which aims to facilitate the community in terms of business capital. This initiative helps MSMEs increase production, product quality, and expand their business scope.

Infrastructure and Facility Provision

The existence of Village Funds, one of whose goals is to support community infrastructure development, can be utilized by Village BUM to build facilities that support MSME activities. BUM Sido Makmur Village Getasan Village can establish infrastructure facilities for processing natural products and marketing centers that can be used jointly by MSMEs in Getasan Village. This initiative helps Getasan Village MSMEs by reducing production costs and expanding better access to markets. The Getasan Village Government has implemented this step by building a flagship product processing building which is scheduled to start operating in 2024.
Training and Education

Village BUM through the Getasan Village Government plays a role in empowering the community by organizing various skills training. The training covers marketing, skills and product innovation. This step aims to improve the knowledge, skills, competitiveness and sustainability of community businesses. The Getasan Village Government has implemented this step in recent years, collaborating with the Semarang District Manpower Office.

Co-Marketing and Promotion

BUM Desa Sido Makmur together with the Getasan Village Government can hold an expo, aiming to promote the products of Getasan Village MSMEs to the general public. Through this initiative, MSMEs gain wider access to the market and increase their brand awareness in the eyes of consumers. This step can be an effective means to support business development and increase the competitiveness of MSMEs in Getasan Village.

BUM Strategy Formulation of Sido Makmur Village, Getasan Village

Business strategy refers to a plan that details the efforts a company will achieve its goals in the long run. This involves identifying the problem and specific steps to be taken in an effort to grow, develop, and achieve competitive advantage in the business environment. Referring to the results of the analysis of MSME problems in Getasan Village and several synergy patterns formed between Sido Makmur Village BUM and MSMEs in Getasan Village, several interrelated strategies can be formulated for Sido Makmur Village BUM Getasan Village in utilizing the local economic potential of the village and driving Getasan Village MSMEs, namely:

Established a Business Unit for MSME Centers and Typical Souvenirs of Getasan Village

The Business Unit of the MSME Center and Typical Souvenirs of Getasan Village is a business unit that specifically sells MSME products for Getasan Village residents. Products offered include food, beverages, souvenirs or souvenirs. This place of business is located in a village-owned shop building, chosen with consideration of strategic location, modern and attractive building design and interior. The goal is to make it easier for consumers to buy various MSME products from Getasan Village without having to visit their production sites spread across various areas of Getasan Village. In addition to choosing a strategic marketing location, there are several development strategies that can be carried out by the management of the MSME Sentra Business Unit, namely product development strategies to expand product variations, marketing strategies to increase market visibility and attractiveness, and service strategies to provide a satisfying shopping experience for consumers. The combination of these strategies is expected to improve business performance and growth and make a positive contribution to the local economy in Getasan Village.

Forming a Marketing Team

Because marketing is one of the important things to strive for, the MSME Center Business Unit can form a Marketing Team by empowering the potential of young people in Getasan Village. This team is responsible for all aspects of marketing, such as handling market place management, social media, brochure design, handling online orders, and so on. The formation of this Marketing Team is an innovation in response to the evaluation of programs attempted by the Getasan Village Government previously which were considered less effective. One of them is the Digital Marketing training program for MSME residents of Getasan Village. The training program is considered less effective in implementing MSMEs in Getasan Village because of the technology stuttering experienced by some MSME residents in Getasan Village. Many of them are not familiar with the use of smartphones and are not used to operating on
market place platforms. By forming a Marketing Team that involves the younger generation who are more familiar with technology and the internet, it is expected to increase marketing effectiveness, reach a wider target market, and have a positive impact on the growth of MSME businesses in Getasan Village.

**Established a Superior Product Management Facility in Getasan Village**

There are several benefits and objectives of establishing the Getasan Village Superior Product Management facility, namely:

**Processing and Production Center**

This facility serves to become the production center for the processing of superior products of Getasan Village. In addition, this facility can also function as a place for packaging products with a more modern and attractive approach.

**Training and Development Facilities**

This facility can be used for training and skill development for Getasan Village residents. This training can involve production techniques, business management, marketing, and other skills that increase product value.

**Empowering Women and Local Communities**

The existence of this facility can empower women and local communities by providing opportunities to be involved in various aspects of production.

**Product and Service Differentiation**

Efforts to increase product attractiveness in the MSME Sentra Business Unit involve the selection of modern and attractive product packaging, such as the use of standing pouches, vacuum bags, and other packaging options. This aims to make the product more valuable and create differentiation from outside products that still use ordinary plastic packaging. In addition to differentiation in products, differentiation strategies in services can also be applied. The MSME Center Business Unit can adopt several practices to improve services, including providing training to employees or salespeople in terms of discipline, friendliness to consumers by applying the 3S principles (Smile, Greetings, Greetings), improving product upselling capabilities and requiring salespeople to master product knowledge of all products marketed by the MSME Sentra Business Unit, as well as providing online ordering options and delivery order services to consumers. This strategy is expected to improve consumer shopping experience and support the business growth of the MSME Center Business Unit and Getasan Village Souvenirs.

**Capital Strengthening of Village BUM**

The allocation of funds from the Getasan Village Government to strengthen the capital of Sido Makmur Village BUM Getasan Village will have several important functions in supporting the sustainability and development of MSMEs in Getasan Village. Some of these functions are:

**Business Development**

Capital strengthening allows BUM Desa Sido Makmur to develop and improve existing businesses or start potential new business units. Adequate capital can be used for investment in equipment, product development, and increased production capacity.
Operational Sustainability

Sufficient capital helps ensure the continuity of operations of BUM Desa Sido Makmur. It covers operational costs such as employee salaries, electricity, water, and various other operational costs.

Product Innovation and Development

Part of the funds can be allocated by BUM Desa Sido Makmur for research and development of new products, which will help MSMEs to continue to innovate and meet the needs of the growing market.

The expected impact of the synergy process of Sido Makmur Village BUM and Getasan Village MSMEs

The synergy between Sido Makmur Village BUM and Getasan Village MSMEs will have a significant impact in increasing economic growth, job creation, increasing income, and improving the welfare of the people in the area. Here are some possible impacts:

Economic Growth

Synergy between Sido Makmur Village BUM and Getasan Village MSMEs can encourage local economic growth. With the support of BUM Desa, MSMEs in Getasan Village can develop and produce better products or services. This will increase the company's revenue, tax contribution, and overall economic activity in Getasan Village.

Job Creation

With the synergy between Sido Makmur Village BUM and Getasan Village MSMEs, there is potential for new job creation. Growing MSMEs need additional manpower to meet the growing demand. This will help reduce the unemployment rate in Getasan Village and increase employment opportunities for the local community.

Increased Revenue

By supporting the development of MSMEs, the synergy between Sido Makmur Village BUM and Getasan Village MSMEs can increase the income of the people in the area. Successful MSMEs will be able to generate higher income for business owners and employees. This will have a multiplier effect in increasing people's purchasing power and driving other economic activities.

Improving Community Welfare

The impact of synergy between Sido Makmur Village BUM and Getasan Village MSMEs that create economic growth and increase income will contribute to improving community welfare. Communities will have better access to goods and services, improved infrastructure, and opportunities to improve their quality of life.

Development of Local Potential

The synergy between Sido Makmur Village BUM and Getasan Village MSMEs can take advantage of the local potential in Getasan Village. Growing MSMEs can promote and maintain the distinctiveness of local culture, crafts, or products. This will increase regional identity and can generate pride and increase tourism or creative industries in Getasan Village.

Conclusion

The synergy pattern formed between Sido Makmur Village BUM and Getasan Village MSMEs that can be implemented effectively to be able to lift regional potential. The formulation of the
BUM strategy of Sido Makmur Village Getasan Village in utilizing the local economic potential of the village and driving MSMEs in Getasan Village. The expected impact of the synergy between Sido Makmur Village BUM and Getasan Village MSMEs has positive implications for various parties, including the government, Village BUM, and the community.

References


