



Financial Management for MSMEs and Farmer Groups in the District of Kamang Magek

Pengelolaan Keuangan bagi UMKM dan Kelompok Tani di Kecamatan Kamang Magek

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Abstract

Small and medium enterprises (SMEs) and farmer groups are a source of the community's economy in Kamang Magek District. SMEs are engaged in various fields such as food and processed products, crafts and carvings, furniture, agricultural and animal husbandry products, while farmer groups in Kamang Magek District also vary from horticultural crops, food crops and plantation crops. In the Livestock sector, there are also poultry livestock, both broiler and laying eggs, small and large ruminants as well as processed agricultural and livestock products. Several SMEs and farmer groups in the Kamang Magek sub-district raised the local wisdom of Kamang Magek, such as kamang crackers, kamang coffee, Kamang duck, Kamang mangosteen, embroidery, and kamang special furniture. Currently, SMEs and Farmer Groups are experiencing difficulties in developing their businesses due to business capital constraints and most of them are even trapped in loans with high interest rates. SMEs have not been able to determine the amount of working capital they need for business development, they do not take into account the size of the loan with their production capacity or business results, so the amount of loans made does not match the actual funding or working capital needs. This has resulted in the amount of the loan submitted being too large in excess of requirements or the amount of the loan being too small so that it is not sufficient for business needs. To overcome this problem, it is necessary to provide counseling to SMEs and farmer groups regarding financial management.

Keywords: Small and medium enterprises (SMEs), farmer groups, kamang magek district, working capital, financial management.

Abstrak

Usaha kecil menengah (UKM) dan kelompok tani merupakan sumber perekonomian masyarakat di Kecamatan Kamang Magek. UKM bergerak dalam berbagai bidang seperti pangan dan olahannya, kerajinan dan ukiran, perabot, hasil pertanian dan peternakan, sedangkan kelompok tani di Kecamatan Kamang Magek juga beragam mulai dari tanaman hortikultura, tanaman pangan dan tanaman perkebunan. Pada bidang Peternakan juga terdapat ternak unggas baik pedaging dan petelur, ternak ruminansia kecil dan besar serta hasil olahan pertanian dan peternakan. Beberapa UKM dan kelompok tani di Kecamatan kamang magek mengangkat kearifan lokal kamang Magek, seperti kerupuk kamang, kopi kamang, Itik Kamang, Manggis Kamang,

	<p>Bordiran dan perabot khas kamang. Saat ini pelaku UKM dan Kelompok Tani mengalami kesulitan mengembangkan usahanya karena kendala modal usaha dan bahkan sebagian besar mereka terjebak pada pinjaman dengan bunga yang besar. Pelaku UKM belum bisa menentukan jumlah modal kerja yang mereka butuhkan untuk pengembangan usaha, mereka tidak memperhitungkan besarnya pinjaman dengan kapasitas produksi atau hasil usaha mereka, sehingga jumlah pinjaman yang dilakukan tidak sesuai dengan kebutuhan dana atau modal kerja sesungguhnya. Ha ini mengakibatkan jumlah pinjaman yang diajukan terlalu besar melebihi kebutuhan ataupun jumlah pinjaman yang terlalu kecil sehingga tidak mencukupi kebutuhan usaha. Untuk mengatasi masalah tersebut maka perlu diberi penyuluhan kepada UKM dan kelompok tani tentang pengelolaan keuangan</p> <p>Kata Kunci: Usaha kecil menengah (UKM), kelompok tani, Kecamatan Kamang Magek, modal kerja, manajemen keuangan.</p>
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INTRODUCTION

Kamang Magek District which is close to the city of Bukittinggi, favorable geographical conditions which include highlands (850-875 m above sea level) and the behavior of people who are accustomed to doing business from generation to generation have caused many small and medium enterprises (SMEs) to develop and farmer groups in Kamang District. Magek as a source of the community's economy. Currently there are 334 types of SME businesses and 146 farmer groups.

According to Mr. Rianto, the Secretary of the Kamang Magek Sub-district Head had difficulty developing his business due to financial management constraints. business capital and even most of them are trapped in loans with high interest, SMEs do not take into account the size of the loan with their production capacity or business results. To overcome the problem, it is necessary to provide counseling to SMEs and farmer groups regarding financial financial management.



Figure1. Interview with the Secretary of the Kamang Magek sub-district

Based on the problems above, the P3M Institute of Technology and Business Haji Agus Salim Bukittinggi held financial management training for SMEs and Farmer Groups in Kamang Magek District.



Figure 2. The PKM Team from P3M ITB HAS and LLDIKTI Region X Lecturers

METHOD

The implementation of community service activities for SMEs and Farmer Groups in Kamang Magek District is carried out using the following method:

a. Presentation

In this socialization activity knowledge was given about working capital management for SMEs and Farmer Groups.

b. Workshop

Training activities are financial management practices for each UKM and Farmer Group



Figure 3: Working Capital Determination Method

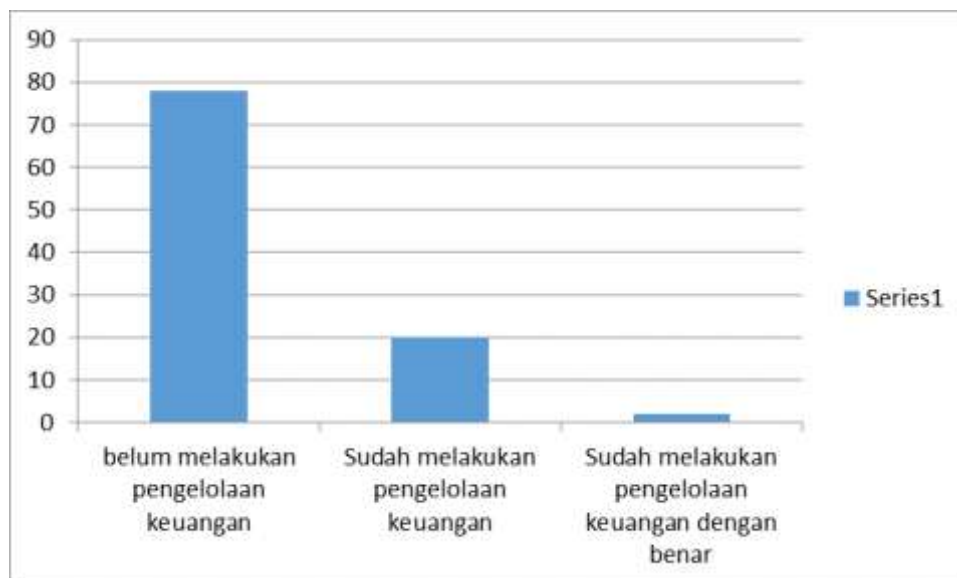


RESULTS AND DISCUSSION

From the Community Service Program implemented for SMEs and Farmer Groups by the ITB HAS P3M Team and LLDIKTI Region X Lecturers:

a. Financial Management Presentation

In general, UKM actors and farmer groups do not carry out financial management, many of them do not understand the need for working capital so they cannot determine how much loan can be made based on production and sales capacity, besides that a lot of business finance is mixed with household finances. SMEs and farmer groups also lack information about institutions or places to lend money that provide relief for SMEs and farmer groups so that they are often trapped in high-interest loans. Financial management carried out by SMEs and farmer groups can be seen in graph 1.



Graph 1. processed data

Socialized financial management is in the form of working capital calculation techniques. In order to determine the right working capital requirements, we need to understand the operating cycle of our business. Basically this operating cycle is related to the schedule and duration of production, the amount of production and the costs required per production period. By understanding this operating cycle, we can determine working capital requirements through an analysis of the liability cycle, production cycle and accounts receivable cycle.

1. Liability Cycle

Liabilities refer to all expenditures that must be incurred regardless of the amount of our production and regardless of the number of goods sold. In order for us to know the amount of working capital that we must provide to fulfill all obligations, we need to know when they are due and the amount of funds for each obligation, which among others Others include labor costs, office/shop rental costs, payments for electricity, water, telephone, and payment of credit and other installment bills.



2. Production Cycle

This production cycle refers to all activities that support production, starting from purchasing raw materials and other supplies, processing the manufacture of goods/services until they are ready to be sent to consumers.

Because to be able to provide raw materials and other supplies as needed, we need a certain amount of funds for spending and production, so we must provide working capital to meet these needs. On the other hand, after producing a number of goods/services, we can estimate the time and amount of sales that will be our source of income. What needs to be our concern is that there must be a balance between the need for funds for working capital and the availability of funds from income that is ready to become working capital.

3. Accounts Receivable Cycle

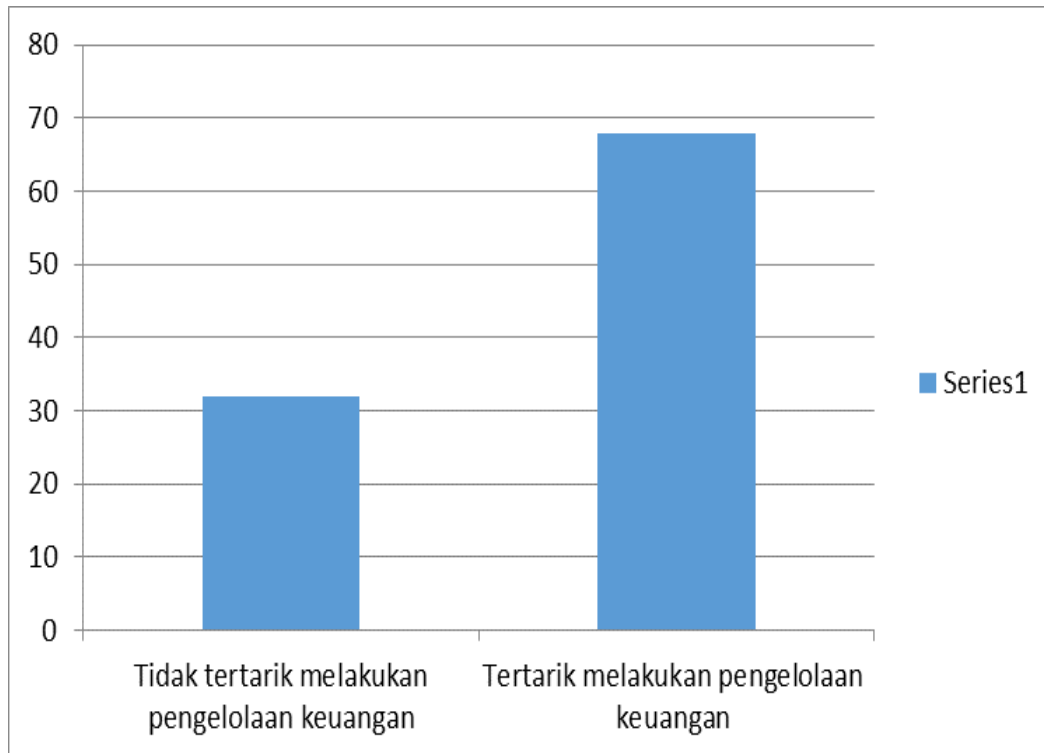
Sales are not always direct income, because some companies implement sales with a system of accounts receivable or payment in installments for their customers. If we provide payment by accounts receivable or through payment terms, then we must estimate the schedule for when we receive the payment, the amount of the payment and the estimated delay.

By combining all obligations and various expenses and schedules for each, and the company's income from various payment systems according to their respective schedules, we will get enough information to calculate working capital needs precisely.



Figure 4. Presentation of Financial Management

After the financial socialization was carried out, many UKM players and farmer groups were interested in managing their business finances. This can be seen from graph 2.



Graph 2. processed data

CONCLUSION

Financial management training can increase knowledge that directly improves the economy of SMEs and Farmer Groups in Kamang Magek District.

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