

# **Management of Micro, Small and Medium Enterprises**

Subject : Management of Micro, Small and Medium Enterprises  
Department : Enterprise Administration  
Faculty : Social and Political Sciences

**Written by:**

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# **Management of Micro, Small and Medium Enterprises**

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# Grateful Every Day

Love That Is Always There For Me from Parents Benarta  
Pinem and Rasita Br Sembiring Brahmana and the Whole  
Family and All Parties Who Always Provide Support to me.

I dedicate this book to students  
Department of Enterprise Administration  
Faculty of Social and Political Sciences  
Diponegoro University

## ACKNOWLEDGMENTS

First of all, I wish thank to God Almighty, owner of life with His permission to write the book Management of Micro, Small and Medium Enterprises, this can be done from beginning to end. Thank you to all those who have helped this textbook be completed in accordance with the planned time. To families who continue to provide support throughout the process of working on this tbook and fellow lecturers who continue to support one another.

Micro, Small and Medium Enterprises are one of the keys that a country can move forward. Developed countries usually have a high number of Micro, Small and Medium Enterprises such as America and other developed countries. Indonesia itself has experienced good growth although it is still inferior when compared to other ASEAN countries such as Thailand, Malaysia and other countries. Although not as good as other countries, but the positive growth of Micro, Small and Medium Enterprises illustrates that the economy will grow better because of the support of Micro, Small and Medium Enterprises.

Book of Management of Micro, Small and Medium Enterprises was written for the purposes of lectures in the Department of Enterprise Administration at Diponegoro University. This book gives a different touch than other Management of Micro, Small and Medium Enterprises books. This book discusses Micro, Small and Medium Enterprises that are in a pandemic or crisis conditions that can come at any time to stop all Enterprise activities that we have run so far.

In closing, the author would like to say once again to all those who have participated so that the completion of this book that I cannot mention one by one. Finally, Taka da ivory is not cracked, so is the writer who is far from perfection. The author accepts the criticism

and suggestions that have been developed to improve this book so that it is increasingly beneficial.

Greetings to all people who always try to do good thing for others and be an inspiration to those around them so they do what they do.

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# **SUBJECT REVIEW**

## **I. Brief Description**

This Management of Micro, Small and Medium Enterprises subject provides an understanding of Micro, Small and Medium Enterprises about their types and classifications. Micro, Small and Medium Enterprises are things that cannot be separated from people's lives. The very large number of Management of Micro, Small and Medium Entrepreneurs is the backbone of the Indonesian economy. This subject consists of basic concepts of management, classification of Micro, Small and Medium Enterprises, Micro, Small and Medium Enterprises Go Online, including how Micro, Small and Medium Enterprises players use market places and social media to market their products and use JNE, POS, JNT and others as logistical partners who help distribute goods sold to customers.

## **II. Relevance**

Micro, Small and Medium Enterprises become an inseparable part of Indonesian society. Students studying Management of Micro, Small and Medium Enterprises have a contribution to being entrepreneurs and creating a spirit of job creation. College graduates are not a direct guarantee to get a job after graduating from college. Therefore, the study of Management of Micro, Small and Medium Enterprises is designed to prepare the mentality of graduates to become job creators by utilizing social media opportunities and a broad marketplace that is not limited to the territory of Indonesia. Utilize logistics services that accelerate the distribution of goods or services sold. The emergence of social media and an increasingly widespread marketplace and more evenly distributed logistics services has a great opportunity to create new Enterprises that generate not small profits.

### **III. Learning outcomes**

#### **1. Subject Learning Outcomes**

1. Students are able to explain the basic concepts of management.
2. Students are able to explain Management of Micro, Small and Medium Enterprises.
3. Students are able to explain the benefits of go online for Management of Micro, Small and Medium Enterprises
4. Students are able to explain the crisis that can be faced by Micro, Small and Medium Enterprises.
5. Students are able to explain the role of logistics companies in Micro, Small and Medium Enterprises

#### **2. Sub-Subject Learning Outcomes**

1. Students are able to explain the meaning and benefits of Micro, Small and Medium Enterprises
2. Students are able to explain how to utilize marketplace and social media to market their products.
3. Students are able to explain crisis management strategies for Micro, Small and Medium Enterprises.
4. Students are able to explain the role of logistics companies in Micro, Small and Medium Enterprises

### **IV. Competence**

1. Students can explain the differences in Micro, Small and Medium Enterprises
2. Students can explain the benefits of Micro, Small and Medium Enterprises
3. Students are able to explain marketing strategies through market places.
4. Students are able to explain marketing strategies through social media

5. Students are able to identify obstacles in marketing products through market places and social media
6. Students are able to identify crises that can be faced explaining marketing strategies through market places.
7. Students are able to identify the advantages of several logistics companies.

# **CHAPTER 1**

## **BASIC CONCEPT OF MANAGEMENT**

### **1.1 INTRODUCTION**

#### **A. Brief Description**

This sub-chapter explains the basic concepts of management; the definition of management includes the opinions of several experts and the opinions of the author himself. The definition of management will be able to give an idea of the management itself, including in its implementation in everyday life. Management is an important thing that is carried out in many human activities. Both formal activities and informal work are carried out daily. Management provides benefits for all aspects of human life, almost all human life practices management.

Management functions generally consist of planning, organizing, actuating, and control. In general, people abbreviate management functions with POAC, management functions also have many different functions or variations based on the opinions of experts who express their opinions. Even though the experts' opinions are various naturally they have the same goal, which is to achieve the stated goals of the company. The function of management itself aims to achieve organizational or company goals that have been determined at the beginning.

In this part, students are expected to be able to understand not only the definition but also explain and apply it in everyday life both in activities at work in carrying out work and also in living their personal lives. Management can be applied from very complicated jobs to very simple jobs in daily life.

#### **B. Relevance**

The Enterprise Administration students need to understand the basic concepts of management and their application in everyday

life. Students are able not only to understand management definitely but also able to apply in every work done. How planning becomes the foundation of what will be done, followed by organizing what will be done, carrying out what has been planned, and having the ability to control what is being done by what has been planned at the beginning.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, the Enterprise Administration students who take courses in micro, small, and medium Enterprise management are expected to be able to explain management both literally and in their own opinion. Students also understand the function of management and its application in micro, small, and medium Enterprises. Students can explain the management benefits. Students can explain not only the application of management in micro, small, and medium Enterprises but also how students apply management functions in their daily lives as students within the campus or residential environment.

### **C.2. Basic Competencies**

1. Able to explain management.
2. Able to explain the management benefits in the organization.
3. Able to explain the management benefits in daily life as students and the community in the neighborhood.
4. Able to explain management functions.
5. Able to give examples of successful Enterprises in implementing management functions.

## **D. Learning Instructions**

Students read and understand and can make an opinion list of various experts to be able to deduce the management definition



following the understanding obtained from concluding the experts' opinions. Students create types of management functions and can make their application in daily life and in running a Enterprise. Students are expected to have a good foundation of understanding about management so that in every activity or things that they want to do, they can apply management functions. It is not only about applying management functions but also directing available resources. Students are given several questions in the form of multiple-choice and essay questions to ascertain and see the extent to which students' understanding of the material being taught. If the scores obtained are not following the established standards, students can repeat this Chapter material before continuing with the next material to ensure students understand correctly about this material.

## **1.2. Definition of Management**

### **A. Explanation**

#### **1. Definition of Management**

Every individual has a soul of management in each of them; every human being has a plan and always tries to apply management functions. Management is everywhere in everyday life, even though sometimes we consider it as part of management but basically, we do it. Have we ever planned something we want to achieve? The next question is whether after we plan we begin to think about what we have to do, when, with anyone, what to use and so forth and after that, we do it when we think everything is ready to be executed. After doing what we have planned so we ensure that what we want goes well or following what we want to achieve? They are all management processes in our lives.

Hearing the word "management" surely many of us think it shall be complicated, many tasks, complex and more. There are a lot of management activities that we do in our daily lives even though we

are not aware of that at all. The management activity itself is all around us, have you ever been involved in the RT (neighborhood association) management or RW (community association) or maybe in a campus or school organization? Or maybe it is the youth organization in your environment, or maybe also the youth organization of the mosque or the youth of the Church or any organization in our environment. Management must exist in all of them.

Management itself is indeed part of the organization; management is carried out in the organization as stated earlier. That the organization is only distinguished by its nature, some organizations are Enterprise in nature so that the application of its management leads to activities that generate profits. There are also social organizations that focus on social activities. And so are the religious organizations and other organizations. So that the management function is applied by the objectives to be achieved by each organization.

Some experts give other definitions of management. Massie and Douglas define management as a process when a group of people works together to direct others to work towards the same goal. This means that management is an activity carried out by a group of people who have the same goals and jointly carry out activities that aim to achieve the agreed goals. While Kreitner provides an opinion on management which is a process of working with and through others to achieve organizational goals effectively and efficiently using limited resources in a changing environment. It means that management is working together by utilizing the limited available resources to achieve organizational goals (Hanafi, 2015).

Also, other experts, Donnely, Gibson, and Ivancevich provide opinions that management includes the activities carried out by one or more people to coordinate activities carried out by others and to

achieve goals that cannot be achieved by one single person. It means that management activities are carried out by many people and cannot be done by just one person to achieve the goals, in achieving organizational goals it is important to coordinate so that the cooperation built can be coordinated because it involves many people in achieving the planned goals. While Stoner, Freeman, and Gilbert define management as planning, organizing, directing, controlling, activities of organizational members, and activities that use all organizational resources to achieve predetermined organizational goals. This means that in management activities there needs to be a planning process in using resources and organizing and directing and controlling the activities to be achieved. Each management function has a step that runs in the same direction and has a circle rotation, activities in the application of management to serve as input in making further planning. The final results of the intended goal will be evaluated and subsequently will be used as improvements or input for activities that will be used for further planning (Hanafi, 2015).

Other experts also provide management definitions. According to Mary Parker Follet, management is the art of achieving things through others (the art of getting things done through the others) (Hanafi, 2015). It means that management is an art, the art of controlling other people, the art of how one's ability to manage human resources, controlling others, and existing resources to achieve the goals set. Management as art is indeed its characteristic, how do we control others without feeling controlled. Asking others to do what we have planned without feeling bossed but happily doing it.

## **2. Management Functions**

Talking about management is inseparable from management functions, the management function itself have many opinions of experts. But for this time, we focus on management functions

according to George R. Terry, namely planning, organizing, actuating, and Control. These management functions work like a sequential system and will end up giving feedback to further planning.



**Figure 1.1. Management Functions**

Source: <https://adindasyahnazia.wordpress.com>

## **Planning**

Planning is an assumption or estimation that is done in the future. It formulates activities that will be done in the future. It is the initial planning of all stages of achieving the objectives to be worked on. Planning is a very important stage to determine the achievement of company goals. It can be imagined without good planning then the results will also certainly not be good. Without careful planning, there will be chaos in the middle of achieving planning.

Planning includes overall management elements such as the availability of human resources who will carry out all activities that have been planned, material that will be used to achieve goals, methods of achieving goals, machines used to achieve goals, adequate

finance is running all activities to achieve goals. It means that planning is one of the most difficult ones and is very important to pay attention to its finalization.

### **Organizing**

Organizing is determining the posts from what we have planned from the resources we have. The organizing part is a part of making arrangements for each period of the implementation of an activity. Placement of resources in a particular place and time so that in this part all people involved in achieving goals get their overview and tasks in the context of achieving common goals. Including the distribution of other resources based on time and person in charge later in the next stage.

It is important in the framework of working together to place people according to their abilities so that they can work optimally. It means that the importance of the right man in the right place so that the desire to achieve goals will be more effective and efficient. The division of duties and authority lies in this stage. The people involved in the team are important to know what their duties and responsibilities are. It is not an easy thing in this organizing stage because when one puts people who are not in their fields there will be a slowdown in the achievement of the goals. We can imagine someone who is not his expertise but assigned to work in a particular field.

### **Actuating**

One of the most important stages is actuating. This part is the core of how the final results of planning that have been prepared. Whether the planned activity runs or not can be reflected from whether it is actuated or not. It is important for all human resources that have been assigned following their respective fields and duties to ensure that they move or carry out what they have planned.

It is important in this actuating that every human resource involved is connected to have coordination with other fields to ensure that they are both moved by what has been planned. It is also important the role of each individual to try as much as possible to ensure what they want to achieve and enthusiasm in wanting to achieve the goals that have been set. Indeed, in the actuating part, all human resources and management elements work together. In this actuating, there will also be supervision or control to ensure that what is being carried out goes according to the initial plan.

## **Controlling**

Control is the stage where ensuring what has planned runs according to its actuating. Control is to ensure all every process or use of human resources and other resources work by the initial planning, making sure following the organization that can function at the time of its actuating. The control phase ensures that everything runs according to the standards set at the beginning of the planning stage.

Management functions also have different functions. Each expert has a different view and explanation of the functions conveyed by these experts. Here are some experts who explain management functions (dosenekonomi.com, 2020)

1. According to Henry Fayol,
  - Planning
  - Organizing
  - Giving orders
  - Control
2. According to James Stoner
  - Planning
  - Organizing
  - Leadership
  - Control

3. Ernest Dale,
  - Planning
  - Organizing
  - Compilation of work
  - Briefing
  - Innovation
  - Presentation of reports
  - Directing
5. According to Koonts and O'Donnel
  - Planning
  - Organizing
  - Preparing work
  - Directing
  - Control
6. According to Oey Liang lee ,
  - Planning
  - Organizing
  - Directing
  - Controlling

### **3. Management Elements**

#### **Man**

Existing resources in the company or organization, people who run the organization. It is important to understand the available resources so that achieving the company's or organizational goals will be more easily directed.

#### **Money**

An important amount of money to finance the needs in the provision of needs and includes financing the salaries of employees who work in achieving predetermined goals.

#### **Material**

The materials in question can be finished or semi-finished materials which are indeed useful for achieving organizational or corporate goals where this material is one important point for achieving goals.

### **Machine**

Machines are needed in achieving goals because machines provide convenience at work. Machines make work go faster than humans do without machines.

### **Methods**

A work team needs to know the work methods in achieving organizational goals. The method is the same as the way it works in carrying out the plans that have been prepared. Every human resource needs to understand work methods.

### **Market**

From all the activities carried out, it will produce something ready to be circulated. The market is the right place to market products that are produced from the activities carried out.

## **B. Summary**

Management is an art, the art of controlling other people, the art of how one's ability to manage human resources, controlling others and existing resources to achieve the goals set. Management as an art is indeed its own characteristic, how do we control others without feeling controlled. Command others to do what we have planned without feeling bossed but happily doing it. The management function consists of planning, organizing, implementing and controlling.

Many experts give opinions about management functions although basically they all have something in common. The elements in management consist of human beings as implementing



organizational goals, money, raw materials, machinery as a tool to facilitate human activities, methods as a basis for how to carry out activities carried out and markets as. All elements of management are related to one another.

### **C. Exercise**

1. Explain the understanding of Management.
2. Explain why management is called art.
3. Explain the benefits of management learning.
4. Describe management functions according to George R. Terry
5. Explain the linkages of the management elements to each other

### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. Activities that involve many people by utilizing limited resources to achieve the stated goals are called ...
  - a. Accounting
  - b. Organization
  - c. Management
  - d. Communication
2. Management functions according to George R. Terry? Except....
  - a. Planning
  - b. Staffing
  - c. Actuating
  - d. Controlling
3. Management functions according to Ernest Dale, except...
  - a. Presentation of reports
  - b. Briefing
  - c. Innovation
  - d. Negotiation for consensus

4. Management functions according to Oey Liang lee, except....
  - a. Planning
  - b. Organizing
  - c. Directing
  - d. A and C are correct
5. Experts who say management as an art is....
  - a. G.R Terry
  - b. Mary Parker Follet
  - c. Oey Liang Lee
  - d. Henry
6. The management elements are.....
  - a. Man
  - b. Money
  - c. Market
  - d. All is correct

### **E. Feed Back**

After answering the questions above, it's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then, use the formula below to find out your level of understanding of Learning Activity 1 material.

$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100 \%}{6}$$

6

### **F. Follow Up**

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources

of literature to deepen the material independently thereby increasing understanding of this topic.

### **G. Answer of formative test**

- No. 1 answer C, Management
- No. 2 answer B, Staffing
- No. 3 answer D, Negotiation for consensus
- No. 4 answer D, A and C are Correct
- No. 5 answer B, Mary Parker Follet
- No. 6 answer D, All is correct

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### **I. Glossary**

- Management is an activity that involves or cooperates with several people with limited resources to achieve goals.
- Planning is an assumption or estimate that is done in the future. Formulate activities that will be done in the future. Initial planning of all stages of achieving the objectives to be worked on.
- Organizing is determining posts from what we have planned from the resources we have, in the organizing section is a part

of making arrangements for each period of time an activity is carried out.

- Actuating is the core of how the final results of the planning that has been prepared. Running or not planned activities can be reflected from the implementation or not what has been planned.
- Controlling is the stage where ensuring that what is planned goes according to the implementation. Control is ensuring all every process or use of human resources and other resources work in accordance with the initial planning, making sure in accordance with the organization can function at the time of its implementation.

## **CHAPTER 2**

### **MICRO, SMALL AND MEDIUM ENTERPRISES**

#### **2.1 INTRODUCTION**

##### **A. Brief Description**

This chapter discusses Enterprise, micro, small and medium enterprises. This section will explain in detail the differences of the three. Enterprise in Indonesia is very diverse starting from the smallest as we can see on the side of the road or peddling food alongside the road. Until larger companies in Indonesia. Including the amount of resources that work in the Enterprise and the amount of money that is the turnover of the Enterprise. So in this section it is important to be known to increase knowledge and understanding of the differences in the three, especially about the characteristics of the three Enterprises.

Micro, small and medium enterprises have different characteristics and contributions to the economy also have their respective contributions. Micro and small Enterprises often experience different obstacles, especially micro entrepreneurs who are very vulnerable to lack of funds for their Enterprises. Micro and small Enterprises constitute a very large number of other entrepreneurs in Indonesia. Micro and small Enterprises are considered to have a large contribution to economic growth or hitching the Indonesian economy.

##### **B. Relevance**

Enterprise Administration students are able to understand the differences and characteristics of micro, small and medium Enterprises. Students are also expected to be able to identify Enterprises in their surroundings. Students also begin to learn how to understand the problems faced by micro, small and medium Enterprises in Indonesia. By learning in more detail about micro-small Enterprises and doing so students can be put into practice in the real

world. By knowing in advance, the problems and solutions of these three types of Enterprises, in the future when involved from one of these types of Enterprises it will be more alert and better understand how to overcome them.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, Enterprise Administration students who take courses in micro, small and medium Enterprise management are expected to be able to explain the notions of micro, small and medium Enterprises, their characteristics and include the obstacles commonly faced by Enterprise actors. Students are able to offer solutions to problems faced by Enterprises. Enterprise actors will surely experience different problems each time and the type of Enterprise they do.

### **C.2. Basic Competencies**

1. Able to explain micro Enterprise and its characteristics.
2. Able to explain small Enterprises and their characteristics.
3. Able to explain medium Enterprise and its characteristics.
4. Able to explain the obstacles of micro, small and medium Enterprises.
5. Able to explain solutions to each problem.

## **D. Learning Instructions**

First step, all students understand the characteristics of micro Enterprises, small Enterprises and medium Enterprises. Students understand the characteristics of each type of Enterprise as a basis for differentiating from one another. Students must be able to understand the number of turnovers from each type of Enterprise and the number

of workers from each Enterprise as a form of differentiation from each other.

After students understand the definitions and characteristics, students identify problems that often arise from every type of Enterprise that exists. After students are able to mention the list of weaknesses of each, the next stage is students are able to provide solutions that can be as problem solvers faced by each type of Enterprise.

## **2.2. Micro Enterprises**

### **A. Description**

#### **A.1. Defenition of Micro Enterprises**

We very often make deal with people who have enterprises. Maybe almost every day doing transactions but do we know what the difference of each type of enterprises is. Even around us often we find enterprises that are managed by other people or even our families also have enterprises. The question is do we know which enterprises around us include which type of enterprises? Maybe someone knows but maybe there are also those who doubt the answer.

Based on the definition of Law Number 20 Year 2008 concerning Micro, Small and Medium Enterprises Article 1 number 1, it is said that micro Enterprises are productive Enterprises owned by individuals or individuals and / or individual enterprises entities that have the following criteria: have a maximum assets of IDR.50,000,000.00 (fifty million rupiahs) excluding land and buildings for Enterprises, or having annual sales of at most IDR. 300,000,000.00 (three hundred million rupiahs).

Based on the definition of Law Number 20 Year 2008 concerning Micro, Small and Medium Enterprises Article 1 number 1 can be clear based on the turnover amount. Based on the number of workers according to Bank Indonesia, the maximum number of

workers in micro Enterprises is 10 people. So it is even clearer to see the difference between enterprises. There are indeed other characteristics that can be seen as what distinguishes each other. The following are the characteristics of micro enterprises according to Bank Indonesia.

**Table 2.1 Characteristics of Micro Enterprises**

No	Characteristics
1	Types of goods / commodities are not always fixed; at any time can change.
2	The place of Enterprise is not always settled; at any time can move place
3	Have not done a simple financial administration though.
4	Does not separate family finances with Enterprise finance.
5	Human resources (entrepreneurs) do not have an adequate entrepreneurial spirit.
6	The average level of education is relatively very low.
7	Generally, there is no access to banks, but some have access to non-bank financial institutions
8	Generally, do not have a Enterprise license or other legality requirements including NPWP (Tax ID).
9	Trading like street vendors and traders in the market

## **A.2 Small Enterprises**

Small Enterprises are more clearly recorded, small Enterprises are more permanent when compared to micro Enterprises. Small Enterprise is an area that is managed either by individuals or Enterprise entities with assets of around Rp.50,000,000 up to a maximum of Rp.500,000,000.00 (five hundred million rupiah) excluding land and buildings for Enterprise premises. With an annual



turnover of more than Rp. 300,000,000 up to a maximum of Rp. 2,500,000,000.

Small Enterprises have less than 50 workers working in these Enterprises. This means that in addition to a larger Enterprise turnover than micro Enterprises, small Enterprises also have more workers but no more than 50 people. Small Enterprises are usually more settled, they have more permanent Enterprises when we compare them to micro Enterprises. This small Enterprise has other characteristics based on Bank Indonesia which can be seen in the following table.

**Table 2.2 Characteristics of Small Enterprises**

No	Characteristics
1	The types of goods / commodities which are cultivated generally have not changed easily.
2	Location / place of Enterprise generally has settled and does not move.
3	In general, financial administration has been done even though it is still simple.
4	Corporate finance has begun to be separated from family finance.
5	Already made a Enterprise balance.
6	Already have a Enterprise license and other legality requirements including NPWP.
7	Human resources (entrepreneurs) have experience in entrepreneurship.
8	Some have access to banking for capital purposes.
9	Most have not been able to make good Enterprise management such as Enterprise planning.
10	Example: Traders in the wholesale market (agents) and other collecting traders.

### A.3 Medium Enterprises

Next is the type of medium Enterprise which is usually established by individuals or groups. A medium-sized Enterprise is an enterprise that stands alone and is not a subsidiary of a company or a branch of a company. Medium-sized Enterprises have independent production activities to carry out activities independently. Medium-sized Enterprises themselves have a net worth of more than Rp. 500,000,000 up to a maximum of Rp. 10,000,000,000 excluding land and buildings for Enterprise premises, or have annual sales results of more than Rp. 2,500,000,000 up to a maximum of Rp.50,000,000,000. when compared to micro and small Enterprises it is indeed much bigger financially and the turnover and wealth of companies also differ in amount.

Medium-sized Enterprises have larger workers than micro and small Enterprises, namely for medium-sized Enterprises, the number of workers is around a maximum of 300 people. This means that people who work are bigger and involve many people who show far greater production activities when compared to micro and small Enterprises. Usually medium Enterprises have fixed locations and are more professional in terms of management when compared to micro and small Enterprises.

**Table 2.3 Characteristics of Medium Enterprises**

<b>No</b>	<b>Karakteristik</b>
1	Have a better management and organization, with clear division of tasks including, finance, marketing and production.
2	Has carried out financial management by implementing an accounting system on a regular basis so that it is easy for auditing and assessment or inspection including by banking.
3	Has conducted labor regulations or management and organization.

4	Already have legality requirements, including neighboring permits.
5	Already have access to banking funding sources.
6	In general, have had trained and educated human resources.
7	Example: Mountain stone mining Enterprise for construction and artificial marble.

#### **A.4 Micro, Small and Medium Enterprises Constraints**

Micro, small and medium Enterprises in Indonesia experienced positive growth, meaning that micro, small and medium Enterprises continued to experience growth. The greater the number of micro, small and medium enterprises, the better the economy of a country. We can see large countries around the world so the number of micro, small and medium Enterprises usually has a large number. It is also important for Indonesia to encourage the growth of micro, small and medium enterprises because it involves many people with lower economies in Indonesia.

The following are some of the obstacles faced by micro, small and medium Enterprises in Indonesia. The constraints faced by micro, small and medium Enterprises are internal and external factors. According to Bank Indonesia, there are two types of obstacles that are often a discussion for micro, small and medium enterprises in Indonesia. Internal constraints are obstacles related to factors within the company while internal factors are obstacles that arise from factors from outside the Enterprise that are more difficult to be controlled by entrepreneurs.

#### **Internal constraints**

##### **Financial**

According to the results of a report by Bank Indonesia and the Indonesian Banking Development Institute, there are around 60% -

70% of micro, small and medium enterprises that experience difficulties in accessing finance. There are still many Enterprise actors who are very difficult to be able to get funding even though many have actually received assistance programs from financial and banking institutions. The solution is that the government and the banking institutions continue to provide facilities and access for all Enterprises to be able to improve the Enterprise they run.

Financial access constraints are often caused by geographical location that is not easy to access or far from the center of financial institutions or funding. Next is the administrative problem needed for the requirements to apply for funding to financial institutions and banks. Many micro, small and medium enterprises still do not have clear financial reports or even none, especially for micro Enterprises. Usually other obstacles relating to administration are collateral from micro, small and medium Enterprise actors who want to borrow funds for Enterprise.

### **Human Resources**

Lack of ability of human resources to master technology, especially for technology which is always new and sometimes makes workers unable to maximize the use of technology. The problem that often also occurs is the consistency of the product, often does not have a consistent product quality so it is often a problem in micro, small and medium Enterprises. Very often the quality is not controlled when the products sold are increasingly in demand in the market.

The increasingly advanced digital world that should be used as a tool for media to market products. Indeed, there are many micro, small and medium Enterprise actors who use the marketplace or social media to increase product awareness, but there are still many who do not take advantage of social media or market places because of their

inability to manage it as a surefire tool in the midst of the many people using it as a tool to buy products.

### **Law**

Most micro, small and medium enterprises have individual legal entities, even many Enterprise actors who do not have legal entities. Not listed in the first two reasons because of ignorance so as not to register it and the second is because they do not want to register it is considered too complicated. And considered no effect or benefit on the Enterprise being run.

### **Accountability**

Micro, small and medium Enterprises do not have good financial management and systems. Small Enterprises and especially micro Enterprises do not have financial management because they often combine personal and Enterprise finances so that it is not clear or even unknown profit or loss from the Enterprise being run. Enterprise actors should have their own financial recording system so that Enterprises know the financial condition of their Enterprise profit or loss.

### **External constraints**

#### **Enterprise climate**

One of the external obstacles is the unfavorable Enterprise climate in which there is often a lack of coordination between the government and micro, small and medium enterprises, higher education institutions, Enterprise associations and financial institutions. Very often they do not have coordination with each other even though all of them actually work hard to support the progress of micro, small and medium enterprises, but there is no joint coordination of all MSME stakeholders.

Even though the government has continued to try to give the best contribution to support micro, small and medium Enterprises, each of them often has problems that appear again such as infrastructure, licensing, policies for funding and including frequent conflicts due to the arrangement of Enterprise locations given for Enterprise actors to become Enterprise actors place of Enterprise. Very often there is perceived injustice of Enterprise actors.

### **Infrastructure**

Speaking of infrastructure, it is not only infrastructure from smooth marketing of micro, small and medium-sized Enterprise products to outside parties for distribution to consumers, but also includes the technology used by Enterprises. Very often Enterprises do not understand technology that is too sophisticated and currently micro, small and medium Enterprises mostly use very simple technology.

### **Access**

Micro, small and medium Enterprises often experience problems, especially raw materials. Very often the availability of raw materials becomes a problem and the scarcity of raw materials makes the price of raw materials increase and makes the prices of raw materials increase and necessitates raising the price of products. On one hand when the price of the product increases due to increased raw materials but consumers will complain or not buy because it is too expensive so that the end products of micro, small and medium Enterprises will experience a decrease in sales. The lack of raw materials will be a big problem, especially Enterprises that have many customers who may have gone abroad.

## **B. Summary**

Based on the definition of Law Number 20 Year 2008 concerning MSME Article 1 number 1, it is said that micro Enterprises are productive Enterprises owned by individuals or individuals and / or individual Enterprise entities that have the following criteria: have a maximum assets of Rp.50,000,000.00 ( fifty million rupiahs) excluding land and buildings for Enterprises, or having annual sales of at most Rp.300,000,000.00 (three hundred million rupiahs).

Small Enterprises are more clearly recorded, small Enterprises are more permanent when compared to micro Enterprises. Small Enterprise is an area that is managed either by individuals or Enterprise entities with assets of around Rp.50,000,000 up to a maximum of Rp.500,000,000.00 (five hundred million rupiahs) excluding land and buildings for Enterprise premises. With an annual turnover of more than Rp. 300,000,000 up to a maximum of Rp. 2,500,000,000.

A medium-sized Enterprise is a Enterprise that stands alone and is not a subsidiary of a company or a branch of a company. Medium-sized Enterprises have independent production activities to carry out activities independently. Medium-sized Enterprises themselves have a net worth of more than Rp. 500,000,000 up to a maximum of Rp. 10,000,000,000 excluding land and buildings for Enterprise premises, or have annual sales results of more than Rp. 2,500,000,000 up to a maximum of Rp.50,000. 000,000. when compared to micro and small Enterprises it is indeed much bigger financially and the turnover and wealth of companies also differ in amount.

Medium-sized Enterprises have larger workers than micro and small Enterprises, namely for medium-sized Enterprises, the number of workers is around a maximum of 300 people. This means

that people who work are bigger and involve many people who show far greater production activities when compared to micro and small Enterprises. Usually medium Enterprises have fixed locations and are more professional in terms of management when compared to micro and small Enterprises.

Micro, small and medium Enterprises in Indonesia experienced positive growth, meaning that micro, small and medium Enterprises continued to experience growth. The constraints faced by micro, small and medium Enterprises are internal and external factors. According to Bank Indonesia, there are two types of obstacles that are often a discussion for micro, small and medium enterprises in Indonesia. Internal constraints are obstacles related to factors within the company while internal factors are obstacles that arise from factors from outside the Enterprise that are more difficult to be controlled by entrepreneurs.

### **C. Exercise**

1. Explain the definition and characteristics of micro Enterprises.
2. Explain the definition and characteristics of small Enterprises.
3. Explain the definition and characteristics of a medium Enterprise.
4. Explain the obstacles commonly faced by MSMEs in Indonesia.
5. Describe solutions to deal with the problems faced by MSMEs.

### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. Types of Enterprises including micro-Enterprises, except....
  - a. Street vendors
  - b. Hermes bag seller



- c. Mobile ice seller
  - d. Vegetable seller
2. Which are the characteristics of micro Enterprises, except...
    - a. 35 workers
    - b. has a non-permanent location
    - c. Annual sales are around Rp. 250,000,000
    - d. Vegetable seller
  3. Which are the characteristics of small Enterprises, except...
    - a. Have a TIN
    - b. Location is settled
    - c. Wholesaler
    - d. Do not have access to the Bank
  4. Which are the characteristics of medium-sized Enterprises, except
    - .....
    - a. Already have access to banking
    - b. Mining company
    - c. Don't have TIN
    - d. Have a good financial report
  5. Which is an external obstacle Micro, small and medium enterprises, except ...
    - a. Enterprise climate
    - b. Infrastructure
    - c. Access
    - d. Government
  6. Which is an internal constraint Micro, small and medium enterprises, except .....
    - a. Capital
    - b. HR
    - c. TIN
    - d. Accountability

### **E. Feed Back**

After answering the questions above, it's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then, use the formula below to find out your level of understanding of Learning Activity 1 material.

$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100 \%}{6}$$

### **F. Follow Up**

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources of literature to deepen the material independently thereby increasing understanding of this topic.

### **G. Answer of formative test**

No. 1 answer B, Hermes bag seller

No. 2 answer A, 35 Employees

No. 3 answer D, Do not have access to the Bank

No. 4 answer C, Don't have Tax ID

No. 5 answer D, Government

No. 6 answer C, Tax ID

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Undang-Undang Nomor 20 Tahun 2008 tentang UMKM

## **I. Glossary**

- Micro enterprises: productive enterprises owned by individuals or individuals and / or individual Enterprise entities that have the following criteria: have a maximum asset of Rp.50,000,000.00 (fifty million rupiahs) excluding land and buildings for Enterprises, or having annual sales of at most Rp.300,000,000.00 (three hundred million rupiahs).
- Small enterprises: is an area that is managed either by individuals or Enterprise entities with assets of around Rp.50,000,000 up to a maximum of Rp.500,000,000.00 (five hundred million rupiahs) excluding land and buildings for Enterprise premises. With an annual turnover of more than Rp. 300,000,000 up to a maximum of Rp. 2,500,000,000.
- Medium enterprises: a Enterprise that stands alone and is not a subsidiary of a company or a branch of a company. Medium-sized Enterprises have independent production activities to carry out activities independently. Medium-sized Enterprises themselves have a net worth of more than Rp. 500,000,000 up to a maximum of Rp. 10,000,000,000 excluding land and buildings for Enterprise premises, or have annual sales results of more than Rp. 2,500,000,000 up to a maximum of Rp.50,000. 000,000.

## **CHAPTER 3**

### **MSMEs GO ONLINE BY SOCIAL MEDIA**

#### **3.1 INTRODUCTION**

##### **A. Brief Description**

This material discusses how micro, small and medium Enterprises use online media to market products to reach wider consumers. The development of social media is increasingly massive and makes more and more people use it as a medium to attract consumers. When Indonesia became one of the countries where the growth of internet users grew rapidly. Nowadays more and more people feel the internet is becoming a necessity. Increasingly crowded people use the internet so that it encourages people to use also a result of the influence of the social environment and current needs because many people use it as a medium to communicate with others.

Good social media in the form of Instagram, Facebook, Twitter and other social media are used for media marketing products. Many Enterprises use social media as the main means to market products. It can be seen in all social media that we can easily find many merchandises that are marketed by micro, small and medium Enterprises. The power of social media is really real for marketing media especially as users continue to grow over time.

In addition to social media, the market place is one that is widely used as a place to market products or merchandise for micro, small and medium Enterprises. Many of them take advantage of the market place, even millions of products marketed in the market place, some of the most popular market places in Indonesia, for example Tokopedia, Shopee, Blibli, Lazada and many other marketplaces in Indonesia, both Indonesian and foreign owners.

## **B. Relevance**

Enterprise Administration students need to understand the importance of understanding what social media and market places can be used in Indonesia by micro, small and medium Enterprises. Students must understand the strengths and weaknesses of each social media and marketplace for marketing media. Strategies applied to market products from each social media and market place.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, Enterprise Administration students who take micro, small and medium Enterprise management courses are expected to be able to explain the meaning of social media and market place. Students are able to mention social media and market places that are used as marketing media in Indonesia. Students must also understand the strengths and weaknesses of each social media and weaknesses as a medium for marketing micro, small and medium Enterprises. Students can understand and can decide on the most priority social media or market place to be focused by micro, small and medium Enterprises in marketing their products.

### **C.2. Basic Competencies**

1. Can explain the meaning of social media.
2. Can explain the understanding of the marketplace.
3. Can mention the social media used as marketing media.
4. Able to mention the marketplace that is used as a marketing medium.
5. Can explain the strengths and weaknesses of each social media as a marketing media.
6. Be able to explain the strengths and weaknesses of each marketplace as a marketing medium.

## **D. Learning Instructions**

Students try to determine a micro, small and medium Enterprise product that will be marketed to social media or the marketplace, determine the focus on social media or market places and focus on social media or market places which of the many choices for marketing products. Students must be able to convey the reasons for recommending existing social media or market places. Thus, ensuring students really understand the topic of micro, small and medium Enterprises go online. Students need to do practice questions and formative questions to find out students' understanding of this material. If the scores obtained are not in accordance with the established standards, students can repeat this Chapter material before continuing the next material so as to ensure that students understand correctly about this material.

## **3.2. Social Media as a marketing tool**

### **A. Explanation**

The growing social media and market place make micro, small and medium Enterprises increasingly take advantage of opportunities to expand the reach of potential customers who usually only focus on the surrounding area. Many Enterprise actors used to market only to the target region where their operations are operating but now Enterprises use social media and market places to reach national markets and even international markets so that it will increase Enterprise revenues.

### **A.1 Definition of Social Media**

Nowadays there are very many social media that can be used in Indonesia, especially young people who use social media for various purposes. The focus in this discussion is how micro, small and medium Enterprises can utilize social media and market places as

tools to market products. Social media itself can be interpreted as an online tool that can connect and allow users to interact with each other. Social media is not only limited to ordinary communication tools but social media can also share pictures, videos, documents and other activities.

Social media is a communication tool that is currently easy and inexpensive, especially for young people. Some of the characteristics of social media, namely:

### **1. Connecting two or more people**

Social media is a useful communication tool for many people because it can connect many people. Social media is one of the means of connecting people today who have enormous power. Social media that can connect many people is the key for micro, small and medium Enterprises to market their products. This is one of the most effective ways so far to expand the market. Micro, small and medium Enterprises can take advantage of so many social media to reach potential customers.

Shanty is one of the most popular coffee traders from Blora Regency, Central Java by utilizing Whatsapp social media so that its consumers can be reached even further. Initially only from Blora Regency but now it is getting wider and even has orders from outside the island of Java. This is one of the proofs that the Enterprise actors really benefit from using social media as a tool to market the product. Connecting more and more potential customers.

### **2. Faster**

Social media is very fast and up-to-date, posting on social media can spread throughout the world in seconds by posting. This is the power of social media, its speed is making information or maybe the need for something can be sought only through social media. One

example at the beginning of 2020 there was a case that shocked the world of COVID-19. Everyone needs personal protective equipment to be safe or avoid COVID-19. Social media can be used to disseminate information to market personal protective products.

Some products such as medical masks, cloth masks, ordinary masks and other types of masks, hand sanitizers, and others that are useful for protecting themselves can be spread through social media or social media groups that someone is in. This allows micro, small and medium Enterprises to be able to use it to disseminate information on the availability of community needs in seconds. This speed can be a great opportunity for micro, small and medium Enterprises.

### **3. Not bound by time and space**

Social media can be accessed at any time, there is no restriction on time, in other words, it can be accessed both in terms of micro, small and medium Enterprises to market their products. For example, posting or answering consumer questions are different from offline stores that cannot be done when the shop closes. Social media can still be done anytime. From the consumer side, it's the same, there is no time limit for access to social media to buy something. It's not just a matter of time, social media is also not limited by space.

The point is social media can be accessed anytime and anywhere. The most important thing is that social media is connected to the internet, the rest can be used anytime and anywhere. This greatly facilitates Enterprises and consumers. By being able to be accessed anytime and anywhere, Enterprise actors and consumers will benefit in terms of time savings.

### **4. Cheap**

Social media is not paid or free so the benefits generated are far greater than the losses that can be caused. It is important to know that



the use of social media for marketing media is very profitable because it is enough to use the internet and share interesting product images to attract consumers to buy products from micro, small and medium Enterprises.

## **5. Free access**

Free social media accessed by anyone. Nobody gives restrictions only certain people can access it. This free access makes the large number of users and even many people, especially young people, have social media accounts on several social media accounts such as Instagram, Facebook, Twitter, WhatsApp and other social media at the same time. This is a great opportunity to use several social media products to market.

## **A.2 Types of Social Media**

Indonesia is one of the countries that is open to social media. Not all countries in the world want to open all social media into their country, but Indonesia is a bit open so that many social media can be used by the people of Indonesia for various needs. Whether it's as a means of communicating, marketing products, as a media for storing documents or memories through photos or other content that is considered important to be shared with others.

Here are some social media commonly used by micro, small and medium Enterprises to market their products and as a medium for communicating with potential customers. Of the many social media used to market the following products, these are some that are often used by micro, small and medium Enterprises in Indonesia.

### **1. Intagram**

Currently, Instagram is one of the social media that has enormous power because a lot of its use, especially young people.

Instagram is currently one of the most widely used social media to market products. There are so many Enterprise people who market their products with Instagram to attract buyers. it is undeniable the power of Instagram as one of the most widely used social media today. Instagram has become one of the social media features that attracts many people to use it.

For micro, small and medium Enterprises, Instagram is one of the most effective tools, especially targeting young people. Instagram becomes one of the most favorite social media for young people because of this. So Enterprises can use it as an opportunity and spread their wings to reach wider consumers. You can imagine the power of Instagram used by people throughout Indonesia. The reach of consumers is not only limited to the production of micro, small and medium Enterprises, but extends throughout Indonesia and even abroad.

The same thing, for users of Instagram may be familiar with Enterprises marketing their products including products from abroad. Many Enterprise people from outside Indonesia also peddle their wares through Instagram because everyone knows the power of Instagram itself. It's easy to find the accounts that sell on Instagram social media. Simply search for the keyword item you want to search, there will be a lot of choices that are very diverse.



**Figure 3.1 Examples of Marketing Panffle Products on Instagram**

The picture above is one example of the Instagram as a medium for marketing products. Not only Enterprises can post or share content in the form of interesting images or videos to lure potential customers to see products sold on the Instagram account.

One important point is that Instagram is free and easy to use as a promotional medium.



**Figure 3.2. Posting Panffle Pictures and Videos on Instagram**

The picture above is a post that is used as a marketing strategy on Instagram. It can be seen that the combination of image colors, selected image choices, product layout to be shared on Instagram are all strategies to captivate the hearts of consumers.

Including testimonials from buyers who show that buyers are satisfied and happy to buy the product. This becomes one of the important points of the electronic word of mouth (e-wom) which has the power to influence others to buy the product as well.

E-wom or good or bad testimonials will affect potential buyers so that many sellers when they get testimonials from buyers will be distributed to prospective buyers as a form of trust and convince potential buyers that the products they sell do not disappoint but consumers who have bought are satisfied with the product or their service. But it will be a laborer for Enterprises when e-wom is negative, it will discourage prospective buyers to buy products sold by micro, small and medium Enterprises. So it needs to be careful so that it gets positive comments from our consumers so that later they can become customers.

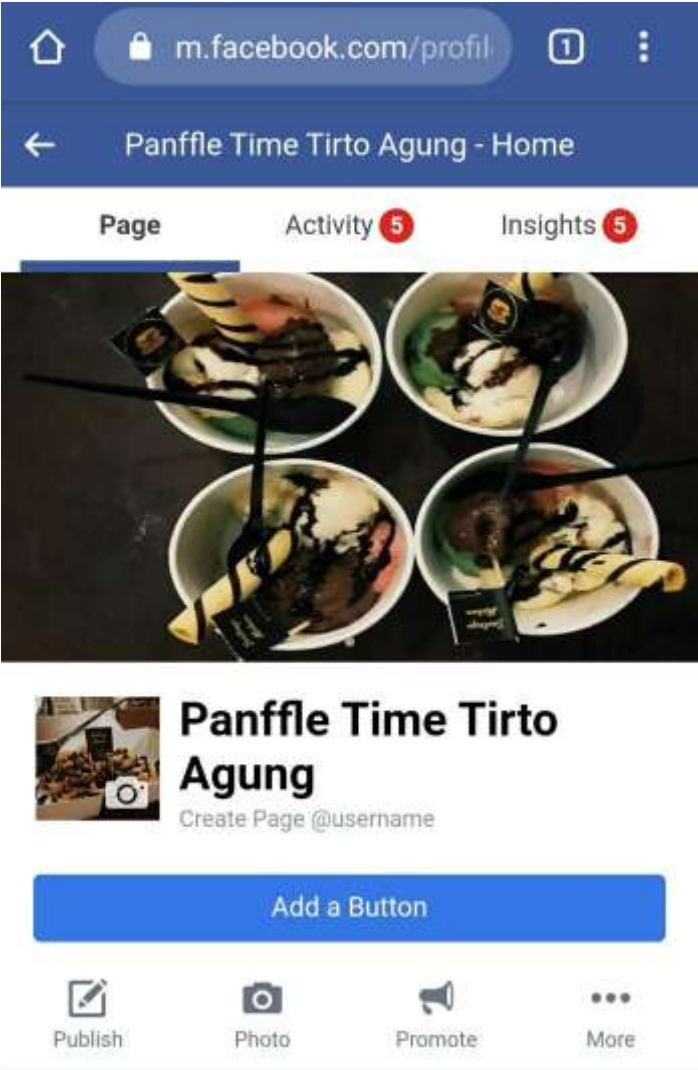
## **2. Facebook**

One of the social media that has the biggest users in Indonesia and even the world is Facebook. Facebook is one of the most powerful social media from the user side. Facebook as one of the social media outlets that first stood before the others followed afterwards. The use of Facebook itself is very much. Even more complex when compared to Instagram. Facebook users cover all ages, from those who start using social media to old people.

Facebook has become a strength for marketing a Enterprise. This large opportunity must be exploited by micro, small and medium Enterprises to attract a wider range of buyers. As with other social media Enterprise actors who initially only targeted buyers from their own production areas but now can use it with a wider range.

Facebook features are very diverse so that it can be utilized with several activities. In contrast to the actual instagaram can only send or share to followers in the form of pictures, videos or stories but

Facebook can do it all and includes posts in the form of text. Facebook can be used by creating a group of buyers so that it does not interfere with followers or friends on Facebook who are not the target of products that micro, small and medium Enterprises want to sell so as to facilitate prospective buyers and sellers. Its simplicity is the same as Instagram, just preparing content to be shared, especially it needs to be considered creative and interesting content for many people.



**Figure 3.3 Panffle Enterprise Accounts on Facebook**

The ease and practicality of Facebook as a marketing medium allows Enterprises to use it to reach potential customers who have locations far from production sites. Facebook has become one of the most effective social media even though many young people have moved to other social media. But there are still many who use Facebook so it is still effective to use. Especially when the target market is parents, it's easier and more effective to use Facebook. One of the reasons many beginners use Facebook is because it is easy to use, especially for beginners, so the popularity of Facebook has been one of the strongest.

### **3. Twitter**

In addition to Instagram and Facebook, another widely used social media is Twitter. Twitter users in Indonesia are classified as many and this opportunity can be used for marketing tools for targeting Twitter users. Many have Enterprises that use Twitter as a promotional medium, especially for products that have something to do with young people. Twitter can be tweeted by Twitter users and can easily be retweeted by other users. When you tweet it means that all of your followers will see it. This ease is one of the strengths of tweeters.



**Figure 3.4 Examples of Utilizing Twitter for Enterprise**

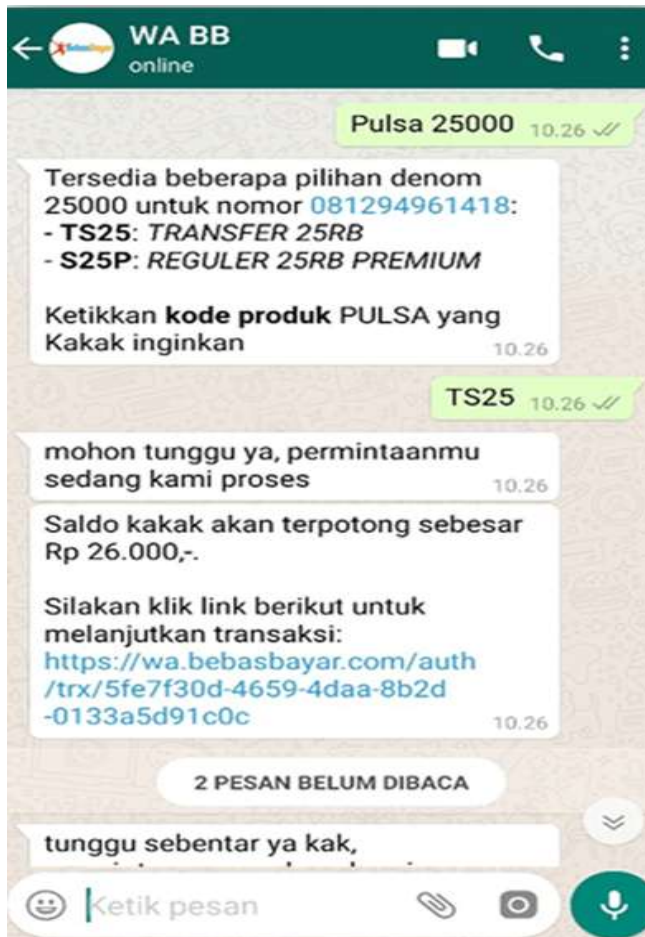
**Source:** <http://hadialatas.blogspot.com/>

Figure 3.4 is an example of using twiteer in Enterprise. Where Enterprises register their accounts and try to share their Enterprises and can use hastaq (#) so that the search engine can easily be found by others. It is also important to know that when compared to some previous social media, tweeters are not as complete as the previous social media features available.

#### 4. Whatsapp

One of the social media that many users in Indonesia is Whatsapp, is currently the belle of the moment because mobile numbers are connected automatically with whatsapp so that users can easily use it. Usually whatsapp groups are used to sell products or services. Whatsapp group is used to focus more on target potential customers and to avoid complaints from others. Usually shared groups are made to groups and if interested can join the group or whatsapp story.





**Figure 3.4 Example of Using Whatsapp for Selling Media**

**Source: <https://www.bebasbayar.com/>**

Figure 3.4 is an example of a transaction using whatsapp for media to market a product or service. Everyone can be invited into a group to become a target consumer. Whatsapp also has limits within the group so that people in the group are also more focused. Some sellers offer one by one and inform if interested can join the available groups. Now with the story on WahstaApp makes it easier for sellers to be seen by potential sellers. With a note the prospective seller's

cellphone number is kept by potential customers A faster way is to send to groups that are open to all information.

## 5. Line

One of the most popular social media in Indonesia is the Line App. Mostly used by young people. Line can be created as a special group for potential customers who are indeed the target of buyers. indeed it is not easier than the previous social media which tends to be easier to sell products or services, but the line is still a strong one because its users in Indonesia are still highly trained. Line is one of the alternatives for micro, small and medium Enterprises to market their products.



**Figure 3.5 Example of Selling Products or Services on the Line App**

**Source: [www.brilio.net](http://www.brilio.net)**

Figure 3.5 is an example of using Line social media as a marketing tool that can be used. The more social media used, the more opportunities to market products or services to potential customers. The more widely used social media, the more energy it takes to focus on answering questions or requests from potential buyers. so in

addition there are positive or benefits, but there are also those who must be sacrificed.

## **B. Summary**

When Indonesia became one of the countries where the growth of internet users grew rapidly. Nowadays more and more people feel the internet is becoming a necessity. Good social media in the form of Instagram, Facebook, Twitter and other social media are used for media marketing products. Many Enterprises use social media as the main means to market products. It can be seen in all social media that we can easily find many merchandises that are marketed by micro, small and medium Enterprises. Some of the characteristics of social media are connecting two or more people, faster, not bound by time and space, cheap and free access anytime and anywhere. Of the many social media used to market the following products, there are several that are often used by micro, small and medium Enterprises in Indonesia, namely Intagram, Facebook, Twitter, Whatsapp and Line.

## **C. Exercise**

1. Explain what is social media?
2. Explain why social media is said to be not bound by time and space.
3. Explain the benefits of social media for micro, small and medium Enterprises.
4. Explain the strengths and weaknesses of using social media for micro, small and medium Enterprises.
5. Describe one of the most effective social media according to the product or service you want to market.

#### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. The characteristics of social media.....
  - a. Cheap
  - b. Not limited by space and time
  - c. Hurry up
  - d. Everything is correct
  
2. Which is social media that can be used by micro, small and medium Enterprises marketing products or services, except...
  - a. Facebook
  - b. Lazada
  - c. Line
  - d. Instagram
  
3. Instagram social media has the following characteristics, except...
  - a. Can share photos
  - b. Can share videos
  - c. Can share video information, photos, and writing through stories
  - d. C Incorrect
  
4. Line Equations and Facebook are, except.....
  - a. Both can share posts (status)
  - b. Both can form groups
  - c. Both of them use the id to add friendship
  - d. Both can share videos

## E. Feed Back

After answering the questions above, now you match

It's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then, use the formula below to find out your level of understanding of Learning Activity 1 material.

$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100 \%}{4}$$

## F. Follow Up

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources of literature to deepen the material independently thereby increasing understanding of this topic.

## G. Answer of formative test

No. 1 answer D, All correct

No. 2 answer B, Lazada

No. 3 answer D, C wrong

No. 4 answer C, Both of them use the id to add friendship

## H. References

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- Sumantri, B.A., Permana, E.P.. 2017. Manajemen Koperasi Dan Usaha Mikro Kecil Dan Menengah (UMKM). Kediri: Fakultas Ekonomi Universitas Nusantara PGRI Kediri.

<http://hadialatas.blogspot.com/>

<https://www.bebasbayar.com/>

[www.brilio.net](http://www.brilio.net)

## **I. Glossary**

- E-WOM: Electronic word of mouth, opinion base on experience shared by online maybe social media, market place etc.
- Social media: a useful communication tool for many people because it can connect many people.
- Follower: someone who follows social media or market place. someone who follows can access information shared

## **BAB IV**

### **MSMEs GO ONLINE BY MARKETPLACE**

#### **4.1 Introduction**

##### **A. Brief Description**

This material gives students an understanding of micro, small and medium enterprises going online through market places. Market place is one of the media marketing a very large product and can be accessed by many. Basically, a marketplace is a meeting place for sellers and buyers who are bridged by a third party, the marketplace itself. Actually, there is no difference between a market place and a trading place like a traditional market or shopping at a shopping center that sells each item and provides discounts or prices that can attract potential buyers. The difference is the implementation online.

Nowadays in Indonesia, it is increasingly familiar with market places that are considered to provide great benefits for its users to save time, money and other advantages that distinguish them from traditional markets and other luxury shopping centers. Nowadays more and more people are buying products online giving effect to retail companies. In Indonesia there are currently several large marketplaces with sellers and buyers in Indonesia. Among them are Bukalapak, Tokopedia, Blibli, Shopee, Lazada and several other large and small market places whose owners are Indonesian themselves and whose owners are foreigners.

##### **B. Relevance**

Enterprise Administration students understand by studying micro, small and medium Enterprises go online through the marketplace so they can understand how the market place works and utilize it as a place to market products. Students can get to know the function of the market place so that they are more motivated to use the

marketplace to reach potential buyers more broadly and the higher the chance of buyers not only from the area of production but also from all over Indonesia and even abroad because it can be accessed from anywhere.

Students can also distinguish one market place from another. Students can compare the strengths and weaknesses of each market place so that they can focus on a particular marketplace that matches the character of the product and the intended marketplace. This means that each market place has its own strengths for each product so that it will make it easier for students to market their products through the marketplace.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, Enterprise Administration students who take micro, small and medium Enterprise management courses are expected to be able to explain what the marketplace is, the function of the marketplace, the benefits of Enterprise ventures using the marketplace and the types of marketplaces in Indonesia that have sellers and very large buyers. Market place that sells millions of products becomes a great opportunity to be utilized as a media to market products with a wider range of consumers.

### **C.2. Basic Competencies**

1. Can explain the meaning of market place.
2. Being able to explain the benefits of the marketplace for MSMEs.
3. Can explain some examples of market places in Indonesia.
4. Can describe the advantages of several marketplaces.
5. Able to explain e-wom.
6. Can describe the importance of managing e-wom.



## **D. Learning Instructions**

Students provide a marketplace definition so that they understand correctly and are able to distinguish between social media which actually sells online. Students are also able to describe the benefits of using market places. Students are then able to describe the advantages of the marketplace and are most appropriate for the types of products that will be marketed by Enterprises. Students need to work on practice questions and formative questions to measure students' understanding of this topic. If the scores obtained are not in accordance with the established standards, students can repeat the material in this chapter before continuing the next material so as to ensure students understand correctly about this material.

## **4.2. Marketplace**

### **A. Explanation**

Humans today are trying to do anything by practically avoiding complicated things and trying everything quickly. Today's modern humans try to do everything required to provide the simplest possible service to do something. Fast-paced demands are also included in terms of shopping. The more complex human activities at this time make shopping time sometimes more and more free. So that the emergence of the marketplace makes marketplace growth continue to grow.

Indonesia is one of the highest numbers of marketplace users in the world. Indonesia continues to experience marketplace growth, including the number of users and marketplace visitors who continue to rise significantly. The condition of Indonesia's infrastructure is still not good, especially traffic jams that often occur, especially in big cities, making many people reluctant to leave the house if it is not very

important. Traffic conditions in Indonesia make the marketplace growth continue to increase.

### **A.1 Definition of Marketplace**

The growth of market place users in Indonesia continues to grow as a result of the many benefits obtained by marketplace users in Indonesia. The facilities that are obtained by users make the market users in Indonesia increasingly crowded. Not only a marketplace based in Indonesia but also a marketplace that originates from abroad. Indonesia is a country whose people are very easy to accept new things including the marketplace.

Marketplace itself can be interpreted as a third party that provides facilities for sellers and buyers to make buying and selling transactions. Marketplace is the same as market as a place where buyers and sellers meet. Everyone is free to sell their products in the marketplace and everyone is free to buy what they want in the marketplace. Basically, the marketplace and the market are the same, but the difference is that the marketplace for buying and selling transactions is done online.

Marketplace actually has several advantages compared to markets or retail shops that sell their products. Micro, small and medium Enterprises do not need to provide stalls for selling. Market places sell without the need to rent space but can be bought from anywhere. This means that the marketplace is a very profitable and economical place to sell for micro, small and medium Enterprises.

Currently, if you pay attention there are millions of products traded by traders in the marketplace with an online system. Everything can be accessed anytime and anywhere, making it easy for many people. The advantage of the marketplace can be enjoyed by both parties, namely from the side of micro, small and medium Enterprises and from the buyer side of the marketplace. The benefits received by

both parties have made the growth of the marketplace in Indonesia continue to grow every day.

There are several market places in Indonesia, the following are market places in Indonesia based on the number of visitors.

**Table 4.1 Number of Marketplace Visitors**

<b>No</b>	<b>Marketplace</b>	<b>Jumlah kunjungan</b>
1	Tokopedia	1,2 Billion
2	Shopee	837 Million
3	Bukalapak	823 Million
4	Lazada	445 Million
5	Blibli	353 Million
6	JD ID	105 Million
7	Orami	89 Million
8	Bhinneka	63 Million
9	Sociolla	51 Million
10	Zalora	45 Million

Source: <https://www.inews.id/finance/bisnis>

From table 4.1 above it can be seen that market place users in Indonesia do have great potential. The above conditions are indeed supported by many factors, especially the Indonesian traffic conditions that have not been too good. This condition makes people lazy to leave the house and choose to shop online and do not need to spend time to shop or shopping center. By shopping online one can buy anything anytime and anywhere just by using a cellphone. The more profits that consumers or buyers bring through this marketplace so that many retail stores are closed because all are turning to online. It is also important to know by micro, small and medium Enterprises that are taking advantage of opportunities that are increasingly wide open.

Enterprises need to think about how to be able to go online through the marketplace and be accessible to many people. It is important for Enterprise actors to be educated by the government and many parties on how to use it and its enormous benefits. Micro, small and medium Enterprises often don't dare to start because they are not used to it and are afraid to start even though it is easy to use and has enormous potential to attract potential customers.

## **A.2 Marketplace Benefits**

Marketplace has huge potential to be utilized by micro, small and medium Enterprises as a media to market products. At least there are several reasons for using the marketplace by micro, small and medium Enterprises in increasing their sales volume. Some of these benefits can be seen as follows, namely ([www.jurnal.id](http://www.jurnal.id)):

### **1. More opportunities**

Marketplace has a very large number of sellers. Marketplace is a place to market goods or services without limits. All are free to sell with applicable conditions. It is important for Enterprises to maintain the quality of products and services and other factors because so many customers are selling the same product. Marketplace meets all sellers from anywhere, this condition allows price war to occur between sellers because this system is open.

Simple thing, we don't have to have a lot of goods to sell, but even with a small amount we can tax it in the marketplace. This condition makes competition more and more and more choices for prospective buyers selling products from various regions. This market place also provides an opportunity to be able to see each other competitors so that they are able to adjust to each other. For example, if it is considered that the prices listed are too high, adjustments can be made with competitors if adjustments are deemed necessary.

## **2. No need to fear losing consumers**

The Marketplace is visited by millions of visitors or potential buyers every year. Marketplace is never lonely because more and more people want to buy something and choose to go online for various reasons. Visitors who come to the marketplace are very high, but Enterprises must pay attention that they do not necessarily buy their products. It is important for micro, small and medium Enterprises to continue to appeal to prospective buyers to make buying transactions at the store.

It is important to underline that indeed those who come to a marketplace are millions of people but the goods sold are also millions of products and very busy Enterprise people. So the key is how to provide attraction such as discounts, free shipping and other interesting things that can attract customers. Marketplaces in Indonesia also compete with each other to attract visitors and provide conveniences in the buying process, including payment. The easier and more comfortable prospective buyers make payments, the higher the desire to make purchases in certain marketplaces.

## **3. Features and regulations**

Every market place has features and regulations that can benefit micro, small and medium Enterprise entrepreneurs. Some features that can provide benefits for micro, small and medium Enterprise entrepreneurs such as joint accounts which provide a sense of security for buyers. Accounts that are centralized at the market place and will later be transferred to the seller make it comfortable and safe for the buyer. market place also provides features to provide evaluations and ratings for sellers in the marketplace so that buyers can use it as a reference for buying on the product.

#### **4. Don't need big capital**

Marketplace that does provide a free platform for micro, small and medium Enterprise entrepreneurs to be able to market their products provides excellent convenience. Everyone is free to create an account to sell and does not need a certain capital to be able to market the product. Enough to have a product with a few units can already market the product, it's important to understand and get to know the market place you want to use. It can be imagined by having several items of products already able to sell, this opens up opportunities for all people to be able to go online, especially the micro, small and medium-sized Enterprises.

Enterprise actors need courage to start, if selling conventional products requires building rent, paying for electricity, water and other things by going online, everything can be eliminated. Enterprise operators have enough access to the internet and smartphones to market their products in the marketplace. Many Enterprise actors do not understand the benefits and facilities that are obtained so there are still many Enterprise actors who have not gone online as a means to reach potential buyers more and more broadly.

#### **5. Easily monitor Enterprise**

Market place makes it easy to control our Enterprise. Enterprise operators can find out the number of visitors who visit the seller's shop in the marketplace. Insight in the marketplace can be used as an evaluation of micro, small and medium Enterprises to implement strategy. Enterprises can see the development of visitors from the pricing or bid strategies implemented to attract buyers.

Enterprise actors can monitor via cellphones only, all the more sophisticated, although only through mobile phones Enterprises can control questions from potential customers to provide information or convince buyers. Market place makes it easy for Enterprise people so

that it becomes more attractive and easier to do product marketing through market place to support the online go program of micro, small and medium-sized Enterprises and reach larger prospective customers.

### A.3. Marketplace in Indonesia

Indonesia continues to experience growth in the number of internet users from time to time. Data for January 2020 shows that the total population of Indonesia is around 272.1 million and internet users are around 175.4 million or around 64% of the total population of Indonesia. This shows that internet users in Indonesia are very high and continue to increase. This is an advantage or opportunity that can be utilized by micro, small and medium Enterprises in Indonesia.



Figure 4.1 Internet users in Indonesia

Source: <https://inet.detik.com/>

Based on the data above, it has become an easy target for market place owners to utilize users on the internet in Indonesia to be able to develop or increase market place users. Here are some of the marketplaces that have the largest visitors in Indonesia. The market place is visited by millions of buyers of online products, both

marketplaces whose owners are Indonesian people or people outside Indonesia.

### 1. Tokopedia

Tokopedia is the marketplace with the largest number of visitors in Indonesia. Tokopedia is able to become the marketplace market leader in Indonesia with 1.2 billion visitors. The highest number of visitors from all marketplaces in Indonesia. Tokopedia is present as a marketplace with a wide variety of products and even a lot of products. The convenience offered by tokopedia, including an easy payment system, makes Tokedia a no. 1 marketplace in Indonesia with far more visitors than its competitors. Tokopedia present provides convenience and security guarantees for users. Tokopedia has grown into an extraordinary unicorn since its establishment in 2009. Tokopedia has become a marketplace that continues to grow not only in Indonesia but also in other countries.

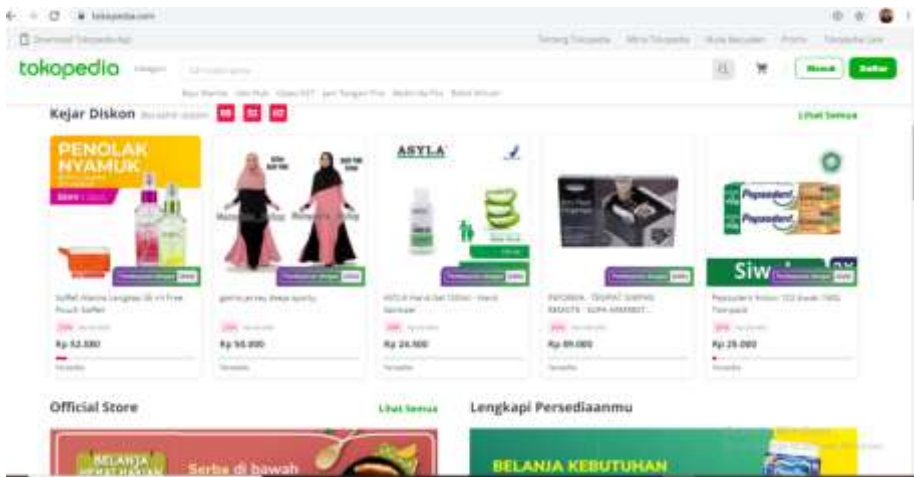


Figure 4.2 Tokopedia Website page

Source: [www.tokopedia.com](http://www.tokopedia.com)

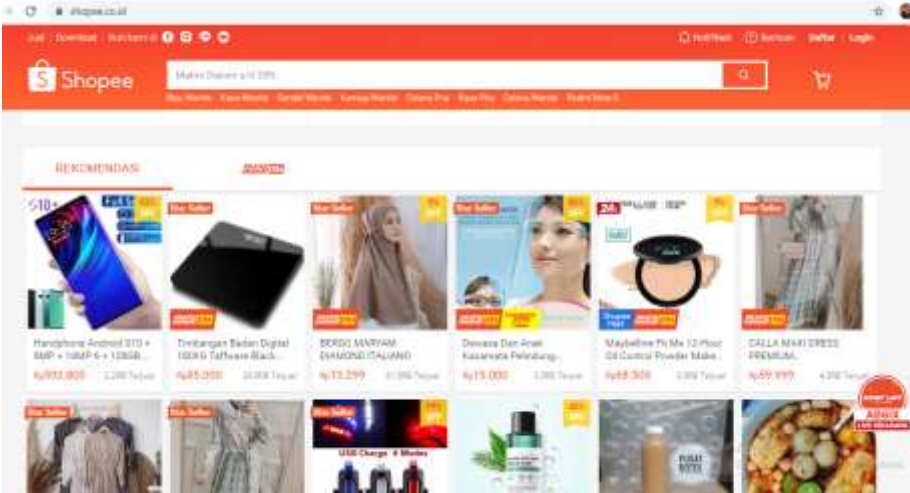
### 2. Shopee

Marketplace continues to grow because it is followed by a growing number of users each year. In addition to Tokedia, shopee



appears to be one of the many marketplace visitors. Shopee grows into a popular marketplace because of the many attractive offers every day. Shopee appears to be a market place that often provides free shipping, discounts and other discounts. This attractive offer attracts young people to do transactions at shopee. Shopee is present to be one of the big marketplaces and to be the second most popular. The marketplace company whose head office in Singapore continues to experience growth. Shopee, which was established in 2015, continues to provide attractive offers for consumers so that it continues to grow into a large marketplace.

Many young people make transactions at Shopee because the price is considered cheap and many offers free shipping. Shopee can be considered a success because it was only established since 2015, but has become second place with 837 million visitors. This proves Shopee successfully entered the Indonesian market as a marketplace whose owners are outside of Indonesia.



**Figure 4.3 Website Shopee Page**  
**Source: [www.shopee.co.id](http://www.shopee.co.id)**

### 3. Bukalapak

One marketplace that is experiencing good growth is Bukalapak. Bukalapak ranks third in the marketplace with the most visitors. Based on 2019 data, more than 4.5 million sellers registered in Bukalapak. Bukalapak is one of the startup unicorns originating from Indonesia. The population of Indonesia, which is the 4th largest in the world, opens great opportunities for the marketplace to attract online merchants and consumers to shop online.

Bukalapak continues to transform into a growing marketplace and helps micro, small and medium Enterprise entrepreneurs. Bukalapak even continues to develop wings, one of which is the Bukalapak partner. Mitra Bukalapak is one of the Bukalapak services in collaboration with traditional stalls. This collaboration has made Bukalapak able to exist as a growing marketplace and offer convenience and attractive offers to consumers. Bukalapak is also the same as other marketplaces. Bukalapak provides an opportunity for all Enterprise actors to sell their products in Bukalapak with the provisions in force.

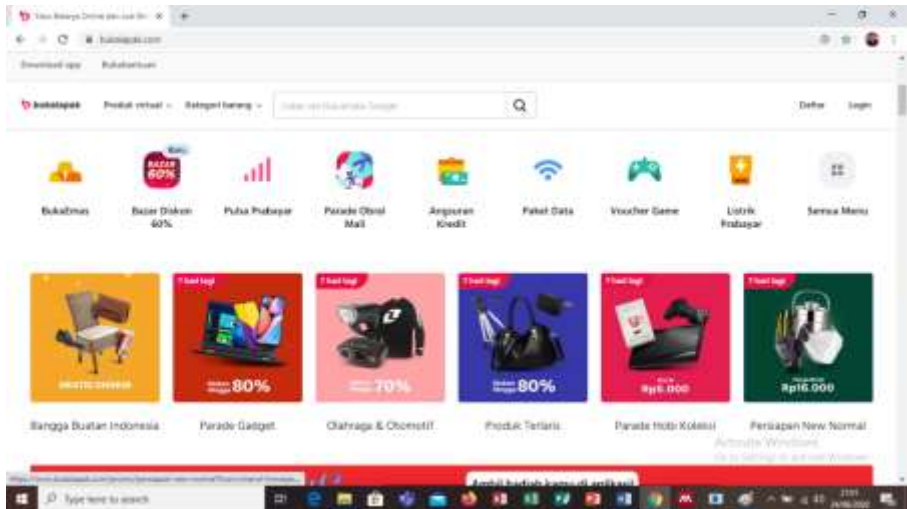


Figure 4.4 Website Bukalapak Page

Source: [www.bukalapak.com](http://www.bukalapak.com)

#### 4. Lazada

Lazada is one of the largest marketplaces with chapters such as Lazada Indonesia, Lazada Malaysia, Lazada Singapore, Lazada Philippines, Lazada Thailand and Lazada Vietnam. Lazada Group is a marketplace under the Alibaba Group. The Lazada Network is one of the largest and most spread out in Asia. Lazada is present as the same marketplace as other large marketplaces. Lazada opens up opportunities for micro, small and medium Enterprises to sell their products. Lazada with 445 million visitors is proof that lazada is a marketplace that is in great demand by Indonesian buyers.

Lazada comes as a marketplace under the banner of Alibaba that continues to provide good service. Lazada comes with a variety of product categories, such as sports equipment, household equipment, health equipment, beauty equipment and other products that are freely sold by Enterprises. Lazada is one of the largest marketplaces in Indonesia, spread across several Southeast Asian countries. Lazada is a market place headquartered in Singapore, continues to provide opportunities for all micro, small and medium-sized Enterprises to utilize Lazada as a medium for marketing products

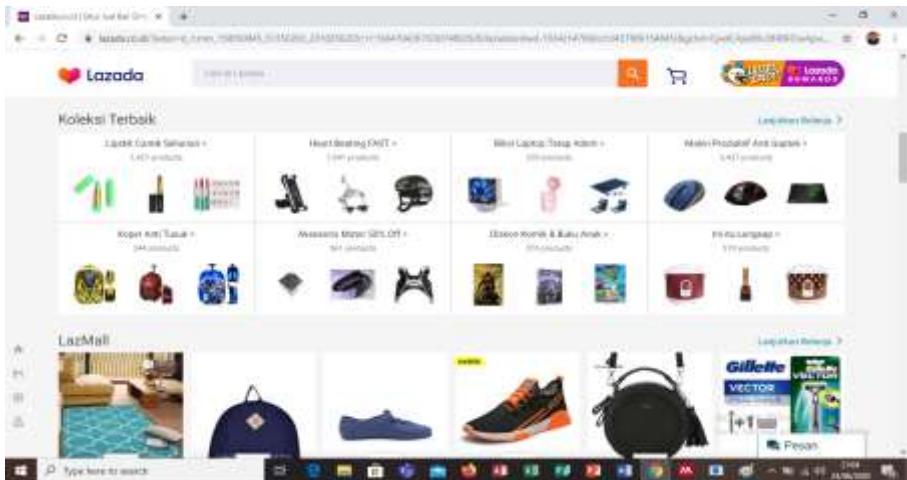


Figure 4.5 Website Lazada Page

Source: [www.lazada.co.id](http://www.lazada.co.id)

## 5. Blibli

One marketplace in Indonesia that has become a giant marketplace is Blibli. The marketplace with 353 million visitors is proof that Blibli is one of the most popular marketplaces in Indonesian society. Blibli is a marketplace whose original owner is Indonesian. Blibli comes by providing opportunities for micro, small and medium Enterprises to market their products through Blibli. Blibli is an online Enterprise platform owned by PT Global Digital Niaga which is a subsidiary of Djarum.

Blibli comes by providing convenience for Enterprises and consumers. Blibli cooperates with various parties to support the ease and convenience of transactions. Blibli cooperates with a logistics company to facilitate the delivery of goods ordered by the buyer. Banking institutions that aim to facilitate payments from buying and selling transactions at Blibli.

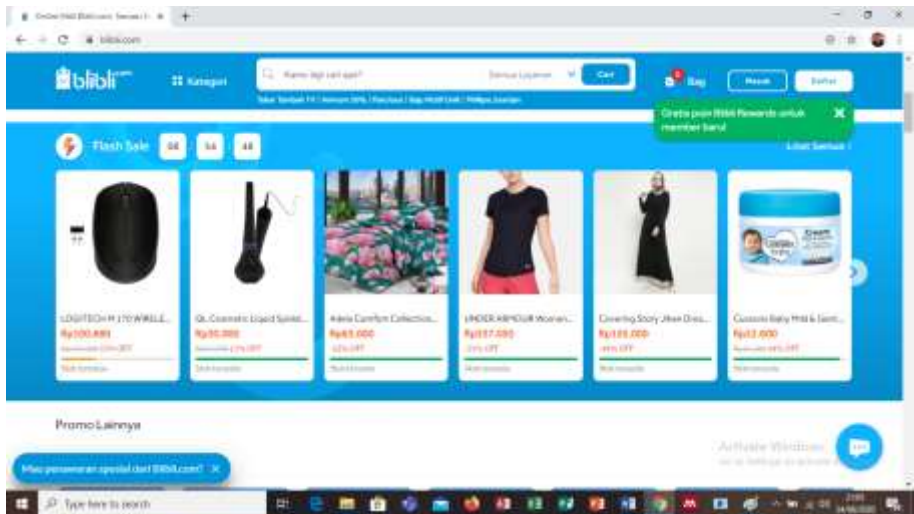


Figure 4.6 Website Blibli Page

Source: [www.blibli.com](http://www.blibli.com)

## **B. Summary**

Today's modern humans try to do everything required to provide the simplest possible service to do something. Fast-paced demands are also included in terms of shopping. The more complex human activities at this time make shopping time sometimes more and more free. The condition of Indonesia's infrastructure is still not good, especially traffic jams that often occur, especially in big cities, making many people reluctant to leave the house if it is not very important. Marketplace itself can be interpreted as a third party that provides facilities for sellers and buyers to make buying and selling transactions. Marketplace is the same as market as a place where buyers and sellers meet.

Marketplace has huge potential to be utilized by micro, small and medium Enterprises as a media to market products. Some of the benefits are: greater opportunities, no need to fear losing consumers, features and regulations that are good at managing consumers and sellers, do not need large capital and easily monitor the Enterprise. The total population of Indonesia is around 272.1 million and internet users are around 175.4 million or around 64% of the total population of Indonesia. This shows that internet users in Indonesia are very high and continue to increase.

## **C. Exercise**

1. Explain what is a marketplace?
2. Explain the benefits of social media for micro, small and medium Enterprises.
3. Explain the strengths and weaknesses of buying at a market place based on your experience.
4. Explain one of the most powerful marketplaces in your opinion and why.

5. Explain the differences and similarities in social media marketing and the marketplace.
6. In your opinion, which is better, social media marketing or marketplace

#### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. Characteristics of the marketplace...
  - a. Easy
  - b. Not limited by space and time
  - c. Online service
  - d. Everything is correct
  
2. Which are the benefits of the marketplace, except...
  - a. More opportunities.
  - b. No need to fear losing consumers.
  - c. Features and regulations
  - d. How to register is difficult
  
3. Which is the characteristic of Tokopedia, except...
  - a. More than 1 billion visitors
  - b. Can share videos
  - c. MSMEs can market beauty tools
  - d. All wrong
  
4. Which is characteristic of Blibli, except...
  - a. Djarum Group
  - b. The third most visitor's marketplace
  - c. Enterprise people can sell computer equipment
  - d. Indonesian original marketplace

5. Which is the marketplace, except .....
- a. Orami
  - b. Unity
  - c. Olmart
  - d. Sociolla

### **E. Feed Back**

After answering the questions above, it's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then, use the formula below to find out your level of understanding of Learning Activity 1 material.

$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100 \%}{5}$$

### **F. Follow Up**

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources of literature to deepen the material independently thereby increasing understanding of this topic.

### **G. Answer of formative test**

- No. 1 Answer D, All correct
- No. 2 Answer D, Difficult to registrar
- No. 3 Answer D, All wrong
- No. 4 Answer B, Third place
- No. 5 Answer C, Olmart

## **H. References**

<https://www.inews.id/finance/bisnis>

<https://inet.detik.com/>

[www.tokopedia.com](http://www.tokopedia.com)

[www.shopee.co.id](http://www.shopee.co.id)

[www.bukalapak.com](http://www.bukalapak.com)

[www.lazada.co.d](http://www.lazada.co.d)

[www.blibli.com](http://www.blibli.com)

## **I. Glossary**

- Marketplace: itself can be interpreted as a third party that provides facilities for sellers and buyers to make buying and selling transactions. Marketplace is the same as market as a place where buyers and sellers meet. Everyone is free to sell their products in the marketplace and everyone is free to buy what they want in the marketplace.
- Tokopedia: marketplace with the largest number of visitors in Indonesia. Tokopedia is able to become the marketplace market leader in Indonesia with 1.2 billion visitors. The highest number of visitors from all marketplaces in Indonesia.
- Visitor: someone who visits a website is good for just looking at the product until the person making the purchase transaction



# **BAB 5**

## **LOGISTIC COMPANY**

### **5.1 Introduction**

#### **A. Brief Description**

The material in chapter 5 gives students an understanding of the types and roles of logistics in micro, small and medium enterprises in Indonesia. The role of logistics is very large in online Enterprise activities in contrast to conventional micro, small and medium Enterprises. Today's society has a different shopping behavior before, it used to shop offline and now it has changed to online shopping for various reasons. Online shopping is becoming even more popular after the marketplace offers many profitable deals to its users such as free shipping, discounts, vouchers and many other offers.

The more people who make transactions through online the higher the need for logistics companies to help distribute the products purchased after consumers make a purchase transaction. In this chapter it is divided into two parts. The first is logistics companies that ship products over long distances, such as JNE, Pos, Tiki and other logistics companies.

#### **B. Relevance**

Enterprise Administration students understand the role of logistics companies in supporting the operation of micro, small and medium Enterprises. Indonesia's vast location requires good and integrated logistic companies to make it easier for small and medium micro Enterprises to sell their products and buyers can also receive their products. Logistics companies are here to provide convenience for both parties.

Every student is able to see the Enterprise opportunities that are around him by utilizing a logistics company as an intermediary

with consumers so they are able to save in terms of time and are more practical. Enterprise operators do not have to meet directly with potential customers. This understanding is expected to be able to increase the enthusiasm of students as well as to participate in marketing products through the marketplace.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, Enterprise Administration students who take courses in micro, small and medium Enterprise management are expected to be able to explain the meaning of logistics, the role of logistics companies, examples of logistics companies in Indonesia and be able to identify the ease of each company so as to be able to give an idea to students to choose the company that best suits the Enterprise they are in.

### **C.2. Basic Competencies**

1. Can explain the logistical understanding
2. Able to mention logistics companies in Indonesia
3. Able to explain the advantages of logistics companies to their Enterprises.
4. Able to explain the development of logistics companies in Indonesia.

## **D. Learning Instructions**

Students read the definition of logistics, logistics companies in their area, the advantages of each logistics company. Students can also observe the surroundings of the entrepreneurs who use the services of logistics companies and the reasons for using certain logistics companies. In addition to understanding the marketing mix and its parts students also need to work on practice questions and

formative questions to find out the extent of their understanding of this material. If the scores obtained are not in accordance with the established standards, students can repeat the material in this chapter before continuing the next material so as to ensure students understand correctly about this material.

## **5.2. Distribution/ Logistic**

### **A. Explanation**

In the digital age, it is very easy for Enterprises to market their products. Everyone who is connected to the internet can sell every product they have. The more mushrooming of market places and sales through social media increases the buying and selling transactions through online. Online transactions that are great distances between cities or provinces and even between islands that require a third party, namely a logistics company that helps Enterprises send their products to consumers.

### **A1. Defenition of Logistics / Distribution**

Distribution is the process of distributing or delivering products from producers to consumers. In other words, distribution is the activity of delivering products from entrepreneurs to consumers who purchase products. According to Kotler and Armstrong (2012) distribution is a group of groups or individuals who help distribute products or take over the rights of goods from producers and transfer them to consumers in return for services rendered.

In Enterprises that rely on online sales, the role of logistics companies is very important. When a logistics company experiences a problem, it can be sure to have problems with Enterprises that sell online. We can briefly see that when there is a delay in the logistics company in shipping goods, consumers will complain to the company or Enterprise they are buying. The faster the logistics company makes

product shipments from the online seller Enterprise, the more it sells to consumers. In other words, the speed of the logistics company is sending, the entrepreneur also makes it a competitive advantage compared to other competitors.

## **A.2 Purpose of Distribution**

There are several distribution objectives including (www.artikelsiana.com, 2005):

1. Delivering products from producers to consumers.
2. Speeding up products to consumers.
3. Equitable product distribution.
4. Maintain product sustainability.
5. Increasing the quantity and quality of products.
6. Increase product use value.

From all of the above functions it can be seen that the role of the logistics company plays an important role in the success and sustainability of the Enterprise. So that logistics companies really have a very vital role.

## **A.3 Logistics Companies**

### **A.3.1 PT Tiki Jalur Nugraha Ekakurir (Tiki JNE)**

Tiki Jalur Nugraha Ekakurir or JNE is a service company engaged in shipping and logistics, JNE has its head office in Jakarta and has many branches in various cities. JNE was founded in 1990 by starting a Enterprise of customs activities, importing shipments of goods, documents and shipping abroad from Indonesia. JNE continues to develop into one of the largest logistic services in Indonesia, supported by increasingly foreign investment, the development of information technology that supports the development of JNE ([www.jne.co.id](http://www.jne.co.id)).

Based on information at [www.jne.co.id](http://www.jne.co.id), JNE has a service location that has reached 6,000 locations with the assistance of more than 40,000 employees. JNE prioritizes employees and technology to support its performance. One proof that JNE is really maintaining quality because JNE received an ISO 9001: 2008 certification award for the quality management system.



**Figure 5.1 . JNE Logo**

**Source: [www.jne.co.id](http://www.jne.co.id)**

## **Service**

The following are services from Enterprises that can be utilized provided by JNE ([www.jne.co.id](http://www.jne.co.id)).

### **1. COD Retail**

COD (Cash On Delivery) Retail is one of the services assisted by JNE from the online seller to send ordered goods to customers. This service is one of the services that does not have to pay in advance but the buyer can pay on the spot to the courier on duty when the item is received.

### **2. Super Speed**

Super speed is one of the services provided by JNE by prioritizing speed. The conditions include the destination location is an area that has a direct flight path. This service also provides services with a

maximum of 24 hours after the courier is received, even providing a money back guarantee if less than 24 hours.

### **3. Order Souvenir Gifts**

The charm of souvenirs from the archipelago is one of the services provided by JNE for people who want to order some foods that are unique to an area.

### **4. YES**

YES or the abbreviation Yakin Tomorrow Until is one of the services provided by JNE with the aim of arriving tomorrow. This service also provides a money back guarantee if at 23:59 the goods sent have not been received by the recipient.

### **5. Regular**

Regular is one of the most common services and serves all shipments to various regions in Indonesia. This shipment usually takes around 1-7 working days because it does not serve delivery outside working hours and holidays.

### **6. Economical Shipping**

Economical shipping cost is a service that makes shipping at a lower cost and the shipping time is also longer. This service is also not available in all regions.

### **7. JNE Loyalty Card**

JLC is a special service for customers who have JNE membership. The advantage of this service is that it is faster and gets a discounted price.

## **8. JESICA**

JESICA service is a service that helps mothers who breastfeed but have activities outside the home. JESICA supports delivery services and is only valid on Monday-Friday.

## **9. Money Remittance**

Money Remittance is one of the financial services by providing online remittance services that can even be done anytime or 24 hours. The service is also very fast.

## **10. JNE Pick-Up Point (JNE PIPO)**

JNE Pick-Up Point service, also known as PIPO, is a service that provides an alternative for customers to pick up their own shipment at the JNE office.

## **11. @BOX**

@BOX service is a service from JNE that can send goods in the form of boxes by air shipping.

## **12. Diplomat**

Diplomat Service is a service provided by JNE for sending valuable documents that require good security.

## **13. JNE Online Payment**

JNE online payment is one of the services for payment of tickets and bills such as Telkom, PLN, water accounts and other payments.

#### **14. JNE Online Booking**

JNE Online Booking is a service that allows customers to fill in online so they don't need to queue and save time just by filling out information at <http://booking.jne.co.id>.

#### **15. JNE Trucking (JTR)**

JNE Trucking is a goods delivery service using trucks with a delivery of goods of at least 10 kg.

#### **A.3.2 PT Citra Van Titipan Kilat (TIKI)**

PT Citra Van Titipan Kilat (TIKI) is a shipping service company in Indonesia, which was founded on September 1, 1970. The company began with two branches, namely in Pangkal Pinang City and Semarang City and currently continues to develop into one of the largest shipping service companies in Indonesia with more than 450 branches, 3000+ outlets and has served 453 regency cities in Indonesia and continues to expand its network of service areas ([tiki.id](http://tiki.id)).



**Figure 5.2. TIKI Logo**

**Source: [tiki.id](http://tiki.id)**

#### **Service**

TIKI is a logistics company that is widely used by the people of Indonesia. TIKI provides services not only for domestic shipments but also for overseas shipments.

##### **1. International Service**

International Service is a shipping service provided by TIKI with overseas shipping at competitive prices.



## **2. Same Day Service**

Same Day service is one of the services provided by TIKI where goods are sent to the same day.

## **3. Over Night Service**

One Night Service is a shipment that arrives in just one day, no need to wait for a long time.

## **4. Regular Service**

Regular service is shipping all over Indonesia within less than 7 working hours so the shipment will arrive soon.

## **5. Economic Service**

Economic Service is one of the services provided by TIKI at a low cost

## **6. Trucking Service**

Trucking service is one of the TIKI services that send goods at least 10 kg.

### **A.3.3 J & T**

Express J&T express is a shipping service company that utilizes technological developments. J&T express services shipping within cities, between cities and between provinces and in collaboration with e-commerce companies. An increasingly extensive J&T express network supports services that speed up the process of shipping goods to consumers. Speed is one of the main keys of this company to continue to grow. Collaborating with e-commerce companies demands high speed for shipping goods to consumers ([www.jet.co.id](http://www.jet.co.id)).



**Figure 5.3 J&T Logo**  
**Source: [www.jet.co.id](http://www.jet.co.id)**

### **J&T Express service**

J&T Express provides super fast service. The call center is also available 24 hours and the website [www.jet.co.id](http://www.jet.co.id) with free services to pick up and drop off to the place so that it really makes it easier for consumers ([www.jet.co.id](http://www.jet.co.id))

### **B. Summary**

The role of logistics is very large in online Enterprise activities in contrast to conventional micro, small and medium Enterprises. Today's society has a different shopping behavior before, it used to shop offline and now it has changed to online shopping for various reasons. The first is logistics companies that ship products over long distances, such as JNE, Pos, Tiki and other logistics companies. Distribution or logistics is the process of delivering or delivering products from producers to consumers. In other words, distribution is

the activity of delivering products from entrepreneurs to consumers who purchase products.

In Enterprises that rely on online sales, the role of logistics companies is very important. When a logistics company experiences a problem it can be sure to have problems with Enterprises that sell online. We can briefly see that when there is a delay in the logistics company in shipping goods, consumers will complain to the company or Enterprise they are buying. Logistics objectives include delivering products from producers to consumers, speeding up products to consumers, equitable distribution of products, maintaining product sustainability, increasing the quantity and quality of products and increasing product use value.

### **C. Exercise**

1. Explain your understanding of logistics?
2. Explain the relationship of logistics companies to micro, small and medium Enterprises.
3. Explain the strengths and weaknesses of the logistics company based on your experience.
4. Explain one of the most powerful logistics companies in your opinion and why.
5. Describe the input you can give to the current logistics company.

### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. Logistics are...
  - a. Channel
  - b. Deliver
  - c. Payment

- d. A and B are correct
- 
- 2. Which is a logistics company, except...
    - a. JNE
    - b. Indonesian post
    - c. TIKI
    - d. A and C are correct
- 
- 3. Which is the TNE JNE service, except...
    - a. SONA
    - b. Super Speed
    - c. Same Day Service
    - d. Money Remittance
- 
- 4. Which is TIKI services, except...
    - a. International Service
    - b. Bycle Service
    - c. Trucking Service
    - d. Overnight Service
- 
- 5. Which is the service of J&T is...
    - a. Super fast service
    - b. Hand to hand service
    - c. Person to person service
    - d. Smart service

### **E. Feed Back**

After answering the questions above, now you match

It's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then,

use the formula below to find out your level of understanding of Learning Activity 1 material.

$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100 \%}{6}$$

6

### **F. Follow Up**

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources of literature to deepen the material independently thereby increasing understanding of this topic.

### **G. Answer of formative test**

No. 1 Answer D, All correct

No. 2 Answer D, A and C are correct

No. 3 Answer C, Same Day Service

No. 4 Answer B, Bicycle Service

No. 5 Answer A, super cepat service

### **H. References**

[www.jne.co.id](http://www.jne.co.id)

[www.jet.co.id](http://www.jet.co.id)

[tiki.id](http://tiki.id)

### **I. Glossary**

- COD: Cash On Delivery or payed after received the goods.

# **BAB 6**

## **MICRO, SMALL AND MEDIUM ENTERPRISES IN CRISIS**

### **6.1 INTRODUCTION**

#### **A. Brief Description**

This chapter explains the conditions of micro, small and medium enterprises in times of crisis. Micro, small and medium Enterprises are the ones who are affected when there is a crisis. Currently Indonesia and the world some time later in early 2020 is one of the most difficult conditions. This condition is due to the coronavirus (Covid 19), the condition of the world for months in difficult conditions, almost all countries in the world experience the same thing. Each country has its own way of dealing with it so that some countries can deal with it quickly and some countries are a bit slow.

The current condition of the crisis is one condition that cannot be predicted when it will come and when it can be finished. Coronavirus (Covid 19) is one of the causes of the crisis, the impact of the crisis can be felt anywhere not only in Indonesia. Beginning in 2020 is one of the most difficult moments for all entrepreneurs because they cannot do anything due to the virus which has been found to be a long and difficult cure. The large number of victims of coronavirus (Covid 19) caused the government to issue a policy banning several activities that caused crowds of people.

In this section, we can learn how Enterprises try to survive when a crisis comes. In this section the focus on the food and beverage industry, when coronavirus (Covid 19) is still a big problem in Indonesia and even the world is indeed the food and beverage industry such as restaurants, restaurants, small shops that provide food and drinks are indeed affected by coronavirus (Covid 19). In this section

students can learn from crises that have occurred so that they can be more prepared for when a crisis occurs again.

## **B. Relevance**

Enterprise Administration students need to understand how crises can cause chaos to micro, small and medium Enterprises. One of the cases in Indonesia is a crisis caused by the emergence of coronavirus (Covid 19). These conditions make Enterprise conditions in Indonesia experience serious obstacles. Learning from some of the cases discussed in this chapter can be lessons to learn for micro, small and medium Enterprise entrepreneurs in the future. Enterprise actors have a picture to face a crisis that can come at any time.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, Enterprise Administration students who take courses in micro, small and medium Enterprise management are expected to be able to understand about crises that can emerge suddenly and steps that can be taken based on the experience of the coronavirus crisis (Covid 19) that occurred since early 2020 in Indonesia. Students can think of steps to be able to survive during a crisis, especially advice for micro, small and medium Enterprises. A crisis is indeed an unfortunate thing but it must be faced, a crisis can occur as a result of natural disasters that cannot be controlled, riots caused by a group of people. Including the current crisis caused by a virus which has paralyzed the economies of many countries including Indonesia.

### **C.2. Basic Competencies**

1. Can explain the meaning of crisis.
2. Can explain the types of crisis.

3. Can explain the steps to deal with a crisis.
4. Able to provide advice to deal with crises.

## **D. Learning Instructions**

Students read and understand about crises and crises that may occur to the micro, small and medium-sized Enterprises. Students understand the steps that can be taken to deal with a crisis that may occur at any time. Students are able to think critically to provide solutions if a crisis occurs suddenly. Students are given several questions in the form of multiple choice and essay questions to ascertain and see the extent to which students' understanding of the material being taught. If the scores obtained are not in accordance with the established standards, students can repeat this Chapter material before continuing the next material so as to ensure that students understand correctly about this material.

## **1.2. MSMEs in Crisis**

### **A. Explanation**

#### **1. Definition of Crisis**

Often we hear that humans can plan but God decides or gives their blessing whether it can happen or not. As with crises, no human being can predict when a crisis will arise and how long it will last. As micro, small and medium Enterprise operators, of course, they only follow instructions or directions from the government if a crisis occurs suddenly. Crisis or disaster can happen anytime and caused by several things. A crisis is an unfavorable condition that is not only caused by nature but other factors such as political turmoil, social life and other factors that allow for an uncontrolled situation (Auzzir et al., 2018).

One crisis that is very shocking the people of Indonesia and even the whole world is a case of coronavirus disease (COVID-19).

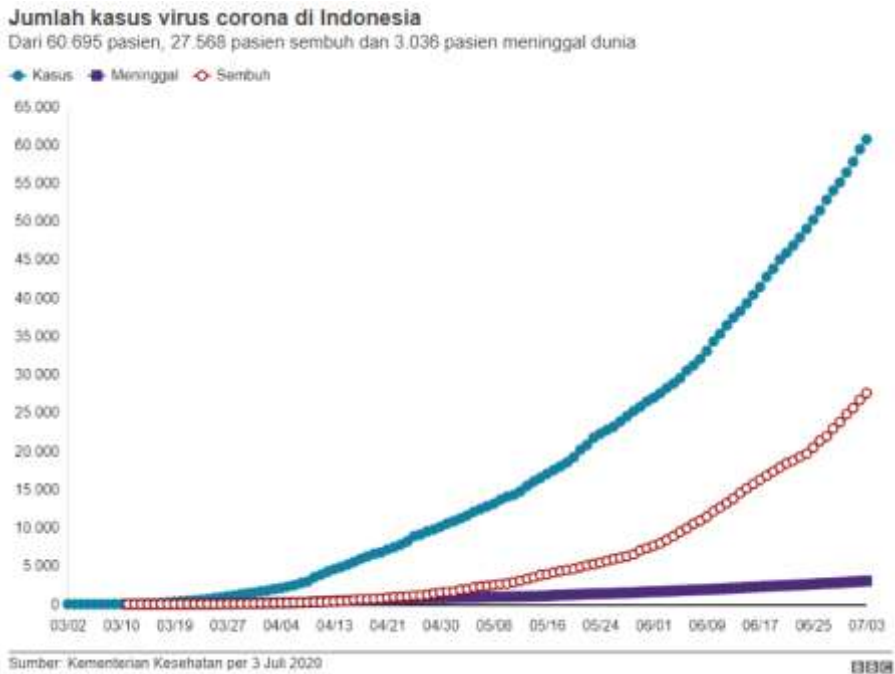


The case of coronavirus disease (COVID-19) is one of the crises that occurred since early 2020 which continues to flogging at least until July 2020. The crisis of coronavirus disease (COVID-19) which causes chaos or crisis throughout the world still continues. Coronavirus disease crisis (COVID-19) currently disrupts human activities, not only Indonesian people, but even the world is one of the non-natural disasters.

The non-natural crisis, namely coronavirus disease (COVID-19) is one of the new problems that has an impact on the sustainability of micro, small and medium enterprises in Indonesia. Prohibition of the community against people carrying out activities outside the home caused many Enterprises to close. The danger of coronavirus disease (COVID-19) which is very deadly makes the government must adopt policies to keep people from being infected by coronavirus disease (COVID-19).

## **2. Indonesia in Crisis**

The crisis is still continuing in Indonesia and has not shown any improvement. Several countries in the world have been able to control the development of coronavirus disease (COVID-19). Indonesia is currently surviving and trying to keep the case of coronavirus disease (COVID-19) can be detained because currently no vaccine has been found that can cure the virus.



**Figure 6.1 Information of the Covid-19 Case in Indonesia**

The data above is a case of data in the Indonesia COVID-19 pandemic until July 3, 2020. From various sources of information it can be seen that the COVID-19 pandemic spreads to all provinces in Indonesia so that this has caused several regional heads to impose large-scale stifling hotspots.. This unfavorable condition caused many Enterprises in Indonesia to be affected, especially micro, small and medium enterprises and even large-scale companies. These unfavorable conditions not only occur in Indonesia but also occur throughout the world.

Pandemic and starvation are the most significant causes of death that have occurred on earth (Guha-Sapir et al., 2012). This shows that this pandemic condition causes many people to be afraid. In line with the expert opinion above that this pandemic is very much casualties. This shows that the policy taken by the government aims to be able to reduce the number of victims who continue to increase from

day to day due to the discovery of the coronavirus disease (COVID-19).

The state of health emergencies that befell the world and Indonesia in particular makes the role of the government very vital to provide socialization to the general public such as maintaining cleanliness, wearing masks when leaving the house and even being advised not to leave the house and the government also prohibits carrying out activities that gather large numbers of people. Limitation of community space is not just events such as a wedding celebration that can involve hundreds or even thousands of people or other religious events that are able to gather hundreds or thousands of people. These are all steps taken by the government to reduce the number of people gathered.

This unfavorable condition is that Indonesia is also disadvantaged because of the stagnation of Indonesia's economic growth. Many people have to close their Enterprises, closing Enterprises has caused many people to stop working because their workplaces are closed. Currently entering the New Normal period in Indonesia that is giving freedom to do activities outside the home but still keep a distance and wear personal protective equipment to prevent the spread of the COVID-19 pandemic. This is one of the government's search to maintain health and at the same time keep the community's economy growing amidst the still dangerous COVID-19 pandemic.

### **3. Crisis (Pandemic COVID-19) and Micro and Small Enterprises**

The current condition as a result of the COVID-19 pandemic does indeed have an influence on Enterprise actors. Micro, small and medium Enterprises always try to survive for many reasons. A simple example in the presence of a COVID-19 pandemic, declining sales and continuing production of goods. This condition makes employers

unable to pay the company's monthly salary, this will cause new problems because it is not easy to cut off workers. It is not easy because workers also have good needs, family needs and daily needs and every month needs money. At least there are some obstacles faced by micro, small and medium Enterprises, including:

### **1. Sales dropped dramatically**

With the COVID-19 pandemic, the company's turnover dropped dramatically due to several things. Among them are people who are not free to move outside the home so that opportunities for buyers are very limited. Furthermore, with the inactivity of the community, the community also tightly controls monthly expenditures because decreasing income may even be absent. This condition is indeed very influential so that it impacts on other fields that cause critical conditions.

By entering a new normal condition in Indonesia, now Enterprise players have begun to reopen their Enterprises with a number of restrictions. The COVID-19 pandemic condition indeed all Enterprises have decreased. Being able to serve alone is already very good because all Enterprises have an impact starting from micro, small, medium Enterprises and even large companies. But the new normal conditions hopefully bring a better economic recovery.

### **2. A temporary stop**

Some Enterprises have had to close due to the COVID-19 pandemic. This extremely abnormal condition does indeed have an enormous impact on almost all humans. For entrepreneurs engaged in handicrafts and tourism must be totally closed due to very strict restrictions. Some Enterprises must indeed close because to avoid crowds and activities that are not too urgent. Some Enterprises in the food and beverage sector and basic necessities do not have to close.

Even though now when entering New, almost all Enterprises can return to their activities with limited restrictions.

### **3. Dismiss employees**

At the time of the COVID-19 pandemic it was because the Enterprise was not going well that it even had to stop. This condition makes Enterprise actors have to reduce or stop all their employees due to the COVID-19 pandemic. Enterprise conditions that do not carry out production activities are indeed tough decisions but must be taken by Enterprise actors. Enterprise operators must think carefully about the decisions they make. This is because workers who have been helping in micro, small and medium Enterprises are people who have dependents on a monthly basis. This condition makes it easy for Enterprise people to lay off employees.

### **4. Solutions for Micro, Small and Medium Enterprises**

Conditions that are not good indeed must be faced and must immediately think of a solution. Some current solutions, which are carried out to survive despite the pandemic condition COVID-19. Among the solutions for food and beverage Enterprises, namely;

#### **1. Purchase via the online motorcycle application**

At present everyone is limiting themselves from leaving the house, even though the basic necessities of eating and drinking are very important for life. In Indonesia, gojek and grab are the two online transportation services that exist and are the most widely used by the public. Both of these modes of transportation will be very helpful to be able to continue to survive. Online motorcycle taxi is very helpful to survive because people avoid doing activities outside the home.

Food purchases that are usually bought through online motorbike taxi both using gojek with gofood and grab with grabfood both have decreased dramatically. But online purchases with the

gofood and grabfood applications are still one of the mainstays of culinary entrepreneurs to be able to continue serving sales to be one way to increase the revenue of the Enterprise being run.

## **2. Follow Government Rules**

One of the government's efforts to keep the economy alive and maintain consumer health. A simple example is that many entrepreneurs make several steps such as making announcements, for example keeping a good distance for visitors who want to eat on the spot and including the distance to queue. While this pandemic also needs to convey the availability of hand washing facilities and hand sanitizers. This is a strategy that can be used to convince consumers when consumers are in doubt and need effort to be convinced in various ways. Including this strategy either to retain customers or convince potential customers who want to enjoy food outside the home.

## **B. Summary**

One crisis that is very shocking the people of Indonesia and even the whole world is a case of coronavirus disease (COVID-19). The case of coronavirus disease (COVID-19) is one of the crises that occurred since early 2020 which continues to flogging at least until July 2020. The crisis of coronavirus disease (COVID-19) which causes chaos or crisis throughout the world still continues. Coronavirus disease crisis (COVID-19) currently disrupts human activities, not only Indonesian people, but even the world is one of the non-natural disasters.

The crisis is still continuing in Indonesia and has not shown any improvement. Several countries in the world have been able to control the development of coronavirus disease (COVID-19). Indonesia is currently surviving and trying to keep the case of

coronavirus disease (COVID-19) can be detained because currently no vaccine has been found that can cure the virus.

The current condition as a result of the COVID-19 pandemic does indeed have an influence on Enterprise actors. Micro, small and medium Enterprises always try to survive for many reasons. A simple example in the presence of a COVID-19 pandemic, declining sales and continuing production of goods. This condition makes employers unable to pay the company's monthly salary, this will cause new problems because it is not easy to cut off workers. It is not easy because workers also have good needs, family needs and daily needs and every month needs money. At least there are some obstacles faced by micro, small and medium Enterprises, including decreasing sales, temporary stop Enterprises, laying off employees. Among the solutions for food and beverage Enterprises, namely buying through an online motorcycle taxi application, follow the Government Rules.

### **C. Exercise**

1. Explain the meaning of crisis.
2. Explain why it is important to prepare for a crisis.
3. Explain the obstacles faced during a crisis.
4. Explain your opinion the steps that can be taken to deal with the COVID-19 pandemic for micro, small and medium Enterprises.
5. Explain the steps that can be taken to deal with the political crisis for micro, small and medium Enterprises.

### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. Crisis is, except...
  - a. Unfavorable conditions

- b. Can come suddenly
  - c. Can attack anyone
  - d. A and B are correct
2. Crisis can occur because of many things, except...
- a. Political
  - b. Social
  - c. Only nature
  - d. Non Nature
3. The consequences of a crisis such as Covid-19 can have an impact on micro, small and medium Enterprises, except...
- a. Decline in sales
  - b. Temporary stop attempt
  - c. The Enterprise must be bankrupt
  - d. Dismiss workforce
4. Enterprise that can be done during the co-19 pandemic crisis for food Enterprise, except...
- a. Make use of the online motorcycle taxi application
  - b. Follow the Government Rules
  - c. A right
  - d. A and B are correct

### **E. Feed Back**

After answering the questions above, it's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then, use the formula below to find out your level of understanding of Learning Activity 1 material.



$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100}{\%}$$

4

## **F. Follow Up**

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources of literature to deepen the material independently thereby increasing understanding of this topic.

## **G. Answer of formative test**

No. 1 answer D, A and B are correct

No.2 answer C, Nature only

No. 3 answer C, The Enterprise must be bankrupt

No.4 answer D, A and B are coreect

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## **I. Glossary**

- Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
- Kurir: a man or someone who delivers goods

# **BAB 7**

## **SWOT ANALYSIS**

### **7.1 Introduction**

#### **A. Brief Description**

This chapter discusses Strengths, Weaknesses, Opportunities, and Threats from Enterprises, micro, small and medium enterprises. This section discusses how Enterprises in Indonesia know about strengths and weaknesses from within themselves as part of internal factors. Where strengths and weaknesses are internal factors that can be controlled and controlled by micro, small and medium Enterprise actors to make them a strength to become winners in the market.

Opportunities and threats are external factors that come from outside the micro, small and medium Enterprise. Opportunities and threats are important to be mapped by Enterprises to know what must be done to win the market. Micro, small and medium enterprises do indeed need education to be able to map what can be their strengths and weaknesses and what opportunities and threats they face. SWOT Analysis Strengths, Weaknesses, Opportunities, and Threats will provide an overview for Enterprises to determine strategies that can be applied.

#### **B. Relevance**

Enterprise Administration students are able to understand Strengths, Weaknesses, Opportunities, and Threats of micro, small and medium Enterprises. Students are also expected to be able to decipher Strengths, Weaknesses, Opportunities, and Threats from micro, small and medium Enterprises so they can determine the right strategy for their Enterprise. By learning in more detail about the conditions of the Enterprise it is easier to think of the rare steps to be cooked in the future. It is important to know that as students are able

to think critically to think of solutions to the problems faced by micro, small and medium Enterprises.

## **C. Competence**

### **C.1. Competency Standard**

After reading this textbook, Enterprise Administration students who take micro, small and medium Enterprise management courses are expected to be able to explain Strengths. Weaknesses (weaknesses), Opportunities (opportunities), and Threats (threats) from micro, small and medium Enterprises. Where students can take one Enterprise example to be analyzed by students. So, students can know the Enterprise conditions analyzed and can provide solutions and input. So, students are able to provide solutions for the Enterprises they analyze.

### **C.2. Basic Competencies**

1. Can explain the differences in strengths, weaknesses, opportunities and threats.
2. Can explain the importance of knowing the strengths, weaknesses, opportunities and threats for Enterprise people.
3. Able to elaborate on the strengths, weaknesses, opportunities and threats of micro, small and medium Enterprises from one of the Enterprises.
4. Able to describe strategies that can be used by Enterprise actors.

## **D. Learning Instructions**

Students first understand the understanding of strengths, weaknesses, opportunities and threats. And students are able to make a list of strengths, weaknesses, opportunities and threats from micro, small and medium Enterprises. Students choose one of the Enterprises and identify it. After students understand the definition and make a list

then students identify each section to be able to maximize the strengths of ushaa and reduce the weaknesses of effort. That way micro, small and medium Enterprise actors can maximize the opportunities that exist so as to create the maximum profit and reduce the threat to Enterprises.

## **7.2 Strengths, Weaknesses, Opportunities and Threats**

### **A. Explanation**

#### A.1. Definition of Strengths, Weaknesses, Opportunities and Threats

SWOT Analysis Strengths), Weaknesses, Opportunities, and Threats. SWOT analysis is a simple tool for making decisions from current company conditions. SWOT analysis is used to find out how the likelihood of success of an Enterprise with current conditions. Every micro, small and medium Enterprise actor must be able to map his Enterprise conditions through a SWOT analysis. It is important to know and make a SWOT analysis to be used as a basis for Enterprise decision making and strategy.



**Figure 7. 1 SWOT Analysis**

SWOT analysis can basically be classified into two parts, namely internal and external factors.

Internal factors consisting of factors originating from internal Enterprise. Who has control over him.

1. Strength
2. Weaknesses

External strength consists of factors originating from external Enterprise. Who does not have a full dick over him.

1. Opportunities
2. Threats

SWOT analysis is a tool that can be used to make decisions and decide on strategies for micro, small and medium Enterprises and

even large companies. SWOT analysis provides an overview of the Enterprise being run.

## **Strength**

Strength concerns about how companies have things that can make a company successful. The things that make a company able to be different and superior compared to similar competitors. Micro, small and medium enterprises must be able to have the strength that becomes the main weapon to be able to exist in the market and still have certain characteristics that are an advantage for a Enterprise. The strength of the Enterprise must be considered especially since many competitors will emulate what is done by the Enterprise.

The strength of the Enterprise actor must truly be the main weapon in order to win the market. What always becomes an obstacle is when a Enterprise actor does not recognize the strength he has. Micro, small and medium Enterprise entrepreneurs must be able to have strong characteristics that become their strengths to be different from competitors and win the hearts of their consumers.

Some important points to know the strengths, namely:

1. What is unique about your Enterprise?
2. What servants can be given compared to competitors.
3. What makes your Enterprise must be bought.
4. How your product is different from competitors
5. What consumers can get beyond your competition?
6. What are the advantages of your human resources?
7. What are the supporting things that make you superior?
8. Is your system better than competitors?

## **Weakness**

Every micro, small and medium Enterprise actor must have the strength to be able to compete with his competitors. In addition to strengths certainly also have weaknesses. Weakness is an internal factor that can weaken from Enterprise. Weaknesses must be reduced and managed because it is detrimental to the Enterprise being run. Weaknesses are loopholes for Enterprises to develop faster so they need to be managed properly. Weaknesses must be fixed immediately so that the Enterprise that is run is not hampered by weaknesses that are owned by the Enterprise.

Weaknesses are things that have not been maximized so far. Parts that must be improved to support the company better. An easy way to detect weaknesses is what has been slowing down or making the performance less than the maximum that was targeted

Some important points to find out weaknesses, namely:

1. Human resources are not yet capable.
2. The system is not good
3. Limited capital
4. Location that is less strategic
5. Cannot maintain quality consistency.

## **Opportunity**

Opportunities are opportunities owned by Enterprises to be able to achieve success from their strengths. Opportunities are successful opportunities that can be achieved by micro, small and medium Enterprises. It is important to remember that opportunity is an external factor that brings the company to a better level. Sensitivity in capturing opportunities also depends on Enterprise actors who can see the growing trend in society.

The ability to read this trend is important for Enterprises to maximize the opportunities available for success. Some important points to find out about opportunities are: 1. Enterprise that is being run in line with the current trend. 2. Conditions that can boost a Enterprise that is being run. 3. The support of the government that has a relationship with the Enterprise being involved. 4. Cooperation with beneficial external parties 5. Products needed by many people.

### **Threat**

In addition to opportunities, there are threats to micro, small and medium Enterprise actors which are external factors of the Enterprise. This threat is an external factor that cannot be controlled by the micro, small and medium Enterprise enterprises so they must try to minimize the threat that can come at any time from outside parties. Threats can be competitors or newcomers.

Threats can also be due to the inability of entrepreneurs to adapt due to rapid changes. Some important points to find out the threat, namely:

1. Competitors of the same type
2. Market trends
3. Technology
4. The threat of disaster
5. Raw material

SWOT analysis is needed for the company and it must involve relevant people to be able to produce a SWOT analysis. Involving all Enterprise representatives to be able to provide a comprehensive picture of the Enterprise being run. It is necessary to sit down together and discuss each other's ideas from all representatives who are able to contribute thoughts to the SWOT analysis of the Enterprise being run.

It is important for all representatives of parts of the Enterprise to be able to come up with ideas and make a priority scale that can be



done by the company. This priority is important to equalize perception and together know what must be done to achieve the goal. As an illustration and increase understanding, the following is one example that can give an overview of a company's SWOT analysis.

A coffee shop in the middle of an office area in Jakarta. Mejuah-juah Persada coffee shop is one of the coffee shops targeted by workers who work in the area. Coffee shop Mejuah-juah Persada is present to be a sought after coffee shop when the trend of drinking coffee is growing in Indonesia. The following is an overview of the SWOT analysis of the Mejuah-juah Persada Coffee shop.

### **Strenght**

Some important points to know the strengths, from the Coffee Shop Mejuah-juah Persada, namely:

1. The location is in the center of the office area.
2. Selling various types of coffee.
3. A comfortable coffee shop atmosphere
4. Coffee shop that is instagramble
5. Has its own free delivery system
6. Connected with various motorcycle taxi online

### **Weakness**

Weaknesses are things that have not been maximized so far. The following are the weaknesses of Mejuah-juah Persada Coffee shop.

1. Employees who are not consistent in making coffee taste.
2. Narrow building.
3. Limited capital.
4. Limited seating.
5. Very limited parking space.

6. Opening hours are not busy outside office hours, especially holidays

### **Opportunity**

Some important points to find out opportunities for Mejuah-juah Persada Coffee shop, namely:

1. Become a partner company around the location
2. Opportunities to get orders from outside the office area
3. Being a place to gather before returning home.

### **Threat**

Some important points to know the threats faced by Mejuah-juah Persada Coffee shop, namely:

1. Competitors of coffee sellers that can be ordered through the online application.
2. The emergence of a new coffee shop.
3. Changing consumer tastes

### **B. Summary**

SWOT Analysis Strengths (Weaknesses), Weaknesses (weaknesses), Opportunities (opportunities), and Threats (threats). SWOT analysis is a simple tool for making decisions from current company conditions. SWOT analysis is used to find out how the likelihood of success of a Enterprise with current conditions. Every micro, small and medium Enterprise actor must be able to map his Enterprise conditions through a SWOT analysis. SWOT analysis can basically be classified into two parts, namely internal and external factors. Internal factors consisting of factors originating from internal Enterprise. Those who have control over themselves are Strengths and Weaknesses

External strength consists of factors originating from external Enterprise. Those who do not have a full dick on themselves are opportunities and threats. SWOT analysis is a tool that can be used to make decisions and decide on strategies for micro, small and medium Enterprises and even large companies. Strength concerns about how companies have things that can make a company successful. The things that make a company able to be different and superior compared to similar competitors.

Weaknesses are things that have not been maximized so far. Parts that must be improved to support the company better. An easy way to detect weaknesses is what has been slowing down or making the performance less than the maximum that has been targeted. Opportunities are opportunities owned by Enterprises to be able to achieve success from their strengths. Opportunities are successful opportunities that can be achieved by micro, small and medium Enterprises. This threat is an external factor that cannot be controlled by the micro, small and medium Enterprise enterprises so they must try to minimize the threat that can come at any time from outside parties. Threats can be competitors or newcomers.

### **C. Exercise**

1. Explain the definition of a SWOT analysis.
2. Explain the importance of knowing the strength of the Enterprise being managed.
3. Explain how to minimize the weaknesses of the Enterprise being run.
4. Explain increasing the chances of the Enterprise being run.
5. Explain how to deal with threats.
6. Make a SWOT analysis of a micro Enterprise.
7. Make a SWOT analysis of a small Enterprise.
8. Make a SWOT analysis of a medium Enterprise.

#### **D. Formative test**

**Choose one of the most correct answers from the available answers, by giving a cross (X)!**

1. SWOT analysis consisting of, except....
  - a. Strengths
  - b. Weaknesses
  - c. Open
  - d. Threats
  
2. Which is the purpose of the SWOT analysis, except...
  - a. For decision making
  - b. Basic policy making
  - c. Mapping Enterprise conditions
  - d. Look professional
  
3. Which is the strength of effort, except...
  - a. Have a good system
  - b. Strategic location
  - c. Many buyers
  - d. Product innovation
  
4. Which is the weakness of the Enterprise, except .....
  - a. Employees are not consistent in producing products
  - b. Few buyers
  - c. Online staging system that is often error
  - d. Narrow shop
  
5. Which is a Enterprise opportunity is .....
  - a. Products that are always in trend
  - b. Extensive shop
  - c. Handy employee

d. Enterprise location in the middle of the city

6. Which is a threat to Enterprise, except .....

a. Substitution products appear

b. The emergence of new competitors

c. Changing consumer tastes

d. Declining product quality

### E. Feed Back

After answering the questions above, it's time to check the answers by matching the answer to the key answer of Formative Test 1 at the end of this module. After matching your answers it's time to calculate the correct answer. Then, use the formula below to find out your level of understanding of Learning Activity 1 material.

$$\text{Level of Mastery} = \frac{\text{Number of correct answers} \times 100 \%}{6}$$

### F. Follow Up

If your answer reaches 80% or more correct then you can continue with Learning Activity 2. If it is still below 80%, you must repeat this Learning Activity material. Students must look for sources of literature to deepen the material independently thereby increasing understanding of this topic.

### G. Answer of formative test

No. 1 answer C, Open

No. 2 answer D, Look professional

No. 3 answer C, Many buyers

No. 4 answer B, Few buyers

No. 5 answer A, Products that are always in trend

No. 6 answer D, Declining product quality

## **H. References**

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## **I. Glossary**

- Strength: internal power of enterprises, concerns about how companies have things that can make a company successful. The things that make a company able to be different and superior compared to similar competitors.
- Weakness: an internal factor that can weaken from Enterprise. Weaknesses must be reduced and managed because it is detrimental to the Enterprise being run. Weaknesses are loopholes for Enterprises to develop faster so they need to be managed properly.
- Opportunities: owned by Enterprises to be able to achieve success from their strengths. Opportunities are successful opportunities that can be achieved by micro, small and medium Enterprises.
- Threat: an external factor that cannot be controlled by the micro, small and medium Enterprise enterprises so they must try to minimize the threat that can come at any time from outside parties

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# BIOGRAPHY



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As a young lecturer the writer wants to continue to develop himself through Tri Dharma Perguruan Tinggi which is the duty of every lecturer. Conduct teaching to share knowledge with students, conduct research to contribute to science and problem solving in the Enterprise field. Doing community service to contribute to the community from their knowledge in the form of solutions to the Enterprise problems they face. Join international conferences and other scientific forums to keep abreast of developments in the science of Enterprise Administration and share with other researchers.