ANALYSIS OF CAPITAL SOURCES AND BUSINESS CAPITAL MANAGEMENT IN UMKM PASTRIES TO MAK NI NORTH ACEH

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Abstract

The purpose of this study is to find out and analysis where and how the source of capital and the management of business capital by Umkm. the object of this study is Umkm in makni. This research uses the technique of Participation Observation, and formal interviews as for the results of this study are Umkm get a source of capital from business accelerator cooperation with PT. Global energy development (PGE), and the way capital management is carried out in the form of business diversification activities which is also one of the ways of developing MSME businesses towards mak ni.

Keywords: sources of MSME capital and capital management of MSME businesses Umkm

INTRODUCTION

From a historical perspective, it is not known for certain since when the term capital was introduced. But one thing can be foreseen, that everyone who trades, from antiquity to the present, definitely needs capital. This capital can be obtained through working by hunting, studying, poetry, farming, mining, working in people's companies, and so on. Then the capital is sold or bartered with something whose dose is more equal or higher, or processed first. From the accumulated capital a person can carry out business activities. Sometimes, a person has capital in the form of skills and things that cannot be cashed out. On the other hand, there are other people who have capital in the form of money but cannot run a business, either because of busyness or not being experts in the business field. So began cooperation between one party and another to run a joint business based on the capital they each had. If it works s.

Business capital is part of it and will be used for basic needs in starting a business, loaned and or a property that is used to produce something so that it can increase wealth. Business capital is the most important element in managing and developing a business. If the capital increases, the income obtained is more. (Istinganah & Widiyanto, 2020) In addition to business capital, in increasing business development, business actors need to improve marketing strategies. According to Tambunan (2002), factors that can affect business success are the quality of human resources, including the behavior of business actors and usaaha capital.

LITERATURE REVIEW

Capital according to experts

According to prof. Bakker, capital is a concrete good that exists in the company's household and is contained in the debit balance sheet. In addition, the purchasing power or exchange rate of goods recorded in the credit balance can also be said to be capital.

According to Lawrence J. Gitman capital is a loan within a certain period of time that the company has, and also everything that is on the right side of the company's balance sheet except the current liabilities.

Bambang Riyanto said that the so-called capital is the production that is reused to carry out further production. Then, as it develops, the definition of capital is more emphasized on value, purchasing power, and also power

Capital according to kbbi.

capital according to the KBBI is money that is used as principal or parent to carry out trading activities. Both property in the form of money and goods, as long as it is able and can be used to produce something that can increase wealth.

Capital according to the Law.

According to Law number 25 of 2007 Capital is an asset in the form of money or other forms that is not money owned by investors who have economic value.

Types of Capital.

1. Types of capital by source.

Based on the source, capital is divided into two, namely internal capital and external capital.
a. Internal Capital

Internal capital is capital derived from the wealth of the owner of the company, the capital of shareholders, the sale of securities, or capital obtained from the company's profits. Examples of internal capital are vehicles, inventory, means of production, personal savings, buildings, shares, land, company profits, and so on that do not use outside wealth.

b. External Capital

External capital is capital obtained apart from the wealth of the company. The capital can be obtained from investors or creditors such as banks, cooperatives, personal loans. Usually, external capital is required due to the limitations of existing internal sources of capital. Company managers are worried that internal capital cannot be sufficient to run or develop business activities. Examples of external capital are loans from banks/cooperatives, unpaid employee salaries, unpaid production costs to suppliers, investments paid up by investors.

2. Types of Capital Based on the Owner

Based on the owner, capital is divided into two, namely individual capital and social capital.

a. Individual Capital

This type of capital is capital that comes from a person. The advantage of individual capital is that it facilitates various business activities and provides optimal profits to the owner. Examples of this type of capital such as personal property, deposits, and shares.

b. Social Capital

This type of capital is the capital owned by the people. This capital provides benefits to the general public in carrying out business activities. Examples of social capital are roads, ports, markets, bridges, stations, and others.

3. Types of Capital Based on Its Form

When viewed from its form, capital is divided into two types, namely active capital and passive capital. Here's an explanation of both.

a. Concrete Capital (Active)

Concrete capital or active capital is capital that can be seen with the naked eye and is tangible. Examples of concrete capital are money, raw materials, buildings or places of business, vehicles, machinery, warehouses, and others.

b. Abstract Capital (Passive)

Abstract capital is business capital that cannot be seen by the naked eye. The value is difficult to measure directly. Nevertheless, abstract capital is very important for the sustainability of the company. Examples of abstract capital are science, skills, copyright, brand, social media, business connections, managerial, and so on. Concrete capital and abstract capital are equally needed to build and develop a company.

The two should go hand in hand. Because to start business operations, must first have knowledge. also needs funds to start production. To create and market products, needs the right supplier and customer connections. To develop managerial abilities, g need to up-grade knowledge and skills. Thus, both are equally important.

4. Types of Capital By Their Nature

By its nature, capital is divided into two types, namely fixed capital and current capital. Come on Grameds, we learn what is fixed capital and current capital

a. Fixed Capital

Fixed capital is capital that can be used for production several times in the long term and repeatedly. Examples of fixed capital are buildings, machines, land, computers, vehicles, test Fikits, and so on.

b. Current Capital

Current capital or variable capital is capital that is used up in one production process. Examples of current capital are raw materials, fuel, disposable tools, and so on.

Business accelerators

Business Accelerator or Business Accelerator is a program carried out to develop a company. These activities can be in the form of access to guidance, investors, and other support that helps the business become a stable and independent business. Companies that use business accelerators are usually new companies that have moved beyond the initial stage of establishment.

Accelerators have several benefits for startups. First, it provides an outside network and resources. Startups can get the resources to grow their small businesses. Second, personal guidance and direction from other investors and founders. These accelerators work closely with fund owners and can provide good advice to the company. Third,
collaborations and partnerships with other startups. Accelerators usually work with some or many startups that have slightly the same challenges so that startup owners can get discussions and also brainstorm about challenges that may have happened before in other startups.

One of the best forms of support, both in terms of funding, mentoring, and accelerating the development of a business. Therefore, this program is mostly aimed at startups or startups that require a lot of capital and assistance, and are at risk of dying in a short time.

The accelerator program will be run for a period of time before the business can actually develop independently. The business must be ensured to successfully enter the market and be financially stable.

Business diversification

Diversification is the expansion of products either goods or services, in order to increase the growth, sales and profits of the company. Diversification is a business operational strategy that is often used, so that the profit received by the company is even greater.

The goals of diversification are as follows.

1. Increase Profit Generation
   The main purpose of diversification is to increase profit generation. By producing many products at once at one time, the company can increase the potential for more sales. In addition, product diversification can also help companies avoid the risk of loss when there is a brand of product that does not sell.

2. Expanding Market Share
   The second point of the purpose of diversification is to expand market share, or also known as market share. For a company, market share is an important component that determines business success, especially if it has many competitors.

3. Product diversification will give consumers more choices to buy. However, every purchase by these consumers still contributes to filling the market share percentage of the same company.

4. Preventing People's Boredom over a Product
   The next purpose of diversification is to prevent people from experiencing saturation of a brand. In the manufacturing world, there is one term called the "product life cycle", which means the product life cycle from the first release to the decline in sales.

5. By diversifying, you can prevent the company from experiencing a decrease in profits when its product life cycle reaches its peak (maturity). Because although the first product has experienced a decline in sales, diversified products have begun to be known and purchased by the public.

6. Product Personalization According to Target Market Characteristics
   As an entrepreneur, you cannot deny that each product has a target market with a different persona. With diversification, you can create various products that are personalized in nature, adjusting the character of the target market.

7. Helps Beat Competitors
   The ultimate goal of diversification is to help companies beat competitors. The combination of market share mastery, innovation, and product personalization will make

Types of Diversification Strategies

Broadly speaking, the types of types of diversification strategies are as follows.

1. Vertical Diversification
   Vertical diversification is a strategy of creating products with different levels of usability, but still able to complement/replace each other. Some examples of vertical product diversification include kitchen sets sold separately, vehicle parts, production of cow's milk and soy formula in one company, and so on.

2. Horizontal Diversification
   In contrast to vertical, horizontal diversification is a strategy of creating a variety of products of the same type, but distinguished in terms of brand, size, or target market. This business diversification strategy is the most widely carried out in Indonesia. Some examples of the most horizontal product diversification include instant noodles, medicines, bottled drinks, body wash, shampoos, and so on.

RESEARCH METHODS

Object and location of the study

This research was conducted at home as well as the production place of Umkm in makni coincided in Ceubrek, Tanah Luas District, North Aceh Regency, Aceh. The subjects of this study are sources of capital, capital management, and business development strategies in Umkm.
Population and Sample

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions (Sugiyono, 2015). The population in this study is all people related to the running of Umkm, both employees totaling 4 people, business managers, parties who carry out distribution and heads of production.

Data Collection Techniques

This study uses observation techniques (observations) where the researcher makes direct observations to find out more information about the subject under study. In addition, the researcher also conducts interview techniques, interviews are conducted with the source to obtain the expected data. The researcher acts as an interviewer and the interviewee acts as an informant. The interview technique also requires a test or trial regarding the questions to be asked. This is done so that the questions that will later be asked to informants can be precise and researchers can also get the expected answers. The explanation of the techniques used by researchers in collecting data includes:

1. Observation (Observation)
   This technique is applied by directly observing the object to be studied. The researcher plunges directly into the field and observes the object of study with his own eyes which is then collected in a note.

2. Interviews
   Interviews are types of data collection techniques in the form of question and answer. Interviews were conducted by researchers to the sources to get the expected data. The researcher acts as an interviewer and the interviewee acts as an informant. The interview technique also requires a test or trial regarding the questions to be asked. This is done so that the questions that will later be asked to informants can be precise and researchers can also get the expected answers.

Types of research

Research uses a type of quantitative research which is a process of finding knowledge that uses data in the form of numbers as a tool to analyze information about what you want to know.

DISCUSSION

Umkm in Mak Ni are Umkm engaged in the production of cakes typical of the North Aceh tradition whose shape is unique. This business was founded by "Mak Ni" and was officially established in 1982. The Kue Keukarah Mak Ni business was founded with the reason to advance and introduce traditional Acehnese specialties to the outside world. Then in 2015 the business was transferred to his son, Muhammad Rizal, who continued by marketing the cake to the surrounding market place, especially lohksukon, and to a souvenir shop that sells all kinds of trinkets and Acehnese specialties. Umkm in Mak Ni’s direction received promotional assistance by DPDRI member Tgk. H. Sudirman or often called H. uma. the assistance carried out by providing a positive impact on Umkm mak ni has also received halal labels and health PIRT. Not only that, Umkm in mak ni also received support from BPMA-PT. PEMA GLOBAL ENERGI as a company that carries out business accelerator programs in an effort to increase the income of the surrounding community.

In facing global challenges, Umkm must be able to survive and develop in line with the flow of globalization and fierce economic competition. Umkm are also expected to boost Indonesia's economic growth amid global economic problems. This can also be shown through the number of MSME players who continue to grow after the economic crisis. In the midst of high competition, Umkm must be able to develop through new breakthroughs in products and services, technology development, improving the quality of the workforce, or expanding marketing. Thus, Umkm also strive to be the driver of the Indonesian economy.

Some of his efforts are to reduce poverty and unemployment. The more MSME actors, the more absorption of labor by the Umkm themselves. The absorption capacity of the business world in 2020 absorbed a large number of workers, namely 97%, according to data from the Ministry of Investment / BKPM, Umkm (Ministry of Investment /
BKPM, n.d.). With the large number of Umkm in Indonesia, there are more and more job opportunities. And this will help increase people's income.

Not only reducing poverty and unemployment. Umkm also contribute to gross domestic product. In March 2021, the contribution of Umkm to GDP was 61.07% or IDR 8,573.89 trillion (Kemenkop, 2021). This is also related to the continued increase in MSME actors. thus making the efforts of Umkm as drivers of the Indonesian economic sector to develop well.

Some Umkm have also been able to compete with international businesses. The good news is that the effort brought benefits to the country. Where Umkm help income for the country in the form of foreign exchange. If the country's foreign exchange is at a high level, then it can be said that the country's finances are in a good position. So as to be able to bring the wheels of the Indonesian economy to run safely. Because Umkm are able to adapt to every global economic condition and continue to develop in all aspects so as to be able to encourage Indonesia's economic conditions when they are not good.

1. Sources of capital

Some business actors may not have an extensive network like other parties. Not infrequently they also do not have investors who can inject funds to expand their business. Especially mentors who can guide him to a more appropriate path to develop his business. Therefore, there is an accelerator as a party that can accelerate the development of a business. A business accelerator generally provides business actors with access to mentoring, investors, and other support that can help business actors in advancing their business. Usually, businesses that need a lot of accelerators are start-ups or startups. Accelerators also usually act as a bridge link between investors and startups. An investor can entrust his money to finance the startups that these accelerators have fostered.

Accelerators are often likened to incubators. However, the two of them have slight differences. Where, an incubator is a party that helps entrepreneurs to beautify and mature their business ideas and build their company from the groundbreaking or from scratch. Meanwhile, accelerators play a role for companies / entrepreneurs who have entered the early stages of a company, characterized by the existence of a minimum viable product (MVP) with training, resources and mentoring that can accelerate their growth from annual to in a matter of months. However, the two parties have different goals and different targets for each startup.

PT. PEMA GLOBAL ENERGI (PGE) provides capital to Umkm to make. Initially, this MSME used personal funds of Rp. 500,000.00 as the initial business capital. Then in 2015 PT. PEMA GLOBAL ENERGI (PGE) carries out a business accelerator process in which the company holds a business development program this activity can be in the form of access to guidance, training, investors and other support with the aim of helping the business become stable and independent. And this MSME is also part of the PT. PEMA GLOBAL ENERGY (PGE). This accelerator program helps Umkm in improving business quality such as increasing branding, packaging, product distribution and supporting facilities for the production process in the form of tools needed by Umkm. This accelerator program lasts until now.

2. Capital Management

The way these Umkm manage capital is by diversifying their business, namely the development and expansion of products, both goods or services, in order to increase sales and profit growth for companies and Umkm. This diversification is a business operational strategy that is often used by business people, the goal is to increase the profit received and get bigger. Umkm get capital in the form of facilities, these facilities are then managed and maintained properly for smooth production and maintain product quality so that they are hygienic and sterile.

3. Good capital management strategy

1. Designing the right finances is the key to managing business capital

   Everything will go well if the entrepreneur (msme owner) has careful planning. This also applies to business cash flow, making the right financial planning before doing business is the right strategy that can be done for capital management.

2. Create a detailed income statement

   If you have designed the right finances, it's time to make a detailed income and loss statement. Of course this report contains the advantages and disadvantages obtained from the business being built. With a report like this, it is quite helpful to know the financial health of a business.

3. Avoid waste

   If the running business relates to production, make sure the purchase of raw materials in the appropriate quantity. Do not resort to waste, because it is to avoid the presence of additional costs for overpurchased raw materials.
4. Do not owe
Debt becomes a problem for everyone. No exception in doing business. Debt is always a dangerous thing if it is not properly regulated. No matter how successful a business is, if the amount of debt is too much, the profits obtained will not be able to be enjoyed.

5. Bill receivables
If there are receivables, they are immediately billed to increase the company's cash (Shutterstock). If the entrepreneur feels that he has receivables from consumers, then immediately collect them. Especially if the business is engaged in trade. Receivables make it easier for entrepreneurs to find out the health of business finances.

6. Separate personal and business financial accounts
It's good that corporate and personal accounts are not combined. The goal is clear, too, to separate personal and corporate finances from unwanted things. Businesses have their own cash flow, as well as the businessman's personal finances. This kind of separation will help in analyzing the financial health of the business. If in recent months finances have been unhealthy, entrepreneurs can immediately find out where the mistakes lie.

1. The production process of keukarah (bird's nest).
The production process of keukarah is fairly simple with the raw material of rice flour stirred well then added water and granulated sugar. The dough that has been mixed well and then put into a mold from coconut shells with holes. The dough that comes out of the holes of the mold is immediately accommodated on top of the hot oil while constantly shaking it to form a bird's nest. The process of making keukarah requires accuracy, agility and also dexterity because this dough is easy to scorch if heated for too long. The coconut shell serves as a baking sheet, where the dough is put into the coconut shell, then shaken and adjusted to the pattern of the keukarahnyang will be formed.
1. Directional packaging.
Packaging can increase attractiveness to consumers because it looks unique and cakes will last a long time so they don’t catch a cold easily which will reduce quality. The cake of keukarah mak Ni is packaged using two packages, namely:

a. Regular packaging
b. Premium packaging

2. Products and prices.
Products and Prices Keukarah cakes are usually found in the shape of a triangle or bird’s nest with different sizes and prices. For small sizes, it is priced at Rp.10,000, medium size Rp.15,000 and large size Rp.25,000.

3. Keukarah Marketing Strategy
Table 1. SWOT Analysis of Acehnese keukarah cake product

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
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<tbody>
<tr>
<td>· Mold from coconut shells</td>
<td>· Regional specialties are less popular when entering the national market</td>
</tr>
<tr>
<td>· The production tools used are still traditional</td>
<td></td>
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<tr>
<td>· Packaging is not easy to catch a cold and is more attractive</td>
<td></td>
</tr>
<tr>
<td>· Good quality and durable</td>
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<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Threat</th>
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<tr>
<td>· Developing innovative mak ni cake products such as color, taste, shape and others.</td>
<td>· The emergence of food or snacks from foreign products has closed the regional food market, in this case the typical Acehnese keukarah cake.</td>
</tr>
<tr>
<td>· The promotion and distribution strategy has been better.</td>
<td></td>
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</table>

COVER

Conclusion
Based on the results of research conducted with this method, the following conclusions can be drawn
1. Umkm in mak ni initially used personal capital of Rp.500,000 to build their business. Then in 2015 PT. PEMA GLOBAL ENERGI (PGE) provides capital to Umkm in the form of equipment facilities needed and also carries out a business accelerator process where the company holds a business development program this activity can be in the form of access to guidance, training, investors and other support with the aim of helping the business become stable and independent.
2. Umkm are managing capital by diversifying their business, namely the development and expansion of products, both goods or services, in order to increase sales and profit growth for companies and Umkm.
   1. The production process of keukarah (bird’s nest).
   2. Packaging keukarah.
      a. Regular packaging
      b. Premium packaging
   3. Products and prices.
   4. Marketing Strategy

Suggestion
Some suggestions that can be given by researchers are:
1. Moving the production site to mak ni to a place that is easily accessible to consumers.
2. Keep the image of taste and hygiene of mak ni
3. Increasing employees to make it easier when producing mak ni keukarah in large quantities.
4. Keep providing affordable prices to consumers.
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