Micro, Small, and Medium Enterprises
Sengkuyung’s Mushroom Business Development

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Abstract. The Sengkuyung Group was formed on March 1, 2022, and is owned and managed by 4 people, including 3 UMY students and 1 Agriculture student at the Yogyakarta-Magelang Agricultural Development Polytechnic (Yoma Polbangtan). The land, which is located in Barak 1 Hamlet RT 03 RW 14, Margoluwih, Seyegan, Sleman, is a collaboration between UMY students and Polbangtan students, where one of their friends owns a building for mushroom cultivation. Priority issues in the field of financial management and legality that have been mutually agreed upon with the Sengkuyung Mushroom business are improving financial management and standardizing mushroom quality by managing Home Industry Products (PIRT). The methods used to solve the problems faced by the Sengkuyung Mushroom business are: 1. Providing promotion and financial counseling through FGDs, 2. Assistance in the management of an integrated bookkeeping system, 3. Providing counseling on P-IRT management, and 4. PIRT management assistance. Results of Community Service Activities. The implementation of the Community Service Program at UMKM Sengkuyung went well and smoothly. From the results of the monitoring and evaluation of the pre and post-tests carried out before and after the community service activities, there was an increase in the assessment that partners really understood the distribution permit process. From 80% to 100%, the overall understanding of the Sengkuyung MSME partners has increased.

1 Introduction
1.1 Situation Analysis

The Sengkuyung Group was formed on March 1, 2022, and is owned and managed by 4 individuals, including 3 UMY students and 1 Agriculture student at the Yogyakarta-Magelang Agricultural Development Polytechnic (Yoma Polbangtan). The name Sengkuyung Group is derived from the Javanese word “Nyengkuyung,” which indicates collaboration. In a philosophical sense, the name of this business group reflects the group’s aspiration to create a sustainable enterprise through collaboration and synergy. The land, located in Barak 1 Hamlet RT 03 RW 14, Margoluwih, Seyegan, Sleman, is a joint venture between students from UMY and Polbangtan, where one of their acquaintances owns a mushroom cultivation facility.

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Following that, discover a location for mushroom cultivation in the area behind the kumbung (a designation for mushroom cultivation), where the majority of rooms are still vacant. Due
to the fact that mushrooms prefer moist, minimal environments, mushroom cultivation is a lucrative home-based enterprise with a relatively simple cultivation process. Sunlight promotes mushroom growth. In addition, this mushroom cultivation initially utilized only the remainder of the room, which was then used to launch a business as a team. Mushroom sales include not only unprocessed uncooked mushrooms but also “Deljamur” meatballs made with ear mushrooms that are still in the testing phase.

Figure. 1. Mushroom Cultivation and Figure. 2. Mushroom Packaging Products

Many production and management problems faced by the MSME Sengkuyung mushroom business include:

a) Starting from the quantity of mushroom or bag log media that is still deficient (capacity is still 1,700 bag logs) from the ideal 3,000 bag logs.

b) Infrastructure-wise, there are still obstacles, such as non-optimal mushroom platforms and water conduits for automatic mushroom irrigation.

c) Business management and workforce availability management.

1.1.1 Partner Problems

Referring to the situation analysis and based on the service team’s discussion with the leadership of the Sengkuyung mushroom business, the improvement of financial management and standardization of mushroom quality have been identified as the production and management priorities.

Justification. The service team with the Sengkuyung mushroom business in determining priority issues agreed to be resolved during the implementation of the PKM (Domestic Collaborative) scheme service program. Good governance is required, including an integrated accounting system and assistance in managing distribution permits. To date, they have been unable to sell mushroom products to minimarkets because they lack a distribution permit.

2 Methodology

2.1 Problems in the Financial Management

The following are the stages or processes involved in implementing the proposed solutions to the problems of the MSME Sengkuyung mushroom business.

2.1.1 Socialization and FGD on the issues of the Sengkuyung micro, small, and medium-sized enterprise mushroom business, particularly in the financial management area

2.1.1.1 Pre-test administration by students

2.1.1.2 Counseling on making financial reports by Kusumaningdiah Retno Setiorini

2.1.1.3 Post-test administration by students
2.1.2 Simple bookkeeping system management

2.2 Problems in the Field of Legality

2.2.1 Socialization and FGD on legal issues of the Sengkuyung MSME mushroom business
   2.2.1.1 Pre-test administration by students
   2.2.1.2 Dissemination of Distribution Permit Management by Fadia Fitriyanti
   2.2.1.3 Post-test administration by students

2.2.2 Assistance in the management of distribution permits
   Assistance for registering MSME Sengkuyung mushroom products in order to obtain distribution permits by:
   a) Visiting the health office to register a business
   b) Fill out the administration form
   c) Participating in food safety counseling
   d) Site surveys
   e) Taking distribution license certificate.

Partner participation. The MSME Sengkuyung mushroom business provides a location and human resources that are willing to be trained and monitor, evaluate, assist, and assess the program achievements implemented by the service team towards partners. While the service team facilitates, accompanies, and provides instruction throughout the duration of the program.

3 Results and Discussion

3.1 Preparation Stage

Prior to the implementation of the training event and mentoring during community service activities, the students formed a planning committee. On Saturday, March 11, 2023, at 14:00, Fadia Fitriyanti and Kevin visited partner locations to view the meatball processing facility.

Figure 3. Visiting Partner Locations and Fig. 4. Visiting Partner Locations
On Saturday, there was no mushroom meatball production because the inventory was still available. The next visit was scheduled for March 18, 2023, with a comprehensive community service team.

### 3.2 Program Implementation Stage

To ensure the success during the phase of program implementation, a training and mentoring program was conducted on March 18, 2023. On March 18, 2023, Fadia Fitriyanti, Kusumaningdiah Retno Setiorini, and Latifah Hanum Kusumastuti visited partners to conduct counseling, training, and mentoring activities via FGD (Focus Group Discussion):

The method for this community service activity is based on mutually agreed-upon priorities in the legality of distribution permits and financial management with the Sengkuyung Mushroom business. It consists primarily of two stages:

- **Phase I. Provision of counseling arrangement of distribution permits and simple bookkeeping**

  Fadia Fitriyanti accompanied counseling and distribution permit assistance activities. Counseling on the legality of distribution permits for mushroom meatball products as a form of community service. Since the product to be processed for a distribution permit is mushroom meatballs (frozen), the BPOM regulation Number 22 of 2018 concerning Guidelines for Providing SPP-IRT states that pasteurized food, frozen food, special diet food, food for special medical needs, and food from the frozen animal are not permitted to obtain SPP-IRT.[1] The management of distribution permits for frozen products is carried out through BPOM on the www.oss.go.id page. This counseling seeks to increase partners’ understanding of the legality of food product distribution permits.[2]

- **Business legality is information for the public, particularly parties with an interest in identity and matters pertaining to the business world and corporations established, operating, and domiciled in the territory of the Republic of Indonesia.[3] Business legality is a crucial indicator that a business entity is legitimate [27] and lawful.[5] Therefore, it is recognized by the general public.[6] Legality in business is also a form of legal protection to ensure the legality of the continuation of MSME businesses.[7] In addition, the state is obligated to monitor MSMEs in relation to business products[8] and the process of allowing product distribution to the general public.[9] Trademarks, Trade Business Licences (SIUP), Home Industry Permits (P-IRT), environmental permits, and product brands are examples of the categories of business legalities that MSMEs require.[10]

  One of the business legalities that MSMEs must have is that P-IRT is a permit for a home-scale food and beverage industry.[11] In most cases, PIRT is printed on the product’s
packaging as a series of numbers registered with the health service.[12] In addition, financial management counseling is provided, particularly for simple bookkeeping. In accordance with Article 1, paragraph 29 of Law No. 28 of 2007, bookkeeping is an ongoing process of recording data and financial information. Law of the Republic of Indonesia Number 28 of 2007 Concerning the Third Amendment to Law Number 6 of 1983 Concerning General Provisions and Tax Procedures. These financial records include assets, liabilities, capital, income, and costs, as well as the total cost of acquisition and delivery of goods or services.[14] This information will be used to construct financial reports for the period in question. There is still a stigma among micro, small, and medium-sized enterprise (MSME) actors that bookkeeping is difficult and intricate, so they avoid documenting business transactions.[15]

This is in line with research conducted by Nanang Shonhadji, Laely Aghe A., and Djuwito with the research title “Application of Compilation of Financial Statements in Small and Medium Enterprises Based on Sak Emkm in Surabaya,” whose research results are a lack of accounting knowledge[16] will affect the existing recording system in a business.[17] The results of the research according to Ni Komang Ismadewi, Nyoman Trisna Herawati, Anantawikrama Tungga Atmaja with the title “Preparation of Financial Statements in Accordance with Financial Accounting Standards for Micro, Small, and Middle School (SAK EMKM) in Boiler Chicken Livestock Business (Case Study on Business I Wayan Sudiarso, Pajahan Village, Pupuan District, Tabanan Regency)” concluded that based on the results of interviews, it was stated that the format of the financial reports was created in a simplistic manner because they were unaware of the proper format.[18] People who lack an in-depth understanding of the accounting system will be confused by the correct format because they do not comprehend how financial reports should be prepared.[19] Mrs. Kusumaningdiah Retno Setiorini counseled them after viewing the partners’ financial accounting because the format of the financial reports that are made is simple because they do not know the correct format. This is because the correct format is difficult. After all, they do not understand and understand how the preparation of financial reports should be conducted, so those who do not have an in-depth understanding of the accounting system will experience confusion.

**Figure. 6.** Counseling on the Legality of Distribution Permits for Frozen Products and Financial Management

Phase II: Assistance in obtaining product distribution permits and financial management.
Because partners do not yet have experience in managing product distribution permits, assistance activities are carried out for product distribution permits via the web. The way to manage business legality is as follows.

Registration of Business Identification Numbers (NIB) and Micro Business Permits (IUMK). According to the Article 1, paragraph 12 of the Government Regulation Number 24 of 2018 concerning Electronic Integrated Business Licensing Services states that Business Identification Numbers (NIB) are business actor identities issued by OSS institutions after Business Actors carry out Registration. Government Regulation Number 24 of 2018 Concerning Electronic Integrated Business Licensing Services of the Republic of Indonesia. Online Single Submission or OSS is a business permit issued by the OSS Agency for and on behalf of ministers, heads of institutions, governors, or regents/mayors to business actors through an integrated electronic system.[28] [21] To obtain an NIB, business actors are required to register through the OSS of the Republic of Indonesia and are free of charge.[22] With the existence of OSS, the implementation of business licenses is one-door integrated online.[23] This aims to speed up and simplify services for businesses. Apart from being an identity, NIB is also valid as a Company Registration Certificate (TDP), Import Identification Number (API) if the company carries out import activities, and Customs Access if the company carries out export or import activities.[24]

One of the requirements for NIB and IUMK administration is to have a National Identity Number (NIK) and include it in the user-ID creation process.[25] SMEs are required to have a business entity as part of the distribution permit application process; therefore, SMEs must take care of the business entity before beginning the distribution permit application process. Therefore, additional effort is required to complete the Sengkuyung UMKM product permit procedure in terms of basic accountancy assistance.[26] In light of the fact that partners have not performed bookkeeping because they are still engaged in the mushroom cultivation business, this program must be followed up with MSME-compliant training for bookkeeping partners.

**Figure. 7. Assistance in Obtaining Distribution Permits through the Web and Financial Management**

### 3.3 Monitoring and Evaluation Stage

The monitoring and evaluation phase, as well as feedback monitoring and evaluation, were carried out with the objective of searching for limitations of programs that have been implemented, which will subsequently become feedback for enhancing the implementation
of community service in the future. Monitoring and evaluation were performed twice during the community partnership service program, once in the middle and once at the conclusion.

The results of the pre-activity questionnaire can be described in the following manner. It led to the presentation of pre-test questions with a score of 100% for partner test participants’ comprehension of the significance of distribution permits and a score of 80% for their comprehension of the stages of obtaining distribution permits, the documents required for obtaining distribution permits, and the procedures for obtaining distribution permits.

The results of the post-test questionnaire administered after the activity event produced data analysis results indicating that the presentation of the post-test questions was rated as 100 percent comprehension by MSME test participants regarding the distribution permit process. In general, the partner’s comprehension has improved.
After the partner SMEs are incorporated, the aim of this community partnership program is to continue the distribution permit procedure and provide training on financial standards for SMEs.

4 Conclusion

The Community Service Program at MSME Sengkuyung was implemented successfully and without incident. Monitoring and evaluation of pre-and post-tests administered prior to and following the community service activities revealed an increase in the perception that participants comprehended the distribution permit process. The aggregate comprehension of the Sengkuyung MSME associates has increased from 80% to 100%.

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