

CAKE & BAKERY BUSINESS MANAGEMENT OF BESITO VILLAGE, GEBOG DISTRICT, KUDUS REGENCY

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ABSTRACT

The most-common real problems encountered by most MSMEs in Indonesia are the low level of productivity, low added value, and low product quality. In order to improve MSME's competitiveness, there is a need to take common steps to lift its technology capability and innovativeness. The goal of IPTEK Bagi Masyarakat program is to realize an economically independent cake and bakery business group through partner assistance in Besito Village to allow them to manage their finance well, maintain their bookkeeping correctly according to standard, perform various innovation utilizing technology, improve their knowledge of the proper business management so that they would be able to improve productivity, efficiency, and prevent themselves from wasting resources. The activity is performed through some assistance, technical meeting, and training on such topics as bookkeeping, proper business management, dissemination of the benefits of IP, trademark, halal labelling, packaging, and cataloging. The dissemination on the importance of business permit from Health Office is also done for it is related to their business line, i.e. food industry. Also included in the topics are marketing from conventional one to the utilization of information technology and also the implementation of Accounting bookkeeping management using MYOB Accounting software.

Keywords: MSME, cake and bakery, accounting, management, marketing

INTRODUCTION

There are quite numerous industrial potentials of Besito Village such as *gebyok*, handicrafts made from marble stone, garment, embroidery, and bakery industries. However, most of its people earn a living as industrial labors or construction workers, traders and farmers in rice fields. Other than these, they are entrepreneurs.

One of the business lines existing in Besito Village is bakery. As a food, bread is believed to be one of the oldest foods to ever exist. The ways of making breads and cakes keep growing. These breads and cakes even have various types, shapes and tastes now. One of bakery business group growing in Besito Village is "Nabila Cake & Bakery" which has been one of the favorite places of Besito Villagers to buy many types of bread and cakes. Nabila Cake & Bakery is a company running in the baking and selling bread and cake. Nabila Cake & Bakery is located in Besito Village, Gebog. One of the business lines existing in Besito Village is bakery. As a food, bread is believed to be one of the oldest foods to ever exist. The ways of making breads and cakes keep growing. These breads and cakes even have various types, shapes and tastes now. The raw materials used in making cake and bakery products are sugar, egg, wheat, milk, granulated chocolate, water cream, yeast, baking soda, caramel, *wingko*, and so forth.

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Meanwhile, the tools used for its production are large mixer, large oven, bread developer, stove, electrical generator. However, the problems the partners are encountering are their lack of knowledge of proper business management and the understanding of the quality of raw materials they should pick which has not been taken into account. As a result of their limited capital, partners sometimes pick cheap wheat for the raw materials without considering the quality of this wheat, hence it affects the shape and taste of the produced breads and cakes.

The next hindrance they are encountering is their lack of knowledge on proper business management. This problem include the production room being used at the same time as supply storage and the bread packaging and production waste being managed poorly. These will cause the products they produce unhygienic. It also quite frequently happen when the eggs, due to the absence of storage, break and deteriorate.

Limited capital has also led to the simple and conventional production equipment. When a big order for thousands of cakes and breads is placed, the entrepreneurs find it too overwhelming to complete the order because the oven and mixer they use for production process are small-sized, making their capacity to accommodate the order limited.

The package they use is also too simple, with no meaningful variation. Attractive package can be an appeal at first glance for customers (first impression) to buy the products they produce. Thanks to this, package has been dubbed as "The silent salesman". The package used to pack the breads and cakes can serve some such functions as an identity of products and brand name. To increase the sales, the business owners should be able to attract future buyers. They can promote their products via social networks, including Facebook, Twitter, websites, and they can do so by making the packaging more varied, packed in a large-sized bread cup. Gilbert (2003) suggests that promotion may stimulate customers to visit the store, but appearance and display of products by retailers will make a difference in sales rate. Visual merchandising consists of visual materials and window displays. The definition of marketing according to Kotler (2000) is a social and managerial process within which individuals and groups obtain what they need and want by creating, offering, and exchanging valuable products to other parties.

Visual merchandising is a non-personal presentation and merchandise exhibition, with detailed explanation. This approach is to obtain some certainty about the product appearance optimally, to equip the exhibition which will improve the product presentation and tease interest to buy, to equip the sales activity and product information with for example brochure and posters, ensure the goods availability, to increase additional sales through purchase stimulation. The absence of financial statements made according to the applicable standards in this MSME Nabila Cake & Bakery has also led to their difficulty in borrowing some capital to banks to give them more capital, because one of the requirements to apply for loan is the bookkeeping and financial statements of their business. Their bookkeeping contains only data on sales, production costs, direct and indirect labor costs. Additionally, their overhead cost is not recorded, hence how much their cost of goods sold actually is remains unknown. Using

sufficient accounting for such purpose as making financial statements, MSME entrepreneurs can then meet the requirements to apply for loans (Warsono, 2009).

However, these MSMEs find it hard to do the bookkeeping because of their limited knowledge of accounting, the complicated process of accounting, and assumption that financial statements are not something important for MSMEs (Said, 2009). Most of these MSMEs only record the amount they receive and spend, the number of goods they buy and sell, and the amount of debts and receivables. However, this bookkeeping is not done in a format as the banks wish (Jati, 2004). Other limitations encountered by these MSMEs are their educational backgrounds which have little or no knowledge of accounting or accounting bookkeeping administration and their lack of fund sufficient enough to hire an accountant or to buy an accounting software to facilitate the performance of accounting bookkeeping.

According to Anderson and Eshima (2011) younger companies have a tendency to have a more flexible and reactive organizational structure as compared to older ones. Also, they have higher level of entrepreneurship. At the beginning of their business establishment, entrepreneurs usually should try harder to do everything (including neat recording to allow them to know the progress of their business) in order to survive to improve their business in the future. Newly-established companies also still sit at a stage with limited internal funding potential, leading to their greater need for access to sources of external funding (Mazani and Fatoki, 2012). Financial statements are usually one of the requirements to apply for loans to banks. This is maybe the cause of a perception that younger MSMEs view bookkeeping and financial statements as something of more importance.

SERVICE METHOD

The approaches chosen to solve the problems related to production, management, HR, finance, and marketing include intensive training on making financial statements practically. It is an important thing to do in order for the business's finance to be managed more orderly and neatly, so that when it is needed it will be ready at any time, for example for the requirement of loan application. The next approach is introducing the efficient technology and access to information. The efficient technology needed by partners now is the one which enables them to prepare financial statements, to shift from simple, manual bookkeeping to a bookkeeping which utilizes computerized accounting. The team will introduce latest and efficient technology, i.e. by implementing a bookkeeping software for MSMEs using "MYOB Accounting" Premiere 11 Edupack program. A dissemination will also be made regarding the introduction of *just in time* method, the importance and benefit of trademark, as well as halal labels on the cardboard package of the bread and cake produced by partners.

RESULT AND DISCUSSION

The execution of *Iptek bagi Masyarakat* (IbM) program on such topic as management of banana chips business in Besito Village, Gebog District, Kudus Regency aims at nurturing partners in developing their businesses, administering their business management from production, financial management, business management to marketing.

The stages of this program begin with a survey to partner MSMEs to identify the problems these partners are encountering. The next step is identifying the transactions occurring in the partner businesses as well as preparing a module of simple bookkeeping, and also prepare an accounting software for MSMEs using MYOB Accounting. The program chosen to apply this MYOB Accounting software is MYOB Accounting v19 as a computer program package for accounting data processing which is made integrated (integrated software) and also user-friendly for MSMEs. Upon the development of MYOB accounting application for MSME Nabila Cake & Bakery, an assistance and training and technical meeting are also conducted, as well as training on practical bookkeeping and preparation of simple financial statements for MSME and the making of attractive package design. An attractive product package gives an added value to the products being marketed. Some of the products should be packed and labelled. Many marketers call packaging as the fifth P after *product*, *price*, *place* and *promotion*. Most marketers consider packaging and labelling as an important part of product strategy (Kotler, Keller 2009). Packaging serves as a means of designing and producing a container for a product (Kotler, Armstrong 2008). In addition, the execution of this IBM program also includes the making of product catalog, and inviting partners to participate in an expo to promote and introduce further their products to the society, and introduction of JIT Concept.

The basic concept of JIT in bread and cake production system is that it is a method of adapting oneself to the change resulting from disruption and change to demand, by enabling all processes to generate the needed products, at the needed time in a number as needed.

There are four basic concepts which should be fulfilled in performing *just in time* (JIT) approach:

1. Just in Time production is to produce what is needed only when it is needed and in a number as needed.
2. Automation is an automatic defect control unit which does not allow defect unit to flow to the next process.
3. Flexible manpower, meaning to change the number of workers according to demand.
4. Creative thinking and accommodating employee's suggestions.

In order to achieve the four concepts, the following systems and methods are applied:

1. Kannban system to maintain just in time production;
2. A method of making the production efficient to adapt to demand change;
3. Shortening storage time to reduce production order time;
4. Layout of process and workers of double function for flexible manpower concept.
5. Refinement activity through small groups and suggestion system to improve manpower morale; and
6. Functional management system to promote quality control to all parts of company.

CLOSINGS

CONCLUSIONS

1. Designing Partner's financial statements using Accounting software, MYOB Accounting
2. Introduction of Just in time method

3. Improving sales promotion and invite partners to participate in Expo week in order to introduce their products to let them more widely known by the society in general.

SUGGESTIONS

1. There is a need to develop a production management improvement well, and to cooperate with permanent and quality raw material suppliers, yet at a more efficient and economic cost without reducing the material quality, to reduce the production costs and improve the sales.
2. There is a need to expand the marketing using e-commerce application.

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