

IMPLEMENTATION OF MANAGEMENT FUNCTION IN DELI SERDANG SMALL BUSINESSES IN MARKETING MUSLIM PRODUCTS IN NORTH SUMATERA

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Abstract: *Local wisdom in restoring the nation's culture must start from the Indonesian people themselves, especially entrepreneurs or UKM (Small and Medium Enterprises) as the backbone of the nation's economy. The purpose of this study was to determine the application of management functions in the small and medium enterprises of the Deli Serdang community as a strategic area for marketing Muslim products in North Sumatra. The research method uses a qualitative type with a descriptive approach. Data collection techniques were carried out by observation, interviews, and documentation. The results obtained in this study are that the implementation of management functions which include POAC (Planning, Organizing, Actuating, and Controlling) is very effective in the smooth marketing and promotion of products for small and medium enterprises in the Deli Serdang community, this is seen to be significantly assisted by traditional promotion as well. Integrating the sophistication of the media in disseminating information.*

Keywords: *Management function, UKM, Marketing of Muslim products.*

Preliminary

Micro, Small and Medium Enterprises (MSMEs) play a role in supporting national economic growth and achieving the goals of sustainable development or Sustainable Development Goals. MSMEs are at the forefront of achieving sustainable development by creating jobs and business innovation (Ardila & Christiana, 2020: 158).

UMKM is a form of community empowerment. As Priyono stated, community empowerment is a concept of economic development that encapsulates social values, which in an effort to empower society, can be seen from three sides. First is to create an atmosphere or climate that allows the potential of the community to develop (enabling), with the starting point being the recognition that every human being, every society, has potential that can be developed, with effort that can be exploited. Empowerment is an effort to build that power, by encouraging motivation and raising awareness of its potential and trying to develop it. Second, strengthening the potential or power possessed by the community (empowering), which includes concrete steps, and involves providing various inputs / resources, as well as opening access to various opportunities that will

make the community more empowered. For that, there needs to be a special program for people who are less empowered, because general programs that apply to all, do not always touch this layer of society. Third, empowering also means protecting. In the process of empowerment, it must be prevented that the weak become weaker because of a lack of power in facing the strong. Protecting does not mean isolating or covering up from interactions, but can be seen as an effort to prevent unbalanced competition and exploitation of the strong against the weak (Bismala, 2014: 127).

Seeing the many types of small businesses, its development needs to be carried out selectively based on regional comparative advantages belonging to the basic sector, namely the types of businesses that contribute more revenue to the development of the North Sumatra Province, in this case it is necessary to recommend fixing and improving facilities and infrastructure. and developing UMKM centers in North Sumatra Province. In addition, it is necessary to establish a special market to accommodate the products of UMKM commodities in North Sumatra Province so that the marketing of these UMKM products can be immediately known and recognized by the local community and the outside community (Bismala, 2014: 128).

Management as a function of the company needs to be studied properly, with the aim of increasing competitiveness. One of the functions of company management is marketing management, where so far MSMEs have not applied marketing management in running their businesses. Referring to previous research that has been carried out, it is necessary to further study the management of marketing carried out by MSME actors (Bismala, 2014: 130)

In general, MSMEs do not apply marketing systems and management specifically, because of the low knowledge they have. Marketing is carried out by conventional methods which only display products in their own stores and occasionally participate in exhibitions organized by agencies and agencies that foster the relevant MSMEs. Coaching that is carried out is not evenly distributed among all MSMEs, because there are still many MSMEs that do not want to open up and lack the information they get. As we know, the SME business has become a very resilient business even in times of economic crisis (Bismala, 2014: 130)

The function and participation of MSMEs is very high, because this sector is a source of income for everyone and is able to provide jobs for those with low education and skills and are able to reduce poverty (Agyapong, 2010), for now, MSMEs are strongly encouraged to develop by government, because the progress of MSMEs can increase the country's economic growth. UMKM means to reduce unemployment and create new jobs. Indonesia's economic development seen in the last five years is targeting poverty alleviation and creating jobs. There was an achievement of 51.26 million in the 2008 period in the Business Unit of MSMEs, it was seen that there was an increase from 44.78 million units in 2004. Meanwhile, the workforce involved in this sector reached 90.90 million people in 2008, increasing from 80,45 million people in 2004. (Bappenas, 2015-2019 National Mid-Term Development Plan) Efforts to increase MSMEs in the national economy require a series of guidance based on the problem of limited technology, information and capital. The conditions and facts above are in line with the results of Emirbagnet's research which concluded that the success of MSMEs is determined by the personalities of entrepreneurs (Purnomo & Lestari, 2010) and has a direct impact on the economic development of a country. MSMEs create jobs at lower costs and are a trigger for innovation and high flexibility in business strategy and business growth (Prayogi & Siregar, 2017: 214).

Literature Review

Strategic management is generally defined as a future-oriented process that enables organizations to make decisions today to position themselves for future success. There are three levels of strategy created in a larger organization, which include corporate, business, and functional (or operational) strategy. While the company strategy will determine what business the

company will actually operate there, the business strategy will determine how the company will compete in each of the businesses it has selected. And operational level strategy will determine how each functional area (such as human resources or accounting) will actually support business and corporate strategies. All of these strategies must be closely linked to ensure that the organization moves in a unified direction (Mahyarni et al., 2015: 623).

A micro business is a business that has developed sufficiently but cannot accept subcontract work and cannot export goods. Financial management is important for micro businesses so that they can provide a picture of performance as a success and sustainability of the business. There are three indicators that can be used in terms of financial management, namely the use of budgets, recording, and reporting (Ardila & Christiana, 2020: 158)

Method

This study uses an economic science approach that focuses on the areas of human resource management, marketing, and economic growth. In this connection, this research is descriptive qualitative in nature. The qualitative research approach is also a process of research and understanding based on a methodology

investigate a social phenomenon and human problems. In this approach, the researcher creates a complex picture, examines words, reports in detail from the views of the respondent, and conducts studies on the situation experienced (Creswell, 1998: 15). Given the nature of this research is descriptive qualitative, the research method used is a survey method, where information is obtained from key informants who are collected directly on the scene empirically, with the aim of knowing the opinions of key informants on the object of research.

Results and Discussion

Developing the economy cannot be separated from local culture. Culture must be the basis for its development. In local culture there is what is called local wisdom which becomes meaningful values, among others, translated into physical forms in the form of local creative products. Baswir, an economist at Gadjah Mada University also said that the creative economy cannot be seen in an economic context only, but also in a cultural dimension. The creative ideas that emerge are cultural products. Therefore, cultural strategy greatly determines the direction of the development of the creative economy. Results and discussion developing the economy cannot be separated from local culture. Culture must be the basis for its development. In local culture there is what is called local wisdom which becomes meaningful values, among others, translated into physical forms in the form of local creative products. Baswir, an economist at Gadjah Mada University also said that the creative economy cannot be seen in an economic context only, but also in a cultural dimension. The creative ideas that emerge are cultural products. Therefore, cultural strategy greatly determines the direction of the development of the creative economy

According to Christenson, 1989, community empowerment is a development process in which people take the initiative to initiate a social activity process to improve their own situation and condition. An effort can only be considered as "community empowerment" if the community group or community becomes agents of development or is also known as the subject According to Christenson, 1989, community empowerment is a development process in which people take the initiative to initiate a social activity process to improve their own situation and condition. An effort can only be considered as "community empowerment" if the community group or community becomes agents of development or is also known as the subject

One of the above economic growths can be achieved by developing various potentials for community empowerment in various economic centers in the region, which is known as

developing a local culture-based economy. This local culture-based economic development must be developed from the regional potential. Regional potential is the potential for specific resources owned by an area. In developing this local culture-based economic potential, the right strategy is needed. This economic potential development strategy must be made to see the opportunities and potentials possessed by a region by highlighting the advantages of the region and local government policies that are friendly to the business world (Mahyarni et al., 2015: 621).

In Chapter I article 1 of Law No. 20 of 2008 concerning MSMEs, what is meant by MSMEs is: "(a) Micro Enterprises, namely" Productive businesses owned by individuals and / or individual business entities that meet the criteria of Micro Enterprises as regulated in this Law. " (b) Small Business, namely "productive economic enterprises that stand alone, which are managed by individuals or business entities that are not part of the company group or outside of existing corporate branches, or become part of either directly or indirectly medium and large businesses. that meet the criteria of Small and Medium Enterprises as regulated in this Law, "(c) Medium Enterprises, namely" Productive economic enterprises that are independent, carried out by individuals or business entities that are not controlled subsidiaries or branch offices, owned or a share, either directly or indirectly, to Small or Large Businesses with the amount of net assets or annual sales proceeds as aimana has been regulated in this Law. Article 19 Law no. 20 of 2008 concerning MSMEs, the improvement in the field of human resources as stated in Article 16 paragraph (1) letter c is applied by: (1) promoting and empowering entrepreneurship; (2) regulatory and technical improvements; and (3) developing a system in education and training institutions to create education, training, counseling, business motivation and creativity, and the creation of new entrepreneurs. Of all these factors, human resources are important in the development of MSMEs in order to create entrepreneurs that are independent from society. Therefore, the community needs to be empowered to improve the quality of human resources so that it can affect the quality of production produced in order to improve the community's economy for the welfare of society (Prayogi & Siregar, 2017: 126).

In order to achieve a goal that the business wants to achieve, it can develop if it is well managed and regulated, it is processed and shows an increase from time to time. According to Chandra, "The development of a business can be seen with an increase in sales turnover." Development can be defined as a form of enhancing individual conceptual, theoretical, technical, and moral abilities which are developed through education and training. The development of SMEs is more aimed at competitive economic actors through increased entrepreneurship and increased productivity supported by efforts to increase adaptation to market needs, use of innovation results and application of technology. The influence of the development of MSMEs in Indonesia and seeing the role of the government in increasing the growth of MSMEs in Indonesia has positive results, both directly and indirectly (Tambunan, 2009: 4). According to Hafisah, the development of UMKM is essentially a shared responsibility between the government and society. By looking at the obstacles that arise that are often faced by MSMEs, it is necessary to have efforts, namely: "(1) Creating a conducive business climate, (2) Capital Assistance, (3) Business Protection, (4) Partnership Development, (5) Training, (6) Developing Promotions, and (7) Forging good cooperation "(Prayogi & Siregar, 2017: 127).

Having a strategic role in national economic growth does not guarantee that overall MSMEs are able to manage their businesses well, it is not uncommon for MSMEs to experience failures in running and developing their businesses, especially micro businesses. One of the benchmarks for the success and success of a business is how the business survives in competition (Ardila & Christiana, 2020: 159).

Management of Islamic Financial Management in MSME Businesses is not optimal because there are some MSMEs that do not understand Islamic financial management properly. The results of the survey obtained before the strengthening of the UMKM were that they could not separate

the MSME business finances from family finances so that the MSME entrepreneurs had difficulty separating business capital from business finance. In addition, MSME entrepreneurs do not record financial transactions and do not calculate the amount of operating profit they earn each month. So that UMKM entrepreneurs do not know the business they are running is making a profit or not. Therefore, there is a need for socialization and training for MSMEs that must be carried out in Strengthening Management of Sharia Financial Management Functions. Business management fostering needs to be done in micro businesses because the lack of knowledge they have is caused by lack of knowledge and access to information, so this community service activity is carried out to touch micro businesses in Indonesia. Given the obstacles faced by MSMEs, it is necessary to make efforts to overcome these UMKM constraints, namely: (1) Creating a conducive business climate; (2) Capital Assistance; (3) Business Protection; (4) Partnership Development; (5) Training; (6) Developing Promotions; (7) Establishing good cooperation. The development of UMKM must be more directed at increasing the ability of MSMEs to become medium-sized entrepreneurs (Hayati, 2019: 182).

The implementation of management functions in Deli Serdang UKM including planning, organizing, actuating, and controlling (POAC) has been going well by members of the organization. The planning function at the beginning of the formation of MSMEs was aimed at liberating people from the practice of usury, opening da'wah land for the surrounding community, and marketing agricultural products from local farmers, as well as home industry products for UMKM members.

The organizing function has been running well with the formation of an organization consisting of the chairman of the secretary and treasurer, and is attended by members of community business groups that implement a profit sharing system from product sales and also a loan system to members who need to develop their business units

Meetings are held once a week every Friday for MSME members Dli Serdang, there is also a monthly meeting at the central UMKM, at the Secretary General of UMKM in Medan to discuss developing problems, then the implementation of the function of actuating, namely program management, including checking the products you want to market with List on the expedition book, namely in and out of goods, and when it is withdrawn from circulation according to the date it was produced and when it ends for public consumption.

The last one is the application of the controlling function, which gives the members the rights, both from the product and the profit sharing system and this is what motivates customers or members to be more active in improving their production quality. With regular briefings by the chairman in encouraging customers to get more tips on work and charity.

Conclusion

The implementation of management functions at Deli Serdang Sharia MSMEs, still needs to be given direction from community observers, especially economists and academics, for the progress and development of this micro, small and medium business, so that it is more optimal. The awareness to implement good management must be started from the beginning of the establishment of an organizational forum to produce more effective and efficient performance, so that Muslim products from home and from the agricultural sector can be marketed globally. The most important thing is good cooperation between regional MSMEs and central MSMEs in working together to develop their wings to find customers, and the most important thing is to motivate the community to be able to open their own jobs, according to their respective expertise and creativity.

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