

Patterns of Sharia-Based SMEs' Mentoring and Development in K-UKM Clinic East Java

Novi Febriyanti^{1*}, *Nur Syam*², *Sirajul Arifin*³

¹Alma Ata University of Yogyakarta

^{2,3} State Islamic University of Sunan Ampel Surabaya

¹novifebriyanti@almaata.ac.id, ²nursyam@uinsby.ac.id, ³sirajul.arifin@uinsby.ac.id

ABSTRACT

The following article aims to discuss the pattern of mentoring and developing the fostered business, as well as to find out the supporting and inhibiting factors for the development of the fostered business at the K-UKM Clinic, the Department of Cooperatives and Small Micro Enterprises, East Java. The research method used is qualitative with a field research approach. The data collection technique is through observation, interviews, and documentation, while the data analysis technique is descriptive, because this research will describe objectively matters related to the research topic. The results showed that the pattern of mentoring and development used was through 2 programs, namely (1) the New Entrepreneurial Program (WUB) for those who did not have a business through development, and (2) SMEs for those who already had a business through development. Meanwhile, the supporting and inhibiting factors for the pattern of business development include the fields of human resources, the field of economics, the field of organization, and the technical field.

Keywords: Business Assistance Clinic; SMEs; Sharia, Covid-19.

INTRODUCTION

The Covid-19 pandemic that is endemic in all countries of the world has affected all isectorsi of people's lives (Susilo et al., 2020). In Indonesia, almost all sectors are affected, especially the economic ecosystem which has been the focus of society (Ana & Zunaidi, 2022). Furthermore, the Covid-19 pandemic has caused a slowdown in the economic sector in Indonesia with its various derivatives (Leni & Zunadi, 2022). The Small Medium Enterprises (SME) sector, which is the most important part of the economic sector, has felt the impact. This is what is worried by all parties, because it has made the SMEs experience a significant setback (Yudha et al., 2021)

Novi Febriyanti, et.al *Patterns of Sharia-Based SMEs' Mentoring and Development in K-UKM Clinic*

Moreover, currently many SMEs are experiencing various problems such as declining sales, capital, hampered distribution, difficulty in raw materials, declining production and the occurrence of many layoffs for workers and workers which then become a threat to the national economy (Abay et al., 2020). SMEs as the driving force of the domestic economy and absorber of labor are facing a decline in productivity which results in a significant decline in profits (Nurrachmi et al., 2021). Even based on a survey by the Asian Development Bank (ADB) regarding the impact of the pandemic on SMEs in Indonesia, 88% of micro enterprises ran out of cash or savings, and more than 60% of these micro and small enterprises have reduced their workforce (Sarfiyah et al., 2019).

It should be noted that SMEs in Indonesia have become the most important pillar for the economic ecosystem. Moreover, it is known that 99% of business actors in Indonesia are the SMEs. The role of SMEs has contributed 60% to the national gross domestic product and 97% to the absorption of workers affected by the pandemic. Meanwhile, of the existing SMEs, only 16% have entered the digital economy ecosystem. In the Indonesian context, the SMEs is one of the main pillars of Indonesia's economic fundamentals (Pakpahan, 2020). In fact, during the 1998 economic crisis, it turned out that the SMEs sector had a very positive contribution in saving the Indonesian economic ecosystem at that time (Nurrachmi et al., 2021). The same thing happened during the Covid-19 pandemic, where the SMEs has great potential to become an accelerator of national economic recovery (Bahtiar, 2021).

In supporting the national economic recovery, the role of the central and regional governments is an important factor in maintaining the progress of SMEs. The concept of People's Economy that society has a central role in economic growth, society is the basis of regional economic development (Harahap et al., 2020). However, the government's lack of attention to the community's economy has caused several problems that have an impact on regional economic development, including the lack of jobs that can cause delays in regional economic growth (Crick, 2021). For this reason, as time goes by, currently many local people are aware of economic growth, so many SMEs have begun to be developed by the regions.

In the Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, article 2 states that the purpose of the business world is to develop a national economy based on just economic democracy. SMEs are regulated by the government as one of the factors for building the national economy. The principle of people's economy is very relevant in the emergence of SMEs in the country or region in economic development. The implications of SMEs are contributing to the problem of lack of employment in an area that has an impact on economic growth. The development of SMEs is expected to play an important role in advancing their business and contributing to local and national economic prosperity (Nurrachmi et al., 2021)

Although SMEs are said to be able to survive the global crisis that hit, in reality the problems faced are many and more severe. This is because in addition to being indirectly influenced by the global problems, SMEs must also face unresolved domestic problems such as labor wages, labor and illegal levies, corruption and others (Lu Peng, 2020). For this reason, SMEs must be encouraged and strengthened their participation to jointly develop the regional economy. SMEs that grow a lot in various regions must be developed because they can be one of the keys to improving the regional economy.

To follow up on problems in SMEs, there is an institution that specifically manages small and medium enterprises, namely the Department of Cooperative as an institution to serve the development of SMEs. SMEs development is translated into government policies through 3 (three) priority programs of the Department of Cooperatives and Micro Enterprises, namely the cooperative and SMEs development program, access to financing for cooperatives and SMEs to empowerment through the national entrepreneurship movement (Zunaidi, 2015).

Therefore, the relationship between the Department of Cooperative and Micro Enterprises and SMES actors has an equal relationship, it was created to provide a sense of comfort and be closer to SMEs in carrying out guidance given that cooperatives act as motivators for SMEs and provide access to capital for SMEs (Sugiri, 2020). The form of mentoring and development activities at the Department of Cooperative is by providing business assistance to SMEs and providing technical assistance in the form of trainings (seminars), directives and consultations.

The local government at the Department of Cooperatives and Micro Enterprises provides a K-UKM Clinic (Cooperatives and Small Micro Enterprises) as a solution, so

that all SMEs actors can form a forum for business consultation and make it as assistance to start or develop a better business. Doubts about competition to become business actors, which is seen by the increasing number of SMEs in the region and the assistance from the government, makes enthusiasm to run their business. K-UKM Clinic (Cooperatives and Small Micro Enterprises) is part of the agency owned by the Department of Cooperatives and Small Micro Enterprises which is sheltered by the local government. This institution has the main task of overcoming problems in a business that are being experienced by business actors and cooperative actors. This K-UKM clinic provides a variety of public services related to the business world, such as consulting services on cooperatives, consulting services on SMEs business information, consulting services on access to financing, and consulting services on marketing. And all the services provided by the K-UKM Clinic are all free with the aim of developing a business, so the K-UKM Clinic can have implications for supporting regional and national economic development.

METHODOLOGY

The research method used is qualitative with a field research approach (Korber & McNaughton, 2018). The data collection technique consists of primary data sources from the Department of Cooperatives and Small Micro Enterprises of East Java, which is within the scope of SMEs, namely the Cooperatives and Small Micro Enterprises section with the Head of Cooperatives and SMEs, and the Head of the K-UKM Clinic. While the secondary data sources are obtained from books or literature related to the topics and problems in the research. The data analysis technique is descriptive (Drisko and Males, 2019), because this study will describe objectively matters relating to observing the flow of mentoring and development of the fostered business, knowing the supporting and inhibiting factors in developing the fostered business at the K-UKM Clinic, the Department of Cooperatives and Small Micro Enterprises, East Java.

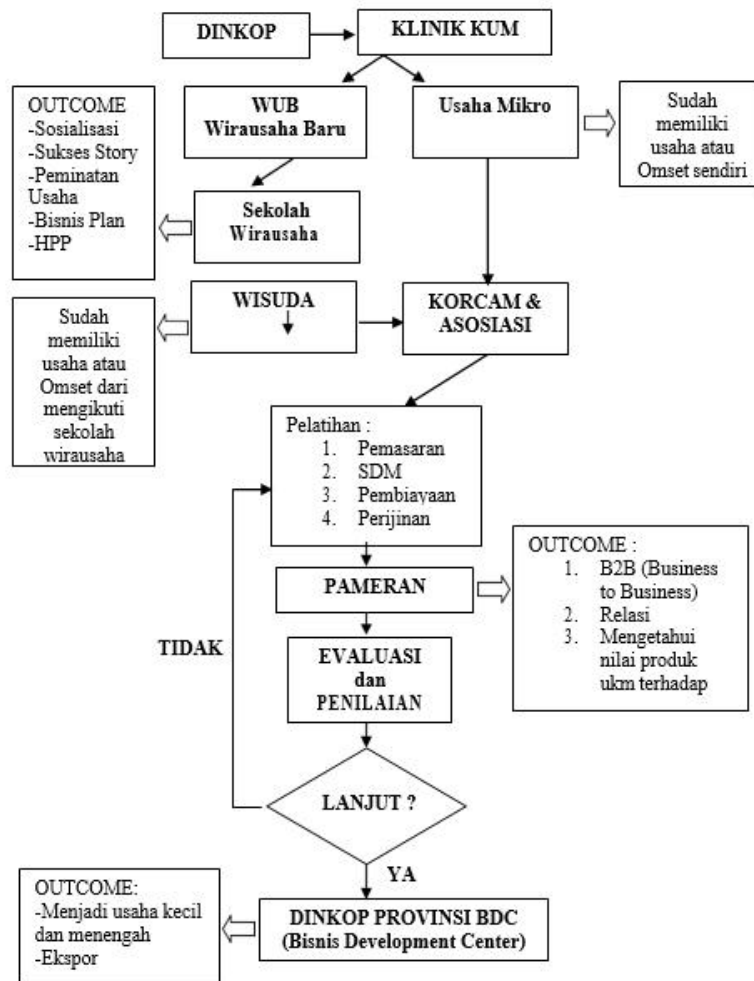
RESULTS AND DISCUSSION

Pattern of Mentoring and Development of K-UKM Clinic

Government Regulation No. 32 of 1998 concerning the Guidance and Development of Small Businesses explains that an efforts made by the government, the

business world, and the community through the provision of guidance and reinforcement assistance to grow and improve the ability of small businesses to become strong and independent businesses and can develop into a medium-sized enterprise (Sholihah et al., 2008).

Figur 1. Flow of Mentoring and Development Pattern



Source: The Department of Cooperatives and Small Micro Enterprises

In an effort to improve the people's economy for a better direction, economic empowerment measures must be carried out appropriately for people who really need it. More business actors who become members of the K-UKM Clinic are expected to be a positive thing for business development in improving the people's economy for the better (Sholihah et al., 2008). Clinical fostered members who join will get assistance in business development, for new entrepreneurs will take part in assistance in building a

business. From the clinical activities carried out, of course there is a structured pattern scheme in order to support the creation of quite efficient assistance (Atmojo, 2022). The following is the form of the pattern of mentoring and development carried out by the K-UKM Clinic of East Java,

K-UKM Clinic services are provided to members between consultants and business actors with the aim of finding problems they are facing. K-UKM Clinic opens space for micro enterprises in order to provide assistance to find problems and find solutions. It is hoped that by opening the service for free, it will be easier for micro enterprises to develop their business (Purnomo, 2021). The flow of getting services at the K-UKM Clinic is as follows,

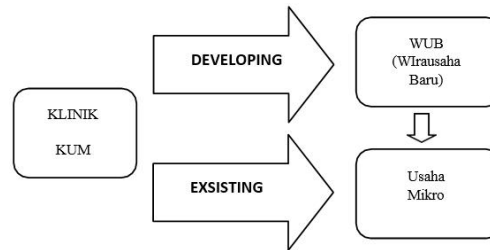
Figur 2. How to Get Clinic Services



Source: The K-UKM Clinic

K-UKM Clinic provides various assistance and business development based on the two Government Regulations and the Department of Cooperative Regulations that have been described above. The mentoring program for fostered members carried out by the K-UKM Clinic includes patterns, structures, strategies, and mentoring techniques (Basuki, 2021). The following are some programs for the pattern of mentoring and business development fostered by the K-UKM Clinic at the Department of Cooperatives and Small Micro Enterprises in East Java,

Figur 3. Pattern Programs Mentoring and Development



Source: The K-UKM Clinic

In the pattern program of mentoring and development fostered businesses at the K-UKM Clinic, there are 2 types of targets to become fostered members, namely by following. (1) New Entrepreneurial Program (WUB) for those who do not yet have a business, and (2) Small Micro Enterprises (SMEs) for those who already have a business to join the K-UKM Clinic. Assistance (Developing) for new entrepreneurs with the aim of building products from scratch, while for those who already have a business or micro business by (Existing) developing a business through existing products (Sumbangto, 2021):

1. New Entrepreneurs (WUB)

In accordance with the scheme for the mentoring pattern for the New Entrepreneurial Program (WUB) carried out by the K-UKM Clinic in a Developing way, which means starting from the beginning to build a product to be developed. In this program, the novice coaches have several business development processes (Farhan & Fachrunnisa, 2022), including:

A. Entrepreneurship School

Entrepreneurship school is the initial stage for fostered members with a new entrepreneurial development pattern. At the school there are several coaching activities carried out by the K-UKM Clinic, including:

- a) Socialization

The socialization carried out by the K-UKM Clinic is certainly related to fostering an entrepreneurial spirit, by providing views and motivation, where to open business opportunities is not something that is difficult to develop, especially at this time there are K-UKM Clinics that help in the development of SMEs.

- b) Business Interest

After changing the mindset of the novice fostered members to become entrepreneurs, the next step at this stage is the SMEs business candidates express their interest in opening a business in what type, so that the coaching party can find out the potential and foster SMEs according to their interests and fields. This step is very important so that members can assess themselves and find potential in individuals in starting a business.

c) Business Plan

The next step after finding a passion for business interests in the desired field, in the business world, novice members are taught to have a business plan that they are interested in by teaching a business plan. The importance of a plan in business matters to be able to take a decision in determining the business that we want to establish.

d) Calculating the Cost of Production (HPP)

Finally, in entrepreneurial schools, novice members must be able to analyze and calculate the cost of production. The coaches teach how to calculate production costs and as a result can find out how much the selling price of a product is, by minimizing production costs without reducing the quality of the product.

The steps described above are expected to be able to motivate in the form of mentoring and training for business development. In the new entrepreneurship program, the companion builds (Developing) products from scratch, because the fostered members initially did not have a business (Febriyanti, 2020).

B. Graduation

After going through the stages in the entrepreneurship school, the prospective SMEs business if they have succeeded in having a business and have a good sales turnover, then the prospective SMEs will graduate and are ready to open a business. After graduation, entrepreneurial beginners will join the District Coordinator according to their domicile district. And will participate in the same training as other micro business actors and be able to take part in exhibitions. The final stage of entrepreneurial beginners who graduate have the opportunity to become a micro-enterprise level (Humairoh et al., 2022).

2. Small Medium Enterprises (SMEs)

For those who already have a business (not a beginner) that already has a sales turnover. The form of assistance in this flow no longer needs to be at the entrepreneurial school stage, but will develop existing products in the form (Existing) (Yoshinta, 2021). The mentoring process includes:

A. Coordination/Association

Coordinators and Associations are a collection of various members of the K-UKM Clinic in accordance with their respective regions. In the Coordinator, in which representatives from several members have a function, one of which is to gather business actors to exchange ideas and innovations aimed at developing a better business.

B. Training

a) Marketing

Marketing techniques are very useful for business actors in the field of production and services, K-UKM Clinic states that the right marketing will be able to increase relevant sales. From the number of fostered members, many still use marketing techniques that do not follow the times or are not digital. K-UKM Clinic makes training programs on business development assistance by calling marketing experts to be more efficient in delivering material to fostered members (Febrianur, 2022). In support of more efficient marketing, it is necessary to have attractive product photos, attractive packaging, so that the market is interested in buying the product. There are several activities in the topic of developing Digital Marketing techniques (Febriyanti, 2020):

1) Product Photo Engineering Training

The techniques includes of Workshop on Digital Marketing Mindset and Easy Ways to Create aWebsite, Bukalapak Community Workshop, Socialization of Tokopedia's New Features, Tokopedia Workshop Session 2, Branding vs Marketing Training, Branding and Packaging Design Training.

2) Human Resource Development (HR)

This Human Resources (HR) development training for SMEs is carried out so that SMEs have knowledge of HR management, which is done if SMEs want to recruit employees for the businesses they build. Human resource development can be influenced by the performance of its employees. Before they work, they must receive training on what they will do. Activities to improve the human resources of fostered

members includes of Business Motivation Workshop, Excellent Service Workshop, Heart Tour Workshop for business people.

3) Financing

Members who are members of the K-UKM clinic will be provided with financing in the form of business capital through financial institution partners in collaboration with the K-UKM Clinic, including BRI, BNI, and Pegadaian.

4) Permissions

From a variety of marketing training to the capital obtained from the development of the K-UKM Clinic. Supported members from MSMEs and also new entrepreneurs are given convenience in terms of licensing for the legality of their business and products. K-UKM Clinic emphasizes legality because it affects sales. It is expected that all fostered members have a business license and are registered as legal entrepreneurs.

b) Exhibition

After receiving training at the sub-district level, SMEs players can take part in exhibitions organized by the regions, so the positive thing that can be obtained from participating in this exhibition is that business actors can know the value of SMEs products with other SMEs products. In addition, the members who participated in the exhibition got relations from several other SMEs from other districts and at the provincial level. A good relationship will be a moment in developing a business.

c) Evaluation

After participating in the exhibition, these SMEs products will be evaluated and given an assessment. Beginner members must report their business to the Trustees, in order to find out whether their business volume is increasing or decreasing. If this SMEs product gets a good rating and also a graph on stable business development, it will be able to continue at the provincial level into medium enterprises.

Supporting and Inhibiting Factors for Mentoring and Development of the K-UKM Clinic

Supporting and inhibiting factors have potential and problems in K-UKM Clinic. There are 4 areas related to these two factors (Laksana, 2021):

1. Human Resources

A. Supporting factors

- 1) There is a desire of fostered members to go forward and develop a wider business and can become a medium business.
- 2) The enthusiasm of the residents in joining the assisted members of the K-UKM Clinic, evidenced by the data of members every year has increased.

B. Obstacle factors

- 1) The majority of fostered members' education is only up to high school and above, seen from their knowledge and ability to the world of business and technology.
- 2) The entrepreneurial mindset is still simple.
- 3) The majority of K-UKM Clinic fostered members are 40 years old.

2. Economics

A. Supporting factors

- 1) Strategic location as a connecting area between the capital city of East Java. This allows the wheels of the economy to have great opportunities in the life of the business climate.

B. Obstacle factors

- 1) Limited capital in business development.
- 2) Lack of information in terms of capital in banks and financial institutions.
- 3) Marketing techniques that are less mastered and still use the old ways.
- 4) Minimal knowledge of company management for business actors. One is about decision making and administration.

3. Organizational Field

A. Supporting factors

- 1) K-UKM Clinic has a business consultant and the New Entrepreneurial Development Program (WUB) is an effective means and the training program has the potential to solve common problems.

B. Obstacle factors

- 1) Lack of manpower for coaching, due to the large number of fostered members.

4. Technical Field

A. Supporting factors

- 1) Efficient mentoring programs and patterns facilitate appropriate assistance to fostered members.
- 2) The development of technology and also the strategic location of the region as one of the buffer zones for the Provincial Capital.

B. Obstacle factors

- 1) The skills of the fostered members still need to be developed and improved.
- 2) Low mastery of technology to develop business and also produce quality and competitive products.
- 3) Technology Limitations.
- 4) The limited working capital of the fostered members results in the limited use of good technology.
- 5) Limited facilities and infrastructure in the process of fostering the business development of the fostered members.

CONCLUSION

The pattern of mentoring carried out by the K-UKM Clinic, can be said to be quite efficient and comprehensive in supporting the Department of Cooperative and SMEs in East Java. This also helps provide capital for SMEs to contribute to the development of SMEs. In addition, the various training programs carried out by the clinic also have a very positive impact on SMEs. Supporting and inhibiting factors in the pattern of mentoring and business development include; in the field of human resources, the field of economics, the field of organization, and the technical field. The coaches are expected to take advantage of supporting factors that are more efficient and useful for the pattern of business development assistance. For the inhibiting factors, both from the fostered members and from the clinic side, both must be overcome as well as possible. Because the inhibiting factor will have a negative impact.

REFERENCE

Novi Febriyanti, et.al *Patterns of Sharia-Based SMEs' Mentoring and Development in K-UKM Clinic*

- Abay, K. A., Tafere, K., & Woldemichael, A. (2020). Winners and Losers from COVID-19: Global Evidence from Google Search. *Winners and Losers from COVID-19: Global Evidence from Google Search, June*. <https://doi.org/10.1596/1813-9450-9268>
- Ana, D. E., & Zunaidi, A. (2022). Strategi Perbankan Syariah Dalam Memenangkan Persaingan Di Masa Pandemi Covid-19. *Proceedings of Islamic Economics, Business, and Philanthropy, 1(1)*, 167–188.
- Bahtiar, R. A. (2021). Dampak Pandemi Covid-19 Terhadap Sektor Usaha Mikro, Kecil, dan Menengah Serta Solusinya. *Pusat Penelitian Badan Keahlian DPR RI, Bidang Ekonomi Dan Kebijakan Publik, XIII(10)*, 19–24. https://berkas.dpr.go.id/puslit/files/info_singkat/Info_Singkat-XIII-10-II-P3DI-Mei-2021-1982.pdf
- Basuki, A. (2021). *Interview, Department of Cooperatives and SMEs East Java (KUM Clinic)*.
- Farhan, F., & Fachrunnisa, Z. H. (2022). Pelatihan Pemasaran Daring Pada Umkm Cv Bintang Food Bantul Yogyakarta. *Randang Tana: Jurnal Pengabdian Masyarakat, 5(1)*.
- Febriyanti, N. (2020). Implementasi Early Warning System (Ews) Dalam Menekan Tingkat Non Performing Financing (Npf) Di Perbankan Syariah. *Asy Syar'iyah: Jurnal Ilmu Syari'Ah Dan Perbankan Islam, 5(2)*, 124–154. <https://doi.org/10.32923/asy.v5i2.1445>
- Harahap, E. F., Luviana, L., & Huda, N. (2020). Tinjauan Defisit Fiskal, Ekspor, Impor Dan Jumlah Umkm Terhadap Pertumbuhan Ekonomi Indonesia. *Jurnal Benefita, 5(2)*, 151. <https://doi.org/10.22216/jbe.v5i2.4907>
- Humairoh, F., Azlina, N., Riau, U., Baru, S., & Pekanbaru, K. (2022). *Msme Performance Effectiveness During Covid 19*.
- Korber, S., & McNaughton, R. B. (2018). Resilience and entrepreneurship: a systematic literature review. *International Journal of Entrepreneurial Behaviour and Research, 24(7)*, 1129–1154. <https://doi.org/10.1108/IJEBr-10-2016-0356>
- Laksana, C. S. (2021). *Interview, Department of Cooperatives and SMEs East Java*.
- Leni, I. M., & Zunadi, A. (2022). Indonesia ' s Islamic Banking Strategy For Sustaining Financial Operations During The Pandemic. *Proceedings of Islamic Economics, Business, and Philanthropy, 1(1)*, 40–49.
- Nurrachmi, I., Maharani, D., Syahidin, S., Maulana, W., Nurhayati, Y., Sugiarto, M., Kosasih, K., Syairozi, M. I., Zunaidi, A., Putranto, H. A., Komarudin, P., Sudewa, J., Hasan, M., & Yusdita, E. E. (2021). *Kewirausahaan Pola Pikir, Pengetahuan Dan Keterampilan. Widina Bhakti Persada*.
- Pakpahan, A. K. (2020). COVID-19 dan Implikasi Bagi Usaha Mikro, Kecil, dan Menengah. *Jurnal Ilmiah Hubungan Internasional, 20(April)*.

- Purnomo. (2021). *Interview, Department of Cooperatives and SMEs East Java.*
- Sarfiah, S., Atmaja, H., & Verawati, D. (2019). UMKM Sebagai Pilar Membangun Ekonomi Bangsa. *Jurnal REP (Riset Ekonomi Pembangunan)*, 4(2), 1–189. <https://doi.org/10.31002/rep.v4i2.1952>
- Sholihah, D. R., Fadlillah, A. M., & Rahmi, M. (2008). Strategi Pemberdayaan Masyarakat Madani. *Jurnal Pemberdayaan Masyarakat Islam*, 4(1), 61–74.
- Sumbangto. (2021). *Interview, Department of Cooperatives and SMEs East Java.*
- Susilo, A., Rumende, C. M., Pitoyo, C. W., Santoso, W. D., Yulianti, M., Herikurniawan, H., Sinto, R., Singh, G., Nainggolan, L., Nelwan, E. J., Chen, L. K., Widhani, A., Wijaya, E., Wicaksana, B., Maksum, M., Annisa, F., Jasirwan, C. O. M., & Yuniastuti, E. (2020). Coronavirus Disease 2019: Tinjauan Literatur Terkini. *Jurnal Penyakit Dalam Indonesia*, 7(1), 45. <https://doi.org/10.7454/jpdi.v7i1.415>
- Yoshinta, D. O. (2021). *Interview, Department of Cooperatives and SMEs East Java.*
- Yudha, A. T. R. C., Awwaliah, H., & Pertiwi, E. M. (2021). SDGs Value and Islamic Philanthropy Through Zakah Institution During the Covid-19. *Ihtifaz: Journal of Islamic Economics, Finance, and Banking*, 4(1), 31. <https://doi.org/10.12928/ijiefb.v4i1.2535>
- Zunaidi, A. (2015). Pemasaran Batik Madura Dalam Perspektif Manajemen Bisnis Syariah (Studi Kasus pada Batik “Jokotole” di Bangkalan Madura). *Dinar*, 1(2), 19–38.