

## OPTIMIZATION OF MSMEs THROUGH INTEGRATED SERVICES AT THE PLUT-KUMKM

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### ABSTRACT

*This study explores the optimization of Micro, Small, and Medium Enterprises (MSMEs) through integrated services at the Integrated Business Service Center (PLUT-KUMKM) in Klungkung Regency. MSMEs are vital to the local economy, yet they face significant challenges such as limited access to finance, marketing, and technology. The research employed a qualitative descriptive approach, utilizing interviews, observations, and documentation as the main data collection methods. Interviews were conducted with MSME owners, PLUT-KUMKM staff, and local government representatives. The findings reveal that while PLUT-KUMKM has made significant strides in supporting MSMEs, its reach remains limited due to resource constraints, low awareness among MSMEs, and geographical barriers. Many MSMEs in remote areas are still unaware of the available services, and financial constraints continue to hinder their growth. However, the integrated services offered by PLUT-KUMKM have positively impacted many MSMEs by improving their business practices, product quality, and marketing strategies. The research recommends increasing awareness, expanding digital platforms for remote services, and improving access to financing options to optimize the effectiveness of PLUT-KUMKM services.*

### Keywords

**MSMEs, Integrated Services, PLUT-KUMKM**

## 1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in Indonesia's economy. As a sector that absorbs a significant amount of the workforce and contributes to economic growth, MSMEs are the backbone of both local and national economies. According to Law No. 20 of 2008 on Micro, Small, and Medium Enterprises, MSMEs are expected to strengthen the national economic structure through sustainable empowerment and business development (Ministry of Cooperatives and SMEs, 2008). However, MSMEs often face various challenges in their management, such as limited capital, access to markets, and low managerial and technological capabilities (Bappenas, 2005).

To address these issues, the Indonesian government, through the Ministry of Cooperatives and Small and Medium Enterprises (KUKM), established the Integrated Business Service Center (PLUT-KUMKM). PLUT-KUMKM aims to provide comprehensive non-financial services for MSMEs, focusing on human resource development, marketing, institutional strengthening, and access to information and technology. This program is expected to enhance the competitiveness of MSMEs and improve the quality of the products they produce. However, despite the good intentions and concepts of PLUT-KUMKM, its reach remains limited.

The phenomenon in Klungkung Regency shows that despite PLUT-KUMKM operating for several years, the number of MSMEs it reaches is still far from the expected target. This is due to the large number of MSMEs in the region, making it difficult for PLUT-KUMKM to provide optimal services to all micro, small, and medium business owners. The Klungkung local government has made efforts to address this issue by increasing PLUT-KUMKM's capacity and expanding the service reach, but the results are still not optimal.

At the same time, many MSMEs in Klungkung Regency still face significant challenges in marketing, technology, and capital. Many MSME owners have not been able to access the

available services due to a lack of information and issues with distribution and low product promotion. Therefore, it is necessary to optimize the services provided by PLUT-KUMKM so that more MSMEs can benefit from this program.

Strategies to optimize PLUT-KUMKM in Klungkung Regency are crucial, given the vast potential that can be developed in the MSME sector. With a more effective and efficient approach, PLUT-KUMKM is expected to improve the quality of the services provided and help MSMEs grow at a faster pace. This aligns with the government's efforts to maximize the empowerment of MSMEs across Indonesia, particularly in Klungkung Regency, which has significant potential in the MSME sector.

Optimizing PLUT-KUMKM is also closely related to improving the quality of products and processes carried out by MSMEs. More intensive mentoring in management, marketing, and technology usage can help MSMEs grow faster and compete with other businesses both in the local and global markets. Thus, strengthening PLUT-KUMKM through service optimization is crucial to improving the competitiveness and productivity of MSMEs.

However, to achieve this goal, good coordination between various parties involved in MSME empowerment is necessary. The government as a facilitator, the private sector as a partner, and the community as the beneficiary must all collaborate to address the existing challenges. With good synergy among these parties, it is expected that MSME empowerment through PLUT-KUMKM will run more effectively.

As an initial step in this effort, this study will focus on mapping the challenges faced by PLUT-KUMKM in reaching all MSMEs in Klungkung Regency. Using an analytical approach, this study aims to provide recommendations that can help optimize the services of PLUT-KUMKM and expand its reach. Therefore, this research is highly relevant in contributing to the development of MSMEs in Klungkung Regency and other regions.

## **2. RESEARCH METHOD**

This study utilizes a descriptive qualitative approach to explore the optimization of MSMEs through integrated services provided by the PLUT-KUMKM in Klungkung Regency. The primary aim is to understand the implementation and impact of the integrated services on the growth and sustainability of MSMEs in the region. The research will focus on identifying the challenges and opportunities within the services provided by PLUT-KUMKM and how these services contribute to the empowerment and development of MSMEs.

Data will be collected using three primary methods: interviews, observation, and documentation. Interviews will be conducted with key stakeholders, including MSME owners, PLUT-KUMKM staff, and local government representatives, to gather in-depth insights into the experiences and challenges faced by MSMEs. Observations will be made to assess how services are delivered in real-time, while documentation analysis will involve reviewing relevant reports, records, and policies to understand the framework and objectives of PLUT-KUMKM in Klungkung Regency. The collected data will be analyzed using the Miles and Huberman method of data analysis, which includes data reduction, data display, and conclusion drawing to identify patterns, relationships, and insights relevant to optimizing PLUT-KUMKM services for MSMEs.

## **3. RESULT AND DISCUSSION**

This study revealed that the MSME sector in Klungkung Regency is diverse, covering various industries such as agriculture, crafts, retail, and services. However, many MSMEs face significant challenges, including limited access to financial resources, marketing opportunities, and technological advancements. Despite these challenges, MSMEs play a crucial role in the

local economy by providing employment opportunities and contributing to economic stability. However, despite their potential, many MSMEs still struggle with issues that limit their competitiveness in both local and global markets.

PLUT-KUMKM in Klungkung has made substantial efforts to support MSMEs through integrated services, which include business mentoring, marketing support, and capacity-building programs. The center has provided essential training in areas such as product development, financial management, and digital marketing. However, the study also found that the reach of PLUT-KUMKM services is still limited, mainly due to high demand from MSMEs and resource constraints within the center. While PLUT-KUMKM has managed to assist a significant number of MSMEs, many businesses, especially those in more remote areas, have not fully benefited from the available services.

A key obstacle identified in the research was the lack of awareness and limited access to PLUT-KUMKM services, particularly in rural areas of Klungkung Regency. Many MSMEs in these areas do not have sufficient information about the services they could benefit from, hindering their participation. Additionally, there is a significant gap in technological resources, with many MSMEs still relying on traditional methods of production and marketing, which reduces their competitiveness in the market.

Another major challenge is the financial constraints experienced by many MSMEs. Although PLUT-KUMKM offers advisory services regarding financing options, many MSMEs struggle to secure funding due to strict lending criteria and a lack of collateral. This significantly hampers their growth potential and prevents them from adopting new technologies that could enhance productivity and product quality.

However, the study also identified several supporting factors that have contributed to the success of PLUT-KUMKM in Klungkung. Key supporting factors include the active involvement of local government authorities, who provide essential funding and policy frameworks that encourage MSME growth. Furthermore, partnerships with private sector entities have enabled PLUT-KUMKM to offer more specialized services, such as market access and financial consultation. The role of the community, particularly in promoting local products, has also been crucial in ensuring the success of PLUT's initiatives.

Additionally, the training and capacity-building programs offered by PLUT-KUMKM have helped improve the skills and knowledge of MSME owners and their employees. These initiatives have empowered many MSMEs to improve their management practices, product quality, and marketing strategies. As a result, these MSMEs have enhanced their competitiveness in both local and international markets.

Based on these findings, the study offers several recommendations for optimizing PLUT-KUMKM services. One recommendation is to increase awareness of PLUT services through more targeted outreach programs, such as workshops and information campaigns, to ensure that more MSMEs are aware of the support available. Expanding digital platforms to offer remote consultations and training sessions could also help reach MSMEs in more remote areas. Additionally, enhancing financial support programs, such as facilitating easier access to credit and creating funding schemes tailored to MSME needs, would help overcome one of the major barriers to growth.

Overall, while PLUT-KUMKM has had a positive impact on MSME growth in Klungkung Regency, several challenges must still be addressed to maximize its impact. By optimizing these services, PLUT-KUMKM can continue to play a significant role in the development of the MSME sector, ultimately contributing to local economic growth and increasing employment opportunities in Klungkung Regency.

#### 4. CONCLUSION

This study has highlighted the critical role of MSMEs in the local economy of Klungkung Regency, as well as the challenges they face in terms of limited access to resources, marketing, and technology. While the PLUT-KUMKM has made significant strides in offering integrated services that aim to empower MSMEs, the study reveals that its reach and effectiveness are still hindered by resource constraints, limited awareness, and geographical barriers. Despite these challenges, the services provided by PLUT-KUMKM, such as business mentoring, training, and marketing support, have contributed positively to the development and growth of MSMEs in the region.

The research also emphasizes the importance of addressing key obstacles, such as financial constraints and the lack of technological resources, which remain significant barriers to the success of MSMEs in Klungkung. Expanding awareness of PLUT services, enhancing digital platforms, and creating more accessible financial support programs are essential steps toward optimizing the impact of PLUT-KUMKM. By addressing these issues, the program can better reach underserved MSMEs, helping them to overcome the challenges they face and fostering a more competitive and sustainable MSME sector in the region.

In conclusion, while PLUT-KUMKM has made valuable contributions to MSME development, optimizing the services provided and expanding their reach are crucial for maximizing their impact. Through strategic improvements and increased collaboration between the government, private sector, and local communities, PLUT-KUMKM can continue to support MSMEs in their growth journey and contribute to the broader economic development of Klungkung Regency.

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