THE EFFECTIVENESS OF UNPAR'S **CORE PROGRAM IN ME BUSINESS REVITALIZATION**

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The 63rd Anniversary of The Faculty of Economics

SCORE UNPAR Book Series









UNPAR PRESS



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Opening Speech by the Dean of the Faculty of Economics, Parahyangan Catholic University Prof. Dr. Hamfri Djajadikerta

Civitas Academica of the Faculty of Economics, Parahyangan Catholic University (UNPAR) Bandung and all of my Honorable Partners,

Best wishes and prosperity to all!

The Faculty of Economics at Parahyangan Catholic University began with the establishment of the School of Business Studies on January 17, 1955 by the Bandung Diocese as a result of collaboration between the Bishop of Bandung, Mgr. P. M. Arntz, OSC., and the Bishop of Bogor, Mgr. Prof., Dr., N. J. C. Geise, OFM. This School of Business Studies was subsequently upgraded to the Parahyangan Socio-Economic College, which finally became the Faculty of Economics at Parahyangan Catholic University.

In 2018, Unpar's Faculty of Economics turned 63 years old, and so various activities were carried out related to the commemoration of "the birth" of this faculty at Parahyangan Catholic University.The 63rd Anniversary of the Faculty of Economics, which Parahyangan Catholic University began with an *Oratio Dies* speech on the theme "Challenges for Higher Education in Facing the Digital Era" delivered on 9 February 2018, and continued with various other activities including those related to Research as one of the aspects of *Tridharma* (the three responsibilities of Higher Education Institutes, namely Research, Teaching, and Community Service) by holding an International Seminar on Economics and Business Competitiveness at the International Conference (EBCICON 2018) on 21 September in Bali dealing with the theme "Global Competitiveness: Business Transformation in the Digital Era".

Bearing in mind another aspect of the *Tridharma* of Higher Education (namely Community Service), FE Unpar in collaboration with the International Labor Organization (ILO) and **Business Export Development Organization** (**BEDO**) organizes the MSME Business Revitalization program in the Bandung area and its environs, better known as the Sustaining Competitive and Responsible Enterprises (SCORE) program. The results of these activities are at the core of the contents of this book. Hopefully this activity will prove to be not merely something written as a book, but a useful tool setting an example for the development of MSMEs in Indonesia, especially in West Java, amid the challenging business competition in this digital Era.

Finally, I would like to express my gratitude to all those who have helped implement various activities related to the 63rd Anniversary of FE Unpar.

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May God always be on our side.

Economic greetings,

Prof. Dr. Hamfri Djajadikerta

Dean of the Faculty of Economics, Parahyangan Catholic University, Bandung

Speech commemorating the 63rd Anniversary of the Faculty of Economics, Parahyangan Catholic University by Inge Barlian, Dra., Ak., M.Sc.

In the framework of the 63rd Anniversary of the Unpar Faculty of Economics, the committee held various activities, namely:

- Orasio Dies on 9 February 2018 by the oratrix
 Ms. Dr.Judith Felicia Pattiwael, Dra., MT.
- International Conference (EBCICON) in Bali on 21-22
 September 2018
- Publication of the 63rd Faculty of Economics (FE)
 Anniversary book today on 7 December 2018
- Closed with a family event to be held on17 December 2018.

The publication of a book on Community Service in the framework of cooperation in the Unpar Management Study Program with BEDO (Business Export Development Organization) and ILO (International Labor Organization) is the work of lecturers of the Faculty of Economics Unpar in order to provide training, mentoring and presentation of achievements for SMEs in the Bandung Regency. Community Service activities can be a reference source for the Teaching and Research activities according to the principles laid down in *Tridharma*. For this reason, various feats that have been accomplished and benefits gained from

Community Service activities are documented in the form of a book containing various cases.

On this occasion we would like to thank our coordinatrix Dr. Judith Irawan Pattiwael, Dra., MT., who is responsible for writing Unpar's 63rd *Dies Natalis* book for the Faculty of Economics, enabling us to publish our hopes that this scientific work can be useful in all aspects of learning.

Inge Barlian, Dra., Ak., M.Sc

Chair of the *Dies Natalis* Committee in charge of the 63rd Anniversary of the Faculty of Economics



Speech by Business Export Development Organization Program Manager Jeff Kristianto

It is an honor for the Business & Export Development Organization (BEDO) to collaborate and work together with the Faculty of Economics at Parahyangan Catholic University in the UNPAR's SCORE Program. This collaboration strengthens the value that BEDO believes in, namely Knowledge Sharing to advance together. BEDO and UNPAR are able to complement each other in terms of science and implementation in the field.

The SCORE program can be the basis of case studies in Parahyangan University-guided SMEs and the results can be shared with students and the community.

I sincerely hope that this collaboration will continue to run well, going from strength to strength.

Jeff Kristianto

Program Manager Business & Export Development Organization (BEDO)



Speech by SCORE INDONESIA International Labor Organization Project Manager Januar Rustandie

It is our pride to be able to deliver the book on the Effectiveness of the SCORE Program at Parahyangan University in Revitalizing MSME Business in Bandung and surrounding areas.

The International Labor Organization (ILO) is the body of the United Nations (UN) which continues to encourage the creation of opportunities for women and men to obtain decent and productive work in a manner that regarded as free, fair, safe and dignified. This organization has 187 member countries and is unique among other UN agencies, considering that the tripartite structure it has places the government, employers' associations and trade unions in an equal position in placing the program and process of decision making.

Sustaining Competitive and Responsible Enterprises (SCORE) is an ILO Global program funded by the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD), with the aim of increasing competitiveness, productivity and working conditions of small-medium sized companies. The main intervention of this program is the implementation of SCORE Training, which combines practical training in the classroom and is connected with coaching activities in the company. Managers and workers are given joint training with a focus on efforts to increase cooperation in the workplace, quality, human resources and K3 (Safety and Health at Work). SCORE Training promotes gender equality and helps manufacturing and service companies to implement best work practices and helps companies to participate in national and international supply value chains.

ILO SCORE Indonesia is very grateful and grateful for the ongoing SCORE Training carried out by the lecturers of the UNPAR Faculty of Economics as a manifestation of UNPAR's Tridaharma dedication to the community and MSMEs in the Bandung and surrounding areas. This program is also in line with the government's priorities in increasing the competitiveness of MSMEs and creating new jobs.

It is hoped that the impact of the changes in increasing real competitiveness and productivity in the UMKM guided by UNPAR can be sustainable and provide new inspiration to other companies to progress and become champions in the current era of global competition.

Januar Rustandie

SCORE Indonesia Project Manager International Labor Organization



Speech by the President of the Entrepreneurial Association "Karsa Mandiri" Haji Surya Budiawan

Bismillah [In the name of God Almighty],

Alhamdulillah [Praise be to God],

The Role of Micro, Small and Medium Enterprises in the national economy is very important and strategic. From the various roles of SME involvement in the national economy, one of the important roles is the absorption of labor, so that it can reduce the number of unemployed. Thus, this reduction of unemployment has a direct impact on reducing poverty, as a matter of course.

As an organization consisting of SMEs, all of us at the Entrepreneurial Association of Karsa Mandiri (PPKM) understand the importance of the role of SMEs that contribute to the national economy. One of our roles as an organization is to foster members to have knowledge and insights that can support the sustainability of their business, so that their efforts can continue to run, grow and develop.We are well aware that in running a business, it is not enough to rely on enthusiasm, but need a standard of knowledge, insight and mentor, to make the spirit directed and right on target. In terms of scientific standards for entrepreneurial knowledge, we collaborate with several universities, one of which is the Parahyangan University (UNPAR) Faculty of Economics. As a higher education institution that has concern for the development of SMEs, UNPAR is very serious in collaborating with us, and providing a SCORE UNPAR Program to guide our members.

Our meeting with the SCORE UNPAR Program seemed to be the answer to our hopes of providing knowledge, insight and mentors through the program to the members. Parahyangan University, which is a facilitator of the SCORE UNPAR Program, has succeeded in making SMEs participating in the program become actors who are more understanding in acting on problems in their business, and resolve well. Changes that occur in the business actors participating in this program have a very large effect on change. Not only in their efforts, but in their daily lives, because they practice their knowledge in everyday life, as if this program is a means of revitalizing their lives.

In our opinion, currently SCORE UNPAR is one of the best "tools" for SMEs in increasing their productivity on time and in quality, which in the end will have competitiveness so that they are able to adapt in their business competition. Hopefully this program is sustainable, so that the benefits can be felt by more business people in Indonesia.

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Our profound gratitude is hereby extended to Parahyangan University, BEDO-Bali, and ILO-Indonesia. Productivity greetings to all!

H. Surya Budiawan

President of the Karsa Mandiri Entrepreneurial Association

Speech by The Head of The Officer for Cooperatives and SMEs Bandung Regency Ir. H. Hermawan

Assalamu' Allaikum, Wr. Wb.

Best Wishes and Prosperity to us all!

On this most auspicious occasion, please allow me to convey the following matters:

- On behalf of The Bandung Regency's Government, and more specifically on Behalf of The cooperative for Small and Medium Enterprises of This Regency, I would like to express my profoundest gratitude and appreciation to all of the parties involved that have facilitated the training sessions intended for Micro, Small and Medium Business Entrepreneurs (UMKM) of the Bandung Regency by way of The SCORE UNPAR TRAINING PROGRAM.
- 2. This SCORE UNPAR TRAINING PROGRAM has provided significant benefits for MSME (UMKM) Entrepreneurs, especially in the framework of improving work productivity, quality, effectiveness, and work efficiency. After completing this SCORE UNPAR TRAINING PROGRAM, new MSME's have only just started to realize that there still is a considerable amount to be accomplished and improved in running their

business enterprises, especially when it comes to financial management.

- 3. Next, I congratulation you and wish you all the best with launching the book entitled "The Effectiveness of UNPAR'S SCORE PROGRAM In SME Business Revitalization". May it be particularly useful to the ongoing stories of MSME's and all who are reading them.
- 4. I Wish you a smoothly running event to celebrate the 63rd DIES NATALIS of The Faculty of Economics at Parahyangan Catholic University Bandung. May you always make progress and be truly outstanding as well as being able to produce superior graduates, that can give the highest possible devotion to the nation and to the country.

These are the matters I wish to convey to you. So, thank you very much indeed for your kind attention and cooperation. May God Almighty always protect us all. Amen!

Soreang, December 2018

Head of The Office for Cooperatives and SMEs

Bandung Regency

Ir. H. HERMAWAN

Main Coordinator NIP. 19590120 198603 1 008

Foreword

by the Chair of the Bachelor of Management Study Program of the Economics Faculty at Parahyangan Catholic University (FE UNPAR) Triyana Iskandarsyah, Dra., M.Sc.

The role of micro, small and medium enterprises (MSMEs) in the national economy is quite large; its contribution to GDP amounts up to 60.34%. However, the proportion of micro and small enterprises reached 93.4% and did not show a significant change from year to year. To be able to strengthen the national economy more, MSMEs should not only survive on a small level, but they must also increase. Therefore, it needs the support of all parties to strengthen MSMEs, not only from the government's side.

Parahyangan Catholic University (UNPAR) as one of the oldest universities in Indonesia is committed to participating in strengthening MSMEs with the establishment of the Center for Excellence in Small Medium Enterprise Development, which encourages the UNPAR community to conduct research and perform community service to strengthen MSMEs and Entrepreneurship. One of the routine programs carried out by UNPAR, with the implementation team of the Management Department is UNPAR's SCORE Program.

This particular program was developed from the Sustaining Competitive and Responsible Enterprises (SCORE) Program initiated by the International Labor Organization (ILO) and funded by the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development (NORAD). This program was developed and implemented by the Ministry of Manpower of the Republic of Indonesia, the Indonesian Employers' Association (Apindo), the Confederation of Indonesian Trade Unions, and the ILO.

SCORE is a program that teaches about procedures related to improving productivity, product quality and production efficiency at the lowest possible cost. The SCORE training methodology covers not only training in the classroom, but begins with an initial assessment to examine conditions and discuss production problems faced, and post-training visits by SCORE instructors to help companies implement their action plans.

UNPAR became acquainted with SCORE through the BEDO (Business and Export Development Organization) in 2016, the ILO partner in implementing SCORE, which is a non-profit institution with a mission to develop MSMEs in Indonesia. As the experience of running this program increases, UNPAR is supported by BEDO and the ILO develops and runs the SCORE UNPAR Program. UNPAR's SCORE program is a training program that uses a modified module from SCORE. This module was developed to better suit the conditions of the MSMEs being served. Over the past two years UNPAR has partnered with the Bandung Regency District Cooperative and SME Office, and the Sabilulungan Small and Medium Enterprises (PPKM) Association of Bandung in carrying out UNPAR's SCORE program. The experience of providing assistance shows that there are still many MSMEs that need preparation so that business development through SCORE becomes effective. Therefore, this year a training for Start-up Business was held, and it was hoped that through this program candidates for the next prospective SCORE trainee positions would be obtained. During 3 years of running this SCORE program, UNPAR has accompanied more than 100 MSMEs, and is expected to continue to grow.

In order for more MSMEs to be able to attend SCORE training, this year UNPAR together with BEDO developed *SCORE JASA* (SCORE SERVICE) which targets MSMEs engaged in the service industry. So far the SCORE program has only served MSMEs engaged in the manufacturing industry, because the training materials focus on improving product quality, clean production and productivity, occupational safety and health, in addition to the main modules to increase cooperation in the workplace.

On this happy occasion, we would like to thank all those who have assisted in the implementation of SCORE UNPAR, especially Mr. Hermawan - Head of the Regency

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District Cooperative and SME District Service, Mr. H. Surya Budiman - President of the Sabilulungan Small and Medium Enterprises Association, Bandung, Mr. Jeff Kristianto -BEDO Honorary Board & Board Adviser, and Mr. Januar Rustandi - SCORE Indonesia Project Manager. I sincerely hope that the collaboration that has run very smoothly so far can continue and be developed, in order to achieve a common mission, strengthen Indonesian MSMEs, Indonesia's economy, and the blessed nation and state of Indonesia.

May God always bless us all.

Triyana Iskandarsyah

Chair of the Bachelor of Management Study Program, Parahyangan Catholic University

CHAPTER I

INTRODUCTION

When Indonesia faced the economic crisis in 1997, the Micro, Small and Medium Enterprises (MSME) Sector proved its ability to survive still exist. The ability of MSMEs to deal with these crisis situations is due to the existence of special conditions that sustain their survival, namely demand factors that are relatively volatile. The relatively stable demand conditions are explained below: 1. meeting basic household needs, especially food needs and clothing needs; both in normal conditions and especially in crisis conditions, the basic needs of the household become priors because they cannot be delayed, 2. do not have a long supply chain and distribution chain; in the condition that one distribution chain does not function, the business owner can still do it himself, 3. serving the domestic market which does not have alternative supply from other suppliers. Besides having special conditions that sustain demand which is relatively stable, the survival of MSMEs is also stems from the situation that is not related to the Rupiah exchange rate. The raw materials needed do not have imported ingredients. As a result, MSMEs are not vulnerable to global economic turmoil

In its development in the country, MSMEs are emerging everywhere. Especially with the development of information technology, the number of MSMEs is increasing in various fields, such as: clothing, souvenirs, culinary, and others. With increasing numbers in various fields, The Micro, Small and Medium Enterprises sector contributes to the Indonesian National Economy because it absorbs labor reaching 90% of the labor market. The contribution of MSMEs in fulfilling basic household needs in the domestic market that raises their ability to survive in crisis conditions, also contributes to employment, makes the Indonesian government pay attention to the ease of conducting business.

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SCORE Module, Module 9. Increasing Productivity

SCORE Module, Module 10. Planning Product Packaging

SCORE Module, Module 11. Basic Marketing

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