

Theme: Implementation of The Jigsaw Learning Model In

Improving Learning Motivation And Learning Outcomes

Working Capital Management and Msme Management

Meatballs Melly

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Abstract

This study aims to find out and analyze the influence of Working Capital and Management on Micro, Small and Medium Enterprises (MSMEs) of Bakso Melly. To obtain data from these variables, the researcher conducted direct observations on Bakso Melly MSMEs. The data used in this research is primary data. This study uses action research with the data collection methods used, namely interviews, observations, and documentation. Based on the results of this test, this study shows that working capital has a positive and significant effect on income, and financial management also has a positive and significant effect on income

Keywords: Management, MSMEs and Working Capital

1. Introduction

Workforce management is important so that the survival of MSMEs can be balanced between working capital and raw materials so that MSMEs can be maintained in working capital management which greatly affects the capital function in the business. Each MSME needs a certain amount of funds to be able to spend on these MSME activities, so that there is a balance in the management of both fixed and current capital. Thus, there are 3 possible sources of financing for working capital needs, namely using their own capital, long-term and short-term debt. So in this case, a financial manager faces several alternatives to meet working capital needs.

The alternative chosen must be profitable for MSMEs. If it is to meet the needs of its own capital used, then the problem is whether the MSMEs' own capital is sufficient, and whether it is not exceeded, if so it can benefit MSMEs to use long-term debt or short-term debt. Based on this, the need for working capital is more appropriately met with short-term credit. In this case, it must be remembered that in the working capital of a company there are a number of funds in a certain company that are repeatedly rotated on a regular and permanent basis, this amount by itself continues to be maintained so that there is no shortage because it will interfere with the smooth running of MSME activities. For example, cash (cash) for a certain amount must always be present, as well as the supply of raw materials or finished goods, there needs to be a minimum amount that must always

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be maintained in MSMEs. Meanwhile, receivables are often unavoidable, because there are transactions that cause receivables that are always present in MSMEs.

MSMEs are the main economic warriors in Indonesia, MSMEs are able to be a benchmark for people's economic activities. The presence of these MSMEs can also be used as a solution to improve the national economy. With the existence of small businesses, of course, employment will also increase, which will indirectly reduce the unemployment rate. MSMEs are also considered to contribute the most to labor absorption compared to the large business sector. The obstacle faced by MSMEs today is the number of businesses that produce the same products. Not only that, the main problem also comes from the difficulty of obtaining funding because business owners are often unable to create and present information and conditions of their business development, especially related to financial management reports.

MSMEs that are in great demand by consumers, one of which is Meatballs. Meatballs are one of the foods that are loved by children and adults. Meatball sellers are everywhere. Throughout Indonesia, from rural to urban, this meatball company often has its own characteristics. Melly Meatballs are an MSME that according to researchers has a distinctive and unique feature in its business, this uniqueness can be seen starting from eating places made with military concepts to variants of meatballs named in the style of firecrackers. Melly Meatballs were established in 2010, researchers are also interested in conducting research because of the relatively young age of the establishment but it is one of the favorite meatballs in the city of Medan.

This is what prompted the author to examine the performance of capital in relation to the use of working capital and the number of times the average rate in each management so that the author chose the object of the research. Business people engaged in various fields of culinary business, which touch the interests of the community. The emergence of the Micro, Small, and Medium Enterprises (MSMEs) sector has a positive influence on the economy. Micro and small businesses are informal businesses that began to emerge by looking at the opportunities that exist around. Of course, these businesses are productive businesses which of course generate income for the entrepreneurs who establish the business. This response is shown by the success obtained and can survive. This is evidenced, within two years after the economic crisis in 1998, the national economy has grown by 4.8%. Economic growth is followed by the growth in the number of MSMEs that emerged by 4.94% in the same period. The economy of a country is one of the most important factors for the welfare of its citizens. Good economic growth makes an important contribution to social life, which affects people's income. In other words, along with economic growth, people will also have the opportunity to participate in economic activities and earn income. The community and the government as the most important element in economic actors in a country cannot remain silent when problems occur in economic activities. Precisely in such a situation, the community and also the government should work hand in hand and find solutions in overcoming these economic problems.

In Indonesia, the source of livelihood depends on the Small and Medium Enterprises (SMEs) sector and the small business sector is concentrated in the fields of trade, food processing, textiles and garments, wood and wood products, and the production of non-metallic minerals. The development (SMEs) in Indonesia reached 99.99% with a total of more than 50 million business units. This situation has not changed from 2008 to 2012. These developments certainly make economic conditions improve. Given its significant contribution in terms of employment, sources of Gross Domestic Product (GDP), foreign exchange generation through exports, and investment (investment).

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Based on the above problems, researchers are interested in observing working capital and MSME management in Bakso Melly.

Theoretical Basis

Working capital

According to Kasmir (2019) working capital is an investment invested in current assets or short-term assets, such as cash, banks, securities, receivables, inventories and other current assets. According to Jumingan (2017) working capital is an excess of current assets against short-term debt. This excess is called net working capital. This excess is the amount of current assets derived from long-term debt and own capital. This definition is qualitative because it indicates the possibility of greater availability of current assets than short-term debt and shows a level of security for short-term creditors and ensures business continuity in the future.

Management

According to SP. Siagian (2015), management is the ability to obtain results through others in order to achieve goals. According to Solikah and Oktarina (2019), Processing is the process of coordinating activities effectively and efficiently with and through others.

MSMEs (Micro, Small and Medium Enterprises)

According to Tambunan (2013) MSMEs are independent productive business units, carried out by individuals or business entities in all economic sectors. According to Purba (2019) MSMEs are independent people's economic activities from a small scale whose management is carried out by groups, communities, families or individuals.

2. Methods

This research is a descriptive research and secondary method by approaching working capital and MSME management in Medan melly meatballs. In the 2020 – 2023 research period.

3. Results And Discussion Teacher and Student Learning Activities

This study shows that working capital has a significant positive effect on income, as well as working capital and financial management have a significant positive effect simultaneously on the income of Melly meatballs MSMEs. This research results in working capital management in Melly meatball MSMEs turns out to have its own capital and clear and broad targets so that profits can cover working capital and can be managed for the future. By providing a variety of food products/businesses, it will attract the attention of customers with unique meatballs, delicious taste and affordable prices and can be accessed through online application orders. For MSMEs to pay attention to working capital and management with professional or systematic financial reports so that Melly meatball MSMEs in their business can go in an even better direction.

Working capital management can increase due to sources of working capital revenues such as employee performance, funds, materials and assets greater than the amount of working capital used. Similarly, the change in working capital will decrease if the use of working capital is greater than the sources of revenue that increase working capital. The amount of change in working capital (increase or decrease) will be equal to the difference between the sources of income and the use of working capital. Melly meatballs have a lot of competition, researchers also analyze that every region has a meatball business like this, therefore Melly meatballs carry out a good working capital and financial management strategy in minimizing profits in the business.

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The result of this research is by managing finances that the process of recording various financial transaction activities in a business or MSMEs in a certain period and the results of the recording can be a reference or report to see the conditions of the business that is being run. The recording carried out by Bakso Melly is automatic recording using an automatic machine which is very helpful in the process of collecting data on incoming and outgoing money, in addition to using an automatic recording machine also functions to prevent human errors.

The report prepared by Bakso Melly is to know the profit and loss profit and loss so that it can be evaluated in the future and provide an overview of performance. The existence of this report will make it easier for financial managers to evaluate and can be material for a decision that will be useful in the future. As stated (McMahon, 1991) that the user of financial reports and information to facilitate management decisions. Financial control keeps the company running according to plan. The main control in Bakso Melly is made to anticipate the occurrence of unwanted things such as the deposition of funds or as a material to motivate its employees with a sense of responsibility from each employee in their field of work. Employees/Human Capital is a very important element in a business because employees can generate additional value for the business, so it is the roles and functions of employees that will facilitate productivity and maximize performance and can create a healthy work environment. Financial control at Bakso Melly starts from control with physical supervision by a leader of his financial performance, as well as storing a record of some financial data and re-checking some important financial data.

4. Conclusion

The conclusions that can be drawn from Melly Meatballs are as follows:

- 1) The planning carried out by Bakso Melly in running its business is the planning of the production budget, sales budget and profit budget.
- 2) The financial recording also uses an automatic cash register which functions to facilitate recording and avoid human error, besides that the recording of daily reports is carried out every day after the outlet closes.
- 3) Financial statements that only focus on income statements obtained from the summary of daily report results for 1 month.
- 4) Control in financial management is carried out in the form of physical supervision and backup of financial statements.
- 5) The amount of profits from Bakso Melly MSMEs can be reprocessed for the rollback of employee working capital, materials, materials and aspects of the progress of Bakso Melly MSMEs.
- 6) Bakso Melly has an online service strategy, namely through an application to make it easier to buy at a distance from the outlet and Bakso Melly also has a friendly offline service to attract the attention of buyers by coming directly to the outlet.

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