

# The Effectiveness Pusat Layanan Usaha Terpadu (PLUT) in Empowering Micro Enterprises in Batu City

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## ABSTRACT

Batu City's economy is primarily supported by the tourism and agricultural sectors. Currently, micro enterprises in Batu City are facing various challenges that require effective solutions. In response, the Department of Cooperatives, Micro Enterprises, and Trade has established the Integrated Business Service Center (PLUT). PLUT provides facilities and support to help the community develop local resources through empowerment programs. This research aims to evaluate the effectiveness of PLUT and identify appropriate strategies for empowering micro enterprises in Batu City. This research using a descriptive method with a quantitative approach. Data were collected through questionnaires and observations. The research results show that PLUT services are included in the effective category. In the strategy using SWOT analysis with an IFAS score of (+) 6.889 and EFAS with a score of (+) 2.625. From the data analysis it can be concluded that PLUT Batu City has good opportunities among the various existing threats. PLUT Batu city is in quadrant I (the growth/aggressive strategy), indicating that PLUT Batu City needs to use strength to take advantage of existing opportunities in managing PLUT with the aim of empowering Micro Business actors in Batu City.

*Keywords: Effectiveness, PLUT, Strategy.*

## 1. INTRODUCTION

Micro businesses are key to economic development in Indonesia. In accordance with the Law of the Republic of Indonesia Number 20 of 2008 concerning MSMEs aim to grow and develop businesses with the aim of improving the national economy based on just economic democracy. Batu City known as a popular tourist destination in East Java. By turning Batu City into a tourist city, the number of Micro Businesses in Batu City has increased. The following is data on the growth of Micro Enterprises in Batu City:

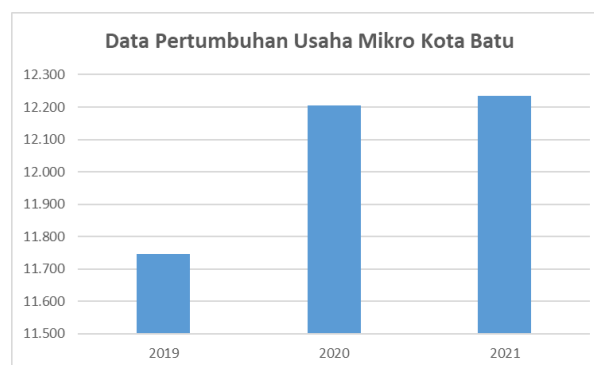


Figure 1. Batu City Micro Business Data Growth (Source: PLUT Kota Batu, 2022)

Currently, micro businesses in Batu City face several problems, such as limited capital, marketing, production, and human resources. One way to solve these problems is by providing training.

Training is very important to help micro enterprises, especially in using digital media (Kominfo, 2020). Through training, micro businesses are expected to become more creative, professional, skilled, and have broader knowledge. This will help them compete in larger markets, both across regions and internationally.

The government's role is important in the process of community empowerment. Its goal is to help and support the people of Batu City in starting and developing their businesses. To support this, the government through the Department of Cooperatives, Micro Enterprises, Industry, and Trade has set up Pusat Layanan Usaha Terpadu

(PLUT). PLUT is a government program designed by the Ministry of Cooperatives and SMEs since 2014. This program is in order to provide cooperative and MSME business development services (Prahsetyo et al, 2018). PLUT has facilities to help the community improve local resources through activities such as counseling, training, and mentoring. The services provided by PLUT Batu City are:

- Business assistance
- Business Consulting
- Access to Financing
- Promotion
- Business Training
- Networking and Partnerships
- Branding Services via Podcast
- Packaging House

PLUT carries out empowerment activities such as training, counseling, mentoring, and guidance to help solve the problems faced by micro business owners in Batu City. These services are quite helpful for micro businesses, but many business owners have not yet used them to their full potential. Because of this, the researcher wants to find out how effective PLUT is and what strategies are best for empowering micro businesses in Batu City.

## 2. RESEARCH METHODS

This research uses a descriptive method with a quantitative approach. The study focuses on a single variable, which is the service provided by PLUT Batu City. The main instrument used to collect data was a questionnaire, which was based on the objectives of the establishment of PLUT. The sampling technique used in this study is proportionate stratified random sampling. This technique was chosen to ensure that all types of businesses are represented equally, with samples taken in proportion from each business type. In 2022, PLUT assisted 331 businesses in Batu City. According to Arikunto (2019), if the population is fewer than 100, it is better to include the entire population in the study. However, if the population is large, a sample of 10% to 15%, or even 20% to 25%, can be taken. Based on this guideline, 10% of the total population was selected, resulting in a sample of 33 businesses ( $10\% \times 331 = 33$ ). Data were collected through questionnaires, non-participatory observation, and interviews. The interviews were conducted with PLUT managers and private sector representatives, including Bank Jatim.

Table 1. Research Sample

No	Type of Business	Amount	Percentage	Sample
1	Food	240 business	10%	24 business
2	Drink	28 business	10%	3 business
3	Craft	8 business	10%	1 business
4	Service	15 business	10%	1 business
5	Trade	40 business	10%	4 business
Total of Research Sample		331 business		33 business

This research uses two analytical methods. First, descriptive percentage analysis. In this method, the researcher presents quantitative data results, which are analyzed using percentage calculations. This technique is used to describe the status of the research variable—specifically, the effectiveness of PLUT in empowering micro businesses in Batu City. Second, a SWOT analysis is used to identify the most appropriate strategy for PLUT in empowering micro businesses. The SWOT matrix is used as the main tool to develop PLUT's strategic factors. According to Rangkuti (1998), the SWOT matrix helps to clearly illustrate how PLUT's strengths and weaknesses can be aligned with the external opportunities and threats it faces.

## 3. RESULTS AND DISCUSSIONS

### 3.1 Effectiveness of PLUT in Empowering Micro Enterprises in Batu City

The purpose of measuring the average effectiveness of each service is to identify which services are already effective and which are less effective and need improvement. This will help ensure that all services can be utilized more optimally by micro business actors. Based on the calculation results, the percentage scores for the 8 PLUT services are as follows:

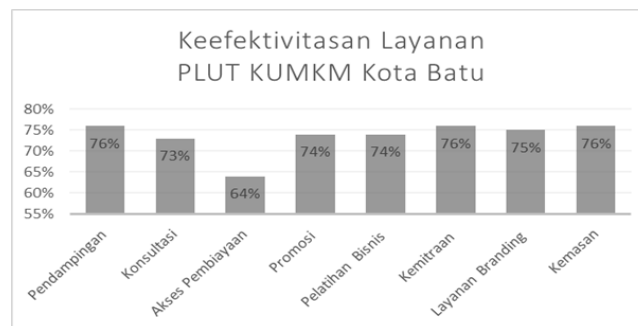


Figure 2. Descriptive Analysis Results

### 1. Business Assistance Service

PLUT business assistance services received a score of 76%, which falls into the effective category. Through this service, PLUT is able to guide micro businesses in understanding and managing business legality. PLUT also educates business owners about the importance of having legal business status.

The following is the number of business legality services provided by PLUT Batu City in 2022:

**Tabel 2.** Number of Batu City PLUT Business Legality Service 2022

Services	N
NIB	315
PIRT Registration	78
Halal Certification by the East Java Ministry of Cooperatives and SMEs	31

(Source: PLUT Kota Batu)

### 2. Business Consulting

PLUT's business consulting services received a score of 73%, which is categorized as effective. According to Manullang (2020), the main benefit of business consulting for business actors is that consultants help analyze the problems they face and offer solutions to overcome them. PLUT Batu City has five consultants specializing in different fields: institutional, human resources management, production, finance, and marketing (PLUT Batu City, 2022). Each consultant plays a specific role, as follows:

- Management and Institutional Consultants assist business owners with business management systems and organizational structure.
- Financial Consultants help business actors manage their financial systems and also provide support in digital financial literacy.
- HR Consultants focus on improving the quality of human resources within the businesses.
- Marketing Consultants help improve the marketing strategies and market reach of business actors.
- Production Consultants assist with the production process and help develop the quality of the products.

PLUT's business consulting services can be put to good use. Business actors can consult with consultants regarding problems that occur in the business world. When business actors continuously consult with consultants, it will of course be easier for PLUT to monitor the development of the business they are working on.

The study of empowerment according to Friedmann (1992) is sustainability. Sustainable community empowerment is an empowerment process that continues and develops over time. Sustainability is carried out by PLUT through business consulting facilities. PLUT has 5 consultants in various fields, namely: production, human resources, marketing, institutional and financing (PLUT Kota Batu, 2022). Business owners can consult with these experts to discuss the challenges they face. These consultants help solve various business problems, such as

calculating the Cost of Goods Sold (COGS), guiding legal business registration, and developing branding strategies. They also help direct business actors to make use of other PLUT facilities such as packaging centers and partnership programs.

### 3. Access to Financing

PLUT's access to financing services received a score of 64%, which is considered effective. Many micro businesses struggle with limited capital, which can hinder their growth and even lead to business failure (Utomo et al., 2022). PLUT helps address this issue by providing information about funding opportunities, such as the people's business credit program through Bank Jatim.

PLUT supports business actors by issuing recommendation letters to the bank. These letters help strengthen the application process business credit and make it easier for business owners to receive capital support. One of the benefits of having a PLUT recommendation letter is gaining access to low-interest loans. In line with Friedmann's concept of empowerment, PLUT contributes by offering financial access and guidance. This support plays a role in empowering business actors to grow sustainably through improved access to credit.

### 4. Promotion

PLUT's promotional services received a score of 74%, which falls into the effective category. According to Rangkuti (2009), promotion helps inform potential buyers about a product and builds their trust in its benefits. PLUT has proven quite effective in this area. Business actors reported feeling the positive impact of PLUT's promotional efforts, especially through its official social media channels. PLUT also promotes products by displaying samples at the PLUT office, helping introduce these products to visitors. Additionally, PLUT supports micro businesses by involving them in events and bazaars both within and outside Batu City where micro enterprises can showcase and sell their products.

Friedmann's concept of empowerment highlights the importance of community participation. PLUT applies this by encouraging business actors to take part in training and promotional activities. However, not all businesses can join events like bazaars. Only those that meet certain requirements, such as proper licensing and labeling, are eligible. PLUT also collaborates with Grab to help micro enterprises market their products online and improve their digital store appearance. Grab representatives visit the PLUT office every Friday to provide outreach and assistance to business owners.

Business actors also receive information about bazaar events not only from PLUT, but also through local communities such as the GRAS (Guyub Rukun Agawi Santoso) group or UP2K-PKK (a community-based economic program). Participation in these bazaars has a significant impact products become more well-known to the public, and sales tend to increase as a result.

### 5. Business Training

PLUT's business training services received a score of 74%, which is considered effective. The main goal of these training programs is to increase the business knowledge and skills of micro business actors in Batu City through both theory and practical sessions. According to participants, the training methods used by PLUT are suitable and help achieve learning objectives effectively. PLUT helps improve the individual skills of business owners through various skill development programs. Some of the topics offered include digital marketing, financial management, and other relevant business skills. However, the overall impact of these training sessions is still considered limited. To address this, PLUT has initiated Focus Group Discussions (FGDs) to support business actors who show strong motivation to grow and develop their businesses.

Based on Friedmann's concept, community empowerment is part of economic development that enables people to grow their potential. PLUT supports this through its training programs, aiming to create an environment that encourages business actors to develop their capabilities. These training sessions are expected to help business owners gain the knowledge and skills needed to meet their own needs, operate their businesses independently, and actively participate in the local economy. The following are the training activities carried out by PLUT Batu City in 2022:

**Table 3.** Batu City PLUT Training Activities 2022

No	Activity	Participant
1	Business Improvement Training Through Branding and Socialization of the BPJS Employment Program (26 January 2022)	20 people
2	Independent Training <i>Facebook Marketing</i> (February 2, 2022)	13 people

No	Activity	Participant
3	Independent Training <i>Facebook Marketing</i> session 2 (2 February 2022)	6 people
4	<i>Forum Group Discussion (FGD)</i> Halal Pledge Training (11 March 2022)	16 people
5	<i>Forum Group Discussion (FGD)</i> (17 March 2022)	7 people
6	Digital Financial Literacy Training (29 March 2022)	26 people
7	Marketplace Optimization Training in Efforts to Improve MSMEs (12 July 2022)	28 people
8	Training <i>Digital Marketing</i> (2 September 2022)	40 people

(Source: PLUT Batu City)

According to Friedmann, empowerment also involves eliminating gender inequality. This is an important step toward achieving equality in various areas of life (Tjiptaningsih, 2018). Everyone has the same right to develop their potential and contribute to society. To support gender equality, PLUT collaborates in the Women Economic Development Academy (WEDA) program. WEDA aims to strengthen gender equality in the economic sector by enhancing the skills and capabilities of Micro, Small, and Medium Enterprises (MSMEs).

In the daily operations of PLUT Batu City, there is no gender discrimination. Both men and women are treated equally and given the same opportunities. Empowerment activities are designed to encourage collaboration among people from diverse backgrounds. PLUT also ensures that everyone feels confident and supported in developing themselves. Therefore, PLUT gives all business actors regardless of gender or social background equal access to its facilities and services.

#### 6. Partnership

PLUT's partnership facilities received a score of 75%, placing them in the effective category. A partnership is a collaboration between two or more parties who share common goals and aim to gain mutual or greater benefits. Based on the questionnaire results, many business actors have experienced positive outcomes from partnerships facilitated by PLUT, especially with companies like PT Indomaret and PT Dapur Nusantara. Marketing challenges faced by these micro businesses have been addressed through PLUT's partnership services. The following is data on MSMEs involved in partnerships supported by PLUT in 2022:

Table 4. Batu City PLUT Partnership 2022

PLUT Partnership	Amount
Indomaret	8
PT Dapur Nusantara	44

(Source: PLUT Batu City)

The empowerment efforts carried out by PLUT Kota Batu focus on developing community social capital. In this context, partnerships play an important role. PLUT collaborates with souvenir shops in Malang Regency to support micro businesses in Batu City by helping them market their products. These partnerships create opportunities for business actors to introduce their products to a broader audience.

#### 7. Branding Services

PLUT's branding services reached 75% in the effective category. Branding is the PLUT's branding services scored 75%, which falls into the effective category. Branding is the process of building the image and identity of a product. It plays a key role in a product's success because it helps consumers recognize the differences between one product and another. Good branding creates a strong impression and builds consumer trust. When consumers trust a brand, they are more likely to support it. PLUT Batu City provides branding services to help micro businesses build their image. Based on the questionnaire results, business actors feel the positive impact of these services especially through PLUT's podcast content shared on YouTube. With this support, micro businesses are encouraged to use social media more effectively for marketing.

#### 8. Packaging House

PLUT's packaging services scored 75%, placing them in the effective category. Packaging plays a crucial role in business as it serves as a brand identity. Attractive packaging designs help differentiate products from competitors and can increase consumer interest and desire to purchase. PLUT Batu City has been effective in providing packaging services, including designing and redesigning packaging, labels, catalogs, and brochures. According to business

actors, PLUT also supports the printing of labels and packaging for their products. The following is data on the packaging house services provided by PLUT Batu City in 2022:

Table 5. Number of Packaging House Services 2022

Service	Amount
Sticker	19
Logo	6
Packaging	14
Brochure	2
AMOUNT	41

(Source: PLUT Batu City)

### 3.2 PLUT strategy in Empowering Micro Enterprises in Batu City

After conducting questionnaires and observations, the researcher obtained primary data, namely data from questionnaires that had been made and in the form of observations obtained while at PLUT Batu City regarding the matter being researched.

#### a. SWOT analysis

##### **Strengths**

- PLUT has facilities in the field of services such as business consulting, access to financing, promotions, mentoring, partnerships, branding services and packaging houses.
- PLUT provides optimal services to micro businesses in Batu City.
- PLUT has 5 consultants who are reliable in their fields.
- Access to financing through Bank Jatim People's Business Credit (KUR) which has many benefits for business actors such as low interest facilities
- Has a "kubisma" program, namely the Business Key for SMA/SMK Students to collaborate in empowering micro businesses in Batu City.
- Building cooperation with Bank Jatim to build a Co Working Space.
- PLUT Batu City has a packaging house to empower Batu City micro businesses through packaging services, assisting micro businesses in logo design/redesign and product packaging and packaging printing
- Have regular and structured service procedures.
- Has employees with a productive age range.

##### **Weakness**

- The number of assistant staff at the packaging house is still insufficient, resulting in less than optimal service
- Lacking in maximizing social media accounts properly.
- There is a lack of socialization about the benefits of PLUT so that people are still unfamiliar with the existence of PLUT.
- The new program has not yet been implemented in its entirety.

##### **Opportunities**

- Improving the quality of micro businesses. Through empowerment carried out by PLUT.
- Increasing access and reach of marketing of micro business products in Batu City.
- Increasing the capacity of micro businesses in utilizing technology and information.
- Increase access to funding from various sources.

- Increasing cooperation networks with various institutions in implementing mentoring and empowerment programs for business actors.

### Threats

- The lack of assistant staff and disproportionate to the large number of MSMEs will result in ineffective and inefficient services.
- PLUT will be empty of visitors.

#### b. Matrix IFAS (*Internal Factor Analysis Summary*)

The IFAS matrix in this research aims to summarize internal factors to assess the strengths and weaknesses of the Batu City PLUT. It can be seen clearly and concisely in Table 6 below:

Table 6. Batu City PLUT IFAS

Internal Strategy Factors	Weight	Rating	Weight x Rating	Information
Strength ( <i>Strengths</i> )				
PLUT has facilities in the field of services such as business consulting, access to financing, promotions, mentoring, partnerships, branding services, and packaging houses.	0,222	3	0,667	the basis of the founding of PLUT
PLUT provides optimal services to micro businesses in Batu City.	0,333	4	1,333	
Has 5 consultants who are reliable in their fields, such as institutional, HR, production, financing and marketing.	0,222	3	0,667	
Access to financing through Bank Jatim People's Business Credit (KUR) which has many benefits for business actors such as low interest facilities	0,222	3	0,667	purpose of PLUT
Collaborating with SMA/SMK and students through the "kubisma" program, namely the Business Key for SMA/SMK Students to collaborate in empowering micro businesses in Batu City.	0,333	4	1,333	
PLUT Batu City has a packaging house to empower Batu City MSMEs through packaging services, assisting micro businesses in logo design/redesign and product packaging and packaging printing.	0,333	4	1,333	
Building cooperation with Bank Jatim for CSR or Co Working Space	0,333	4	1,333	innovation from PLUT
Have regular and structured service procedures	0,222	3	0,667	
Has employees with a productive age range	0,222	3	0,667	
Total Power			8,667	
Weaknesses ( <i>Weakness</i> )				
The number of assistant staff in the packaging department is still insufficient, which has an impact on service.	0,222	2	0,444	impact on the effectiveness of PLUT



Table 6. Batu City PLUT IFAS

Internal Strategy Factors	Weight	Rating	Weight x Rating	Information
Social media and websites are not maximized so that people are still unfamiliar with the existence of PLUT	0,333	2	0,667	
Micro business accompanying consultants are not present at all times so prior agreement is required	0,222	1	0,222	
The new program has not yet been implemented in its entirety	0,222	2	0,444	
Total Weaknesses			1,778	
TOTAL	1,000		6,889	

From the results of the data analysis obtained in table 7 above, it can be seen that the difference between strengths and weaknesses is  $8.667 - 1.778 = 6.889$ . From the results of the analysis it can be concluded that Batu City PLUT has strengths that are more significant than its weaknesses. By utilizing existing strengths, weaknesses can be minimized so that the services provided can develop well.

c. Matrix EFAS (*Eksternal Factor Analysis Summary*)

The EFAS matrix in this research aims to summarize external factors in assessing the scope of opportunities and threats for the Batu City PLUT. Clearly and concisely, it can be seen in Table 7 as follows:

Table 7. EFAS PLUT Batu City

External Strategy Factors	Weight	Rating	Weight x Rating	Information
chance ( <i>Opportunities</i> )				
Improving the quality of Batu City MSME HR	0,125	4	0,500	
Increasing access and marketing reach for MSME products in Batu city	0,125	4	0,500	
Increasing production and productivity of MSME businesses	0,125	4	0,500	
Increasing the capacity of MSMEs in utilizing technology and information	0,125	4	0,500	
Increase access to funding from various sources	0,125	4	0,500	
Increasing cooperation networks with various institutions	0,125	4	0,500	
Total Chances			3,000	
Threat ( <i>Threats</i> )				impact on the effectiveness of PLUT
Lack of accompanying staff	0,125	1	0,125	
PLUT will be empty of visitors	0,125	2	0,250	
Number of Threats			0,375	
TOTAL	1,00		2,625	

(Data source: processed, 2023)

From the results of the EFAS table analysis above, the difference between the two is  $3,000 - 0.375 = 2.625$ . From the results of the analysis above, Batu City responds well to opportunities and takes advantage of opportunities from



existing threats. It can be concluded that among the existing threats, Batu City PLUT has a good opportunity. By utilizing it, these threats can be avoided so that the Batu City PLUT can continue to develop.

#### b. SWOT

The SWOT diagram functions as a tool for analyzing internal and external factors in order to exploit strengths and opportunities and minimize existing weaknesses and threats. The results of the comparative analysis between internal factors (strengths, weaknesses) and external factors (opportunities, threats) are as follows:

Strength (*s*) – Disadvantages (*In*) = (+) 6,889

chance (*the*) - Threat (*t*) = (+) 2,625

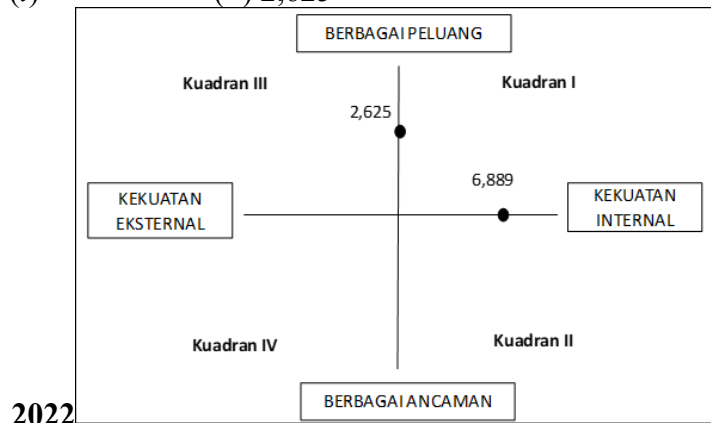


Figure 3. Batu City PLUT SWOT Diagram

From the results of the SWOT diagram analysis above, it can be seen that Batu City PLUT is in quadrant I (*Agrsif/growth*) which is shown from the results of internal and external factor analysis. From this it can be concluded that there are strengths and opportunities in Batu City PLUT that can be exploited, so that the SO or Strength Opportunity strategy can be used in developing PLUT.

From the Cartesian diagram in quadrant I refers to support for aggressive or growth-oriented strategies *Growth Oriented Strategy*. To clearly illustrate the strategy implemented, it is presented in table 11 below:

**Table 8.** SWOT Matrix Analysis of PLUT's Strategy in Empowering Micro Enterprises in Batu City

IFAS-EFAS	Strength ( <i>S</i> )	Weakness ( <i>W</i> )
Opportunity	SO Strategy <ol style="list-style-type: none"> <li>Maintaining the quality of services such as business consulting, access to financing, promotions, mentoring, partnerships, branding services and packaging houses.</li> <li>Maintaining the quality of PLUT consultants in carrying out business consulting services</li> <li>Maintaining relationships with Bank Jatim with the aim of making it easier for business actors to carry out KUR</li> <li>Maintaining the quality of the Kubma program in empowering MSMEs in Batu City</li> <li>Maintaining the Quality of Packaging Houses in empowering MSMEs through packaging facilities</li> <li>Expanding the network of collaborations or partners with business shops in marketing Batu City MSME products</li> <li>Expanding the network of collaborations or partners with several resource persons or quality training for business training services in empowering MSMEs in Batu City</li> </ol>	- - - - - - -

IFAS-EFAS	Strength (S)	Weakness (W)
	8. Maintaining the quality of PLUT service procedures	-
	9. Improving the quality of PLUT employees	-

#### 4. CONCLUSION

Based on the results of research using descriptive percentage analysis related to the effectiveness of PLUT services and SWOT analysis related to PLUT strategy analysis in empowering MSMEs in Batu City, several conclusions can be drawn, namely:

1. Batu City PLUT services in the percentage descriptive analysis are categorized as effective.
2. PLUT Kota Batu has greater strengths than weaknesses. So that PLUT Kota Batu can use it to maximize the empowerment of micro businesses in Batu City. By using strengths, weaknesses can be minimized so that PLUT will continue to develop well.
3. After identifying what internal and external factors are, and analyzing them using a SWOT analysis, the Batu City PLUT is in quadrant 1. The strategy implemented or utilized by the Batu City PLUT is the SO strategy. The strategy is to maintain the quality of PLUT's 8 services, maintain the quality of PLUT consultants, maintain relationships with Bank Jatim, maintain the quality of the "kubisma" program, maintain the quality of the Packaging House, expand the network of collaborations or partners with business shops in marketing micro business products and quality resource persons or training, maintain the quality of PLUT service procedures, and improve the quality of PLUT employees

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