

PRODUCT DEVELOPMENT ASSISTANCE TO IMPROVE THE ECONOMY OF MSMEs IN SUGIHMUKTI VILLAGE, PASIRJAMBU DISTRICT

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ABSTRACT

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In Sugihmukti Village, Pasirjambu District, the majority of the community relies on agriculture, plantations, and home-based businesses that produce various local products, including processed foods, traditional beverages, and handicrafts. This potential should be able to drive the village's economy; however, in practice, there are still various obstacles. Therefore, assistance in product development is needed to enhance the economy of MSMEs in Sugihmukti Village. The method used in this service is Oriented-Project Planning (OPP), where the implementation of the service focuses on planning development and executing programs to achieve specific goals. The stages of implementation in this service include the stages of socialization, training, technology application, mentoring, evaluation, and program sustainability. The results of the activities indicate that this program successfully enhanced the capacity of business actors through training, technology application, and more effective marketing strategies, resulting in products that are more innovative, of higher quality, and competitive; the positive impacts are evident from the increased market opportunities, strengthened cooperation networks, and the commitment to program sustainability that supports the continuous economic growth of the village.

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have become the backbone of the Indonesian economy. According to data from the Indonesian Ministry of Cooperatives and SMEs (2023), there are 65.47 million MSMEs in Indonesia, contributing approximately 61.07% of the national Gross Domestic Product (GDP) and absorbing approximately 97% of the total national workforce (Ministry of Cooperatives and SMEs, 2023). In rural areas, MSMEs play a vital role in driving local economic growth, reducing unemployment, and improving community welfare. However, MSMEs in rural areas still face various structural challenges, particularly in product development. A survey by the Central Statistics Agency (2022) showed that more than 72% of MSMEs in rural areas still use simple technology, and only 12% have received product development or business management training (Central Statistics Agency, 2022).

MSMEs play a crucial role in supporting the economic growth of rural communities. In Sugihmukti Village, Pasirjambu District, the majority of residents rely on agriculture, plantations, and home businesses that produce various local products, including processed foods, traditional beverages, and handicrafts. This potential should be able to drive the village economy, but in practice, various obstacles remain. Home industries in this village produce a variety of products such as fried peanuts, kicimpring, candied pumpkin, strawberries, candied strawberries, Etawa goat milk, blacksmithing, vegetables, cassava chips, opak, banana sale, herbal drinks, bamboo crafts, and others. However, these businesses have not been optimally managed.

Based on initial observations and discussions with village officials and several local MSMEs, several crucial issues were identified, including a lack of innovation and product quality. Many MSMEs in Sugihmukti Village still use conventional production methods and do not adhere to quality standards that meet market demand. Their products lack attractive packaging, added value, and innovative flavors and shapes. This has led to low market interest, especially outside the village. Furthermore, there is a lack of access to digital markets; marketing products through social media and e-commerce is now mandatory. However, most MSMEs in Sugihmukti are still not tech-savvy. They lack the

skills to market their products online, including creating promotional content, using marketplace platforms, and managing online transactions. As a result, their market reach is very limited to the local area.

Another frequently encountered obstacle is the lack of a sound financial management system. The lack of systematic financial record-keeping makes it difficult for MSMEs to calculate profit and loss, manage inventory, and develop business plans. This impacts business sustainability and reduces investor appeal and access to bank capital. Furthermore, limited mentoring and training programs mean there are currently no ongoing mentoring programs from universities or other institutions that systematically guide MSMEs in product development, technological innovation, and business management.

The issues have resulted in low competitiveness of MSMEs in Sugihmukti Village, thus suboptimally contributing to the village's economic development. Given this situation, concrete efforts are needed in the form of product development assistance for MSMEs in Sugihmukti Village. This assistance is expected to improve the ability of business actors to produce higher-quality, value-added, and highly competitive products. Furthermore, this activity also aims to equip MSMEs with modern business management skills and marketing strategies, both offline and digital. With this mentoring program, it is hoped that MSMEs in Sugihmukti Village will not only be able to improve the quality of their products, but also expand their market share, increase revenue, and contribute to strengthening the village economy in a sustainable manner.

In line with the Independent Learning and Independent Campus (MBKM) program and the university's Key Performance Indicators (IKU), this community service activity aims to empower MSMEs in Sugihkmukti Village through product development assistance and digital-based marketing strategies. This is expected to increase the added value of local products, expand market reach, and enhance the capacity of MSME actors, thereby significantly improving the village economy. As a Community Service with a Community-Based Empowerment scheme, where the output of community service is expected to realize the Higher Education Strategic Plan, especially the improvement and development of research and community service.

Community-Based Empowerment that will be proposed is in accordance with the focus of Ma'soem University's Community Service in the fields of

social humanities, economics and education (Number 03) with the scope of Community Partnership Empowerment (PKM) (Renstra, 2024-2029) (Ma'soem University's Renstra 2024-2029, 2024). This Community Service is in accordance with and supports the mission of the RPJMN Kemendikisaintek 2025-2029, namely strengthening the state's defense and security system and encouraging national independence through self-sufficiency in food, energy, water, sharia economics, digital economy, green economy and blue economy (Asta Cipta number 02), as well as in accordance with the research focus in the fields of social humanities-education-arts culture (Number 08). This activity diversifies assistance in product development and digital-based marketing strategies with effective methods to develop skills and increase entrepreneurial spirit. Through this program, the Community Service team, especially students, gain experience in off-campus learning activities with a variety of models, and are able to provide adequate skills (IKU 2). Lecturers can also develop their potential in conducting off-campus activities that increase capacity, competence, and professional networks (IKU 3). This Community Service is also expected to be more active in producing research and innovation that contributes to the development of science and provides real benefits to society that are recognized globally (IKU 5).

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs) are productive businesses run by individuals or business entities with specific characteristics that meet the requirements for micro-enterprises. MSME classification is determined based on indicators such as annual turnover, total assets, and workforce. Not all business entities can be classified as MSMEs, as some businesses fall into the large business category if their net worth or annual turnover exceeds the criteria for medium-sized businesses (Muna et al., 2022). Micro, Small, and Medium Enterprises (MSMEs) play a strategic role as a potential sector and a pillar of economic stability, as they contribute significantly to employment and improving public welfare. Product innovation and development can provide added value compared to previously undeveloped products. Therefore, the higher the level of product development, the greater the resulting value, thus increasing the company's opportunity to achieve its

financial targets (Lestari et al., 2023). Through structured, collaborative, and measurable strategies, Micro, Small, and Medium Enterprises (MSMEs) have the potential to escape the trap of price-based competition and create added value that is recognized by the market. With solid operational support, a strong, credible brand identity, and strong adaptability, MSMEs are not only resilient but also capable of developing into influential economic actors at the local, national, and regional levels (Basir et al., 2025).

MATERIAL AND METHOD

The method used in this community service is Oriented-Project Planning (OPP), where the community service focuses on planning, developing, and implementing programs to achieve specific goals (Anisah, H. U., & Wandary, 2023). The implementation stages of this community service are as follows:

1. Socialization stage: At this stage, the community service team conducts surveys and analyze data related to the initial survey to identify the specific needs and problems faced by MSMEs in Sugihmukti Village.
2. Training stage: After collecting the data, the community service team conducts a series of training sessions and workshops based on the designed solutions, involving competent resource persons in their respective fields.
3. Technology implementation stage: This stage conducts research, the results of which are directly applied to solve problems in Sugihmukti Village. This applied research will involve the active participation of MSMEs in the data collection process and implementation of the research findings.
4. Mentoring and Evaluation stage: At this stage, the community service team will plan the activities necessary to achieve the goals and objectives.
5. Program sustainability phase: Conduct regular monitoring to assess the program's progress and effectiveness and provide input for continuous improvement.

The stages of the community service program, including product development assistance to improve the MSME economy in Sugihmukti Village, were planned and implemented effectively, achieving the goal of improving MSMEs.

RESULT AND DISCUSSION

Socialization Phase

In the initial phase, outreach was conducted to the community and MSMEs in Sugihmukti Village regarding the importance of product development as an effort to increase competitiveness and the local economy. The result of this phase was increased awareness among MSMEs about the importance of product innovation, good packaging, and modern marketing strategies. Participants also began to understand that mentoring is not just a short training program, but part of a long-term empowerment effort.

Training Stage

The training was provided in the form of workshops on product innovation, packaging design, business management, and digital marketing. As a result, MSMEs acquired new skills, such as processing agricultural products into value-added processed foods, creating attractive packaging, and developing appropriate pricing strategies. They also became familiar with simple financial record-keeping concepts to monitor business cash flow. The training consisted of several stages:

1. Product Innovation and Packaging Design Training

The product innovation and packaging design training in Sugihmukti Village aims to improve the quality and competitiveness of local products and provide an understanding of the importance of attractive and innovative packaging design. The training method included providing participants with basic material on product innovation and packaging design, delivered by a resource person, Mr. Ade Iskandar Nasution, SH., MH. Participants were then given the opportunity to design their own product packaging using various tools and materials provided. Participants also shared ideas and experiences with fellow MSMEs and discussed the challenges they faced in developing products and packaging designs. Afterward, the products and packaging designs were evaluated by a mentor or facilitator, and feedback was provided for improvement. The following is documentation of the activity:



Figure 1. Delivery of training materials

2. Digital Marketing and Marketplace Training

marketplaces to increase sales. They share their experiences and challenges in digital product marketing and seek solutions together. Participants can also ask questions directly to the instructor or mentor to find solutions to any challenges they encounter.



Figure 2. Delivery of training materials

3. Business Management Training with Simple Financial Management

The business management training with simple financial management for MSMEs in Sugihmukti Village aims to provide understanding and practical skills on how to manage a business efficiently, particularly in financial matters. MSMEs often face challenges in managing the financial aspects of their businesses, and this training aims to simplify managerial and financial concepts to make them easier to understand and apply for micro and small business owners. The training was led by Ms. Nur'aeni, SE., ME.Sy., who explained the basic principles of business management and financial management, including basic financial theories that MSME owners need to know. Participants were given case studies of MSMEs that have successfully managed their finances, as well as discussions on how these financial management strategies are applied in real-life situations. Afterward, participants were invited to create a simple budget and financial report for their respective businesses. This simulation could involve using a simple bookkeeping application or manual recording in a cash book. Finally, an open discussion between participants and the facilitator was held to resolve any issues they encountered in managing their businesses and finances. Participants asked directly about problems they face every day, and participants were divided into small groups to carry out tasks together, such as creating financial reports or preparing a business budget.



Figure 3. Delivery of training materials

4. Seminar on Halal Certification

The seminar on halal certification for MSMEs in Sugihmukti Village aims to help micro, small, and medium enterprises (MSMEs) in the village understand the importance of halal certification and how to obtain it for their products. Halal certification is becoming increasingly important in the business world, especially in Indonesia, given the high market demand for halal-certified products, both locally and internationally. This training is generally conducted using several methods to ensure that participants effectively understand the material and can implement it in their businesses. These include: a presentation by Mrs. Mimin Mintarsih, M.Ag., on the basics of halal certification, the requirements and procedures to obtain halal certification, and the important role of certification in MSME businesses. Participants are then encouraged to practice filling out halal certification application forms, preparing raw material documentation, and conducting simple internal audits. Following this, a discussion is held between participants and a resource person or facilitator regarding the challenges they face in the halal certification process, as well as sharing experiences and solutions.



Figure 4. Delivery of training materials

Technology Implementation Phase

The mentoring also introduced the use of technology, particularly social media and e-commerce platforms. This phase resulted in several MSMEs actively using WhatsApp Business, Facebook Marketplace, and Instagram as product promotion platforms. Furthermore, some businesses learned to use simple applications for product packaging and label design. This helped them reach a wider market beyond their villages.



Figure 5. Application of Technology

Mentoring and Evaluation Stage

Following the training, on-site mentoring was conducted to ensure the application of the knowledge gained. The results were evident in tangible changes in MSME products, including new packaging, improved production quality, and more streamlined financial records. The evaluation showed that

most business owners were able to apply the new skills, although challenges remained with consistent production and digital promotion.



Figure 6. Mentoring and Evaluation

Program Sustainability Phase

This program is designed to be sustainable, not just limited to training. The result is a shared commitment among MSMEs to build business networks in the village, share experiences, and assist each other in marketing. Village governments are also beginning to be involved to provide support, both in the form of legal facilitation (halal certification) and access to local exhibitions. This collaboration ensures the program's sustainability and has the potential to sustainably improve the community's economy.

CONCLUSION AND RECOMMENDATION

Based on the results and discussion, it can be concluded that this mentoring activity is very beneficial in assisting MSMEs in Sugihmukti Village in various aspects, including:

1. **Product Quality Improvement:** Through training in production techniques and product innovation, MSMEs in Sugihmukti Village have successfully produced better quality products. Several previously simple processed food products now have a more consistent taste, are hygienic, and meet food safety standards.
2. **Design and Packaging Improvement:** MSMEs have received assistance in redesigning their product packaging. As a result, products that were previously packaged simply now have a more attractive, informative

appearance, and meet modern market standards. This increases consumer appeal to local products.

3. **Business Management Capacity Improvement:** Through simple financial management workshops, MSMEs have begun to maintain more organized financial records. They also understand the basics of marketing strategies, particularly the use of social media for promotion.
4. **Legality and Licensing Improvement:** Some MSMEs that previously lacked business

legality have been facilitated in obtaining PIRT (Perusahaan Perusahaan Usaha/Perusahaan Halal) and halal certification. This is a crucial step in ensuring product acceptance in the wider market.

Increased Income and Marketing Networks: After participating in mentoring, MSMEs in Sugihmukti Village were able to expand their market beyond the sub-district through online marketing and participation in local exhibitions. This has resulted in increased income for business owners and a positive contribution to the community's economy.

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