

## Training and International Exhibitions: Building the Competitiveness of MSMEs through Increasing Productivity

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### ABSTRACT

This community service initiative by the Faculty of Economics and Business, Syiah Kuala University, aimed to enhance the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) owned by university students. Utilizing the Service-Learning method, the program focused on improving operational efficiency through training in time management, inventory control, product quality enhancement, and technology application. The initiative culminated in an international product exhibition at Universiti Kebangsaan Malaysia, providing MSMEs with opportunities for global market exposure. Post-evaluation demonstrated a significant increase in productivity among participants, evidenced by improved time management and product quality. The project's success highlights the positive impact of holistic approaches that integrate training and international marketing efforts on local economies. Future initiatives should explore deeper aspects like innovation and advanced marketing strategies for sustained MSME growth.

**Keywords:** Community service, MSMEs, productivity enhancement, Service Learning, holistic approach.

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## INTRODUCTION

The development of Small and Medium Enterprises (MSMEs) plays a crucial role in the Indonesian economy, both on a local and national scale. However, the great potential of MSMEs to support economic growth is often hampered by various challenges. One of the main challenges faced by MSMEs is a lack of productivity. This issue is relevant considering that MSMEs are the backbone of the Indonesian economy, contributing around 60% of the country's Gross Domestic Product (GDP) and creating millions of jobs. Increasing the productivity of MSMEs will not only have a positive impact on the local economy but will also contribute to national economic growth.

Currently, MSMEs in Indonesia face various challenges in increasing their productivity. Some primary challenges include low operational efficiency, lack of access to appropriate technology, ineffective production management, and difficulty accessing international markets.

Furthermore, the situation analysis relevant to the problem to be addressed is as follows: (1) Low Operational Efficiency: Many MSMEs in Indonesia still face problems managing their operations efficiently. Unstructured production processes, poor inventory management, and the inability to utilize technology often result in wasted time and resources. (2) Level of Dependence on Manual Labor: Most MSMEs still rely heavily on manual labor, which is often inefficient and less productive in the long term. (3) Lack of Access to Modern Technology: MSMEs in Indonesia also need help adopting modern technology to increase productivity. Limited knowledge and resources to invest in technology are significant barriers. (4) Licensing and Regulations: Complicated business licensing processes and frequently changing regulations can be severe obstacles to the growth of MSMEs. (5) Limited International Market Access: MSMEs often need help to market their products internationally. Lack of knowledge about global markets and applicable regulations is a significant obstacle. The Faculty of Economics and Business at Syiah Kuala University recognizes the importance of increasing the productivity of MSMEs as part of efforts to strengthen the local economy and support the national vision of economic development. Several previous services showed the positive impact of increasing partners' abilities after training (BZ et al., 2019; Hibatullah et al., 2021; I. Majid et al., 2021; M. S. A. Majid et al., 2022; Mulyany et al., 2023).

Lecturers at the Faculty of Economics and Business, Syiah Kuala University, play an active role in developing community service programs designed to train and guide MSME actors, especially MSME actors from students at the Faculty of Economics and Business, Syiah Kuala University. This program also includes an exhibition of MSME products at Universiti Kebangsaan Malaysia, which will help MSMEs access international markets.

Through this program, the Faculty of Economics and Business Syiah Kuala University seeks to overcome productivity challenges faced by MSMEs, develop local human resources, and create new business opportunities. That is in line with the role of the Faculty of Economics and Business, Syiah Kuala University, as an agent of economic change and higher education oriented towards local economic development. Thus, this community service program has a clear objective: increasing the

productivity of MSMEs and positively contributing to the local and national economy. Furthermore, this report will discuss the methods used in the program, the results achieved, and implications and recommendations for further development.

## METHOD

This program adopts the Service Learning (SL) method. Service Learning is a learning method that emphasizes practical aspects by referring to the concept of Experiential Learning, namely the application of lecture knowledge amid society/community while interacting with society/community and becoming a solution to the problems faced by society or community so that able to implement the role of students and campuses in providing community service (Agus Afandi et al., 2022). Through this method, it is hoped that it will overcome the productivity challenges faced by MSMEs owned by FEB USK students. Activities carried out in this community service include the following steps:

- 1) Productivity Improvement Training: In order to increase the productivity of MSMEs, this program includes a series of training held by lecturers from the Faculty of Economics and Business, Syiah Kuala University, Banda Aceh, and lecturers from the Graduate School of Business, Universiti Kebangsaan Malaysia. This training is designed to provide practical understanding and skills to MSME students in several key aspects, including:
  - a. Time Management: This training helps MSMEs manage their time more effectively, prioritize important tasks, and avoid wasting time.
  - b. Inventory Management: This training focuses on efficient inventory management, avoiding inventory shortages or excesses, and minimizing carrying costs.
  - c. Improving Product Quality: FEB USK lecturers will guide how to improve the quality of MSME products, including better production processes, selecting quality raw materials, and quality control.
  - d. Application of Appropriate Technology: This training will introduce MSMEs to technology appropriate to their business, including using small business management software and modern production technology.
- 2) MSME Product Exhibition: A critical step in increasing the productivity of MSMEs is ensuring that a broader market, including international markets, can access their products. Therefore, this program includes product exhibitions for overseas service participants. In this program, lecturers from the Faculty of Economics and Business will collaborate with lecturers and entrepreneurship students from Universiti Kebangsaan Malaysia (UKM). Steps related to MSME product exhibitions include:
  - a. Product Selection: Improved MSME products will be selected for exhibition based on specific criteria, such as quality, market appeal, and export potential.
  - b. Marketing in International Markets: This exhibition allows MSMEs to market their products internationally. That involves product

- promotion, market exploration, and interaction with potential buyers from abroad.
- c. Establishing Business Relationships: During the exhibition, MSME players will have the opportunity to establish business relationships with parties who have the potential to become partners or buyers of their products. That can help open the door to international business expansion.

## RESULTS AND DISCUSSIONS

The Service Learning (SL) method has been widely used in community service and has been proven successful (Arifin & Mufaridah, 2018; Nasrulloh et al., 2022; Pandanwangi et al., 2023a, 2023b; Pangestu et al., 2023; Rianingsih et al., 2022). The approach of these solutions is to provide comprehensive understanding and practical skills to service participants who are MSME actors from among FEB USK students. This approach integrates training to increase productivity with efforts to market MSME products at the international level, creating a balanced and sustainable approach to strengthening the competitiveness of MSMEs.

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of many countries' economies worldwide. They are essential in creating jobs, leveling incomes, and fueling economic growth. However, MSMEs often compete with large companies with more resources, networks, and experience. That is where the role of education and training becomes essential.

Education and training have great potential to transform MSMEs into more competitive players in an increasingly fierce market. The following are several ways in which education and training contribute to increasing the competitiveness of MSMEs against large companies, including increasing Skills and Knowledge, Innovation, Access to Resources, and Network Development.

This community service activity is carried out in several stages. The first stage in this activity is planning the service program. This activity was carried out on 15-30 November 2022. This stage consisted of activities: (1) analysis of MSME needs (Initial survey to identify the primary needs and challenges faced by student-owned MSMEs; Open discussion with MSME actors to gain direct insight into needs); (2) Preparation of Training Materials (lecturers at the Faculty of Economics and Business, Syiah Kuala University, Banda Aceh and lecturers at the Graduate School of Business, Universiti Kebangsaan Malaysia collaborate in preparing relevant training materials and following identified needs; Materials include time management, inventory management, improving product quality and applying technology); (3) Exhibition Planning (Determine selection criteria for MSME products to be exhibited; Identify marketing and promotional strategies that will be used; Plan business relationship strategies to help MSMEs enter international markets).



**Figure 1. Opening Speech from Dr. Iskandarsyah (PIC Program)**

The second stage in this community service is to conduct a training session involving lecturers from the Faculty of Economics and Business, Syiah Kuala University, Banda Aceh, and lecturers from the Graduate School of Business, Universiti Kebangsaan Malaysia (Figure 2).

This training focuses on critical aspects such as time management, inventory management, improving product quality, and implementing technology. Furthermore, individual consultation activities were conducted for each participant to discuss issues they might face and help apply the concepts learned in their respective MSME business contexts. The implementation of this activity will be carried out on 10-11 December 2022. The result of this activity is that training participants experience a significant increase in the efficiency of their time management. Many of them identified and eliminated unproductive activities, resulting in better time allocation to critical aspects of their business.



**Figure 2. Presentation of Productivity Improvement Training Materials**

Apart from that, MSME players understand the importance of efficient inventory management. Some implement better inventory monitoring systems, reducing the risk of over- or under-stocking. Furthermore, MSME products experienced a significant increase in quality. Some trainees adopted better production processes, selected higher-quality raw materials, and improved quality control. Finally, training participants gain an understanding of the role of technology in increasing productivity. Some are starting to integrate small business management software and modern production technologies.



Figure 3. International exhibition

The final stage of this activity was carried out after the second activity, December 12, 2022, the international exhibition held at Universiti Kebangsaan Malaysia. At this stage, partners directly practice the programs provided, including opportunities for MSMEs to showcase their products to the international market, helping MSMEs establish business relationships with parties who have potential as partners or buyers, and encouraging negotiations and business cooperation to support international expansion (Figure 3 and Figure 4).



Figure 4. International exhibition

After implementing the program and returning to Banda Aceh, an evaluation was carried out, both an evaluation of the program provided and the partners' understanding of implementing the program. That is, of course, done to measure the success of service activities in resolving problems with partners. The evaluation results show that the community service program with a service learning approach has succeeded in increasing the productivity of student MSMEs and opening up opportunities for international expansion. Social changes, such as the formation of entrepreneurial groups and increased technological awareness, are indicators of the success of this holistic approach. The emergence of local leaders from the MSME community emphasizes the positive impact of this program on social transformation at the community level. The following recommendation is to continue mentoring and expand similar programs to empower more MSMEs.

## CONCLUSION

Community service carried out by the Faculty of Economics and Business, Syiah Kuala University, in collaboration with the Graduate School of Business, Universiti Kebangsaan Malaysia, has had a significant positive impact in efforts to increase the productivity of Micro, Small, and Medium Enterprises (MSMEs) owned by students of the Faculty of Economics and Business, Syiah University Kuala. The training provided, especially in time management, inventory management, improving product quality, and applying technology, has increased the productivity of MSMEs. New practices implemented by MSMEs, such as efficient time management and the use of technology, have brought positive changes to daily operations. Furthermore, through international exhibitions at Universiti Kebangsaan Malaysia, MSMEs gain access to international markets, opening up opportunities for business expansion and establishing potentially profitable business relationships. Careful product selection and marketing strategies help highlight the quality of MSME products, increasing their appeal in international markets.

The Service Learning (SL) method has proven to be effective in providing comprehensive understanding and practical skills to students who are MSMEs. SL's holistic approach, combining productivity training with international marketing, creates a balanced and sustainable approach. The formation of entrepreneurial groups and increased technological awareness mark positive social change at the community level. The emergence of local leaders from MSME circles shows the positive impact of this program on social transformation at the local level.

This service reflects the importance of education and training in increasing the competitiveness of MSMEs. The application of the Service Learning method not only provides practical knowledge but also creates a real impact on business sustainability and community development. Recommendations and Potential for Community Service Next is to continue the training program with a focus on deeper aspects, such as product innovation and more sophisticated marketing strategies, expanding collaboration with educational institutions and international business players to increase the impact of community service.



The Service Results imply that increasing the productivity of MSMEs contributes to local and national economic growth. The emergence of local leaders and entrepreneurial groups indicates the formation of local capacity for economic development. This dedication creates operational changes at the MSME business level and encourages social transformation and awareness of local economic potential. With the success achieved, it is essential to continue to develop similar programs and involve more parties to support the sustainable growth of MSMEs in the future.

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