

SCALE UP UMKM THROUGH DIGITALIZATION, FINANCIAL LITERACY AND BUILDING AN INTERNAL CONTROL SYSTEM AT SORCHA LAUNDRY

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Abstract

Sorcha laundry is an MSME in Bandung City that was established in 2021. Sorcha laundry is determined to become a laundry retail that serves all types of customer laundry, ranging from kilo items, premium units, bed covers, linens, baby strollers, shoes, bags, to carpet washing services. The problem faced by Sorcha laundry is that it wants to develop its business by opening many branches in Indonesia, does not understand the importance of branding, does not have good financial literacy, is less adaptive to digitalization, bookkeeping is still manual, does not have a standard system so it is difficult to develop its business. Then the solution to solve the problem is: 1). Build branding with a good build design outlet, Co Branding with Key Opinion Leader/ influencer. 2). Financial literacy training and applying cashless payment / Quick Response Code Indonesian Standard (QRIS). 3). Training on digitizing and applying online orders through ads on Instagram and Google ads. 4). Accounting training and using Point Of Sales (POS) System. 5). Create Standard Operational Procedure (SOP) & create Command Center to monitor stores remotely using CCTV IP Address technology that can be monitored realtime.

Keywords: Laundry, Scale Up, Digitization, Finance

INTRODUCTION

Based on the Asia Pacific Entrepreneurship 2021 survey, 72% of young people currently prefer to become entrepreneurs. The large number of young people who want to become entrepreneurs is in line with the increasing number of MSMEs in Indonesia which also continues to grow. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia in 2021 will reach 64.2 million. The large number of MSME players makes this business sector an important part of the economy in Indonesia. Previously, MSMEs were regulated in Law No. 20 of 2008, then later regulated in PP No. 7 of 2021 concerning Ease, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises or what is often called PP UMKM. Based on the 2021 UMKM PP, MSMEs are divided into 3, namely micro, small and medium enterprises. According to Emik Suryani (2017), MSMEs' understanding of accounting in tax calculations is still considered low, and compliance with

taxation is still considered low. The number of MSMEs in Indonesia continues to increase and develop. The Minister of Cooperatives and SMEs said that as many as 19 million MSMEs in Indonesia have entered the digital ecosystem by May 2022. This means that more and more MSMEs can take advantage of digital technology to support their business. According to Jaenal Effendi (2017), low use of technology, finance and low business marketing are experienced by all MSMEs in Indonesia.

Sorcha laundry is an MSME in the city of Bandung which was founded in 2021 during the Covid 19 pandemic. Sorcha Laundry is determined to become a laundry retail that serves all types of customer laundry, starting from kilo items, premium units, bed covers, linens, baby strollers, shoes, bags, to carpet washing services. Sorcha laundry wants to develop the business to be bigger and open many laundry business branches (scale up). The problems faced are:

1. Don't understand the importance of branding
2. Not having financial literacy
3. Less adaptive to digitalization
4. Bookkeeping is still manual
5. It doesn't have a standard system, so it can't develop its business

Problem Solution

Based on an initial study of the problems faced by partners and based on the methods we use in this proposal, we are trying to provide solutions that are possible to implement. The solution we offer is by providing training and assistance as follows:

1. Don't understand the importance of branding => Build a good Design Outlet, Co Branding with KOL (Key Opinion Leader) / influencer.
2. Not having financial literacy => Financial training and applying cashless payments / QRIS.
3. Less adaptive to digitalization => Order Online => Instagram and Google ads.
4. Bookkeeping is still manual => using a POS System.
5. Doesn't have a standard system, so you can't develop your business => Create Standard Operational Procedure & CCTV monitoring.

IMPLEMENTATION METHOD

The implementation method is as follows:

Table 1. Method of Implementing Service

STAGES	METHOD	P.I.C	RESULTS
Early stage	1. Hold discussions between Sorcha Laundry and the team to find out more about the obstacles and constraints in developing the laundry business.	Bimbim Maghriby, SE., Ak., M.Ak., CA., BKP., CPA	Understanding the similarities in perception from the parties involved, in this case Sorcha Laundry and the team.

	2. The team provides understanding beginning regarding financial literacy & digitalization.	Dani Ramdani,SE, M.Ak., BKP., CGRM., CNPS., CNST., CGAM Nirwan, SM	
Implementation Stage	3. Financial literacy training	Dani Ramdani,SE, M.Ak., BKP., CGRM., CNPS., CNST., CGAM	Practical Module
	4. Digitalization training	Nirwan, SM	
	5. Internal control system training	Bimbim Maghriby, SE., Ak., M.Ak., CA., BKP., CPA	
Final Stage	6. Monitoring and Evaluation	Tim and Sorcha laundry	Assistance until you are able independently take action deal with all the problems There is.

Source: data processed in 2023

RESULTS AND DISCUSSION

In the initial stage of implementing community service activities, a discussion was held between the Sorcha laundry and the service team to better understand the obstacles and obstacles in developing the Sorcha laundry business (scale up) so that there was a common perception between the Sorcha laundry and the service team. And the result of the initial discussion was that Sorcha Laundry wanted to develop the business to be bigger and open many branches of the laundry business (scale up). After the initial discussion, there was a similarity in perception between Sorcha Laundry and the service team.

In the implementation stage, service activities are carried out for 6 months by providing training and assistance regarding digitalization, financial literacy and building an internal control system. To develop a laundry business, branding is needed so that it is known to the public. So you need to do strong branding both offline and online. On the offline side, branding is done by creating a standardized Sorcha laundry outlet, namely a good outlet design with 3 pillars, namely clean, bright and cool. Clean means that the laundry area must always be clean, not dusty and there is no rubbish scattered around the outlet. We implement it by making SOPs (Standard Operating Procedures) for employees before starting work to carry out general

cleaning first. Because Sorcha laundry offers clothes washing services, where clothes are the items closest to the human body. This means that if the laundry place is dirty, customers will have the perception that their clothes are being washed in a dirty place, and may be reluctant to use the services at the laundry because the place is dirty. Bright means that the laundry area must be clearly visible, not dimly lit to promote a clean concept. Therefore, outlets use interiors with lots of lights to make them look bright. To save electricity usage, use Energy Saving LED lights. Cold means that the laundry area is not hot, because as we know, in the laundry there are several tools that can produce heat, such as steam irons, boilers and dryers. To mitigate against heat, We make a neat installation by installing lots of exhaust and fans so that customers and employees don't feel too hot. We even divided two areas at the outlet into a cashier area and a production area, where the cashier area does not have a steam iron or dryer, so that customers when in the cashier area do not feel too hot. According to Gendut Sukarno (2020) and Devi Krisnawati (2018), in business competition strong relationships with customers are needed as part of marketing to give competitors an edge. To strengthen offline branding, Sorcha Laundry puts up a billboard or shop name board that is large and bright enough, so that people passing by the area can notice that there is Sorcha Laundry in that area. and the shop sign (Billboard) that we use can be claimed to be one of the biggest and different compared to other laundries. Apart from that, Sorcha laundry uses packaging that can be carried directly, so customers don't need to bring additional plastic bags, because the packaging designed can be carried directly, and to provide exclusivity, the packaging is branded by Sorcha laundry itself. According to Donald Crestofel Lantu (2016), regular and systematic governance and service capabilities determine the business processes of MSME entrepreneurs. the packaging is branded by Sorcha laundry itself. According to Donald Crestofel Lantu (2016), regular and systematic governance and service capabilities determine the business processes of MSME entrepreneurs. the packaging is branded by Sorcha laundry itself. According to Donald Crestofel Lantu (2016), regular and systematic governance and service capabilities determine the business processes of MSME entrepreneurs.

After doing branding, both offline and online, the second stage that is carried out so that the business can develop is to integrate electronic payments. Payment integration is key in a cashless society culture. We are fully aware that people's behavior regarding payment transactions is very different from 10 years ago, where people used non-cash transactions for their daily transactions. Almost all merchants, from street vendors to modern retailers, provide non-cash payment options. In order not to lose this momentum, Sorcha laundry provides various non-cash payment options ranging from E-Wallet payments (QRIS), Virtual Accounts, to payment options using cards (Debit/Credit Card). To realize the non-cash payment program at Sorcha Laundry, we are collaborating with PT. Cashlez World Wide Indonesia Tbk. According to Budi Iskandar (2017), an adequate system is needed, provided that the entity has good financial accountability so that the business can develop more quickly. At Sorcha laundry, customers get a receipt that comes out of the printer, not using a handwritten manual like most existing laundries. We use POS System Application technology where all transactions are input in the application. Apart from making it easier for employees to create receipts, this system also helps management in recapping sales in real time and online, because it is integrated with the owner's dashboard.

There are many benefits that can be felt after implementing a non-cash payment program,

including 1.) Reducing cashier errors in giving change; 2.) Makes it easier for the owner to recap incoming transactions because there is a report in the form of a dashboard; 3.) Reducing money circulating in outlets that has the potential for criminal acts to arise, whether it is fraud from employees or theft from other parties. We see in reality in the field that during Covid there has been a change in customer shopping habits, be it products or services. Due to circumstances that make it impossible to leave the house, we are all required to shop online. Therefore, we see the online shopping trend, the traffic has increased greatly during the pandemic until now. Therefore, Sorcha laundry uses Google Ads, Instagram and website to be able to reach online customers and provide laundry pick-up and drop-off facilities. In implementing digitalization, Sorcha laundry uses IoT (Internet of Things) technology in its business operations, for example the timer technology for neon box lighting which is scheduled and can be controlled remotely. So to turn on the neonbox, we use a tool called SmartPlug where the neonbox will turn on according to a specified schedule, namely at 17.30 and turn off at 21.00. This can reduce human error by employees forgetting to turn on the neon box or even turning off the neon box, and what Sorcha Laundry notices most is that electricity consumption is reduced, because there are no neon boxes that turn on outside of the predetermined schedule. Sorcha laundry uses IoT (Internet of Things) technology in its business operations, for example the timer technology for neon box lighting which is scheduled and can be controlled remotely. So to turn on the neonbox, we use a tool called SmartPlug where the neonbox will turn on according to a specified schedule, namely at 17.30 and turn off at 21.00. This can reduce human error by employees forgetting to turn on the neon box or even turning off the neon box, and what Sorcha Laundry notices most is that electricity consumption is reduced, because there are no neon boxes that turn on outside of the predetermined schedule. Sorcha laundry uses IoT (Internet of Things) technology in its business operations, for example the timer technology for neon box lighting which is scheduled and can be controlled remotely. So to turn on the neonbox, we use a tool called SmartPlug where the neonbox will turn on according to a specified schedule, namely at 17.30 and turn off at 21.00. This can reduce human error by employees forgetting to turn on the neon box or even turning off the neon box, and what Sorcha Laundry notices most is that electricity consumption is reduced, because there are no neon boxes that turn on outside of the predetermined schedule. we use a tool called SmartPlug where the neonbox will turn on according to a specified schedule, namely at 17.30 and turn off at 21.00. This can reduce human error by employees forgetting to turn on the neon box or even turning off the neon box, and what Sorcha Laundry notices most is that electricity consumption is reduced, because there are no neon boxes that turn on outside of the predetermined schedule. we use a tool called SmartPlug where the neonbox will turn on according to a specified schedule, namely at 17.30 and turn off at 21.00. This can reduce human error by employees forgetting to turn on the neon box or even turning off the neon box, and what Sorcha Laundry notices most is that electricity consumption is reduced, because there are no neon boxes that turn on outside of the predetermined schedule.

SOP and All System Integration → We collect integration of payments, reports and other aspects into a standard SOP that can be duplicated in future outlets. This means that the probability of success in the next branch is higher, because you just have to follow the guidelines that we have created. So Sorcha Laundry has standardization in opening the next branch, starting from installation, IT solutions to recruiting workers. We created a Command

Center to monitor shops remotely using CCTV IP address technology which can be monitored in real time.



Figure 1. Group photo after training



Figure 2. The Service Team explains the material during training



Figure 3. Games in training



Figure 4. Standard Sorcha Laundry Outlet

MARKETING PROGRAM

KONVENSIONAL MARKETING



DIGITAL MARKETING



MEMBERSHIP



CASHLESS PAYMENT



OFFLINE BRANDING



THEMATIC CONTENT



SHORTVIDEO CONTENT



GOOGLE BUSINESS



 Sorchalaundry

 Sorcha Laundry

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Figure 5. Digital Marketing Sorcha laundry

PRICELIST DAN SYARAT KETENTUAN

S@RCHA Laundry			
Regular 2-3 hari untuk Kilo & Bed Cover* One Day 24 Jam Express 4-6 Jam*			
Daily Kilan			
• Cuci Kilan (Mn. 3kg)	8	8	10
• Cuci Kilan (Mn. 3kg)	8	12	16
• Setai Kilan (Mn. 3 kg)	5	10	12
Premium Satuan			
• TAMPIL (Samping/Tempat Tidur)	15	15	20
• BANTING (Kedap/Samping/Selendang)	20	30	40
• ALAT BAHAN (Kedap/Samping/Selendang)	10	15	20
• SUTU (Bantal/Bed)	20	40	60
• JAS (Samping/Tempat Tidur)	30	40	60
• JAS BANTING/TEMPAT TIDUR	100	—	—
• DRES (Dua Mending Long Dry)	20	40	60
• Gelas (Gelas Plastik/Gelas Terbalik (Gelas bed/bed))	50	—	—
• Cuci (Mandi/Anak/Tidak) Dengan Handuk	60	—	—
Shoes & Bags			
• KASO (KASO & PUMPER)	40	60	70
• SUDUT & LANTIER	10	70	80
• TAS NONLEATHER (Kecil)	10	70	100
• TAS NONLEATHER (Besar)	70	100	140
• TAS LEATHER (Kecil (17-18 liter))	100	—	—
• TAS LEATHER (Besar (17-18 liter))	120	—	—
Households			
• BED COVER SINGLE	25	30	40
• BED COVER DOUBLE	40	50	60
• PILLOW CASE (Bawang Putih)	5	7	10
• PILLOW (Bawang Putih)	20	30	40
• BLANKET (Chalim)	20	30	40
• BED SHEET (Dua)	15	23	30
• DODORAN (Dua)	15	20	30
• SUDUTAN (Dua)	10	40	60
• PARLECO (Dua)	15	20	30
• PONDOL (Bantal)	10	15	20

Syarat dan Ketentuan

- Barang yang tidak di ambil setelah 1 minggu, akan tanggung jawab kami
- Bayar sesuai tag, maksimal sebesar Rp. 20 (dua puluh) maksimal Rp. 500 (lima ratus) untuk Laundry, 50000 (50 Ribu) untuk jasa lain yang tertera pada nota pengiriman Laundry Sorcha
- Kardus, karton, korong, ember, sendi, akan tanggung jawab kami
- Hari kerja berlaku 24 jam sesuai waktu di website
- Had cuaca yang tidak sesuai dapat ditunda/dibatalkan untuk dihari yang sama, minimal 24 jam sebelum pengiriman
- Kami tidak bertanggung jawab terhadap kerusakan maupun kehilangan terhadap barang yang dititipkan/dihergani
- Kami akan memberikan uang sebesar Rp. 50.000 jika Crew kami tidak membantu di Stock Official

Barang yang tidak Bisa Kilan



Dan barang lainnya yang dianggap berbahaya

Bayar Tinggal Scan Pake












 Sorchalaundry

 Sorcha Laundry

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Figure 6. Pricelist and Terms and Conditions

CONCLUSION

To develop a business (scale up), it is necessary to innovate products, build branding, have good financial literacy, adapt to digitalization, and build an internal control system by creating SOPs & carrying out monitoring. After Sorcha laundry implemented this, significant changes occurred, namely an increase in sales turnover and the opening of a new Sorcha laundry business branch.

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