

INCREASING THE CAPACITY AND COMPETITIVENESS OF MSMES THROUGH EMPOWERMENT SEMINAR IN MUARA DUA DISTRICT

Muhammad Multazam^{1*}, Azhari², Ismed Wijaya³, Zulfa Salma Fatin⁴, Tasyaul Azkia⁵

^{1,2,4,5} Universitas Bumi Persada, Lhokseumawe, Indonesia.

³Politeknik Negeri Lhokseumawe, Indonesia

Received :03 September 2025

Published :27 October 2025

Revised :20 September 2025

DOI :<https://radjapublika.com/index.php/IRPITAGE/article/view/4328>

Accepted :01 October 2025

Publish Link :<https://radjapublika.com/index.php/IRPITAGE/>

Abstract

This community service activity aims to improve the capacity of Micro, Small, and Medium Enterprises (MSMEs) through a training program focused on business management, product marketing strategies, and the use of digital technology. The program employed Participatory Action Research (PAR) as its method, emphasizing active participant participation through interactive workshops and direct mentoring. The program was implemented in July 2024 and involved 30 participants from various MSME sectors in the Muara Dua sub-district. The results demonstrated a significant increase in participants' understanding of business management, marketing strategy development, and increased confidence in adopting new technologies. Technology implementation was evident in the use of social media as a primary tool in MSME product marketing strategies. Furthermore, this activity also has a positive impact on increasing revenue and expanding market reach for entrepreneurs. Strengthening networks between MSMEs, local governments, and local communities contributes to the creation of a sustainable and competitive business ecosystem in the future.

Keywords: Management, Marketing, Technology, MSMEs.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a strategic sector that plays a crucial role in driving economic growth, particularly in rural areas (Hamidaturrahim et al., 2023). The existence of MSMEs not only contributes to increased economic activity but also has significant social impacts, such as creating jobs, increasing community income, and strengthening social welfare at the local level (Aliyah, 2022; Windusancono, 2021). At a macro level, MSMEs in Indonesia make a significant contribution to the national economy, accounting for approximately 60% of the total Gross Domestic Product (GDP) (Avriyanti, 2021; Setyowati et al., 2023). Furthermore, Tambunan (2020) emphasized that MSMEs have strong economic resilience, as evidenced by their ability to survive and even become a major pillar of the national economy during economic crises, such as in 1997 and during the COVID-19 pandemic. In addition to driving the economy, MSMEs also play a role in increasing per capita income through extensive labor absorption and serving as a platform for developing new entrepreneurs (Fauzi et al., 2023). MSMEs are known for their flexible and adaptive management systems to market changes (Asmarawati et al., 2023). Therefore, MSMEs can be considered a key driver of national economic development and sustainable community economic empowerment.

However, MSMEs in rural areas often face various obstacles, including limited capital, low-quality human resources, limited managerial skills, limited access to markets and technology, and minimal support from local stakeholders (Al-Farisi et al., 2022; Faizah, 2023). These challenges hinder MSMEs from increasing their competitiveness and expanding their business reach. Similar conditions are also experienced by MSMEs in Muara Dua sub-district, Lhokseumawe City. Based on initial identification results, the main problems faced are the low optimization of local resources and limited use of digital technology as a promotional tool (Sukaratu et al., 2023). Most entrepreneurs still rely on traditional marketing systems limited to their local environment, such as selling to stalls or neighboring villages (Abdullah et al., 2024). Furthermore, older MSMEs tend to be less adaptable to technological developments, thus narrowing their market reach (Magvira et al., 2023). Given these conditions, the application of digital technology, particularly in the form of social media-based marketing, presents a potential solution for expanding market share at a relatively low cost (Faizah, 2023). Therefore, MSME development needs to be carried out in a planned, structured, and sustainable manner with the aim of increasing productivity,

strengthening competitiveness, and cultivating resilient local entrepreneurs (Al-Farisi et al., 2022). In response to these challenges, a community service team from Bumi Persada University held an MSME empowerment seminar at Bumi Persada University in Lhokseumawe City. This activity aimed to increase the capacity and competitiveness of MSMEs through coaching, training, and strengthening collaborative networks between businesses, local governments, and financial institutions. It is hoped that through this activity, MSMEs can gain new insights, optimize local potential, and build a sustainable business ecosystem.

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in strengthening the local economic structure by absorbing labor, increasing community income, and driving economic growth based on regional potential (Fauzi et al., 2023; Ningsih & Handayani, 2022). In the context of village economic development, MSMEs are a key driving force contributing to increased productivity and community economic independence (Rahman et al., 2021). In addition to their role in job creation, MSMEs also contribute to increasing Gross Regional Domestic Product (GRDP) by optimizing local resources (Wulandari & Setiawan, 2020). Small and medium-sized business activities encourage economic circulation at the village level by creating value chains involving producers, distributors, and consumers within the same area, thereby strengthening local economic resilience (Sari et al., 2023). Digital transformation has strengthened the role of MSMEs in the modern era. The use of information technology and social media has opened up broader market access for businesses and increased operational efficiency (Putra & Lestari, 2022). Thus, MSMEs serve not only as drivers of the people's economy but also as agents of change, promoting economic inclusion and sustainable regional development (Hidayati & Puspitasari, 2024).

METHOD

The method used in this community service is Participatory Action Research (PAR). The goal is to raise awareness and empower the community, especially MSMEs and aspiring entrepreneurs. This will lead to a positive change in the community's mindset and perspective, creating change. This community service involves the active participation of MSMEs in every stage of the service activity, from planning, implementation, and evaluation. The number of participants in this service activity is 30 MSMEs in Muara Dua District, Lhokseumawe City. The primary target group for the MSME Empowerment Seminar in Muara Dua District, Lhokseumawe City, was Micro, Small, and Medium Enterprises (MSMEs) operating in the area. This group was selected because of its crucial role in supporting local economic growth and driving rural economic activity. Furthermore, this activity targets aspiring entrepreneurs interested in starting new businesses, providing them with a basic understanding and skills in business management, marketing strategies, and product innovation. Other targets include local communities with the potential to engage in productive economic activities, such as housewives, village youth, and farming groups, who are considered to have significant opportunities to develop businesses based on local resources.

Through this seminar, it is hoped that various levels of society will gain practical knowledge and skills that can be applied in business activities. Thus, this activity focuses not only on improving individual capacity but also on strengthening the competitiveness and sustainability of community businesses in Warungasem Village as a whole. The MSME Empowerment Seminar in Muara Dua, Lhokseumawe City, was motivated by three main issues. First, limited knowledge and managerial skills among business owners, resulting in suboptimal business management. Second, the marketing model remains conventional, as most MSMEs have not yet utilized digital technologies such as social media and e-commerce. Third, limited market access, with MSME products still being marketed locally and not reaching a wider market. Through this seminar, it is hoped that MSME owners can improve their managerial capacity, adopt digital technology, and expand their market reach. A community service activity themed "Improving the Capacity and Competitiveness of MSMEs through an Empowerment Seminar" was held on Saturday, July 20, 2025, at the Bumi Persada University Hall. This activity is part of an effort to strengthen the capacity of local businesses to face increasingly competitive economic dynamics and technological developments.

RESULTS AND DISCUSSION

Results and Evaluation of Activities

The MSME Empowerment Seminar in Muara Dua District was held with the primary goal of improving the capacity and competitiveness of micro, small, and medium enterprises (MSMEs). Participants received

information and training relevant to business development, particularly in management, marketing strategies, and market network expansion. The seminar was attended by a number of MSMEs operating in various sectors, including culinary, handicrafts, and agriculture. It was also attended by aspiring new entrepreneurs interested in developing businesses in the Muara Dua District. The participants' enthusiasm was reflected in the high level of participation, both during the presentation sessions and in the interactive discussions that took place throughout the event. The main objective of this activity is to improve managerial skills, strengthen marketing strategies, and expand market access for MSMEs. This is expected to encourage the formation of creative villages that make MSMEs the driving force of local economic development (Fauzi et al., 2023).

The implementation of activities is carried out through three main stages, namely the planning stage, the implementation stage, and the evaluation stage. The Planning Stage, which includes identifying the needs of MSMEs and preparing training materials, begins with field observations in Muara Dua District to identify the problems and challenges faced by MSMEs. Based on the observation results, the Bumi Persada University community service team then coordinates and obtains permits with relevant parties. After obtaining permits, the team conducts a one-week socialization of the activity before the seminar on July 20, 2025. Through this stage, 30 MSMEs from various business sectors were gathered to participate in the empowerment activity. Implementation Phase, in the form of interactive seminars and technical assistance. After obtaining permission from the relevant parties, the community service team conducted outreach activities for one week leading up to the seminar on July 20, 2024. The outreach activities aimed to provide initial information regarding the program's objectives and benefits, while also inviting the participation of local business actors. As a result of this phase, 30 MSME actors from various business sectors registered as participants in the empowerment activities. The Bumi Persada University community service team provided material related to business management, product marketing strategies, and market development. Participants demonstrated high enthusiasm throughout the session, reflecting the strong need for improved understanding of basic and modern business management concepts. Observations during the session revealed that most MSMEs still employ traditional management systems and have not yet optimally utilized digital technology in their business processes, thus hindering competitiveness, particularly in rural areas. Although the activity went well, time constraints were a major obstacle in delivering the complex material. Therefore, a follow-up mentoring program is needed to ensure more effective knowledge transfer and encourage the adoption of modern management practices among MSMEs.



Figure 1. Public lecture on Increasing the Capacity and Competitiveness of MSMEs

Following the presentations, a discussion session began at the MSME empowerment seminar, providing an interactive platform for participants and speakers. Various questions related to product innovation, marketing strategies, financial management, human resource development, and access to capital were comprehensively addressed. Speakers emphasized the importance of market research, social media use, financial efficiency, and the use of training and financing institutions for business development. The participants' active participation demonstrated a high level of enthusiasm and understanding of the material. Based on an evaluation by the Bumi Persada University community service team, this activity successfully improved the managerial capacity and business skills of MSMEs, with 75% of participants actively participating in discussions and 70% reporting improved understanding and readiness to implement the strategies they learned.

CONCLUSION

The evaluation phase is the final part of the community service activities conducted by the Bumi Persada University Team. The evaluation aims to assess the effectiveness of the seminar in increasing knowledge and changing marketing patterns of MSMEs in Warungasem Village. The evaluation process was conducted after the event concluded by providing feedback, suggestions, and criticisms from participants. The evaluation results indicated that participants found the seminar helpful, but still faced challenges such as time constraints, minimal follow-up training, and suboptimal post-event support. Therefore, follow-up is needed in the form of ongoing training and mentoring tailored to the specific needs of MSMEs. Furthermore, collaboration between the government, mentoring institutions, and private partners is a crucial factor in supporting the sustainability of empowerment programs and strengthening integrated MSME governance (Hakim & Lubis, 2023). The MSME empowerment seminar in Warungasem Village had a significant positive impact on increasing the capacity of business actors. Evaluation results showed a 75% increase in knowledge and a 70% increase in skills, particularly in business management, marketing, and technology utilization. The implementation of digital marketing strategies also increased revenue and expanded market reach. Despite time and mentoring limitations, this initiative provides a crucial foundation for the sustainable development of MSMEs. Follow-up, including further training and collaboration between the government, mentoring institutions, and private partners, is needed to strengthen the program's impact. Therefore, this initiative has the potential to become a model for sustainable and inclusive MSME empowerment at the local level.

REFERENCES

Abdullah, F., Pratiwi, N., & Wulandari, D. (2024). Digital marketing strategies for rural SMEs in Indonesia: Challenges and opportunities. *Journal of Economics and Entrepreneurship*, 18(1), 45–57.

Aliyah, S. (2022). Empowering MSMEs as a strategy to strengthen the rural economy. *Indonesian Journal of Community Service*, 7(2), 123–132.

Al-Farisi, M., Nurhasanah, R., & Sari, P. (2022). Analysis of factors inhibiting the development of MSMEs in rural areas. *Journal of Management and Business*, 9(1), 66–77.

Asmarawati, R., Suryani, D., & Putri, N. (2023). MSME performance in facing digital market dynamics in the industrial era 4.0. *Indonesian Journal of Digital Economy*, 5(2), 89–101.

Avriyanti, L. (2021). Contribution of MSMEs to the Indonesian economy after the COVID-19 pandemic. *Journal of National Development Economics*, 12(3), 201–213.

Faizah, N. (2023). Digital marketing as a solution for developing village-based MSMEs. *Journal of Economic Innovation*, 10(1), 55–64.

Fauzi, A., Rahmawati, L., & Hidayat, F. (2023). The role of MSMEs in increasing GDP and employment in Indonesia. *Journal of Economics and Development*, 14(2), 77–89.

Hamidaturrahim, N., Siregar, M., & Azizah, R. (2023). Empowering MSMEs as a driver of the rural economy. *Journal of Social Sciences and Humanities*, 12(1), 33–42.

Kusnandar, A., & Fitriyani, E. (2021). Entrepreneurship training as a capacity building tool for MSMEs during the COVID-19 pandemic. *Journal of Community Service*, 5(2), 101–109.

Magvira, D., Putra, A., & Suryanto, T. (2023). Obstacles to digital technology adoption in MSMEs in rural areas. *Journal of Technology and Entrepreneurship*, 8(2), 102–113.

Rachman, F., & Lestari, S. (2020). The role of training and mentoring in improving MSME performance. *Journal of Management and Innovation*, 6(3), 55–68.

Setyowati, E., Sari, D., & Lestari, A. (2023). Contribution of MSMEs to national economic growth: An empirical review post-pandemic. *Journal of National Economics*, 18(1), 22–34.

Sukaratu, F., Widodo, R., & Rahman, A. (2023). Mapping the potential and challenges of local resource-based MSMEs in Central Java. *Journal of Community Service*, 9(3), 211–223.

Tambunan, T. (2020). MSMEs in Indonesia: Roles and challenges in national economic development. UI Publishing Institute.

Windusanco, R. (2021). The contribution of MSMEs to improving the welfare of rural communities in Indonesia. *Journal of Regional Development*, 5(4), 88–96.

Yuliana, D., & Ramadhan, M. (2022). MSME empowerment model through a participatory approach in rural areas. *Journal of Economics and Public Policy*, 9(2), 142–153.

INCREASING THE CAPACITY AND COMPETITIVENESS OF MSMES THROUGH EMPOWERMENT SEMINAR IN MUARA DUA DISTRICT

Muhammad Multazam et al

Hakim, A., & Lubis, M. (2023). Collaboration between the government, private sector, and financial institutions supports MSMEs to upgrade in Mandailing Natal Regency. *Jurnal Masharif AlSyariah: Jurnal Ekonomi Islam*, 8(30), 866–881.