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BUSINESS DEVELOPMENT STRATEGY FOR VILLAGE-OWNED ENTERPRISES (BUMG) IN GAMPONG TEUNGOH, NISAM DISTRICT

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Abstract

This community service article describes a business development assistance program for a Badan Usaha Milik Gampong (BUMG), or village-owned enterprise, in Gampong Teungoh, Nisam District, Aceh Utara. The program was implemented during June 2023 using a structured sequence of presentation, guided discussion, question-and-answer sessions, document review, and evaluation. The assistance focused on business planning and budgeting as the operational foundation for developing sustainable BUMG enterprises. The source report identified several managerial constraints, including limited business units, unwritten business arrangements, restricted capital, inadequate business facilities, weak revenue and expenditure planning, limited human-resource capacity, and insufficient internal control. The activity strengthened the partner's understanding of the components of work plans, business objectives, budgeting, accountability, and the relationship between diversification and financial projections. The resulting strategic priorities were market-based business mapping, written planning documents, realistic revenue and cost projections, gradual diversification, clearer internal control, and continuous capacity building. The program also created a forum for interaction between village enterprise managers and university academics. Because no quantitative pre-test and post-test data were recorded, the outcomes are interpreted descriptively. The findings show that planning and budgeting assistance can serve as an initial governance instrument for directing BUMG development toward accountable, participatory, and sustainable village economic management.

Keywords: business development; capacity building; community service; planning and budgeting; village-owned enterprise

INTRODUCTION

Village-owned enterprises occupy an important position in the effort to transform local resources into sustainable economic value. In Aceh, the institution is commonly referred to as a Badan Usaha Milik Gampong (BUMG). Its institutional position is not merely commercial, because the enterprise is established through village authority, uses or manages village resources, and is expected to create benefits for the wider community. Consequently, the quality of BUMG management affects not only business continuity but also public confidence, village fiscal capacity, and the ability of local government to provide productive services.

The legal framework places village-owned enterprises within the broader agenda of village autonomy and community welfare. Law Number 6 of 2014 provides the policy foundation for village development and village economic institutions, while Government Regulation Number 11 of 2021 further regulates village-owned enterprises as legal entities that may manage businesses, assets, investment, productivity, and services for the greatest possible benefit of village communities. The source report also refers to Regulation of the Minister of Home Affairs Number 39 of 2010, which emphasizes village and community ownership and management. These provisions imply that BUMG management should combine entrepreneurship with accountable public governance (Republic of Indonesia, 2014; Government of Indonesia, 2021; Ministry of Home Affairs, 2010).

A frequent weakness in community-based enterprises is the gap between institutional establishment and business readiness. An enterprise may have a formal management structure, but its operations can remain dependent on informal agreements, short-term opportunities, and the intuition of individual managers. Without a written business plan, objectives are difficult to translate into activities, responsibilities, budgets, and measurable targets. The absence of systematic planning also makes it difficult to communicate with village government, supervisory bodies, potential partners, lenders, and community members.

The service report used in this article emphasizes the importance of a business plan as a document that expresses confidence in the ability of a business to sell goods or services and produce satisfactory returns. More importantly, the report states that planning must be based on community demand for the goods and services offered. This market-oriented principle is central to the development of village enterprises because local potential does not automatically become a viable business. It must be tested against demand, supply continuity, operational capacity, competition, cost structure, and the ability to deliver value consistently. Budgeting is inseparable from business planning. A plan states what the enterprise intends to achieve, whereas a budget translates those intentions into revenue assumptions, expenditure limits, investment needs, financing sources, and performance indicators. For a BUMG, budgeting also performs an accountability function because village capital and assets must be managed transparently. A weak budget may cause the enterprise to confuse cash availability with profit, underestimate operating costs, fail to reserve funds for maintenance, and make decisions without understanding their consequences for liquidity and sustainability.

The community service program was administratively identified as 'Business Development Strategy for the Village-Owned Enterprise of Gampong Teungoh, Nisam District.' It involved a team of five lecturers from Universitas Malikussaleh and was scheduled for one month, from 1 to 30 June 2023. The administrative section identifies Gampong Teungoh, Nisam, Aceh Utara, as the activity location and records the funding source as independent or self-funded. The expected outputs included online news coverage and a community service journal article.

The substantive problem description in the report points to a set of interconnected managerial constraints. The partner enterprise was described as having a limited number of business units and considering diversification, yet several arrangements were still oral and unwritten. Other constraints included limited capital, an inadequate business location, weak revenue and expenditure planning, insufficient human-resource capacity, and the absence of a strong internal-control system. These issues should not be viewed separately. Limited managerial capacity can weaken planning; weak planning can reduce access to capital; restricted capital can delay facility improvement; and the lack of internal control can increase operational risk.

The report also indicates that the partner needed assistance to understand the components and indicators required in planning and budgeting documents. This need is important because business development is often interpreted narrowly as adding a new business unit. In reality, diversification without adequate market information, operating procedures, budgeting, and monitoring can increase exposure to loss. A sound strategy therefore begins by strengthening the quality of managerial decisions before expanding the number or scale of businesses.

The program adopted an assistance approach that combined presentation, question-and-answer sessions, discussion, and evaluation. The materials addressed the role of planning and budgeting, relevant regulatory provisions, the contents of an annual work plan, business objectives, strategic programs, budgeting, and financial accountability. This approach was intended to help managers connect regulatory requirements with practical business decisions. It also provided a forum for identifying technical and non-technical problems experienced by the partner.

Community service in this context differs from a one-way seminar. Effective assistance requires the service team to understand the partner's existing practices, listen to operational constraints, and translate general concepts into practical steps. The partner's participation is therefore an important part of the intervention. According to the report, the partner showed interest in technical assistance, cooperated in explaining constraints, and received support from village stakeholders. These conditions created a foundation for knowledge exchange, although limited attendance and time reduced the depth of discussion.

This article transforms the activity report into an analytical community service manuscript. It does not claim experimental impact because the source material contains no quantitative pre-test and post-test measurements. Instead, it presents the initial conditions, the assistance process, the learning outputs, the strategic implications, and the follow-up priorities derived from the report. This distinction is necessary to ensure that the conclusions remain proportional to the available evidence.

The article has three objectives. First, it explains how planning and budgeting assistance was organized for the BUMG partner. Second, it analyzes the principal business-development problems identified during the program. Third, it formulates a practical strategy framework that links market-based business selection, written planning, budgeting, internal control, human-resource development, and gradual diversification. The contribution lies in demonstrating that business development for a village-owned enterprise should begin with governance readiness and disciplined managerial planning rather than expansion alone.

LITERATURE REVIEW

BUMG as a Village Economic and Governance Institution

A BUMG combines two institutional logics. The first is the logic of enterprise, which requires efficiency, customer value, revenue, cost control, innovation, and risk management. The second is the logic of public governance, which requires legality, participation, transparency, accountability, and alignment with village development priorities. Management failure can occur when one logic dominates the other. An enterprise that focuses only on public service without financial discipline may become dependent on repeated capital injections, whereas an enterprise that focuses only on profit may neglect community benefit and public accountability.

The source report describes BUMG as an instrument of village government for improving community welfare and supporting village finances. This position means that business objectives should be connected with the village medium-term development plan and local socioeconomic needs. Business planning therefore needs to answer two questions simultaneously: whether the proposed activity is commercially feasible and whether it contributes to village development. The ability to reconcile these objectives is a distinctive feature of village-enterprise governance.

Government Regulation Number 11 of 2021 provides a relevant planning reference. The activity materials cited Articles 37 and 38 regarding the preparation and contents of a work-program plan, including business targets, business strategies, policies, programs or activities, and the BUMG budget. The report also refers to accountability requirements and the relationship between planning results and financial reporting. These provisions show that planning, implementation, supervision, and reporting should form an integrated management cycle rather than separate administrative documents.

The cooperative, participatory, emancipatory, transparent, accountable, and sustainable principles mentioned in the report provide criteria for assessing the quality of management. Cooperative management requires collaboration among managers, village government, supervisory bodies, and community stakeholders. Participatory management opens space for relevant local knowledge and community needs. Transparency and accountability require records that can be reviewed. Sustainability requires the enterprise to preserve financial, institutional, and social capacity over time.

Business Planning and Market Orientation

A business plan is both a decision document and a communication document. As a decision document, it helps managers define the problem to be solved, the target customers, the value offered, the operational process, the resource requirements, the expected revenue, and the main risks. As a communication document, it explains the business logic to the village government, supervisory bodies, potential investors, financing institutions, suppliers, and community members. The presentation materials attached to the report describe the plan as an action plan, a road map, and a sales tool.

Market orientation is especially important for BUMG because village potential is often identified from the supply side. A village may have agricultural output, natural attractions, equipment, land, or labor, but a business opportunity exists only when those resources can meet a specific demand at a price and quality that customers accept. A market-based plan therefore begins with customer problems and purchasing patterns, then examines whether local resources can deliver a competitive solution.

The planning process should be evidence-based but proportionate to the scale of the enterprise. A small BUMG does not require a highly complex corporate planning system. It does require minimum information about potential customers, expected sales volume, selling prices, procurement costs, operating expenses, working capital, seasonality, competitors, partners, and legal obligations. These elements can be summarized in a simple written plan and reviewed periodically.

The report identifies oral agreements and unwritten business arrangements as a practical weakness. Informality may initially accelerate transactions, but it also creates ambiguity about price, quality, delivery, responsibility, payment, risk sharing, and dispute resolution. Written planning does not eliminate trust; it protects trust by clarifying expectations. For a public-oriented enterprise, documentation also supports institutional memory when managers change.

Planning should be iterative. Initial assumptions are rarely perfect, so managers need to compare plans with actual results and revise them. A practical cycle includes identifying opportunities, screening feasibility, preparing a plan and budget, implementing activities, recording transactions, evaluating performance, and deciding whether to continue, modify, expand, or stop the business. This cycle converts planning from a ceremonial annual requirement into a learning mechanism.

Budgeting, Accountability, and Internal Control

Budgeting converts a business strategy into a measurable financial commitment. The source report defines a budget as a managerial plan for action that describes revenue, expenditure, and program activities for a future period. This definition highlights the forward-looking function of budgeting. A budget is not simply a record of money spent; it is a statement of how resources will be allocated to achieve agreed objectives.

For a BUMG, the minimum budget structure should distinguish operating revenue, cost of goods or direct service costs, personnel costs, administrative costs, maintenance, marketing, investment expenditure, financing, and contingency reserves. This classification helps managers understand gross margin, operating surplus, cash needs, and the capacity to reinvest. It also prevents capital expenditure from being treated as ordinary consumption and supports more accurate performance evaluation.

Budget preparation should be linked to assumptions. A projected revenue figure is meaningful only when it is connected to expected sales volume and price. Expenditure projections should be based on quantities, unit costs, timing, and responsibility. Scenario analysis can be simple: managers may prepare conservative, realistic, and optimistic projections to see how changes in demand or cost affect cash flow. This approach is particularly relevant when the enterprise plans to diversify into an unfamiliar business.

Internal control supports the reliability of planning and budgeting. The report identifies the absence of strong internal control as a problem. At the scale of a village enterprise, internal control can begin with basic segregation of duties, authorization limits, numbered transaction evidence, routine cash reconciliation, inventory records, periodic supervisory review, and documented approval of significant transactions. These controls reduce error and misuse while improving the quality of information available for decisions.

Accountability has an external and an internal dimension. External accountability concerns reporting to village government, supervisory bodies, and the community. Internal accountability concerns whether managers can explain deviations between plan and realization and take corrective action. A BUMG that produces reports only at the end of the year loses the opportunity to detect problems early. Periodic budget-realization reviews are therefore a management tool, not merely a compliance requirement.

Diversification and Strategic Fit

Diversification is frequently proposed as a solution when a BUMG depends on one business unit. The source report recommends increasing the number of business units so that income does not depend on a single sector. This recommendation is reasonable, but diversification should be selective. Each additional unit increases the need for capital, personnel, operating procedures, marketing, records, and supervision. Expansion can therefore strengthen resilience only when the new activity fits market demand and organizational capacity.

Strategic fit can be assessed through several practical questions: Does the business solve a real local or external customer problem? Are inputs available consistently? Can the BUMG operate at a competitive cost? Does the enterprise have or can it acquire the required skills? Can the activity be monitored with available systems? Does it create synergy with existing assets or businesses? What are the legal, environmental, and reputational risks? These questions help distinguish attractive ideas from feasible opportunities.

A phased diversification approach reduces risk. The enterprise can begin with market validation, a limited pilot, and a defined evaluation period. Investment is increased only after evidence shows that demand, margin, operations, and control are adequate. This approach is consistent with the report's emphasis on logical planning based on market information and with the need to project future revenue and expenditure before expansion.

Diversification can also take forms other than establishing a completely new unit. The BUMG may improve the value chain of an existing activity, add complementary services, aggregate village products, develop distribution partnerships, or use shared facilities more effectively. The most appropriate option depends on local potential, customer access, management capacity, and the village development strategy.

Capacity Building through Participatory Assistance

Managerial capacity is not strengthened by information transfer alone. Participants need opportunities to relate concepts to their own documents, practices, and decisions. The service report used presentations to introduce concepts, question-and-answer sessions to clarify issues, discussion to compare existing practice with regulatory expectations, and evaluation to assess understanding. This sequence reflects a participatory assistance model in which the partner is treated as an active source of operational knowledge.

University-community collaboration can contribute analytical frameworks, regulatory interpretation, documentation methods, and facilitation. The partner contributes knowledge of local conditions, business constraints, relationships, and opportunities. When these forms of knowledge are combined, assistance can produce practical solutions rather than generic recommendations. The report identifies discussion and exchange between professional managers and academics as one of the benefits of the activity.

The effectiveness of assistance is influenced by participation, time, access to documents, and follow-up. The report notes strong interest and cooperation, but it also records limited participation and restricted discussion time. These conditions explain why a single activity should be viewed as an initial capacity-building stage. Sustainable improvement requires repeated mentoring, application of the tools, review of results, and adaptation to new problems.

Based on the literature and the source report, the analytical framework used in this article links five components: market-based opportunity identification, written business planning, performance-oriented budgeting, internal control and accountability, and gradual diversification supported by human-resource development. The framework assumes that these components reinforce one another and should be implemented as a management cycle.

METHOD

The activity used a community service and managerial assistance design. Its purpose was to provide practical solutions to problems experienced by the BUMG partner and to increase understanding of business planning and budgeting. The intervention was not designed as an experimental study. Accordingly, this article applies descriptive qualitative analysis to the implementation records, problem statements, materials, outputs, benefits, and follow-up recommendations contained in the source report.

The administrative data identify the partner as the BUMG of Gampong Teungoh, Nisam District, Aceh Utara. The activity period was one month, from 1 June to 30 June 2023. The service team consisted of Asnawi as team leader and four members: Naufal Bachri, Juni Ahyar, Subhan, and Muhammad Roni. The activity was self-funded, with reported outputs in the form of online news and a community service journal manuscript.

The target participants were BUMG managers and responsible village-enterprise officials, particularly the director or chair, secretary, treasurer, and supervisory actors. The report indicates that participant attendance was limited and that information was substantially provided through the finance or treasury function. This limitation reduced the diversity of perspectives available during diagnosis and made follow-up participation by the complete management structure necessary.

The intervention comprised four related stages. The first stage was preliminary identification of managerial constraints through communication and document-based information. The second stage was conceptual presentation on the role of planning and budgeting, the legal framework, and the components of a BUMG work plan. The third stage was guided discussion and question-and-answer sessions concerning current practice, strengths, weaknesses, and possible business development. The fourth stage was evaluative reflection on the partner's ability to identify planning components, budget implications, and accountability requirements.

The main materials included the legal basis of village-owned enterprises, the purpose and importance of planning, the required content of a work-program plan, budgeting functions, the relationship between financing and business units, risk and benefit sharing, and the implications of different business types for accounting. Visual presentation materials and online meeting documentation were attached to the report. The materials were intended to condense a relatively large amount of information and make the concepts easier to discuss.

Data for this manuscript were obtained from the activity report, approval information, summary, narrative chapters, tables, presentation images, online meeting documentation, and listed references. The analysis followed three steps. First, information was classified into context, problems, intervention, outputs, benefits, supporting factors, inhibiting factors, and follow-up. Second, the relationships among these categories were interpreted using the planning-budgeting-governance framework. Third, strategic recommendations were formulated only where they were supported by the report or constituted an explicit synthesis of its findings.

The available documentation does not provide numerical participant counts that can be verified consistently, pre-test and post-test scores, financial data, or longitudinal business-performance indicators. The results therefore describe changes in understanding, identified needs, and agreed strategic priorities rather than statistically measured effectiveness. This limitation is important because a positive discussion response cannot automatically be interpreted as improved financial performance.

The source report also contains internal inconsistencies in naming and delivery-mode descriptions. The title, approval page, location, period, team, and partner identity refer to Gampong Teungoh, Nisam, whereas several substantive passages retain names and geographic references from another activity. In addition, the method narrative and online documentation support delivery through Zoom, while one later paragraph uses the term offline. This manuscript uses the administrative identity of the Nisam activity, retains only problem themes and intervention content that are substantively consistent, and treats the delivery method as structured presentation and discussion supported by online documentation. No unsupported local business detail is added.

Table 1. Design and stages of the community service activity

Stage	Purpose	Main Activities	Expected Evidence
1. Initial identification	Recognize the partner's managerial and business-development problems	Communication, review of available information, identification of planning, budgeting, capital, facility, human-resource, and control constraints	List of priority problems and assistance needs
2. Conceptual strengthening	Build a common understanding of BUMG planning and budgeting	Presentation of legal basis, work-plan contents, market orientation, budgeting functions, and accountability	Participants can explain key concepts and document components
3. Guided discussion	Relate concepts to existing practice and proposed business development	Question-and-answer session, discussion of current arrangements, revenue-cost implications, and diversification	Identified gaps between current practice and expected governance
4. Evaluation and follow-up	Formulate priorities for improvement	Reflection on understanding, strategic recommendations, and need for continued assistance	Agreed action priorities and follow-up agenda

RESULTS AND DISCUSSION

Initial Condition and Priority Problems

The initial diagnosis showed that the partner's business-development problem was not limited to the selection of a new enterprise. The main issue was the absence of an integrated management foundation that could guide expansion. The report identifies limited business units, plans for diversification that were not yet supported by written arrangements, limited capital, inadequate facilities, weak revenue and expenditure planning, insufficient human-resource capacity, and weak internal control. These conditions affect one another and increase decision risk.

A limited number of business units creates concentration risk because revenue depends on a narrow source. However, adding new activities without planning can create a different risk: capital and managerial attention may be dispersed across businesses that have not been tested. The appropriate response is therefore not immediate diversification but a sequence of opportunity mapping, feasibility screening, budgeting, piloting, and evaluation.

Unwritten arrangements were another important finding. Oral agreements may be common in community-based economic activity, but a BUMG is accountable to multiple stakeholders and may experience management turnover. Written agreements, standard operating procedures, and transaction records are necessary to clarify rights, obligations, prices, quality, delivery, and payment. They also support supervision and reduce dependence on individual memory.

The report's reference to weak revenue and expenditure planning indicates that business decisions were not yet fully translated into financial projections. This weakness can make managers underestimate working-capital needs and overestimate the ability of a business to generate surplus. It also limits the quality of accountability reports, because actual performance cannot be compared with a clear baseline plan.

Human-resource limitations and weak internal control reduce the reliability of financial and operational information. When the same person authorizes, receives, records, and reports transactions without review, the risk of error and misuse increases. Capacity building must therefore cover both knowledge and work systems. Training should be accompanied by simple templates, assignment of responsibilities, transaction evidence, reconciliation, and periodic review.

Table 2. Initial conditions, implications, and strategic responses

Initial Condition	Management Implication	Strategic Response
Limited number of business units	High dependence on a narrow income source and vulnerability to market change	Map opportunities and apply phased diversification after feasibility screening
Business arrangements remain oral or unwritten	Unclear obligations, weak institutional memory, and higher dispute risk	Use written agreements, simple standard operating procedures, and documented approvals
Limited capital	Restricted ability to invest and maintain working capital	Prioritize low-risk opportunities, prepare cash-flow projections, and match financing to business capacity
Business facilities are not yet adequate	Operational inefficiency and reduced service quality	Plan facility improvement according to business priority and budget availability
Revenue and expenditure planning is weak	Uncertain profitability, liquidity, and accountability	Prepare annual work plans, unit budgets, cash-flow projections, and periodic realization reviews
Human-resource capacity is limited	Dependence on individuals and inconsistent managerial practice	Provide repeated mentoring, role descriptions, templates, and practical financial-record training
Internal control is weak	Higher risk of error, misuse, and unreliable reporting	Separate key duties, require transaction evidence, reconcile cash and inventory, and strengthen supervision

Implementation of Assistance and Participant Engagement

The assistance process combined explanation and interaction. Presentation was used to introduce concepts that needed to be understood in a short period, including legal provisions and the contents of planning and budgeting documents. Question-and-answer sessions enabled the partner to clarify terminology and connect the material with operational experience. Discussion was used to identify the strengths and weaknesses of existing practice and to consider how proposed business development would affect revenue, cost, financing, and accountability.

The attached online-meeting documentation shows a multi-participant Zoom session and supports the method narrative describing online assistance. The visual evidence also indicates participation by university facilitators and partner representatives. Although visual attendance alone cannot prove learning outcomes, it confirms that the activity created a direct communication forum rather than relying only on written material.

Participant engagement was supported by high interest and cooperative communication. The partner was willing to explain technical and non-technical constraints and provide supporting information, allowing the service team to identify management problems. Village support also facilitated implementation. These factors are important because capacity-building activities are more effective when the partner openly discusses weaknesses and is willing to test improvements.

At the same time, limited attendance reduced the completeness of the diagnosis. When only one functional representative participates, strategic, operational, supervisory, and village-government perspectives may not be fully represented. Subsequent assistance should involve the complete management and oversight structure so that responsibilities and follow-up commitments are jointly understood.

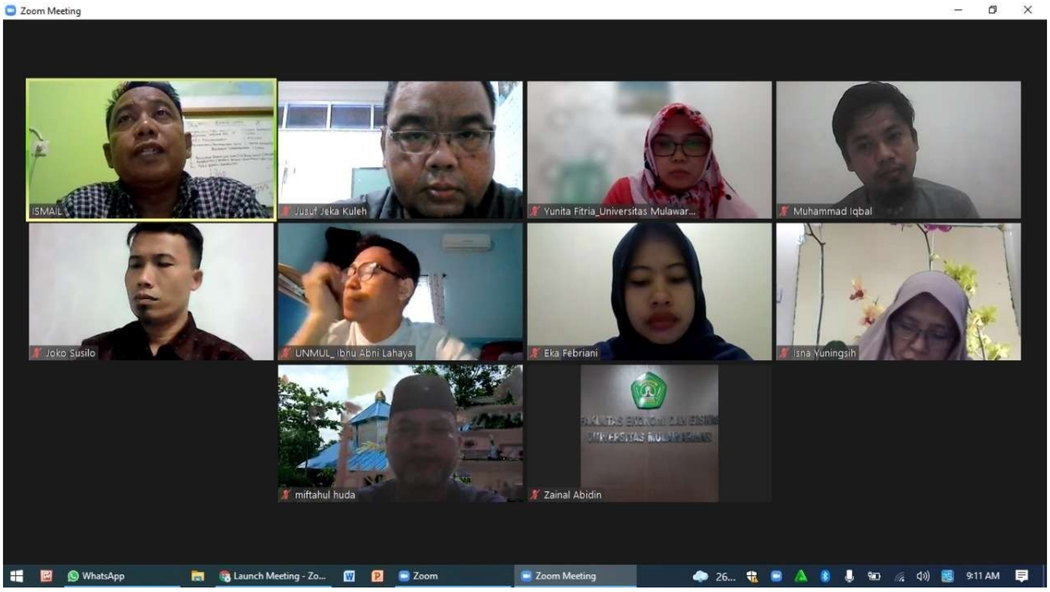

Figure 1. Online assistance and discussion session documented in the source report

Strengthening Understanding of Planning and Budgeting

The first substantive output was increased exposure to the theoretical and practical components of BUMG planning and budgeting. The material emphasized that a plan should contain business targets, strategy, policy, programs or activities, and a budget. These components create a logical chain: the target defines the result, the strategy explains the chosen approach, the policy provides decision boundaries, the program identifies the work to be performed, and the budget allocates resources.

The activity also highlighted the different functions of planning. A plan acts as an action guide for managers, a road map for sequencing development, and a communication or sales tool for attracting partners and financing. These functions are relevant to the partner’s capital constraints. External parties are more likely to evaluate a financing proposal positively when the enterprise can explain the market, operating model, projected cash flow, risk, and management responsibility.

Budgeting material helped connect business-development ambitions with financial consequences. A plan to establish or expand a business unit affects investment, working capital, procurement, personnel, facilities, maintenance, marketing, and contingency requirements. Managers therefore need to estimate not only expected revenue but also the timing of cash inflows and outflows. A business can appear profitable on paper while experiencing cash shortages if customer payments are delayed or inventory must be purchased in advance.

The report notes that the form of budgeting depends on whether the business is engaged in services, trade, or manufacturing. This distinction is important because the cost structure and records differ. A trading unit needs inventory and cost-of-goods records; a service unit needs time, capacity, and direct service-cost records; and a production unit needs raw-material, work-in-process, labor, and overhead information. Assistance should therefore use templates that match the selected business model rather than applying one generic format to every unit.

The discussion also reinforced the relationship between planning and accountability. Financial reports should not be prepared only to fulfill an administrative requirement. They should allow managers and supervisors to compare actual performance with targets, identify deviations, and decide on corrective action. This approach turns reporting into a feedback mechanism for the next planning cycle.

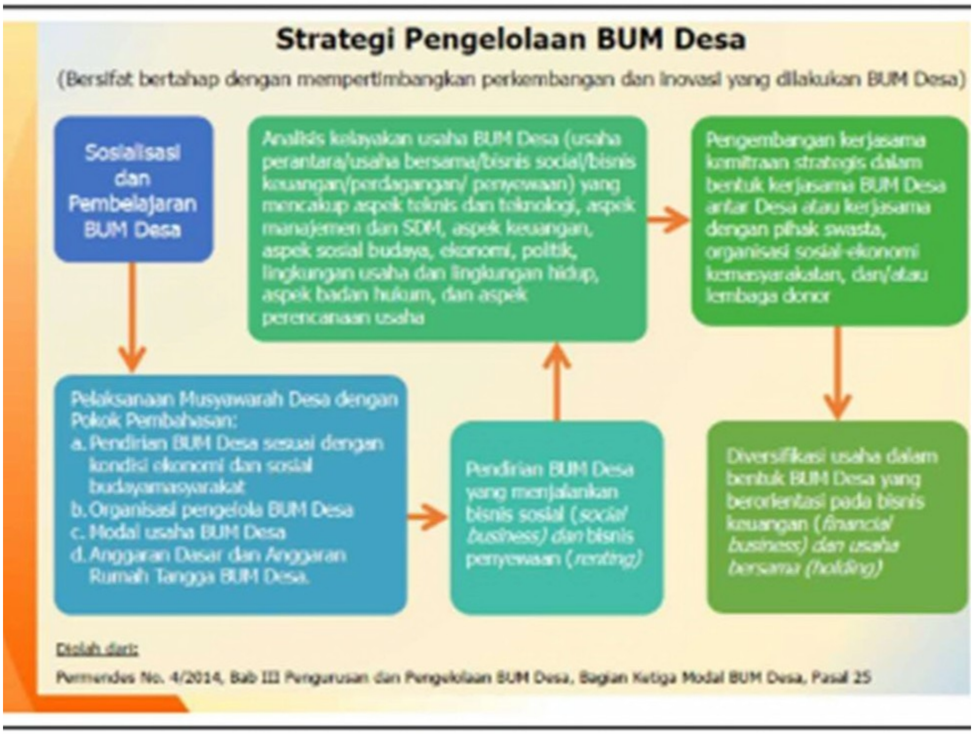

Figure 2. Strategy-management framework included in the activity presentation materials

Table 3. Learning outputs and their practical relevance

Learning Output	Practical Relevance for BUMG Management
Understanding the legal and institutional position of BUMG	Clarifies that business decisions must combine commercial feasibility with village accountability and welfare objectives
Understanding the contents of a work-program plan	Provides a structure for targets, strategies, policies, activities, responsibilities, and budgets
Recognition of market-based planning	Reduces the risk of selecting businesses only because resources are available without confirming demand
Recognition of budgeting functions	Connects business decisions with revenue, cost, investment, financing, and cash-flow requirements
Awareness of documentation and internal control	Supports reliable records, supervision, continuity, and protection of public assets
Awareness of diversification risk	Encourages phased expansion after feasibility analysis rather than simultaneous uncontrolled growth
Commitment to continued assistance	Acknowledges that one activity is an initial step and that implementation requires mentoring and review

Strategic Diagnosis of BUMG Business Development

The strategic diagnosis derived from the activity can be organized into six management domains: market, business model, finance, organization, control, and stakeholder relations. The market domain concerns the existence and stability of demand. The business-model domain concerns how the enterprise creates, delivers, and captures value. The financial domain concerns capital, cost, revenue, cash flow, and surplus. The organizational domain concerns roles and competencies. The control domain concerns documentation, authorization, reconciliation, and supervision. The stakeholder domain concerns alignment with village priorities and cooperation with external parties.

Weakness in one domain can undermine the others. For example, a promising market opportunity may fail if the BUMG lacks working capital or operational responsibility is unclear. Strong financial projections may be unreliable if market assumptions are not tested. A well-designed business may still face public resistance if its benefits and risks are not communicated. The enterprise therefore needs an integrated strategy rather than isolated improvements.

The report's recommendation for direct, continued assistance is consistent with this diagnosis. Managers need support not only to prepare a document but also to apply it in business selection, budgeting, implementation, and review. The most useful mentoring output would be a complete planning package for one priority unit: opportunity profile, customer analysis, operating process, responsibility matrix, investment and working-capital budget, monthly cash-flow projection, risk register, and monitoring indicators.

The partner's credibility and ability to identify planning components were recognized positively in the report. This is an important asset. Capacity-building should start from existing knowledge and documents rather than assuming that the partner has no competence. The role of the service team is to organize, strengthen, and operationalize that knowledge into consistent management practice.

Table 4. Integrated strategic framework for BUMG development

Strategic Domain	**Key Questions**	**Minimum Management Output**
Market and customers	Who will buy, what problem is solved, how large and stable is demand, and who are the competitors?	Market map, target-customer profile, demand evidence, price range, and competitor summary
Business model and operations	How will value be created and delivered, what inputs are required, and who is responsible?	Process flow, supplier plan, service standard, responsibility matrix, and operating procedures
Finance and budgeting	How much capital and working cash are required, what are the expected revenue and costs, and when will cash move?	Investment budget, operating budget, monthly cash-flow projection, break-even estimate, and financing plan
Organization and human resources	What competencies are needed, how are duties divided, and what training is required?	Job descriptions, competency needs, training plan, and performance responsibilities
Internal control and accountability	Who authorizes, records, safeguards, reconciles, and reviews transactions?	Approval limits, transaction evidence, cash and inventory controls, realization reports, and supervisory review
Stakeholder and village alignment	How does the activity support village priorities and how will benefits, risks, and results be communicated?	Alignment statement with village plans, stakeholder communication plan, and benefit-distribution principles

Market-Based Opportunity Mapping

The first strategic priority is to map business opportunities based on demand. The BUMG should identify routine needs within the village, opportunities to aggregate local products, service gaps, links to nearby markets, and potential institutional customers. Each opportunity should be supported by simple evidence such as customer interviews, transaction observations, supplier information, or small-scale sales tests. The objective is not to produce a sophisticated market-research report but to reduce reliance on assumptions.

Opportunity mapping should distinguish social importance from business feasibility. Some services may be essential for the community but unable to cover their costs. In such cases, the village government must decide whether the activity is a subsidized public service or a commercial BUMG unit. Clear classification prevents managers from being evaluated against profit expectations when the actual mandate is service provision and prevents commercial losses from being hidden as social obligations.

The selection process can use a simple scoring matrix covering demand, expected margin, capital requirement, operational complexity, skill availability, risk, social benefit, and alignment with village plans. The highest score does not automatically determine the choice, but the matrix makes the reasoning visible and allows stakeholders to discuss trade-offs.

Written Planning and Business Documentation

The second priority is to convert business intentions into written plans. A minimum annual plan should include a description of the existing condition, objectives, target customers, business targets, activities, schedule, responsible persons, budget, financing, risks, and monitoring indicators. For a new unit, the plan should also explain the proposed value, operating model, supplier and customer relationships, and the criteria for continuing or discontinuing the pilot.

Written contracts or memoranda should be used for important relationships with suppliers, buyers, operators, and partners. The level of formality can be adapted to transaction value and risk, but essential terms should be clear. Standard operating procedures are also needed for recurring processes such as procurement, cash receipts, payments, inventory handling, customer complaints, and reporting.

Documentation supports continuity. Village-enterprise managers may change because of institutional cycles. A business that depends on undocumented personal relationships is vulnerable when personnel change. Plans, agreements, procedures, and records transform individual experience into organizational knowledge.

Performance-Oriented Budgeting and Cash-Flow Management

The third priority is to prepare budgets that are linked to activities and performance targets. Each major activity should have an expected output, responsible person, time frame, and cost. Revenue assumptions should identify the expected quantity, selling price, and collection schedule. Cost assumptions should identify the quantity and unit price of inputs. These details make it possible to review why actual results differ from the plan.

Cash-flow management is particularly important when capital is limited. The BUMG should prepare a monthly projection that shows opening cash, receipts, payments, and closing cash. This projection can reveal periods when additional working capital is required. It can also guide decisions about credit sales, supplier payment terms, inventory levels, and the timing of investment.

Budget realization should be reviewed periodically. A simple monthly or quarterly meeting can compare planned and actual revenue, cost, cash, inventory, and activity completion. Significant deviations should be explained and followed by corrective action. This practice strengthens internal accountability and creates data for the next planning cycle.

Gradual Diversification and Risk Control

The fourth priority is gradual diversification. The report recommends increasing the number of business units so that income is not dependent on one sector. This should be implemented through pilots with limited capital, defined targets, and a clear evaluation period. A pilot should be expanded only when demand, margin, operations, and control meet the agreed criteria.

Risk should be considered before capital is committed. Basic risk categories include market risk, supplier risk, price volatility, credit risk, operational failure, legal risk, fraud, environmental impact, and reputational risk. For each major risk, managers should identify preventive measures, responsible persons, and contingency actions. The objective is not to eliminate all risk but to ensure that risk is understood and proportionate to the enterprise's capacity.

Diversification should also seek synergy. A new activity is more manageable when it uses existing customers, facilities, suppliers, knowledge, or distribution channels. Synergy can reduce investment and learning costs. The opportunity-screening process should therefore give greater weight to businesses that strengthen the existing value chain.

Human-Resource Development and Internal Control

The fifth priority is to strengthen managerial capacity through repeated practical mentoring. Training topics should include opportunity assessment, simple bookkeeping, budgeting, cash flow, inventory, contract basics, customer management, and reporting. Each training session should produce an applied output, such as a completed budget or procedure, rather than ending with conceptual understanding alone.

Roles should be clarified among operational management, finance, supervision, and village government. The director or manager should be responsible for strategy and operations; the finance function should record and report transactions; supervisory actors should review compliance and performance; and village government should exercise ownership authority without taking over daily management. Clear boundaries reduce interference and accountability gaps. Basic internal control can be introduced without creating excessive bureaucracy. Significant payments should require authorization, cash should be reconciled with records, inventory movements should be documented, bank accounts should be used appropriately, and periodic reports should be reviewed. Where staffing is limited, compensating controls such as supervisory review and rotation can reduce risk.

Supporting Factors, Inhibiting Factors, and Follow-Up

Three supporting factors were identified: strong partner interest in technical assistance, cooperative and informative communication about constraints, and support from village stakeholders. These factors increase the possibility that recommendations will be accepted and applied. They also indicate that the main challenge is not resistance to improvement but the need to translate interest into a structured implementation process.

The inhibiting factors were limited time, restricted discussion space, and incomplete representation of the management team. These limitations affect both diagnosis and ownership. A plan prepared with only one functional representative may not reflect operational realities or receive full commitment from other managers. Follow-up should therefore be conducted in a workshop format involving management, supervision, and village-government representatives.

The report proposes direct and offline follow-up assistance for determining planning and budgeting components and for understanding business potential appropriate to BUMG characteristics. This recommendation can be operationalized through a staged action plan. The first stage is consolidation of management roles and documents. The second is opportunity mapping and selection. The third is preparation of a business plan and budget. The fourth is pilot implementation. The fifth is performance review and controlled expansion.

Follow-up should include measurable indicators. Process indicators may include completion of the annual plan, number of documented agreements, availability of monthly financial records, frequency of budget-realization review, and participation of managers in mentoring. Business indicators may include sales, gross margin, cash position, inventory turnover, customer retention, and contribution to village benefits. The indicators should be adapted to the type and scale of the selected business.

Table 5. Proposed follow-up action plan

Time Horizon	Priority Action	Responsible Parties	Output / Indicator
0–1 month	Consolidate management roles, collect existing documents, and agree on the planning calendar	BUMG management, supervisor, village government	Role matrix, document inventory, and approved assistance schedule
1–2 months	Map market opportunities and screen potential business options	BUMG management with university facilitators	Opportunity map and scored shortlist of feasible options
2–3 months	Prepare a written business plan and unit budget for the selected priority	BUMG management and finance function	Business plan, investment budget, operating budget, and monthly cash-flow projection
3–4 months	Develop procedures and basic internal controls	Management, finance, and supervisor	Procedures for procurement, receipts, payments, inventory, authorization, and reporting
4–6 months	Implement a limited pilot and record operational and financial results	Business-unit operator and management	Pilot sales, cost, cash-flow, customer, and operational records
End of pilot	Evaluate performance against agreed criteria	Management, supervisor, village government, and facilitators	Decision to expand, modify, continue, or discontinue the pilot
Ongoing	Conduct periodic mentoring and budget-realization review	BUMG, village stakeholders, and Universitas Malikussaleh	Quarterly review minutes, corrective actions, and updated plans

Social, Economic, and Institutional Implications

The expected social and economic benefit of the program is improved capacity to manage a village enterprise in accordance with applicable rules and sound business practice. Better planning can help the BUMG select activities that respond to community needs and create local economic opportunities. Better budgeting can protect village capital and increase the ability to reinvest. Better accountability can strengthen public trust and stakeholder support. The institutional benefit is equally important. The assistance creates a forum for dialogue between practitioners and academics and can connect village economic problems with university expertise. Universitas Malikussaleh can contribute facilitation, analysis, training, and review, while the partner provides local knowledge and a setting for applied learning. The relationship is most valuable when it continues beyond a single event and produces practical management tools.

The program also has implications for village policy. Capital participation in a BUMG should be accompanied by clear objectives, performance expectations, supervision, and reporting. Village government should support strategic direction and accountability while allowing professional managers to conduct daily operations. This balance protects the enterprise from both neglect and excessive intervention. No claim can be made from the available data that the activity increased revenue or profit. The immediate outcome was a strengthened conceptual basis and clearer strategic priorities. Economic impact will depend on whether the partner prepares and applies the recommended plans, improves records and controls, tests feasible opportunities, and reviews performance over time.

Discussion

The findings confirm that business planning and budgeting are not peripheral administrative tasks but the foundation of BUMG development. The source report initially frames the issue as a business-development strategy, yet the intervention concentrates on planning and budgeting. This is conceptually coherent because expansion decisions require a structured understanding of markets, operations, finance, and accountability. The assistance therefore addressed the managerial preconditions of development rather than promoting growth without preparation.

The integrated framework developed in this article reflects the dual character of a BUMG. Commercial feasibility is necessary because the enterprise must sustain operations, but governance quality is also necessary because the capital, assets, and mandate have a public dimension. Market mapping without accountability can produce opaque business decisions; accountability without commercial discipline can produce compliant but unproductive institutions. Planning connects both dimensions by explaining what the enterprise will do, why it is feasible, how resources will be used, and how results will be evaluated.

The emphasis on market-based planning responds to a common risk in local economic development: treating resource availability as proof of business feasibility. A resource becomes economically valuable only when it can be transformed and delivered to customers under competitive conditions. The report's statement that planning should be based on demand is therefore a critical strategic principle. It shifts attention from 'what the village has' to 'what customers need and what the BUMG can deliver reliably.'

The budgeting focus also responds directly to the partner's constraints. Limited capital makes allocation discipline essential. When funds are scarce, every proposed activity should be evaluated for required investment, working capital, operating cost, revenue timing, and risk. Cash-flow projections are especially important because the enterprise may fail even when projected revenue exceeds cost if cash is not available when payments are due.

The recommendation for diversification must be implemented with caution. Dependence on one business exposes the enterprise to sector-specific shocks, but uncontrolled expansion can multiply losses and weaken supervision. The phased approach proposed here reconciles these concerns. It allows the BUMG to test opportunities, learn from evidence, and expand only after demonstrating operational and financial viability.

The activity illustrates the value and limitation of short-term community service. A concentrated presentation and discussion can introduce concepts and identify priorities, but organizational change requires application, feedback, and repetition. The report's supporting factors indicate readiness for continued engagement, while the inhibiting factors show that a more inclusive and longer mentoring process is required. Future programs should therefore be designed around applied outputs and scheduled review rather than a single transfer of material.

From a governance perspective, the absence of quantitative evaluation is a limitation but also a lesson for future service design. Community service outcomes should be documented through baseline and end-line measures appropriate to the intervention. For planning assistance, indicators could include a knowledge assessment, the completeness of planning documents, the accuracy of budget calculations, the number of controls implemented, and the frequency of review meetings. Business performance indicators should be measured only after sufficient implementation time.

The source inconsistencies also demonstrate the importance of document quality in institutional accountability. Names, locations, delivery modes, and business descriptions should be verified before a report is finalized. Accurate documentation is not merely editorial; it affects the credibility of the activity and the usefulness of the report for decision-making, publication, and follow-up. A standardized reporting checklist would reduce these risks in future community service programs.

Overall, the program's strongest contribution is the articulation of a practical development sequence. The BUMG should not begin with the question of how many businesses it can open. It should begin with the question of which customer problem it can solve responsibly, what capabilities and capital are required, how the activity will be budgeted and controlled, and what evidence will justify expansion. This sequence aligns entrepreneurial action with village accountability and provides a realistic path toward sustainability.

CONCLUSION

The community service program in Gampong Teungoh, Nisam District, addressed BUMG business development through the strengthening of planning and budgeting capacity. The activity used presentation, guided discussion, question-and-answer sessions, and evaluation to introduce the legal basis, work-plan components, budgeting functions, accountability requirements, and implications of diversification. The source report identifies interconnected constraints in business concentration, informal arrangements, capital, facilities, financial planning, human resources, and internal control.

The principal conclusion is that BUMG development should begin with governance and managerial readiness. Strategic priorities include market-based opportunity mapping, written business plans and agreements, activity-based budgets, monthly cash-flow projections, periodic realization reviews, basic internal control, role clarification, and gradual diversification through limited pilots. These priorities provide a practical pathway for aligning commercial feasibility with village welfare and public accountability.

The activity produced descriptive learning and strategic outputs rather than verified financial impact. Continued mentoring is needed to involve the complete management and supervisory structure, prepare an applied plan and budget for a priority business, implement controls, conduct a pilot, and evaluate results. Future programs should include baseline and end-line instruments, document-quality verification, and longitudinal performance monitoring so that changes in managerial capacity and business outcomes can be measured more rigorously.

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