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Supporting The Competitiveness of Local MSMES Through A Curriculum-Based Mentoring Program in the Commercial Sector

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ABSTRAK
Usaha Mikro, Kecil, dan Menengah (UMKM) memainkan peran fundamental sebagai pilar penyokong pertumbuhan ekonomi nasional dan penyerapan tenaga kerja di Indonesia. Namun, UMKM sektor komersial di kota-kota yang menjadi pusat pertumbuhan perdagangan regional, seperti Cirebon, Palembang, dan Makassar, masih menghadapi tantangan struktural yang menghambat daya saing mereka di tengah akselerasi ekonomi digital. Permasalahan utama mencakup rendahnya literasi manajemen operasional, pencatatan keuangan yang masih konvensional dan bercampur dengan aset pribadi, kurangnya strategi pemasaran berbasis data, serta keterbatasan dalam standardisasi produk komersial. Program pengabdian kepada masyarakat ini bertujuan untuk meningkatkan kemampuan manajerial dan daya saing berkelanjutan bagi UMKM di sektor komersial melalui implementasi program pendampingan terstruktur yang berbasis kurikulum. Metode pelaksanaan menggunakan pendekatan Participatory Action Research (PAR) yang diintegrasikan dengan siklus pelatihan bertahap, meliputi pemetaan kebutuhan (needs assessment), penyampaian modul kurikulum komersial terapan (manajemen rantai pasok, literasi keuangan digital, pemasaran omnichannel, dan standardisasi kualitas), pendampingan langsung secara intensif di lapangan (on-site coaching), serta evaluasi kinerja pascaprogram. Kegiatan ini dilaksanakan secara kolaboratif di tiga wilayah strategis, yaitu Kota Cirebon (Jawa Barat), Kota Palembang (Sumatera Selatan), dan Kota Makassar (Sulawesi Selatan), dengan melibatkan total 90 UMKM komersial. Hasil evaluasi menunjukkan adanya peningkatan signifikan pada pemahaman manajerial peserta setelah mengikuti kurikulum pendampingan, yang tercermin dari kemampuan dalam menyusun laporan arus kas digital sederhana, mengoptimalkan saluran pemasaran daring, dan memperbaiki tata kelola operasional bisnis. Program pendampingan berbasis kurikulum ini terbukti efektif dalam mentransformasi pola pikir UMKM dari yang sekadar bertahan hidup menjadi entitas bisnis komersial yang adaptif, memiliki skalabilitas tinggi (scalable), dan berdaya saing kuat.
Kata Kunci: Daya Saing UMKM, Kurikulum Pendampingan, Manajemen Keuangan, Pendampingan Bisnis, Sektor Komersial.

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a fundamental role as pillars supporting national economic growth and employment in Indonesia. However, MSMEs in the commercial sector in cities that are centers of regional trade growth such as Cirebon, Palembang, and Makassar still face structural challenges that hamper their competitiveness amidst the acceleration of the digital economy. Key issues include low operational management literacy, financial records that are still conventional and mixed with personal assets, a lack of data-driven marketing strategies, and limitations in commercial product standardization. This community service program aims to improve managerial capabilities and sustainable competitiveness for MSMEs in the commercial sector through the implementation of a structured, curriculum-based mentoring program. The implementation method uses a Participatory Action Research (PAR) approach integrated with a phased training cycle, including needs mapping (needs assessment), delivery of applied commercial curriculum modules (supply chain management, digital financial literacy, omnichannel marketing, and quality standardization), intensive on -site coaching, and post-program performance evaluation. This activity was carried out collaboratively in three strategic areas, namely Cirebon City (West Java), Palembang City (South Sumatra), and Makassar City (South Sulawesi), involving a total of 90 commercial MSMEs. Evaluation results showed a significant increase in the participants' managerial understanding after participating in the mentoring curriculum, as reflected in the ability to prepare simple digital cash flow reports, optimize online marketing channels, and improve business operational governance. This curriculum-based mentoring program has proven effective in transforming the mindset of MSMEs from mere survival to commercial business entities that are adaptive, scalable, and highly competitive.

Keywords: *Competitiveness of MSMEs, Mentoring Curriculum, Financial Management, Business Mentoring, Commercial Sector.*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have consistently proven to be the backbone of the Indonesian economy, contributing more than 60% to the national Gross Domestic Product (GDP) and absorbing approximately 97% of the total domestic workforce (Ministry of Cooperatives and Small and Medium Enterprises [KemenkopUKM], 2024). This sector's resilience in the face of various macroeconomic shocks makes MSME empowerment a top priority in the national and regional economic development agenda (Tambunan, 2021). However, despite their massive quantitative contribution, the majority of MSMEs in Indonesia still operate on a subsistence scale with relatively low levels of productivity and competitiveness compared to large businesses and MSMEs in other Southeast Asian countries (Organization for Economic Co-operation and Development [OECD], 2022). This phenomenon is particularly pronounced in MSMEs operating in commercial sectors such as retail trade, processed culinary, fashion, and distribution services which demand rapid adaptation to changing consumer behavior, supply chain efficiency, and precise profit margin management.

Geographically, the dynamics of commercial MSME development are strongly influenced by the economic characteristics of their respective regions. Cirebon City in West Java, Palembang City in South Sumatra, and Makassar City in South Sulawesi represent three strategic hubs of trade and service growth in Western, Central, and Eastern Indonesia. Cirebon City holds a vital geopolitical position as a gateway connecting West Java and Central Java, with rapid growth in the retail trade, culinary specialties, and crafts sectors supported by transportation infrastructure connectivity (Central Statistics Agency [BPS] Cirebon City, 2024). Meanwhile, Palembang City is the center of economic activity and the main distribution of goods in the southern Sumatra region, supported by the richness of local culinary, culture-based creative industries, and commodity trade (BPS Palembang City, 2024). On the other hand,

Makassar City serves as a major logistics, trade, and service hub for the entire Eastern Indonesia region, with a very dynamic growth rate of urban consumption (BPS Makassar City, 2024).

Although these three cities have highly potential commercial market ecosystems, initial observations and mapping of partner conditions in the field indicate that the majority of MSMEs in Cirebon, Palembang, and Makassar face a common and systemic pattern of problems. First, weak financial management and basic accounting governance. Many commercial MSMEs in these three regions have not separated personal/household finances from business operational finances (Lusimbo & Muturi, 2016; Wahyuni et al., 2023). Daily transaction recording is generally still done manually without accurate cost of goods sold (COGS) calculations, making it difficult for business owners to measure actual profitability, control cash flow, and meet bank financing requirements (*bankability*).

Second, limitations in adopting modern marketing strategies and comprehensively utilizing digital technology. Although internet penetration and social media usage are relatively high in major cities like Cirebon, Palembang, and Makassar, their use by MSMEs is often limited to passive promotion without content planning, *customer relationship* management, or market analytics (Purbasari et al., 2021). This digital literacy gap makes it difficult for local MSMEs to expand their market share beyond their geographic region and makes them vulnerable to being displaced by products from outside the region entering through *e-commerce platforms* (Rahayu & Day, 2017).

Third, low operational standardization, product quality, and supply chain management. In the highly competitive commercial sector, consistent product quality, functional packaging design, and guaranteed stock availability are key determinants of customer satisfaction (Porter, 1985; Barney, 1991). Many local MSMEs still operate based on intuition and traditional habits without documented Standard Operating Procedures (SOPs). As a result, when market demand surges, businesses often experience production capacity constraints, distribution delays, and a decline in service quality.

Various MSME training programs have been organized by local governments, banking institutions, and universities in the three cities. However, evaluations of conventional empowerment programs show that sporadic, incidental, and one-way interventions (*one-off seminars*) tend to be less effective in producing sustainable changes in business behavior (McKenzie & Woodruff, 2014). MSMEs often receive fragmented material without a continuous learning flow and minimal post-training support when they try to implement theory into daily business practices (Valerio et al., 2014).

To bridge this gap, a more systematic empowerment approach is needed through the design of a ***curriculum-based*** **mentoring program.** This curriculum-based approach designs a gradual, measurable, and integrated process of transferring business knowledge and skills, starting from the foundations of an entrepreneurial mindset, operational governance, financial literacy and digital bookkeeping to commercial market expansion strategies (Kuratko, 2020). Furthermore, the integration of the curriculum with intensive mentoring sessions *allows* facilitators and academics to directly diagnose the specific obstacles faced by each partner in Cirebon, Palembang, and Makassar, so that the solutions provided are contextualized according to local market characteristics.

Based on the urgency and analysis of the situation, the community service team initiated an integrated mentoring program entitled *"Supporting the Competitiveness of Local MSMEs Through a Curriculum-Based Mentoring Program in the Commercial Sector"* which was implemented simultaneously and collaboratively in Cirebon, Palembang, and Makassar. The main objectives of this community service activity are to: (1) equip commercial sector MSMEs with a structured business management knowledge framework through applied curriculum modules; (2) increase the capacity of business actors in conducting accountable financial records and precise COGS calculations; and (3) encourage the transformation of marketing strategies and operational standardization to strengthen the competitiveness of local MSMEs in regional and national markets. Through this cross-regional synergy, this program is expected to not only have a direct impact on improving the business performance of

participating partners, but also produce an MSME mentoring curriculum model that can be widely replicated by relevant stakeholders.

RESEARCH METHODS

This community service activity adopted a Participatory Action Research (PAR) approach combined with an interactive and applicable andragogy (adult education) training method. The PAR approach was chosen so that commercial MSMEs in the cities of Cirebon, Palembang, and Makassar would not only act as objects receiving material but would also be actively involved as subjects in identifying operational obstacles, formulating business solutions, and evaluating their business achievements independently. The program implementation involved a total of 90 commercial MSMEs (30 selected partners in each city) engaged in retail trade, processed culinary, fashion, and local distribution services. The entire series of activities was designed within a collaborative learning ecosystem that connects academics, business practitioners, and field facilitators in the three target areas.

Operationally, the implementation of this curriculum-based mentoring program is divided into four main stages that are systematic and continuous. The first stage is the Needs Mapping and Business Diagnostics (Need Assessment & Baseline Survey), where the implementation team conducts initial observations, structured interviews, and distributes pre-test questionnaires to map the level of management literacy, financial recording conditions, and digital marketing capacity of each partner. The second stage is the Delivery of the Applied Commercial Curriculum (Curriculum-Based Workshop) which is divided into four core modules, namely: (1) Operational Governance and Product Quality Standardization; (2) Basic Financial Management, Calculation of Cost of Goods Sold (COGS), and Digital Bookkeeping; (3) Omnichannel Marketing Strategy and E-Commerce Optimization; and (4) Supply Chain Management and Customer Service. The third stage is Intensive Mentoring at the Business Location (On-Site Mentoring & Coaching), where mentors accompany partners directly to implement curriculum modules into daily business practices, such as separating personal accounts from business accounts and preparing digital cash flow reports.

The fourth stage is the Post-Program Evaluation & Sustainability Evaluation, which aims to measure the effectiveness of curriculum interventions in improving partner competitiveness. The evaluation is conducted quantitatively and qualitatively through a comparison of pre-test and post-test results of managerial understanding, a simple financial bookkeeping completeness audit, and monitoring of business performance indicators (such as increased cost efficiency and expanded market reach) for three months after the training. In addition, the community service team also established a cross-regional communication forum for participants in Cirebon, Palembang, and Makassar as a platform for

commercial partnership networks and inter-regional supply chain exchanges to ensure the sustainability of the program's impact after the formal mentoring period ends.

The following is a simplification of the Implementation Schedule Table to make it more concise, dense, and easy to read for scientific journal article format:

Table 1

Schedule for Implementation of Community Service Activities

No	Activity Stages	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
1	Preparation, Coordination, & *Need Assessment*	**X**	**X**				
2	Curriculum Module Training (Operational & Financial)		**X**	**X**			
3	Curriculum Module Training (Marketing & Supply Chain)			**X**	**X**		
4	Intensive Mentoring (*On-Site Mentoring*) in the Field				**X**	**X**	
5	Final Evaluation (*Post-Te*), Reporting, & Output					**X**	**X**

RESULT AND DISCUSSION

Research Results

The community service program entitled "Supporting the Competitiveness of Local MSMEs Through a Curriculum-Based Mentoring Program in the Commercial Sector" was implemented involving a total of 90 Micro, Small, and Medium Enterprises (MSMEs) in the commercial sector—30 partners each in Cirebon City, Palembang City, and Makassar City. Evaluation of the program's effectiveness was conducted quantitatively through a comparison of pre-test and post-test scores and monitoring of business performance indicators during three months of intensive mentoring. A summary of the partners' conditions before and after the program intervention is presented in Table 2.

Table 2

Recapitulation of MSME Performance Indicator Achievements Before and After Mentoring ($N = 90$)

No	Evaluation Aspects & Indicators	Before Program (Baseline)	After the Program (Post-Mentoring)	Increase / Difference
1	**Financial Management Governance**			
	Separation of personal and business accounts	18.0% (16 partners)	100.0% (90 partners)	**+82.0%**
	Digital daily *cash flow* recording	14.4% (13 partners)	85.6% (77 partners)	**+71.2%**
	Accuracy of Cost of Goods Sold (COGS) calculation	22.2% (20 partners)	91.1% (82 partners)	**+68.9%**
2	**Product Operations & Standardization**			
	Implementation of written Standard Operating Procedures (SOP)	11.1% (10 partners)	80.0% (72 partners)	**+68.9%**
	Improvements to commercial packaging & information label design	33.3% (30 partners)	88.9% (80 partners)	**+55.6%**
	Efficiency of production/service process time	—	Increased by 35.0%	**+35.0%**
3	**Digital Marketing & Supply Chain**			
	Digital business profile activation (*Google Business* & social media)	42.2% (38 partners)	95.6% (86 partners)	**+53.4%**
	Utilization of e-commerce transaction channels / digital payments (QRIS)	27.8% (25 partners)	74.4% (67 partners)	**+46.6%**
	Average monthly sales turnover growth	—	Increased 25–40%	**+32.5%**

Improving Financial Management Literacy and Basic Accounting

Based on the data in Table 2, the most fundamental problem found in the initial (*baseline*) stage was the mixing of household finances with business operational finances (82% of partners). Furthermore,

only 22.2 % of partners accurately calculated the Cost of Goods Sold (COGS), making it difficult for the majority of business owners to measure their actual profit margins and failing to meet bank financing eligibility requirements (*bankability*).

Through a financial management curriculum module and intensive *on-site coaching*, participants were trained to prepare simple bookkeeping using a daily cash book format and a digital financial recording application based on a device. *Post-mentoring* evaluations showed that 100% of participants have now separated business accounts, 85.6 % routinely record daily cash flow digitally, and 91.1 % are able to accurately calculate COGS. In line with the findings of Lusimbo and Muturi (2016), increased financial literacy has been proven to have a direct impact on the ability of MSMEs to control cash flow, reduce operational cost leakage, and plan capital accountably.

Operational Governance Transformation and Product Standardization

The commercial sector places high demands on consistent quality, speed of service, and timely delivery. Prior to the curriculum intervention, only 11.1 % of partners had documented Standard Operating Procedures (SOPs), while the remainder operated based solely on intuition and habit. Through operational training modules, the community service team assisted partners in Cirebon, Palembang, and Makassar in formulating production SOPs, organizing retail outlet layouts, *and* updating product packaging *for* greater hygiene and commercial appeal.

The evaluation results showed an increase in the implementation of written SOPs to 80.0 % of partners, followed by updates to packaging standards at 88.9 % of partners, which directly increased the efficiency of production process time by an average of 35%. The implementation of these SOPs helped business actors minimize product defect rates *and* increase customer satisfaction. These findings align with the *Resource-Based View framework* (Barney, 1991), where standardized internal capability and procedure arrangements are crucial foundations in creating sustainable competitive advantage.

Adoption of Digital Marketing and Strengthening the Supply Chain

The main obstacle for local MSMEs in regional trading hubs is limited market reach, which relies on offline buyers *near* their business locations. Through modules on *omnichannel* marketing strategies and *e-commerce* optimization, partners are assisted in optimizing *their Google Business Profile*, developing social media promotional content calendars, and integrating cashless payment systems (QRIS) and marketplace *platforms*.

Following the mentoring, the activation rate of partners' digital marketing channels jumped from 42.2 % to 95.6 %, with 74.4 % actively conducting online transactions and recording an average monthly turnover increase of 25% to 40%. Furthermore, the establishment of a cross-regional networking forum enabled MSMEs in Cirebon, Palembang, andand Makassar exchange information on more efficient raw material suppliers.This success confirms the study of Purbasari et al.(2021) that the integration of digital ecosystems accompanied by continuous mentoring is able to expand market penetration and strengthen the competitiveness of local MSMEs amidst urban economic competition.

CONCLUSION

The community service program entitled *"Supporting the Competitiveness of Local MSMEs Through a Curriculum-Based Mentoring Program in the Commercial Sector"* implemented in Cirebon City, Palembang City, and Makassar City has proven effective in increasing the managerial capacity and competitiveness of 90 MSMEs in the commercial sector. The integration of structured curriculum-based training and intensive on *-site coaching* has transformed partners' business governance from conventional management patterns to measurable, efficient, and adaptive business practices to modern market dynamics.

Specifically, the curriculum intervention resulted in significant improvements in the three main pillars of commercial business. In financial management, all partners (100%) successfully separated personal and business finances, 85.6 % routinely recorded digital *cash flow,* and 91.1 % were able to

accurately calculate Cost of Goods Sold (COGS). In operational and marketing aspects, the implementation of Standard Operating Procedures (SOPs) increased by 80.0 %, resulting in a 35% increase in production time efficiency. While optimizing *omnichannel marketing channels* and digital payments successfully expanded market reach and drove an average increase in partner monthly turnover of 25% to 40%.

The success of this cross-regional curriculum-based mentoring model demonstrates that empowering MSMEs requires a systematic, applicable, and sustainable approach, not just one-way, incidental training. To maintain the program's sustainable impact, it is recommended that local governments, banking institutions, and universities in the three cities adopt this curriculum module as a standard for developing commercial MSMEs, while also facilitating access to further financing for partners with standardized (*bankable*) financial reports to accelerate their business expansion to the national level.

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