### **CHAPTER 1**

### INTRODUCTION

# 1.1 Background of the Project

MSMEs and cooperatives together form one of the economic cornerstones of Indonesia. MSMEs have become more prevalent throughout time. This is inextricably linked to the challenges MSMEs experience in building their business capabilities. Lack of capital, both in terms of the quantity and sources of capital, as well as a lack of management capabilities and operational skills within the organization, marketing restrictions, issues with financial records, and issues with business management are all distinct issues in the development of MSMEs actors. Only a small number of MSMEs saw an improvement in their financial performance. Because the assets possessed by MSMEs are not differentiated from personal assets and are frequently exploited for personal advantage, neither is recorded nor stacked, many MSMEs actors are unable to present the amount of assets owned.

Rapid development also goes hand in hand with the challenges of MSMEs in Indonesia today to continue to survive. Along with the development of technology, the challenges faced by society are also increasing. Especially in a pandemic era like this, online visibility and reviews determine choices in society. So that in today's all-digital era, it is not uncommon for many business actors to start learning how to run a business online.

The current growth must of course be accompanied by the readiness of MSME players in facing the digital world. By implementing digital marketing, communication and transactions can be done every time / real time and can be globalized. The number of chat-based social media users is large and increasing day by day, opening up opportunities for many entrepreneurs to develop their market only in the grip of a smartphone.

In addition, the improvement of financial reports must also be presented properly because it affects the continuity of the MSMEs operations themselves. Financial

reports can have a positive impact on the development of MSMEs. Through financial reports, MSMEs owners can obtain systematic data and information on their business so that it helps in terms of decision making. In financial reports, problems that occur in a business can be clearly identified so that it is very helpful to control the problems that arise.

By considering the importance of developing digital marketing and revamping financial reports for MSMEs, the authors decided to carry out anMSMEs mentoring project with the title "financial reporting digital marketing support on MSMSEs in Duri (Case Study on Rumah Jahit Lestari in Duri)."

# 1.2 Identification of the Project

From the above background, a problem can be formulated as follows: "How to improve the financial management of Rumah Jahit Lestari MSMEs in Duri both from the aspect of financial operations, and digital marketing?".

### 1.3 Purpose of the Project

Based on the formulation of the problems that have been stated above, the researchers have objectives in this project are:

# 1.3.1 General Purpose

The general objective of this project is to improve the financialmanagement of Rumah Jahit Lestari MSMEs Duri both from the aspect of financial operations and digital marketing.

### 1.3.2 General Objectives

In this project there are specific objectives that the author wants to achieve, namely:

- 1. To explain the role of digital marketing for the development of Rumah Lestari MSMEs Duri.
- 2. To find out the preparation of financial reports on the Rumah Jahit Lestari MSMEs Duri.
- 3. To find out the obstacles in preparing financial reports on the Rumah Jahit Lestari MSMEs Duri

# 1.4 Significance of the Project

Based on the identification, the significance of the project that the author will improve is:

#### 1. Benefits for MSMEs:

The results of this project are expected to contribute ideas for MSMEs business actors in order to optimize the revamping of financial reports and implement digital marketing efficiently in the Rumah Jahit Lestari MSMEs in Duri.

### 2. For the Author:

Can deepen the knowledge that has been learned from previous lectures. besides that, the author can help MSMEs to become MSMEs that have business feasibility in better financial records and implementing digital marketing.

#### 3. For the Universities:

Can be used as a material consideration in the preparation of project reports related to revamping financial statements and digital marketing. besides that, it can be used as a reference in preparing further financial reports.

# 1.5 Time and Place of Project Implementation

Based on the identification of time and place, the implementation project that the author raise is:

### 1. Project Implementation Time

The implementation time of this project starts from the acceptance of the project proposal until completion for 4 months, namely from May, June, July and August.

# 2. Place of the Project Implementation

The place for implementing the assistance of PHR-Polbeng assisted MSMEs assistance in the Mandau District out at the business owner place which islocated at jalan Asrama Tribrata Duri. Meanwhile, the implementation of assistance and guidance is carried out directly to MSMEs actors.

# 1.6 Writing System

The systematics of writing in this project contains the entire project consisting of the initial part, the contents and the end of the project. To facilitate the discussion and writing of this thesis, the author first describes the project systematics consisting of:

### **CHAPTER I: INTRODUCTION**

Chapter I contains a description of the title, project background, project identification, project objectives, project benefits, time and place of project implementation and writing systematics.

### **CHAPTER 2: LITERATURE REVIEW**

In Chapter II, it explains the general theoretical basis of the project, the project-specific theoretical basis and the previous project framework that will be used in project completion.

# **CHAPTER 3: METHOD AND ACCOMPLISHMENT PROCESS**

This chapter describes the project preparation plan, project implementation plan, project completion plan along with the schedule and estimated cost of implementing the final project.

### **CHAPTER 4: RESULT AND DISCUSSION**

In Chapter IV, the results and discussion of the project will be explained.

# **CHAPTER 5: CONCLUSIONS AND SUGGESTIONS**

In Chapter V will explain the conclusions and proposals for the implemented project.