

**Preparation of Income Statement and Implementation of
Promotion In Order to Maintain Business Sustainability of
"DuniaKeramik" store
(Case Study : Business Coaching UMKM in Indonesia)**

**AUTHORS : MAHENDI AMANDO
CO AUTHORS : UNGGUL CARIAWAN**

Magister Management, Faculty of Economic and Business, University Of Indonesia

ABSTRACT

This thesis research is in the form of Business Coaching conducted at new establish Small Medium Enterprise (SME) TokoDuniaKeramik, located in BantarGebang, Bekasi. The purpose of this study is to focus on the preparation of the Income Statement using a simple accounting application downloaded on the device and the promotion implementation for the DuniaKeramik Store to help the new establish company going sustain and will growth in a long run. The data used using interview technique and then analyzed by Porter's five force analysis method, segmenting targeting positioning analysis, SWOT analysis, marketing mix analysis, financial statement analysis, and gap analysis. The achievement result of Business Coaching is DuniaKeramik Store has Income Statement, can be found by search engine google and Google Maps, have a Digital Catalog, and social media in the form of Instagram. After this coaching business is expected DuniaKeramik Store has a periodic profit and loss statement and has implemented a digital promotion so that the company can sustain the operation.

Keywords: *Income Statement, Small Medium Enterprise, Business, Promotion implementation, Business Sustainability*

INTRODUCTION

The ceramic industry is closely related to the property business, especially the housing industry. With the issuance of Bank Indonesia Regulation Number 18/16 / PBI / 2016 concerning Loan to Value Ratios for Property Loans, Financing to Value Ratios for Property Financing, and Advances for Motor Vehicle Loans or Financing will encourage the distribution of consumer loans in the Home Ownership Credit (KPR) and Car Ownership Credit (KPM). Judging from the population growth the largest population growth rate is in Bekasi Regency with an average of 8.6% per year. Then followed by Depok City at 4.7% per year. The growth of the population in the Bekasi area and its surroundings triggers the need for housing construction

Tabel0.1 Population Growth in Jabodetabek

| | LajuPertumbuhan | | | | | Rata-rata |
|----------------|-----------------|------|------|------|------|-----------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | |
| DKI Jakarta | 1,1% | 1,1% | 1,0% | 1,0% | 1,0% | 1,0% |
| Kota Tangerang | 1,8% | 2,4% | 2,4% | 2,3% | 2,2% | 2,2% |

| | | | | | | |
|---------------------|------|-------|------|------|------|------|
| Kabupaten Tangerang | 3,5% | 3,4% | 3,2% | 3,2% | 3,3% | 3,3% |
| Kota Depok | 4,7% | 3,3% | 7,3% | 3,5% | 4,7% | 4,7% |
| Kota Bekasi | 2,8% | 2,7% | 2,6% | 2,6% | 2,7% | 2,7% |
| Kabupaten Bekasi | 5,0% | 21,5% | 3,9% | 3,9% | 8,6% | 8,6% |

From the data that explains the banking strategy and population growth in the Jabodetabekarea, it is very supportive for the business development of the Ceramic Shop that sells ceramics used by residential housing (landed houses) around Bekasi.

Ms. Gina has a strong believe to start the business because she had 10 years of experience in this industry and she followed of the parents' business which was located in the same area. Despite having experience selling but Mrs. Gina has poor managerial skills, for example inaccurate financial arrangements, and even has a bad experience that has a non-current debt to the bank. Identification is obtained by interviewing the owner directly and making an assessment form that is directly filled by the business owner. Based on these results obtained problems, especially in the field of marketing and finance as follows: This case is about

1. How to prepare a Profit and Loss Report to find out the cost structure in running a Ceramic World Store business?
2. How to conduct promotional activities for the World Ceramic Shop business in order to utilize the existing market potential?

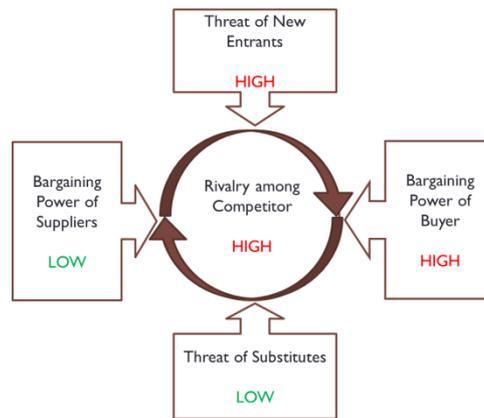
LITERATURE REVIEW

METHODOLOGY

Business analysis is done by mapping the current condition of the "World of Ceramics" store, analyzing this condition in several ways including

1. *Five Forces Porter* Analysis

From the conclusion of the analysis using the five porters of the World Ceramic store business must balance the bargaining power to the supplier with the threat of new entrant so that with the current condition the DuniaKeramik Shop can foster its suppliers so that it can continue to supply the World Ceramic Shop business with terms and conditions adjusted to the conditions business. Likewise, the high bargaining power of buyers, DuniaKeramik Shop can highlight the services provided to its buyers so that buyers are dependent on the World Ceramic Shop. Service can be in the form of calculation services as needed, delivery of goods on time, cooperating with ceramic installers, and matching ceramic motifs



2. Analisis Segmenting Targeting Positioning

Segmenting

Based on observe the condition of the community and housing around the location of the DuniaKeramik Shop within a radius of 5 km, the appropriate target market target is the segment in groups C1 and C2 based on Nielsen classification, namely the upper middle and lower middle class. It is assumed that the people with this amount of expenditure have enough income to carry out renovations or the construction of a simple permanent house that has been using ceramics. Based on the results of Segmenting, Targeting, and Positioning analysis, the DuniaKeramik Store business targets the community segment market with expenditure levels C1 and C2 and the community at the age of 27 years to 37 years, so that the implementation of promotions using internet marketing in it including digital marketing is suitable to do. The condition of the TokoDuniaKeramik business is an effort with quite price-sensitive customers, encouraging companies to be able to monitor the profits obtained by making a Profit and Loss Statement.

Targeting

The practical way to determine the target market is to choose the right market segmentation. The following are practical steps you can take to determine the target market: Geographical, Demographic, Psychological, Behavioral.

| | |
|---------------|--|
| Geographical | Households in Jakarta, Bekasi, Karawang and surrounding areas |
| Demographics | People who will own their own house are aged 27-37years |
| Psychological | Household with middle income down Household Behavior that always wants to live in a neat house. |

Positioning

Positioning performed by TokoDuniaKeramik is highlighting the cheapest place to buy ceramics compared to the surrounding competitors. Even though it wants to be known as the cheapest shop, Ibu Gina as the owner of DuniaKeramik Shop is not willing if the selling price of ceramics is to be published. This prevents competitors from easily knowing the price sold by the DuniaKeramikStore margin on sales. So that this positioning can still be maintained by the Shop of the World

of Ceramics suggested TokoDuniaKeramik implements marketing activities that help the World Ceramic Store have that image.

Based on the results of Segmenting, Targeting, and Positioning analysis, the DuniaKeramik Store business targets the community segment market with expenditure levels C1 and C2 and the community at the age of 27 years to 37 years, so that the implementation of promotions using internet marketing in it including digital marketing is suitable to do. The condition of the World Ceramic Shop business is an effort with customers who are quite price-sensitive, the price difference can cause customers to move to their competitors. This also encourages companies to be able to monitor the profits obtained by making a Profit and Loss Statement.

3. Marketing Mix 7P Analysis

The marketing mix variables of several studies were developed from 4p theory to 7P to adjust to the service sector consisting of (product), price (promotion), promotion, and place (people), physical means (physical evidence), and process (process). The character of the service industry shows the importance of physical facilities (physical evidence) influencing perceptions of quality including people (process) and process (process) to deliver services as an additional marketing mix (Booms and Bitner, 1981).

a. Product

The World Ceramic Shop is not a producer of the goods it sells, so this variable does not have much effect on the marketing activities of the World Ceramic Shop, but still pays attention to the availability and variety of products sold.

b. Price

In determining the selling price of the product, the DuniaKeramik Shop strongly considers the selling price of the competitor's shop around the shop. The World Ceramic Shop is recommended to use the cost leadership strategy, by implementing this strategy, the administration of financial records is needed as an ingredient in evaluating the profitability of the sales results. From the analysis carried out by the price determination authors used by the World Ceramic Shop has not taken into account the overall costs that should be borne by the company's profits

c. Promotion

Kotler and Keller (2012) explained that promotion is a means by which companies try to inform, attract attention and remind customers directly or indirectly about products and those sold. There are several elements of promotion to determine the best results from promotional activities by adjusting the most appropriate budget and activities, including:

advertising (advertising), sales promotion, public relations (public relations), personal selling, direct marketing, digital marketing (internet marketing).

d. Place

The location of the World Ceramics Shop is on Jalan Raya BantarGebangSetu no. 21, which is the main road in the BantarGebang area which is one of the advantages of the DuniaKeramik Shop. Besides that, because in a 2 km radius there are several housing including Vida Regency Housing, Vila Pedurenan Indah, Bekasi Harmony

Park, Gran Regency Housing, Margi Utami Housing. Another thing where the shop business is owned by Gina's mother's parents so that the risk of moving the place of business becomes small.

e. People

Variable people are directly related to business, company employees are very important in marketing because they are the ones who provide services, in the World Ceramic Shop business only has one employee who is in charge of delivering goods purchased by customers therefore the variable depends only on the business owner who doubles as almost all roles in his business. This limitation needs to be overcome by using tools to record transactions using devices.

f. Physical evidence

Physical facilities include building business premises, interiors in business premises, equipment, and spacious layouts which are important concerns and can affect visitor perceptions. The Business Coaching Process The World Ceramic Shop rearranges store layout so that it can influence buyers with a better view. The layout of the store layout is also as a preparation stage for the DuniaKeramik Shop in a better appearance that will be uploaded on the internet media.

g. Process

Services to customers, including in the World Shop Ceramics delivery service, always try to deliver on time, but this service does not have standard operating standards at the World Ceramic Shop.

4. SWOT Analysis

Here the summary of SWOT analysis

| <i>Strengths</i> | <i>Weaknesses</i> |
|--|---|
| <ul style="list-style-type: none"> - The location of a business store that is on a large road and around the housing - Has a network and is trusted to supply other stores - Experience from the owner that has been long and hereditary even though the DuniaKeramikStore has only been running for 3 months | <ul style="list-style-type: none"> - Limited marketing activity - Lack of Administration records - Inefficient inventory management - Lack of capital - Highly dependent to key person |
| <i>Opportunities</i> | <i>Threats</i> |
| <ul style="list-style-type: none"> - High population growth for the Bekasi area will cause increased housing needs. - Become a renovation supplier of a shop / shop / business building. - Utilization of digital promotion facilities in accordance with the target market. | <ul style="list-style-type: none"> - Bank Interest increase for housing loan - Growth in residential apartment - New store establish as competitor |

5. Gap Analysis

Here is summary of gap analysis

| No | Actual Condition | Ideal Condition | Gap |
|----|---|--|---|
| 1 | Incomplete business financial administration records. Never recapitulated the results of business performance to find out how much profit was generated | Financial recording in accordance with accounting rules and recapitulation and reconciliation for each period (eg monthly) | Commitment from business owners to record and separate personal finances and do additional work to close books every period to find out the performance of their business |
| 2 | Marketing that only rely on word of mouth and installing banners in front of the store | Promote more and make digital identities like on social media so that they are easily searchable through search engines | Enterprises have not made social media for the World Ceramic Store promotion either from the distribution of flyers and digital marketing |
| 3 | The condition of the shop is less comfortable and the sample is less so that the impression of a ceramic shop is less variant | The condition of the store must be comfortable and lots of samples and images that make the image shop a complete shop | Requires additional capital to improve the convenience of shops and better showrooms |
| 4 | Monitoring the value of the stock as well as the number of stocks from ceramics is not carried out periodically | Business owners or anyone who replaces knowing the amount of stock at any time so that the arrangement of cash flows on the business can be more efficient | Do not have a stock control card that can be monitored at any time |
| 5 | Planning payments to suppliers is only recorded on the calendar and does not monitor performance results. | Have a budget so that spending is more planned and can monitor targets for sales by monitoring the budget | Do not have a budget and monitoring system for the budget |

RESULT

Based on problem above Dunia Ceramic Store need:

1. Preparation of the Profit and Loss Statement in device

Based on analysis and considering convenience, price and features of several accounting application alternatives then one application that will be used is the AKUNTANSI UKM application on an Android-based mobile phone application

Result of this implementation

| No | Result | Target | Achievement | % |
|---------------------|----------------|---|------------------|------|
| 1 | Preparation | Business Owners have all sales and purchase records of Ceramics | Achieved | 100% |
| 2 | Preparation | Business Owners are able to operate the Akuntansi UKM application | Achieved | 100% |
| 3 | Implementation | Business owners know the cost structure of selling Ceramics | Achieved | 100% |
| 4 | Implementation | Improve store <i>profitability</i> | Achieved | 80% |
| 5 | Implementation | Business Owners know the details of the number and brands of ceramics available at any time | Not achieved yet | 20% |
| Average Achievement | | | | 80% |

2. Promotion Implementation

Implementation of promotion divided in two steps

a. Preparation

In this step, coach doing an observation, re-layout the store, location point in google map, improve the Store Logo.

b. Implementation

In this step coach make a promotion in google map, make a e-catalog, make an Instagram account.

Result of Promotion implementation

| No | Result | Target | Achievement | % |
|---------------------|--|--|------------------|------|
| 1 | Preparation: - Market identification - Improvement store layout - Google Maps | - Know market condition - Store condition have good layout to upload in internet - Has adigital identity | Achieved | 100% |
| 2 | Preparation: - New Logo - Social Media Account | Store have a new branding | Achieved | 100% |
| 3 | Implementation: Store already establish in Google Maps | Store location can be search Google Maps and search engine | Achieved | 100% |
| 4 | Implementation : E-Catalog | Already have an E-Catalog to promote thru Chat application | Achieved | 100% |
| 5 | ImplementationPromotion in Instagram Account | Store has an Instagram Account | Achieved | 100% |
| | | Account used as a catalog and visualization of inventory product | Not achieved yet | 0% |
| Average Achievement | | | | 80% |

CONCLUSION

The preparation of the Profit and Loss report for the World Ceramic Shop can be done with the help of devices and android-based applications called Accounting UKM. Applications can be downloaded for free on Google Playstore. This application makes it easier for business owners to input transactions that occur because each transaction is no longer needed by a book or paper as a place to record. Each store conducts transactions directly recorded on the application contained in the device, which the application will automatically process and issue the journal to the Profit and Loss Report, so that business owners can quickly monitor and monitor the conditions of business profitability. If there is a loss, the World Ceramic Shop can quickly change the sales transaction strategy.

The implementation of promotional activities is done by creating a location point on Google Maps, creating a digital catalog and creating an Instagram account so that the market potential in the area can be utilized where the level of competition with other stores is high enough. With the implementation of this promotion it will make it more practical, easier, and faster to communicate business owners in order to communicate with their customers through digital visualization.

REFERENCE

Anthony, Robert N., David E. Hawkins and Kenneth A. Merchant, *Accounting: Text and Cases*, 13th edition, Irwin McGraw-Hill, 2011

- Ayu Kostantia Helviana (2017), Peningkatan Daya Saing UKM Mudah Aqiqah & Katering Melalui Pengembangan Proses Keuangan dan Pemasaran, Universitas Indonesia.
- Badan Pusat Statistik Republik Indonesia. (2018). *Statistik Indonesia 2018*
- Belch, G.E. & Belch, M.A. (2003). Advertising and Promotion, Sixth Edition. New York: The McGraw-Hill Companies
- Booms B. H. & Bitner B. J. (1981). *Marketing strategies and organisation structures for service firms*. In Donnelly, J. & George W. R. (Eds.), Marketing of services. American Marketing Association
- Kajian Mengenai Rumusan Standar Minimum Laporan Keuangan dan *Business Plan* untuk UMKM di Indonesia (2009), Bank Indonesia.
- Colliers Quarterly Q3 2017 (2017) Jakarta Colliers International. (2016). Jakarta *Property Market Report*. Jakarta. Grasindo
- Daniel Adi Nugroho (2017), Pembuatan Website Dalam Rangka Membangun Sistem *Digital Marketing* Untuk Mendapatkan Pelanggan Baru Pada PT Huiya Hayat Hanif, Universitas Indonesia.
- Drucker, Peter. (1973). *Management: Tasks, Responsibilities, Practices*. NY: Harper & Row.
- FME, Team. 2013. *Porter's Five Forces : Strategy Skills*. ISBN 978-1-62620- 999-2. www.free-management-ebooks.com.
- Gamble, J., Thompson, A., & Peteraf, M. (2017). *Crafting & Executing Strategy: The Quest for Competitive Advantage*. 21st edition, New York: The McGraw-Hill Education.
- Kotler, P. & Armstrong, G.M. (2012). *Principles of Marketing (14th Edition)*. New Jersey: Pearson Prentice Hall.
- Kotler, P., & Keller, K.L. (2012). *Marketing Management (14th Edition)*. Global Edition. New Jersey: Pearson Prentice Hall.
- Kotler, P. & Gertner, D. J *Brand Management (2002), Country as brand, product, and beyond: A place marketing and brand management perspective*, Volume 9, Issue 4, pp 249–261, Journal of Brand Management.
- Mayangsari. (2012). Pengaruh Perangkat Lunak Akuntansi dan e-commerce Terhadap Kinerja Perusahaan Pada Usaha Mikro, Kecil, dan Menengah. Fakultas Ekonomi Universitas Indonesia
- Mullins, John W. & Walker Jr., O.C. (2013). *Marketing Management : A Strategic Decision-Making Approach 8th ed*. New York: McGraw-Hill
- Porter, Michael E. (1985). *Competitive advantage: creating and sustaining superior performance*. NY: Free Press.

- Porter, M. E. *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press, 1980. (*Republished with a new introduction*, 1998.)
- Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK), diterbitkan oleh Dewan Standar Ikatan Akuntan Indonesia (DSAK IAI) dan Dewan Standar Syariah Ikatan Akuntan Indonesia (DSAS IAI)
- Robert D. Hisrich, (2017), *Entrepenurship*, 2 Penn Plaza, New York, McGraw-Hill Education
- Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil, dan Menengah
- Van Horne, James C., 2010, *Fundamentals of Financial Management and Policy*, 13th Edition, Prentice Hall International, Inc., New Jersey.
- Williams, J. R., Haka, S. F., Bettner, M. S., & Carcello, J. V. (2015). *Financial Accounting*, 15 edition. Mc Graw Hill education
- William Perreault, Jr.; Joseph Cannon; E. Jerome McCarthy (2013). Basic Marketing: A Marketing Strategy Planning Approach*, 19th Edition, McGraw-Hill

Mahendi Amando
Magister Management, Faculty of Economic and Business, University Of Indonesia
INDONESIA
E-Mail: Mahendi.amando@gmail.com

Unggul Criawan
Magister Management, Faculty of Economic and Business,
University Of Indonesia
INDONESIA
E-Mail: ucariawan@yahoo.com