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Empowering Banyumas MSMEs through the Implementation of a Simple and Practical Business Operating System

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Abstract

Micro, small, and medium enterprises (MSMEs) play a vital role in regional economic resilience in Indonesia. However, many MSMEs face persistent operational challenges due to the absence of structured yet practical business operating systems. This study aims to analyze the implementation of a simple and practical business operating system to empower MSMEs in Banyumas Regency, Indonesia. Using a qualitative descriptive research design, the study is based on more than five years of field mentoring and direct observation of MSMEs affiliated with the Association of Micro, Small, and Medium Enterprises of Banyumas

Regency (ASPIKMAS). The findings reveal that simplified operating systems—covering basic financial recording, simple standard operating procedures, lightweight technology adoption, and community-based collaboration—significantly improve operational clarity, business motivation, and inter-MSME synergy. The study contributes to MSME empowerment literature by offering a contextualized and replicable operating system model grounded in local values and practical feasibility for small-scale enterprises in developing regions.

Keywords: MSMEs, Business Operating System, Community-Based Entrepreneurship, MSME Empowerment, Banyumas

1. Introduction

Micro, small, and medium enterprises (MSMEs) constitute the backbone of Indonesia's economy by contributing significantly to employment creation, income distribution, and local economic resilience (OECD, 2017; World Bank, 2020)^[5, 10]. Despite their strategic role, many MSMEs experience stagnation and limited scalability due to weak internal management structures and the absence of systematic business operations (Storey, 2016)^[8].

Prior studies on MSME development have largely emphasized access to capital, marketing strategies, and digitalization (Beck & Demirguc-Kunt, 2006; Tambunan, 2019)^[1, 9], while relatively limited attention has been given to the design of simple and practical operating systems tailored to the realities of small-scale enterprises. In Banyumas Regency, Central Java, most MSMEs operate as family-based businesses with limited capital, informal management practices, and strong reliance on owner-driven decision-making. These characteristics demand an operational approach that is not only structured but also realistic and easy to implement (Smallbone & Welter, 2012)^[7].

This study addresses the research gap by examining how a simplified business operating system grounded in local values and community collaboration can empower MSMEs to improve their operational performance and sustainability. The objective of this study is to analyze the implementation and impact of a simple and practical business operating system among MSMEs in Banyumas Regency through long-term mentoring facilitated by ASPIKMAS.

2. Methodology

This study employs a qualitative descriptive research approach to capture real-world operational conditions and empowerment processes among MSMEs. The research is based on longitudinal field engagement spanning more than five years with MSMEs affiliated with ASPIKMAS.

2.1 Data Sources

Data were collected through: - Direct observation of MSME operational practices - Continuous mentoring activities conducted by ASPIKMAS - Informal interviews and discussions with MSME owners - Documentation of best practices and

organizational records.

2.2 Data Analysis

The data were analyzed using thematic analysis to identify recurring operational challenges, intervention patterns, and outcomes related to the implementation of simplified business operating systems.

3. Results

3.1 Operational Challenges Faced by MSMEs

The study identified several common operational challenges among MSMEs in Banyumas, including unstructured inventory management, manual and non-standardized production processes, fragmented marketing channels, unsystematic financial record-keeping, and weak business networking.

3.2 Implementation of a Simple Business Operating System

To address these challenges, a simple and practical operating system was introduced, consisting of four main components: basic financial and inventory recording, simple standard operating procedures (SOPs), lightweight technology utilization, and community-based collaboration.

3.3 Observed Outcomes

MSMEs that adopted these practices experienced improved financial transparency, increased business motivation, better coordination of production activities, and enhanced market access through association-based networking.

4. Discussion

The findings demonstrate that complex management systems are not always suitable for MSMEs with limited resources. Consistent with MSME development theories, simplicity and contextual relevance are critical success factors (Mintzberg, 2009; Burns, 2016) [4, 2]. The introduction of basic financial records, simple SOPs, and accessible digital tools aligns with prior research highlighting the importance of managerial capability and operational discipline in small business sustainability (Gibson & Cassar, 2005) [3].

The integration of local values such as mutual cooperation (*gotong royong*) strengthens social capital and collective efficiency, enabling MSMEs to overcome individual resource constraints (Putnam, 2000; Woolcock, 2001) [6, 11]. The community-based operating model facilitated by ASPIKMAS functions not only as a managerial intervention but also as a sociopreneurship mechanism that fosters shared growth and resilience (Zahra *et al.*, 2009) [12].

These findings support the argument that MSME empowerment initiatives should prioritize adaptive, people-centered systems rather than imposing standardized corporate management models that may be unsuitable for micro-scale enterprises.

5. Conclusion

This study concludes that the implementation of a simple and practical business operating system significantly contributes to MSME empowerment in Banyumas Regency. By emphasizing basic operational discipline, accessible technology, and community collaboration, MSMEs can enhance their performance without requiring complex managerial frameworks. The study offers practical

implications for policymakers, MSME associations, and development practitioners seeking scalable and context-sensitive empowerment models. Future research may extend this framework through comparative studies across regions or by incorporating quantitative performance indicators.

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