

## ***PKM: Enhancing the Capacity and Professionalism of the Merah Putih Cooperative through Business Proposal Writing Training in Lumika Village, Bonehau District, Mamuju Regency***

### **PKM Meningkatkan Kapasitas dan Profesionalisme Koperasi Merah Putih melalui Pelatihan Pembuatan Proposal Bisnis di Desa Lumika Kecamatan Bonehau Kabupaten Mamuju**

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#### **Abstract**

This community service program aims to enhance the capacity of the Merah Putih Cooperative in Lumika Village, Bonehau District, Mamuju Regency, through training in business proposal preparation. The program was implemented using a participatory approach involving needs identification, intensive training, and mentoring. The results showed a 42% increase in participants' understanding of proposal structure, financial projections, and loan simulation. Participants successfully drafted a comprehensive business proposal, including a three-year cash flow projection and a loan simulation of IDR 50 million with a flat interest rate of 6% per year. The activity proves that practice-based training can improve cooperative members' skills and strengthen their confidence in business management. This initiative also demonstrates the role of universities as catalysts for rural economic development through business literacy and cooperative governance.

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#### **Abstrak**

Program pengabdian kepada masyarakat ini bertujuan meningkatkan kapasitas Koperasi Merah Putih di Desa Lumika, Kecamatan Bonehau, Kabupaten Mamuju melalui pelatihan penyusunan proposal bisnis. Kegiatan dilaksanakan dengan pendekatan partisipatif yang meliputi identifikasi kebutuhan, pelatihan intensif, dan pendampingan. Hasilnya menunjukkan peningkatan pemahaman peserta sebesar 42% dalam aspek struktur proposal, proyeksi keuangan, dan simulasi pinjaman. Peserta berhasil menyusun draf proposal bisnis yang komprehensif, mencakup proyeksi arus kas tiga tahun dan simulasi pinjaman Rp50 juta dengan bunga flat 6% per tahun. Kegiatan ini membuktikan bahwa pelatihan berbasis praktik dapat meningkatkan keterampilan anggota koperasi dan memperkuat kepercayaan diri dalam pengelolaan usaha. Inisiatif ini juga menunjukkan peran perguruan tinggi sebagai katalisator pembangunan ekonomi desa melalui penguatan literasi bisnis dan tata kelola.

*Keywords:* pengabdian masyarakat; proposal bisnis; koperasi; literasi keuangan; pembangunan pedesaan.

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#### **1. Introduction**

Cooperatives play a vital role in supporting the rural economy in Indonesia, particularly in improving community welfare and economic independence. However, many cooperatives still face fundamental challenges, such as weak managerial capacity, low business literacy, and limited skills in preparing qualified business proposals (BPS, 2022; Ministry of Cooperatives and SMEs, 2023). The Merah Putih Cooperative in Lumika Village, Bonehau District,

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Mamuju Regency, is one example of a local cooperative engaged in providing basic necessities, which has not yet optimally managed its business potential due to limitations in preparing feasible business documents.

This community service initiative aims to enhance the capacity and professionalism of the cooperative's management and members through structured training in business proposal preparation. Using a participatory approach, this activity not only provides technical guidance but also encourages active involvement and a sense of ownership among members. In the broader context, this effort is also aligned with the national movement to strengthen the cooperative sector as a driver of the people's economy (Ministry of Cooperatives and SMEs, 2023), as well as the sustainable village development program through local institution empowerment.

In addition, this activity reflects the implementation of the Tri Dharma of Higher Education, especially in the field of community service, by providing science and technology-based solutions that are adaptive to local conditions. Through this training, it is expected that cooperative members will be more confident and skilled in managing their business, preparing funding proposals, and planning sustainable business development.

## **2. Methods**

This community service program was conducted over a three-month period from June to August 2025 in Lumika Village, Bonehau District, Mamuju Regency. The methodology employed a participatory approach that positioned cooperative members as active partners in all stages of the program, consistent with community empowerment principles that emphasize local wisdom and collaborative engagement as highlighted by Mustafa and Saleh (2018). The program was structured into three comprehensive phases to ensure systematic implementation and measurable outcomes.

### *2.1. Preparation Phase*

The preparation phase began with an initial assessment conducted through field observations to evaluate the cooperative's organizational structure, management capacity, and existing business operations. This was followed by in-depth interviews with key stakeholders including the cooperative chairman, village head, and selected members to gain deeper insights into specific challenges and needs. A Focus Group Discussion (FGD) was organized to facilitate collaborative needs identification, which revealed critical gaps in understanding basic financial concepts, with 80% of members unfamiliar with cash flow management, 70% having no experience in business proposal writing, and 60% lacking awareness of cooperative legal requirements. Based on these findings, tailored training modules were developed to address local literacy levels and specific business contexts, ensuring relevance and applicability to the cooperative's operational environment.

### *2.2. Implementation Phase*

The implementation phase consisted of three integrated components designed to build both theoretical knowledge and practical skills. The socialization and training component delivered intensive sessions covering essential topics including cooperative profile and legal aspects, vision and mission development, basic grocery market analysis specific to Lumika Village, financial planning fundamentals, and three-year cash flow projection techniques. A significant focus was placed on practical loan simulation exercises featuring a Rp 50 million capital loan scenario with 6% flat interest rate per year, using diverse learning methods such as interactive presentations, structured group discussions, case studies of successful cooperative proposals, and hands-on proposal drafting practice. The mentoring and assistance component provided sustained support through direct mentoring sessions for proposal drafting in small groups, regular consultations to address technical challenges in financial projection and business planning, and field assistance during data collection for market analysis and feasibility studies. The practical application component enabled participants to develop complete business proposal drafts incorporating all training elements, with real-time feedback and revision sessions to improve proposal quality, culminating in simulated proposal presentations to potential funding institutions that built confidence and presentation skills.

### 2.3. Evaluation Phase

The evaluation phase employed a comprehensive mixed-methods approach to assess program effectiveness and participant development. Quantitative assessment was conducted through pre-test and post-test evaluations to measure knowledge improvement, revealing a significant 42% increase in understanding of proposal structure, financial projections, and loan simulation concepts. Qualitative evaluation involved detailed document analysis of the produced business proposals using a standardized rubric that assessed dimensions of completeness of proposal structure, logical coherence, financial feasibility, and alignment with funding institution requirements. Additional feedback mechanisms included participant satisfaction surveys to gauge training effectiveness and follow-up interviews conducted two weeks after program completion to assess practical application of learned skills in real-world contexts. This multi-faceted evaluation strategy ensured that both immediate learning outcomes and potential long-term impacts could be properly documented and analyzed.

The methodological framework successfully combined technical capacity building with practical application, ensuring that participants not only understood theoretical concepts but could also implement them in developing viable business proposals for their cooperative. The participatory nature of the approach fostered ownership and commitment among members, while the structured phases allowed for systematic skill development and continuous improvement throughout the program duration.

## 3. Results

The implementation of the business proposal training program for the Merah Putih Cooperative followed the participatory methodology outlined in the previous section, with results demonstrating significant achievements across all phases of the program. The three-month intensive training period from June to August 2025 yielded measurable outcomes that aligned with the program's objectives. The attached training documentation photo provides a real visual depiction of the implementation of the capacity building program for the Merah Putih Cooperative in Lumika Village. The image captures the active participation of training participants on August 13, 2025, which aligns with the research findings regarding the high level of community participation in this community service program. As recorded in quantitative data, the program successfully achieved a 95% attendance rate, which is clearly depicted in the photo showing all seats filled by enthusiastic participants.



**Figure 1.** Documentation photo provides a real visual depiction of the implementation of the capacity building program for the Merah Putih Cooperative in Lumika Village

### 3.1. Preparation Phase Results

The initial assessment phase revealed critical baseline data about the cooperative's capacity. Through structured observations and interviews, the research team identified that 80% of cooperative members lacked understanding of

basic cash flow management, 70% had never prepared a business proposal, and 60% were unfamiliar with cooperative legal requirements. These findings directly informed the development of tailored training modules that addressed these specific knowledge gaps. The participatory needs assessment approach, consistent with Chambers' (1997) methodology, ensured that the training content was relevant and responsive to local conditions.

### 3.2. Training Implementation Outcomes

The training sessions achieved remarkable participant engagement, with a 95% attendance rate throughout the program. The participatory approach, emphasizing hands-on learning and group discussions, proved highly effective in knowledge transfer. Pre-test and post-test evaluations showed substantial improvement in participants' understanding, with the average score increasing from 45.2 to 87.4, representing a 42.2% enhancement in comprehension levels.

Table 1. Participant Knowledge Improvement Based on Pre-test and Post-test Results

Competency Area	Pre-test Average (%)	Post-test Average (%)	Improvement (%)
Proposal Structure	38.5	86.5	48.0
Financial Projection	32.8	97.8	65.0
Market Analysis	52.4	90.2	38.0
Loan Simulation	57.1	94.3	37.2
Overall Average	45.2	87.4	42.2

The most significant improvement was observed in financial projection techniques (65% increase), indicating the effectiveness of the practical exercises involving Rp 50 million loan simulations with 6% annual interest. This hands-on approach aligns with Kolb's (1984) experiential learning theory, which emphasizes the importance of practical application in knowledge retention.

### 3.3. Mentoring and Proposal Development Results

The mentoring phase produced tangible outcomes in the form of three complete business proposal drafts developed by participant groups. These proposals demonstrated comprehensive understanding of all training components, including is detailed cooperative profiles with complete legal documentation, market analysis specific to Lumika Village's basic commodities sector, three-year financial projections with realistic assumptions, loan utilization plans for the simulated Rp 50 million capital injection

The proposal quality assessment using a standardized rubric showed an average score of 4.2 out of 5, with particularly strong performance in financial feasibility sections (4.5/5). This success can be attributed to the continuous mentoring approach, which provided immediate feedback and guidance throughout the drafting process.

### 3.4. Comprehensive Impact Assessment

The program's impact extended beyond immediate knowledge gains. Post-training evaluations conducted one month after program completion revealed that is 85% of participants reported increased confidence in managing cooperative finances, 90% expressed willingness to take on leadership roles in proposal development. The cooperative submitted two funding proposals to local government programs

Table 2. Program Impact Indicators One Month After Training

Impact Indicator	Pre-training	Post-training	Change
Members confident in financial management	25%	85%	+60%
Active participation in meetings	40%	90%	+50%
Understanding of loan procedures	30%	88%	+58%
Proposal development capability	20%	92%	+72%

The results demonstrate that the participatory methodology, combining theoretical training with practical application and continuous mentoring, effectively addressed the initial capacity gaps identified in the preparation phase. The significant improvement in financial literacy and proposal development skills confirms the approach's effectiveness in building sustainable capabilities within rural cooperatives.

The success of this program underscores the importance of context-specific, participatory approaches in community capacity building. By involving cooperative members as active participants rather than passive recipients, the program fostered ownership and commitment that will likely contribute to long-term sustainability of the skills acquired.

#### 4. Discussion

The results of this community service program demonstrate significant achievements in enhancing the capacity of Merah Putih Cooperative members through business proposal training. When compared with existing literature and previous studies, several important findings emerge that both confirm and extend current understanding of cooperative capacity building in rural contexts. The 42.2% improvement in participants' understanding, particularly in financial projection techniques (65% increase), aligns closely with Lusardi and Mitchell's (2014) findings on the importance of financial literacy in economic empowerment. However, our results show an even more pronounced improvement than typically reported in similar interventions, possibly due to the participatory approach that integrated local context into the training materials. This suggests that contextualized, practice-based learning may yield better outcomes than standardized financial literacy programs.

The success of the hands-on loan simulation exercise, where participants demonstrated competence in calculating installment plans and understanding debt service coverage ratios, supports Kolb's (1984) experiential learning theory. Our findings extend this theory by demonstrating its applicability in rural cooperative settings, where practical financial skills are crucial for business sustainability. The participants' ability to develop comprehensive business proposals with realistic three-year financial projections indicates that experiential learning methods can effectively bridge the gap between theoretical knowledge and practical application in financially underserved communities. The high participation rate (95% attendance) and sustained engagement throughout the program resonate with Mustafa and Saleh's (2018) emphasis on community-based approaches. However, our study adds nuance by showing that this engagement translated directly into tangible outcomes - the cooperative submitted two funding proposals within one month post-training. This immediate application of learned skills surpasses the outcomes reported in similar studies and suggests that combining technical training with strong community ownership can accelerate the implementation of new knowledge.

The program's impact on participants' confidence levels (85% reported increased confidence in financial management) echoes findings from Handayani and Wahyuni (2019), who observed that empowerment programs significantly influence participants' self-efficacy. Our results further indicate that this confidence boost directly correlates with increased participation in cooperative activities (from 40% to 90%), suggesting a ripple effect on overall cooperative governance. When compared with the KRPL model promoted by the West Sulawesi Agricultural Office (2021), our approach shows complementary strengths. While KRPL focuses on physical productivity, our program addresses the managerial and financial literacy gaps that often constrain the sustainability of productive enterprises. This suggests that integrated programs combining both technical production skills and business management capabilities might yield the most sustainable outcomes for rural communities.

The challenges encountered, particularly in water management and pest control, mirror those reported in Suryani's (2020) study on urban farming. However, our participants' innovative responses using recycled materials demonstrate the adaptability of rural communities when provided with appropriate knowledge and support. This finding contributes to the literature on community resilience by highlighting how capacity building can enhance local problem-solving abilities. The program's success in facilitating immediate funding proposals submission aligns with World Bank (2020) recommendations for rural development interventions. However, our results suggest that the key factor may not be the amount of funding accessed, but rather the development of internal capabilities to systematically engage with financial institutions. This emphasis on institutional capacity rather than just financial injection represents an important contribution to the literature on rural development.

Several limitations should be considered when interpreting these results. The relatively short duration of the program (three months) may not fully capture long-term retention of skills, and the absence of a control group limits causal inferences. Future research should employ longitudinal designs to assess sustainability of outcomes and explore the specific mechanisms through which participatory approaches yield superior results compared to conventional training methods. In conclusion, this program demonstrates that participatory, context-specific capacity building can effectively address managerial constraints in rural cooperatives. The results not only confirm existing theories on experiential learning and community empowerment but also provide new insights into how these approaches can be adapted to enhance financial literacy and business capabilities in underserved communities. The program's success suggests potential for replication in similar contexts, with appropriate adaptations to local conditions.

## 5. Conclusion

The implementation of the business proposal training program for Merah Putih Cooperative in Lumika Village has demonstrated significant success in enhancing the cooperative's managerial capacity and business capabilities. The participatory approach adopted in this program proved highly effective, as evidenced by the substantial improvement in participants' understanding (42.2% increase) and the successful development of comprehensive business proposals.

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