

## Report on Making Business Legality through OSS MSMEs in Lempuyangan Village

Epsilandri Septyarini<sup>1</sup>, Tyagita Dianingtyas Sudiby<sup>2</sup>, Tasrim<sup>3</sup>, Ansri Jayanti<sup>4</sup>, Angga Kurniawan<sup>5</sup>

<sup>1</sup> Universitas Sarjanawiyata Tamansiswa, <sup>2,3,5</sup> Universitas PGRI Yogyakarta, <sup>4</sup> Sekolah Tinggi Ilmu Ekonomi  
Makasar Maju

e-mail: [1Epsilandriseptyarini@ustjogja.ac.id](mailto:1Epsilandriseptyarini@ustjogja.ac.id), [tyagita@upy.ac.id](mailto:tyagita@upy.ac.id), [asrilpalopo@gmail.com](mailto:asrilpalopo@gmail.com),  
[antimici07@gmail.com](mailto:antimici07@gmail.com), [anggakurniawan@upy.ac.id](mailto:anggakurniawan@upy.ac.id)

\*Angga Kurniawan

### ABSTRACT

Business legality is approval for the implementation of business activities given to individuals or groups of people from the authorized parties. One form of business legality is NIB (Business Identification Number). The existence of NIB can provide benefits for entrepreneurs, especially in terms of obtaining assistance from the government. There are still MSMEs that do not know or have received an NIB certificate, which is the main problem that is often encountered in Lempuyangan Village.

This community service program aims to provide understanding, training and mentoring business legality in the form of online NIB via the Online Single Submission (OSS) application for MSMEs in Lempuyangan Village. MSMEs are targets in the NIB formation program. The methods used in this mentoring program are Research, Action and Participation. The result of this assistance is that MSMEs have knowledge about NIB, obtain an NIB certificate, which can then be used to develop their business, such as applying for people's business credit (KUR) and guidance from the government.

**Keywords:** Business Legality, OSS, MSME, Training

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### I. Introduction Situation Analysis

On average, people in Lempuyangan Village earn their living as farmers, teachers and entrepreneurs. The entrepreneurship that people in Lempuyangan subdistrict pursue is a

home industry that is still owned by individuals or households. MSMEs in Lempuyangan Village have quite good growth and development from year to year.

The subdistrict is paying more serious attention to this business sector. This is because MSMEs have better performance in terms of productive workforce, increase high productivity, and are able to develop in many large businesses. On the other hand, MSME business actors in Lempuyangan Village face quite serious challenges related to business development, including ownership of a Business Identification Number (NIB) (Fatmawati, A., & Atmaja, A.R., 2022).

Group KKN students saw that there were many business actors and MSMEs in Lempuyangan Village who did not have an NIB (Business Identification Number). Even business actors don't know about NIB, starting from the function, benefits and importance of NIB for the legality of privately owned businesses. NIB is one of the things that is very important for running a business. The benefits of NIB make it easy for business actors to obtain business permits and commercial permits to run businesses owned by business actors, as well as to obtain corporate or individual NPWPs, and business actors can even join as BPJS participants.

Employment, etc. Apart from that, NIB is one way for MSMEs to reach a wide market scope. The lack of knowledge of business actors regarding NIB has led the KKNT Group Students to build a new work program in Lempuyangan Village. KKN Group students, help MSME business actors in Lempuyangan Subdistrict to obtain NIB as legality for MSME businesses.

Apart from that, KKN Group students held outreach to business actors regarding the creation of NIB and the importance of NIB, so that business actors understand how important NIB is for MSMEs. MSMEs have a very vital role.

This vital role is also accompanied by the role of MSMEs which can overcome the problem of unemployment which is a problem that is often occurring in the current era. Of course, this is in line with the government's efforts to combat poverty and unemployment (Fitri, W., & Sheerleen., 2021).

Due to the increasing competitiveness of the creative industry with the opening of markets at home and abroad, MSMEs are required to be able to maintain and improve the standards, design and quality of the products themselves so that they can be accepted by consumers.

Therefore, it is felt that the guidance and development of MSMEs is something that needs to be immediately improved so that they are able to compete with other business actors. In facing the economic crisis, MSMEs were able to survive and even became a sector producing products that were able to compete with other business actors. In reality, MSME actors are usually dominated by women, although it cannot be denied that men also play a role in it.

Usually MSMEs play the role of housewives. The majority of women in MSMEs are due to several factors, namely, firstly, women, the majority of whom are housewives, can look after their children and fill their free time while practicing their skills. Second, women usually have high accuracy and are tenacious in matters of financial management, consumption allocation,

income redistribution, and so on at work, therefore it is not wrong if MSME actors are dominated by women.

The motivations for women's involvement in the business they are involved in are of course very diverse, such as wanting to help their husbands earn money for their family, earning additional income, wanting to be independent, and inheriting from generation to generation. The forms of business they are involved in are also varied, including individual food businesses, sewing services, small-scale trading in markets, and so on (Irawaty, et.al.2022).

The potential of MSMEs in the economy can actually be developed to be even greater, but there are quite a few problems faced in realizing it. The problems that occur include: 1. The quality of human resources is deemed inadequate (Mutinda, et.al., 2020)

Quality is needed that is able to compete, namely citizens who are enthusiastic or have high creative abilities are really needed to bring innovation to their products. 2. Limited management capacity. Of course, MSME players want their business to run in an orderly manner in its administration.

Therefore, management here functions. Outgoing and incoming money can be recorded and reviewed. The condition that often occurs in reality is the mixing of business and household interests, therefore the role of management here is very necessary. 3. Limited funding for investment and mo

### **Solutions and Targets**

Contains an outline of problem solutions, service activity plans, time and place of service, data activity procedures and targets. The activity objectives and problem solving plans are presented in this section in creating OSS.

### **Implementation Method**

The method used in its implementation is through the Research, Action and Participatory methods. This method works by carrying out activities while solving the problems being faced. Or it can be interpreted in the traditional view as a framework for thinking about solving problems. Another definition of the action research method is the activity of improving planning, implementation and also includes evaluation which is carried out systematically. Thus, action research can be interpreted as a link between practice and practice. Before the material was given, the team first distributed a questionnaire to participants regarding business identity, type of business, how long the business had been established, and also regarding the obstacles faced and hopes for the future. This initial observation is intended because MSME entrepreneurs need assistance in creating legality through Online Single Submission

## **II. Results and Discussion**

The legal basis for MSMEs is Law Number 20 of 2023. Based on this Law, what is meant by Micro Business is a form of business owned by an individual that meets the criteria for Micro Business. Meanwhile, a business permit is essentially a document issued by an authorized

agency that states the ability of an individual or entity to carry out a business. This business permit is very important because with a business permit, the business directly receives legal protection and certainty so that it can significantly contribute to increasing the added value of production, employment, availability of goods and services and dissemination of entrepreneurial growth..

### III. Conclusion

It is hoped that community service activities like this can provide solutions to problems or obstacles experienced by partners. By having a business permit, MSMEs have the potential to get a much wider marketing reach, have job opportunities that can trigger the development of MSMEs, increase public confidence in products, obtain legal protection and certainty in business, have the potential to get empowerment opportunities from the central, provincial and regional levels, and ease of accessing fees to various bank and non-bank financial institutions.

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