
**IMPLEMENTATION OF MSMEs CREDIT PROVIDING USING THE 5C METHOD BY
PT. BPR BANK BAPAS 69 ON THE KAHYANGAN TOLL TOURIST, WONOLELO
VILLAGE, SAWANGAN DISTRICT, MAGELANG DISTRICT**

Ahmad Syarif Mutsanna¹

¹Politeknik Sawunggalih Aji, Indonesia

Correspondence information: Syarifmutsanna@gmail.com

ABSTRACT

This research aims to describe the obstacles that arise in the implementation of providing MSME credit at the Kahyangan TOL Tourism in Wonolelo Village by PT BPR BANK BAPAS 69 Magelang Regency and to describe the solutions implemented by PT BPR BANK BAPAS 69 Magelang Regency in overcoming these obstacles. It is arising from the implementation of granting MSME credit to the Wonolelo Village Kahyangan Tourism TOL. The method used is the observation method, namely observation by observing directly at the BAPAS 69 Magelang Bank Office. This research is qualitative, data collection methods using observation and interviews. The results of the observations can be stated that the implementation of providing MSME credit at the Kahyangan Toll Tour in Wonolelo village by PT BPR Bank Bapas 69 Magelang Regency, has been by the systems and procedures determined by the Main Director of PT BPR Bank Bapas 69 Magelang Regency. Systems and procedures have been implemented as they should. The systems and methods implemented do not rule out the possibility of future risks regarding the credit disbursed. To minimize credit risk, PT BPR Bank Bapas 69 Magelang Regency has implemented prudential principles through the 5 C.

Keywords : Implementation, Credit 5C Method, MSME

INTRODUCTION

Globalization and the rapid digital era, increasingly fierce business competition, and marketing strategy are key factors in increasing the competitiveness of micro, small, and medium enterprises (MSMEs) (Meher and Gupta, 2020), (Muhammad, 2024), (Hendrawan et al, 2024) Apart from that, business competition is increasing competition between MSMEs, both of the same type and different types (Prastiyo Hadi et al, 2022). MSMEs play an important role in achieving economic resilience and inclusive development (Mohapatra, 2020) (Manida and Uthadu, 2024) MSMEs are the pillars of the Indonesian economy has proven reliable in facing the economic crisis (Rizal, 2021), (Nugraha et al, 2023). The strategic role of MSMEs can increase income, reduce unemployment, create employment opportunities and reduce poverty rates in Indonesia (Mulyana et al, 2020), (Mongkito et al, 2021), (Jannah and Budiarti, 2022). Micro, Small, and Medium Enterprises (MSMEs) are one of the businesses that are expected to help the recovery of the Indonesian economy after the pandemic. This significantly impacts the business world, such as micro, small and medium enterprises (MSMEs) (Dura and Hamdani, 2024), (Lalawmpuia, 2024). Government policy in an effort to increase the role of MSMEs for National Economic Recovery is outlined in Government Regulation Number 43 of 2020. Another effort by the government to advance MSMEs is the People's Business Credit (KUR) program which is channeled through financial institutions with a guarantee pattern and also a reduction in service fees. MSMEs can also face several problems. Several structural issues of MSMEs need to be addressed so that MSMEs can play a more active role in the national economy. These problems include quality and continuity of production, selling power, product packaging, quality of MSMEs in the management, finance and manufacturing sectors. (Sertiningsih et al, 2023), (Lalawmpuia, 2024)

In the KUR program, service fees or interest rates on credit/working capital financing are subsidized by the government. This policy is intended to ensure that KUR truly increases access to financing and strengthens MSME capital. It is hoped that strengthening MSME capital will be able to maintain the existence of the businesses being run and also provide opportunities for MSMEs to improve their performance. PT BPR Bank Bapas 69 Magelang Regency is one of the banking institutions in the Magelang area which plays a very important role in advancing MSMEs in Magelang. Based on the results of initial observations, it can be stated that one of the MSMEs that have great potential to be developed is the MSMEs located in the Kahyangan TOL Tourism area, Wonolelo Village, Sawangan District, Magelang Regency. The businesses managed by MSMEs are very diverse, ranging from types of food, souvenirs to food stalls and JEEP Wisata adventure tours. All businesses are managed to meet the needs of domestic tourists who visit the Kahyangan TOL tourist attraction.

MSMEs operating at the Kahyangan TOL tourist attraction have been managed in such a way and each MSME must obtain permission or recommendation from BUMDES. Apart from that, by village principles that will advance the economy of residents in Wonolelo Village, BUMDES recommendations are only given to local residents. This condition will certainly provide fresh air for local residents to improve their businesses in line with the Magelang

Regency Government's commitment to advancing MSMEs. MSMEs operating at the Kahyangan Toll tourist attraction require additional capital to increase their business to meet the needs of tourists visiting the Kahyangan Toll tourist attraction. However, additional capital cannot be met due to limited requirements determined by PT. BPR Bapas 69 Magelang Regency. MSME owners on the Kahyangan Toll Road have movable and/or immovable objects that can be used as collateral. However, the assets owned do not meet the requirements because these assets do not yet have legal force to be used as collateral.

RESEARCH METHODS

The type of research used in this research is descriptive qualitative research (Bungin, 2013), (Miles and Saldana, 2018). The qualitative research intended in this research is to describe and analyze phenomena, events, social activities, attitudes, beliefs, perceptions, and thoughts of people individually and in groups. Descriptive is the most basic form of research, which is aimed at describing or illustrating existing phenomena, whether natural or engineered phenomena.

According to Moleong (2014:5), qualitative research is "a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. The aim of this type of descriptive qualitative research is to find out systematically, factually and accurately regarding the facts in granting Micro, Small and Medium Enterprises Credit.

In this research, researchers used semi-structured interviews or focused interviews, where interviews were conducted using questions that had been prepared by the interviewer, but in implementation, they could change and allow additional questions to be asked of informants so that informants could be more free in expressing their opinions. . In this case, so that the interview results are accurate, a voice recording device will be used. Informants in this research include:

- A. Director of PT BPR Bank Bapas 69 Magelang Regency
- B. Credit Department of PT BPR Bank Bapas 69 Magelang Regency
- C. Credit analyst at PT BPR Bank Bapas 69 Magelang Regency
- D. MSME owners on the Kahyangan Toll Road as research samples

The data analysis process begins by first sorting all the data obtained, such as from interviews, observations, and documents. The data analysis technique in this research uses the following steps:

1. Data Collection

Data collection is an integral part of data analysis activities. Data collection activities in this research were by using documentation studies and interviews related to the provision of Micro, Small and Medium Business Credit at the Kahyangan TOL Tourism, Wonolelo Village, Sawangan District, Magelang Regency by PT BPR Bank Bapas 69, Magelang Regency.

2. Data Reduction (Data Reduction)

Data reduction is an activity that begins with summarizing and separating the important and necessary things. Researchers carried out data collection related to the provision of Micro, Small and Medium Business Credit at the Kahyangan TOL Tourism, Wonolelo Village, Sawangan District, Magelang Regency by PT BPR Bank Bapas 69 Magelang Regency, to reclassify each existing problem and then draw a conclusion.

RESULTS AND DISCUSSION

Based on in-depth interviews conducted by researchers with informants from the credit division regarding credit distribution systems and procedures, it can be stated that the systems and procedures for providing credit to customers are:

a. Submission of files

Submitting a credit application accompanied by the required documents is very important for further processing. If there are no attachments such as a photocopy of the family card or anything else, of course, the applicant must complete it. This information shows that all credit application requirements must be complete, and if one of the requirements is not met, the credit application cannot be processed further. The applicant's obligation to fulfill all requirements in the credit application is of course the authority of PT BPR Bank Bapas 69 Magelang Regency.

b. Interview

The officer's direct meeting with the prospective debtor can mean that with direct communication, the bank can indirectly understand the character of the prospective debtor. This is of course a consideration in the realization of granting credit to prospective debtors.

c. Do it in the field

The survey was carried out as a verification step for the data that has been attached. This is done solely to see the real conditions in the field so that the prospective debtor will use the loan funds to develop the business. In this way, PT BPR Bank Bapas 69 Magelang Regency 69 Magelang can contribute to business development on the Kahyangan Toll Road.

d. Credit decision

If all existing conditions have been fulfilled, then there is no other word except granting credit to those who meet the requirements and requests if the requirements are not met.

This information shows that the applicant will be given a notification letter regarding the credit application. Applicants who meet the requirements will be given information regarding the granting of their credit application, while for applicants whose application is rejected they will also be given a rejection letter along with the reasons why PT BPR Bank Bapas 69 Magelang Regency rejected their credit application.

e. Signing of credit agreements/other agreements

As a legal step for granting a credit application, a credit agreement is signed. In this case, the officer also explains several important things so that the debtor can be understood clearly. An explanation of several points of the credit agreement, intended to avoid misperceptions of the contents of the credit agreement. With the officer's explanation, if undesirable things happen, the debtor will understand the risks he must bear.

f. Credit realization

After the contract is signed, the credit disbursement is immediately carried out so that the credit received can be immediately used for business so that the credit quickly benefits the debtor.

Direct disbursement of credit after signing the credit agreement is something that provides positive value for debtors or MSMEs on the Kahyangan Toll Road. By increasing capital, MSMEs can develop their business and of course, will be able to increase MSME income.

Based on the several things above, it can be stated that the implementation of providing MSME credit at the Kahyangan Toll Tour in Wonolelo village by PT BPR Bank Bapas 69 Magelang Regency, has been by the systems and procedures determined by the Main Director of PT BPR Bank Bapas 69 Magelang Regency. Systems and procedures have been implemented as they should. The systems and procedures that have been implemented do not rule out the possibility of future risks of credit being cancelled. In an effort to minimize credit risk, PT BPR Bank Bapas 69 Magelang Regency has implemented prudential principles through the 5 C (Character, Capacity, Capital, Collateral, Condition of economy).

We must understand the customer's character to be able to see the character and nature of the prospective customer, as well as their work background so that it can be said that the prospective customer can be trusted. We can see an assessment in terms of capacity from the customer's finances, the extent of the customer's finances, or the customer's financial ability to pay installments, the better the possibility of installment payments. Capital means the amount of capital required by the borrower. This also includes capital structure, performance returns from capital if the debtor is a company, and income if the debtor is an individual. Collateral means guarantees given by prospective customers, both physical and non-physical. Collateral should exceed the amount of credit provided. The validity of the collateral must also be checked so that if a problem occurs, the collateral deposited can be used as quickly as possible. In assessing credit conditions, current and future economic and political conditions should also be assessed according to each sector, as well as the business prospects of the sector in which it operates. The assessment of the prospects for the business sector being financed should be good so that the possibility of the credit having problems is relatively small.

There are several obstacles in implementing credit, especially in collateral categories such as ownership of four-wheeled vehicles that can physically be used as collateral, but because the vehicle documents have not been renewed, ownership appears to be legally defective. Meanwhile, in the realization of credit, the goods that are guaranteed are not physical goods but documents that state legal ownership of the vehicle or land. Meanwhile, in terms of the business sector being managed, it has great potential to pay principal and interest installments. The ability of MSMEs to pay principal and interest installments is of course a separate consideration for PT BPR BANK BAPAS 69 Magelang Regency in increasing credit distribution. If PT BPR BANK BAPAS 69 Magelang Regency does not have a specific policy, then PT BPR BANK BAPAS 69 Magelang Regency will lose the opportunity to increase

credit distribution to MSMEs at the Kahyangan tourist attraction in particular and MSMEs in Magelang Regency in general.

The solution to this obstacle in providing credit is that in terms of collateral, PT BPR BANK BAPAS 69 Magelang Regency adopted a policy of providing credit institutionally. Of course, this strategy will provide double benefits, where MSMEs can obtain credit through BumDes and PT BPR BANK BAPAS 69 Magelang Regency can increase credit distribution. Credit through this institution will certainly be safer because the elements or requirements can be fulfilled by the Institution or BumDes and this special credit agreement is a policy in the efforts of PT BPR BANK BAPAS 69 Magelang Regency to make a greater contribution to the development of MSMEs at the Kahyangan Toll Tourist attraction and Magelang Regency Regional Government and improving the regional economy.

CONCLUSION

Based on the results of research and discussion, the following conclusions can be drawn:

1. The implementation of providing MSME credit at the Kahyangan Toll Tour in Wonolelo village by PT BPR Bank Bapas 69 Magelang Regency is by the systems and procedures determined by the Main Director of PT BPR Bank Bapas 69 Magelang Regency. Systems and procedures have been implemented as they should. The systems and procedures that have been implemented do not rule out the possibility of future risks regarding the credit disbursed. In an effort to minimize credit risk, PT BPR Bank Bapas 69 Magelang Regency has implemented prudential principles through the 5 C.
2. The obstacle encountered in the implementation of providing credit to MSMEs at the Kahyangan Wonolelo Toll tourist attraction by PT BPR Bank Bapas 69 Magelang Regency is that they do not have credit collateral because the collateral does not have documents that meet the requirements.
3. Efforts to overcome obstacles in the implementation of providing credit to MSMEs at the Kahyangan Toll Tour in Wonolelo Village, regarding collateral issues, PT BPR BANK BAPAS 69 Magelang Regency adopted a policy by providing credit institutionally.

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