

THE EFFECT OF BUSINESS CAPITAL ON BUSINESS DEVELOPMENT IN MSMEs IN BANDUNG REGENCY MODERATED BY MSME TRAINING

Tia Yulia Aisyah¹, Asep Mulyana², Cupian³

^{1, 2, 3} Universitas Padjadjaran, Bandung

¹ tia21003@mail.unpad.ac.id, ² asep.mulyana@unpad.ac.id, ³ cupian@unpad.ac.id

Abstract

This study aims to 1) test and analyze the influence of business capital on business development in culinary MSMEs in Bandung Regency, 2) test and analyze the influence of business capital on business development in moderation of MSME training in culinary MSMEs in Bandung Regency, the approach used is quantitative with the type of research used in this study is a survey. The technique used in sampling is non-probability sampling with purposive sampling. This study involved 156 food MSMEs in Bandung Regency that have been active for approximately the past three years, are MSMEs that are members of the Packaging Clinic program fostered by the Bandung Regency Industry and Trade Office. The analytical tool used is PLS-SEM, the results of this study indicate that 1) there is a significant positive influence of business capital on business development, 2) there is a significant positive influence of business capital on business development moderated by MSME training. This study suggests that culinary MSMEs in Bandung Regency can utilize MSME training which is one of the local government programs to obtain business capital so that there is effective business development.

Keywords: Vanture Capital, Business Development, MSMEs Training

Abstrak

Penelitian ini bertujuan untuk 1) menguji dan menganalisis pengaruh modal usaha terhadap perkembangan usaha pada UMKM kuliner di Kabupaten Bandung, 2) menguji dan menganalisis pengaruh modal usaha terhadap perkembangan usaha di moderasi pelatihan UMKM pada UMKM kuliner di Kabupaten Bandung, pendekatannya yang digunakan adalah kuantitatif dengan jenis penelitian yang digunakan pada penelitian ini yaitu menggunakan jenis survei. Teknik yang digunakan dalam pengambilan sampel dengan menggunakan non probability sampling dengan cara purposive sampling. penelitian ini melibatkan 156 UMKM makanan di Kabupaten Bandung yang sudah aktif selama kurang lebih tiga tahun terakhir, merupakan UMKM yang tergabung dalam program Klinik Kemasan binaan Dinas Perindustrian dan Perdagangan Kabupaten Bandung. Alat analisis yang digunakan berupa PLS-SEM, hasil penelitian ini menunjukkan bahwa 1) terdapat pengaruh positif signifikan modal usaha terhadap perkembangan usaha, 2) terdapat pengaruh positif signifikan modal usaha terhadap perkembangan usaha yang dimoderasi oleh pelatihan UMKM. Penelitian ini menyarankan agar UMKM kuliner di Kabupaten Bandung dapat memanfaatkan pelatihan UMKM yang menjadi salah satu program pemerintah daerah untuk mendapatkan modal usaha sehingga adanya efektifitas perkembangan usaha.

Kata Kunci: Modal Usaha, Perkembangan Usaha, Pelatihan UMKM



© Author(s) 2025

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the most important pillars in the Indonesian economy. In general, MSMEs in the national economy have the following roles: (1) as the main actor in economic activities, (2) as the largest provider of employment, (3) as the main player in local economic development and community empowerment, (4) as the creator of new markets and a source of innovation, and (5) as its contribution to the empowerment balance. Not only that, MSMEs also play an important role, especially in terms of employment opportunities and income sources for poor groups, income distribution and poverty reduction, and MSMEs also have an important role in rural economic development.¹ Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) in 2022, the number of MSMEs reached 64.2 million, consisting of 5,637 large enterprises and 64,058,201 medium enterprises. The majority of MSMEs are still categorized as micro-enterprises, representing 99.97%, or more than 64 million business actors.

In Bandung Regency itself, the development of MSMEs has increased significantly every year. The following researchers present data on the development of MSMEs that have occurred in Bandung Regency over the past five years:

Table 1. Number of MSMEs in Bandung Regency

Year	Amount	Percentage
2019	14,974	
2020	15,790	5%
2021	17,755	12%
2022	36,739	107%
2023	38,614	5%

Based on the data in Table 1.1, it explains that the increase in MSMEs in Bandung Regency continues to increase every year, starting from 2019 to 2023. Table 2.2 above shows that the increase from 2019 to 2020 was only 5%, while from 2020 to 2021 it had a fairly high increase of 12%, then there was a very high increase in 2021 to 2022. This was due to the post-covid-19 period where many people began to rise and try to open micro, small and medium businesses. But the increase in 2023 was only 5%.

Some of the main problems faced by MSMEs are 1) Lack of capital, 2) Difficulty determining target markets or buyers, 3) Low quality of human resources, 4) Limited capital, and 5) Limited marketing access, this has been included with the solutions provided by the local

¹ SKCOC, "Strategi Pemasaran dan Pembukuan Sederhana Bagi UMKM," 2022, <https://bppk.kemenkeu.go.id/content/berita/balai-diklat-keuangan-yogyakarta-kcoc-strategi-pemasaran-dan-pembukuan-sederhana-bagi-umkm--2022-06-27-dd0f117>.

government, namely in the form of 1) providing direct assistance, 2) Intervention, 3) Training and mentoring, 4) Development of marketing centers, and 5) Assistance facilities. In business, capital has a big influence, because without capital the business will be handicapped, so if in business, business actors are constrained in their capital, of course it will be a difficult path for the business. Knowledge of capital in a business is very important, this can be an important consideration so that business capital can circulate well.²

Capital plays a significant role in business. Without it, a business will be flawed. Therefore, if a business owner faces capital constraints, it will undoubtedly be a difficult path for that business. Knowledge of capital management is crucial for a business; it can be a crucial consideration for ensuring the business's capital turnover is maintained.³ Based on the description above, business capital can influence business development, because the more capital a business owner has, the more opportunities they have to expand their business and grow.

Business capital is money that is used as the principal (parent) to start a business, release money and so on or capital is property (money, goods and so on) that can be used to produce something to increase wealth.⁴ In Micro, Small and Medium Enterprises (MSMEs), business development is influenced by the amount of capital.⁵ Business capital is needed when entrepreneurs want to establish a new company or expand an existing business. Without sufficient capital, it will affect the smooth running of the business. Capital can come from personal funds or loans from other parties such as financial institutions or investors. However, usually micro, small, and medium business actors prefer to use personal capital that is not too large. Business capital is money used as the principal (parent) to start a business, release money and so on. Capital is assets (money, goods, and so on) that can be used to produce something to increase wealth.⁶ In Micro, Small and Medium Enterprises (MSMEs), business development is influenced by the amount of capital.⁷ Business capital is necessary when entrepreneurs want to establish a new company or expand an existing one. Without sufficient capital, the business's smooth operation will be affected. Capital

² Elmira Febri Darmayanti Suyatno and Cika Irlia Azzahra, "Pengaruh Kreativitas, Modal Usaha, Diversifikasi Produk dan Kebijakan Pemerintah terhadap Keberlanjutan Bisnis UMKM (Studi pada UMKM Bidang Perdagangan di Kelurahan Iringmulyo Kota Metro)," *Jurnal Akuntansi Aktiva* 2, no. 1 (2021).

³ Suyatno and Azzahra, "Pengaruh Kreativitas, Modal Usaha, Diversifikasi Produk dan Kebijakan Pemerintah terhadap Keberlanjutan Bisnis UMKM (Studi pada UMKM Bidang Perdagangan di Kelurahan Iringmulyo Kota Metro)."

⁴ Pradono Tri Pamungkas, "Pengaruh Modal, Kualitas Sumber Daya Manusia (SDM) dan Promosi terhadap Pemberdayaan UMKM (Studi Kasus pada Pemilik Usaha di Sekitar Pasar Babadan, Ungaran)," *Journal of Management* 1, no. 1 (2017): 2.

⁵ Ainul Hayat et al., "Pengembangan Usaha Mikro, Kecil, dan Menengah Melalui Fasilitasi Pihak Eksternal dan Potensi Internal," *Jurnal Administrasi Publik* 1, no. 6 (2018): 1286.

⁶ Pamungkas, "Pengaruh Modal, Kualitas Sumber Daya Manusia (SDM) dan Promosi terhadap Pemberdayaan UMKM (Studi Kasus pada Pemilik Usaha di Sekitar Pasar Babadan, Ungaran)."

⁷ Hayat et al., "Pengembangan Usaha Mikro, Kecil, dan Menengah Melalui Fasilitasi Pihak Eksternal dan Potensi Internal."

can come from personal funds or loans from other parties, such as financial institutions or investors. However, micro, small, and medium-sized businesses typically prefer to use personal capital, which is usually not too large.

According to research conducted by ABDSI, 68 percent of micro-businesses decided to close their doors. Although 28 percent of businesses remained operational, many had to make savings by reducing staff. This is due to the current situation of micro-businesses, where 53 percent had no cash reserves at all for household operations. The existence of business capital demonstrates its critical importance not only in developing a business but also in maintaining its existence during difficult times such as the Covid-19 pandemic.

A 2022 study by Yuppy Triwidatin and Yoyok Priyo Hutomo found that entrepreneurial characteristics, business capital, and marketing strategies were proven to have a significant influence on the development of MSMEs in Sukaraja District, Bogor Regency. Therefore, these three factors must be addressed collectively to enhance business development. Although the analysis found that the marketing strategy factor was insignificant, this is due to the dominant influence of marketing strategies on the development of small businesses, which is dominated by business capital.⁸ Arniati Lasoma's 2021 research found that partially, business capital significantly influences the development of micro-enterprises in Kabila District, Bone Bolango Regency; and simultaneously, business capital and business development also influence the development of micro-enterprises in Kabila District, Bone Bolango Regency, with a contribution of 28.6%, while the remaining 71.4% is influenced by other factors such as labor and profits earned by micro-enterprises themselves.⁹ Based on the previous research above, this is in line with the preliminary assumption of the study that the existence of business capital has an influence on the development of MSMEs. In an effort to help MSMEs in developing their businesses, during this recovery period, the government through the National Economic Recovery Policy (PEN), one of which is intended for MSMEs. The total budget allocated to assist MSMEs is also quite large, namely IDR 123.5 trillion, or 17.7 percent of the total national Covid-19 handling budget stimulus of IDR 695.2 trillion in 2020. In this position, MSME actors can take advantage of assistance provided by the government to increase their business capital.

In addition to business capital, for MSMEs to become professional, experience increased production, and expand market share, good business management is required. Aspects that need to be considered in managing MSMEs include financial management, human resource management,

⁸ Yuppy Triwidati and Yoyok Priyo Hutomo, "Analisis Pengaruh Karakteristik Wirausaha, Modal Usaha dan Strategi Pemasaran terhadap Perkembangan UMKM di Kecamatan Sukaraja Kabupaten Bogor," in *Jurnal Multidisiplin Madani (MUDIMA)* (2022).

⁹ Arnia Lasoma, "Pengaruh Modal Usaha dan Strategi Pemasaran terhadap Pengembangan Usaha Mikro di Kecamatan Kabila Kabupaten Bone Bolango," *Journal of Sharia Financial Management* 2, no. 2 (2021): 45.

operational management, and marketing management.¹⁰ Improving MSME management can begin with enhancing employee professionalism. Improving skills, discipline, and customer service is essential. Increasing business volume and fostering collaboration can be used as indicators of successful professionalism. Training or coaching MSME entrepreneurs is a sequential process to achieve a better state. This state can be identified through progress, growth, and even evolution. The process begins with planning, organizing, financing, implementation, and monitoring to achieve the desired goals.¹¹ Pcoaching can also be said to be a process towards a better condition.¹² Progress and improvement are the goals of the coaching carried out.

In line with the statement above, currently, business actors in Bandung Regency, West Java, continue to improve the production and sales of the products/services they offer. The development of Bandung Regency is also reflected in the rapid growth of businesses in various locations, across various business sectors. One prominent business is the food sector. Of the large number of MSMEs in Bandung Regency, not all of them can survive for long. This is due to the many obstacles faced by MSME actors. Many efforts are made by the relevant government to improve their businesses, one of which is holding innovation training in packaging design.

As per the primary duties and functions of the Bandung Regency Trade and Industry Office, the industrial sector plays a role in fostering, assisting, and facilitating MSMEs in developing their businesses. The development efforts undertaken by the Trade and Industry Office include coaching on production and marketing activities. Furthermore, the industrial sector has assisted industry players in market development through partnership facilities, packaging design development, and promotional and marketing innovations. These facilities are expected to increase the competitiveness of products produced in Bandung Regency.

However, many MSMEs are still unaware of the importance of training to improve their businesses. Data on the number of MSMEs participating in entrepreneurship training in Bandung Regency shows the following:

¹⁰ F. Nuraini and R. Maharani, "Strategi Peningkatan Daya Saing UMKM dan Koperasi dalam Menghadapi AEC (ASEAN Economic Community): Suatu Telaah Kepustakaan," n.d, Prosiding Seminar Nasional Ekonomi dan Bisnis & Call For Paper FEB UMSIDA 2016, 2016, 17.

¹¹ K. Dewi and Z. Rusli, "Pelaksanaan Program Pembinaan Koperasi Usaha Mikro Kecil dan Menengah (UMKM)," XXXX.

¹² Thoha Miftah, *Perilaku Organisasi: Konsep Dasar dan Aplikasinya* (Rajawali Grafindo Persada, 2011).

Table 2. Number of MSMEs participating in entrepreneurship training in Bandung Regency

Year	Amount	Percentage
2019	598	
2020	561	-6%
2021	726	29%
2022	1,890	160%
2023	1,475	-22%

Source: satudata.bandungkab.go.id

Table 1.2 above shows that the number of MSMEs participating in entrepreneurship training has decreased in the last five years, from 598 to 561 in 2019 to 2020, representing a 6% decrease. However, in 2021 to 2022, the number increased to 726, representing a 29% increase. In 2022, the number increased significantly to 1,890, representing a 160% increase, driven by the increasing number of MSMEs in Bandung Regency. However, in 2023, the number decreased again by 22%, resulting in 1,475 MSMEs participating in entrepreneurship training. Table 2.3 shows that many entrepreneurs are not yet fully aware of the importance of training for business development, a problem that impacts the progress of MSMEs in Bandung Regency. Therefore, coaching is necessary. This coaching will allow for monitoring the quality and quantity of MSMEs. After coaching, we can also see the improvement and development of the businesses being run.

Based on relevant previous studies and research, it is believed that business capital and MSME training are believed to be determinants in the development of an MSME. Both in efforts to increase income, expand the scale of the business to improve the class of the MSME type itself. However, in other studies there are results that are not in line with the results of the research described previously, Dewi Purwati, Edward Gagah, Patricia Dhiana in their research on the influence of business capabilities, business capital and marketing strategies on business development as intervening variables, showed that the development of MSMEs is not influenced by business capital while marketing strategies have an influence but do not have a positive and significant influence on business development.¹³ This suggests that research findings using the same variables remain inconsistent. Therefore, based on the background outlined above, it can be concluded that the research findings differ even when using the same variables. The increasing

¹³ Dewi Purwati et al., "Pengaruh Kemampuan Usaha, Modal Usaha, dan Strategi Pemasaran terhadap Keberhasilan Usaha dengan Perkembangan Usaha sebagai Variabel Intervening (Studi Kasus pada Usaha Mikro, Kecil, dan Menengah (UMKM) di Kawasan Desa Kedewan, Kabupaten Bojonegoro)," *Journal of Management* 7, no. 1 (2021), <https://jurnal.unpand.ac.id/index.php/MS/article/view/1742>.

number of MSMEs, resulting in increased competition, is the basis for researchers to use MSME training as a moderating variable. This will differentiate this research from previous studies.

RESEARCH METHODS

The method used in this research is a quantitative survey method. The quantitative survey method is an approach to testing objective theories and examining the relationship between variables. In this study, the quantitative survey method was chosen because this research refers to the development of hypotheses based on the results of previous or past research. This study uses a mixed method, where the research is conducted online and face-to-face directly with MSME actors. This is based on the research of Olson et al.,¹⁴ who defines a mixed-mode method in the survey approach, which combines online and offline approaches with face-to-face. This is based on the research of Olson et al.,¹⁵ who defines a mixed-mode method in the survey approach, which combines online and offline approaches with face-to-face. Therefore, data collection in the study was carried out through a survey, with a closed questionnaire model. The questionnaire will be given to all relevant respondents, so that researchers can determine and measure their responses using the "5-point Likert scale" method. This method is taken from the research of Brockman et al., without any modifications.¹⁶ The sampling in this study used a non-probability sampling technique with purposive sampling. The population for that period was 156 companies, spread across Bandung Regency. Other data collection techniques involved direct observation, interviews with factory owners, workers, consumers, and related agencies, and library research to enrich the analysis. For data analysis, Structural Equation Modeling (SEM)-PLS was used to test the relationship model between variables. Testing was carried out by evaluating the measurement model (Outer Model) which includes convergent and discriminant validity, as well as instrument reliability through Composite Reliability and Cronbach's Alpha. Testing the structural model (Inner Model) used R-Square (R²) to measure the extent to which the independent variables explain the dependent variable, F-Square (F²) to evaluate the relative influence, and Path Coefficients to measure the magnitude of the direct influence between latent variables. Analysis through MRA will assess the interaction of moderating variables in weakening or strengthening the relationship

¹⁴ K. Olson et al., "Transitions from Telephone Surveys to Self-Administered and Mixed-Mode Surveys: AAPOR Task Force Report," *Journal of Survey Statistics and Methodology* 9, no. 3 (2021): 381–411, <https://doi.org/10.1093/jssam/smz062>.

¹⁵ Olson et al., "Transitions from Telephone Surveys to Self-Administered and Mixed-Mode Surveys: AAPOR Task Force Report."

¹⁶ B.K. Brockman et al., "Customer Orientation and Performance in Small Firms: Examining the Moderating Influence of Risk-Taking, Innovativeness, and Opportunity Focus," *Journal of Small Business Management* 50, no. 3 (2012): 429–46, <https://doi.org/10.1111/j.1540-627X.2012.00361.x>.

between an independent variable and a dependent variable.¹⁷ The hypothesis was tested through a bootstrapping procedure with the criteria of t-statistic > 1.96 or p-value < 0.05 as an indicator of significant influence between variables.

RESULTS AND DISCUSSION

After conducting research and collecting data in the field, data was obtained regarding the condition of culinary MSMEs in Bandung Regency in relation to business capital, product innovation and its impact on business growth moderated by MSME training. Using a sample of 156 respondents, namely business actors who participated in training at the "Packaging Clinic", the data obtained during the study are presented in the form of data analysis. In this study, a moderation effect analysis test was conducted with the following analysis stages: 1) Analysis of the measurement model (outer model) to assess the validity and reliability of research indicators; and (2) Analysis of the structural model (inner model) to evaluate the relationship between latent variables. This study aims to describe how business capital supported by MSME training can increase business development in culinary MSMEs in Bandung Regency.

Measurement model analysis (outer model)

Composite Reliability

In this testing phase, construct reliability is assessed for each variable. The parameters used to measure composite reliability are Cronbach's alpha and composite reliability, both of which must be greater than 0.70. Both parameters must be above 0.70. This demonstrates that a construct has good reliability. Here are the results:

Table 3. Composite Reliability

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Business Capital (X)	0.903	0.915	0.921
MSME Training (Z)	0.889	0.900	0.911
Business Development (Y)	0.802	0.804	0.871

The results of the instrument reliability evaluation using Cronbach's Alpha and Composite Reliability (CR) showed excellent internal consistency. The Cronbach's Alpha value for the business development (Y) variable was 0.802, business capital (X) was 0.903, and MSME Training (Z) was 0.889, all of which were above the threshold of 0.70. This indicates that the instrument has

¹⁷ W.W. Chin, *The Partial Least Squares Approach to Structural Equation Modeling* (Modern methods for business research/Lawrence Erlbaum Associates, 1998).

adequate reliability in measuring the intended latent construct. In addition, the Composite Reliability (rho_a) values for each variable, namely 0.804 (Business Development), 0.915 (Business Capital), and 0.900 (MSME Training), as well as rho_c of 0.921, 0.911, and 0.871, also met the criteria with values above 0.70. These results show that the instrument used is reliable and can be relied on to measure the variables in this study.

Table 4. Heretroit-Monotrait Ratio (HTMT)

	Venture capital	Business development	MSME Training	MSME Training x Business Capital
Venture capital				
Business Development	0.734			
MSME Training	0.142	0.223		
MSME Training x Business Capital	0.413	0.630	0.361	

The results of the discriminant validity analysis using the Heretroit-Monotrait Ratio (HTMT) showed that all HTMT values were below the threshold of 0.90 by Hair et al., which indicates strong discriminant validity. The HTMT value between the latent variables of Business Capital and Business Development was 0.734, between Business Capital and MSME Training was 0.142, and between Business Development and MSME Training was 0.223. In addition, the HTMT value between MSME Training and the interaction of MSME Training x Business Capital was 0.361.

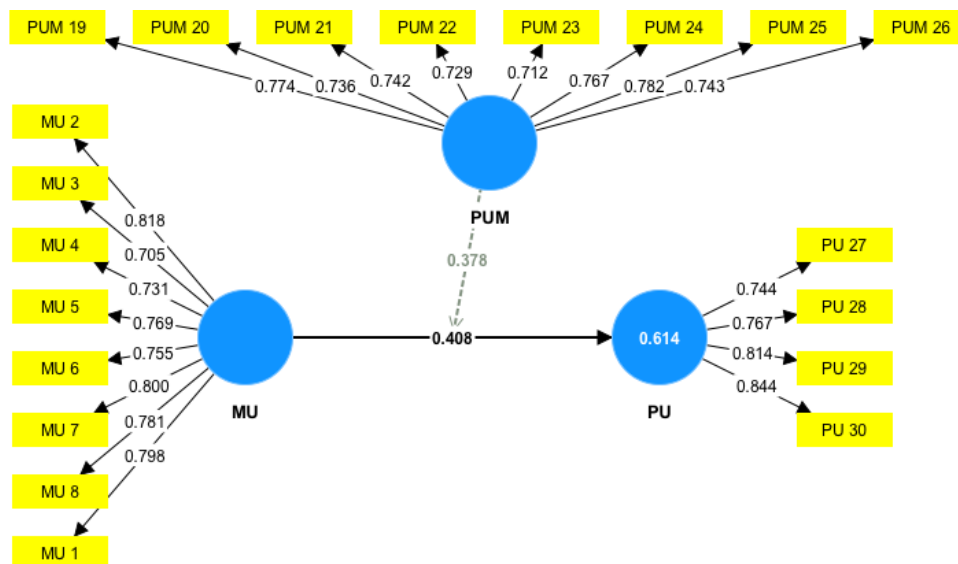


Figure 1. Outer Model

Hypothesis Testing between Variables (Inner Model)

R Square, F Square, Model Fit

The R-Square value is a measure of the proportion of variation in the value of a variable influenced by the dependent variable that can be explained by the variables that influence it, namely the independent variables in the model structure. According to Chin, the values indicated by the R-square are 0.19 (indicating weak), 0.33 (moderate), and 0.66 (high). According to Hair, R² is categorized as weak (0.19), moderate (0.33), and substantial (0.67). Standardized Root Mean Square Residual (SRMR) measures the fit between observed data and the estimated model, with SRMR values below 0.08 indicating a good model fit, while values up to 0.10 are still acceptable according to Yamin, 2021.

Table 5. R-Square

	R-square	R-square adjusted
Business Development	0.614	0.607

Table 4 concludes by examining the R-Square value, which indicates that the R-Square value for the Business Development variable is 0.614, with an adjusted R-Square of 0.607. This indicates that 61.4% of the variation in the Business Development variable can be explained by the independent variables, namely Business Capital, MSME Training, and the interaction between the two. Meanwhile, the remaining 35.6% of the variation is influenced by other variables not examined further in this study. Based on the R-Square value obtained, the influence of the independent variables on Business Development can be categorized as moderate.

Table 6. F-Square

	F-Square
Business Capital -> Business Development	0.333
MSME Training -> Business Development	0.226
MSME Training x Business Capital -> Business Development	0.464

From table 5 above, it is known that the Business Capital variable has a moderate influence on Business Development with an F² value of 0.333 (moderate category according to Hair, 2018). Meanwhile, MSME Training on Business Development with an F² value of 0.226, and the interaction between MSME Training and Business Capital on Business Development with an F² value of 0.464. Based on these results, it can be concluded that MSME Training and Business

Capital on Business Development provide a significant contribution compared to Business Capital and MSME Training in this structural model.

Table 7. SRMR

	Saturated Model	Estimated Model
SRMR	0.079	0.077

SRMR shows a value of $0.077 < 0.08$, which indicates that this model has a good fit with the observed data, in accordance with the guidelines of Hair et al., 2021.

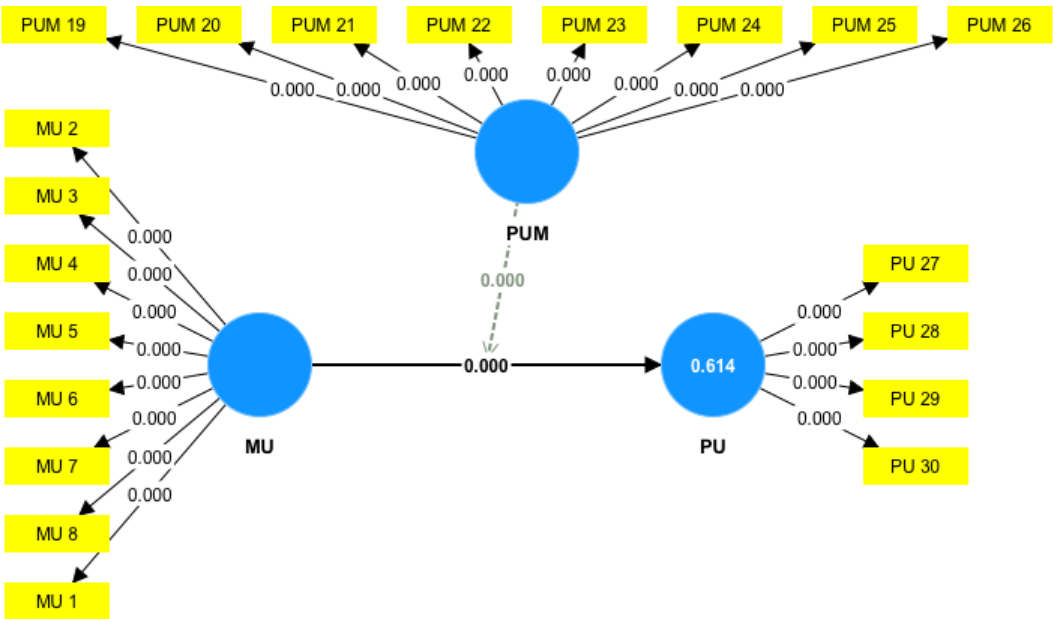


Figure 2. Inner Model

Path Coefficient Hypothesis

Path coefficients indicate the magnitude of the direct influence between latent variables, with a 95% confidence interval. The higher the path coefficient, the stronger the relationship between the variables. This test is conducted using bootstrapping techniques to evaluate the research hypothesis. A t-statistic value > 1.96 or a p-value < 0.05 indicates a significant influence between the variables. The following are the results of the hypothesis test:

Table 8. Hypothesis Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Business Capital -> Business Development	0.408	0.404	0.096	4,246	0,000
MSME Training -> Business Development	0.326	0.348	0.130	2,514	0.012
MSME Training x Business Capital -> Business Development	0.378	0.365	0.088	4,311	0,000

The results of the hypothesis testing show that all hypotheses are accepted.

1. The Relationship between Business Capital Variables and Business Development

Business capital plays a crucial role in supporting business development, as it is a crucial requirement, particularly for culinary MSMEs in Bandung Regency. SEM-PLS analysis revealed that business capital has a positive and significant impact on business development, with a path coefficient of 0.408, a T-statistic of 4.246, and a p-value of 0.000. These findings demonstrate that business capital is crucial, and its active implementation can significantly improve business development and ensure longer-term business sustainability.

2. The Relationship between Business Capital Variables and Business Development Moderated by MSME Training

MSME training plays a crucial role in strengthening the relationship between venture capital and business development. The analysis revealed that the interaction between venture capital and business development has a positive and significant impact on business performance, with a path coefficient of 0.378, a T-statistic of 4.311, and a p-value of 0.000. These findings suggest that training for MSMEs, including creativity and financial bookkeeping, can improve business expansion effectiveness, which in turn will ultimately impact business development.

3. The Relationship between MSME Training Variables and Business Development

MSME training also has a positive and significant impact on business development. Based on the results of the SEM-PLS analysis, the path coefficient value of 0.326, T-statistics of 2.514, and p-value of 0.012 indicate that MSME training contributes to increasing capital, strengthening business networks, improving product quality, and improving human resource quality. In the context of culinary MSMEs in Bandung Regency, MSME training such as packaging design and halal labeling training provides significant benefits for business actors so they can compete domestically and internationally.

CONCLUSION

Based on the results of hypothesis testing, it can be concluded that business capital has a positive and significant effect on business development in culinary MSMEs in Bandung Regency with a path coefficient value of 0.408. MSME training is proven to moderate the relationship between business capital and business development, with an interaction coefficient value of 0.378, thus strengthening and having an impact by the MSME training. In addition, MSME training also has a positive and significant direct effect on business capital with a path coefficient value of 0.326. The results of this study indicate that increased business capital supported by training for MSMEs can improve business development which in turn has a positive impact on the economic growth of the community in Bandung Regency.

SUGGESTION

Based on the research findings, it is recommended that culinary MSMEs in Bandung Regency can continue to obtain business capital so that their business development can continue by conducting or participating in business training conducted by the local government. The awareness of each individual business owner to want to continue practicing in various market or product innovations, in order to obtain additional business capital so that they can continue to improve their business, because MSME training has been proven to be able to strengthen the relationship between business capital and business development. In addition, the local government must be able to continue to accompany MSMEs so that sustainable business development can have a positive impact on the economic growth of the surrounding community. Therefore, it is important for business actors to participate in various activities in business development created by local government institutions, as well as the private sector, to be able to participate in more effective business training, so that the growth of MSMEs in Bandung Regency will continue to increase with good quality.

BIBLIOGRAPHY

- Brockman, B.K., M.A. Jones, and R. C. Becherer. "Customer Orientation and Performance in Small Firms: Examining the Moderating Influence of Risk-Taking, Innovativeness, and Opportunity Focus." *Journal of Small Business Management* 50, no. 3 (2012): 429–46. <https://doi.org/10.1111/j.1540-627X.2012.00361.x>.
- Chin, W.W. *The Partial Least Squares Approach to Structural Equation Modeling*. Modern methods for business research/Lawrence Erlbaum Associates, 1998.
- Hayat, Ainul, Feni Dwi Anggraeni, and Imam Hardjanto. "Pengembangan Usaha Mikro, Kecil, dan Menengah Melalui Fasilitasi Pihak Eksternal dan Potensi Internal." *Jurnal Administrasi Publik* 1, no. 6 (2018): 1286.

- Lasoma, Arnia. "Pengaruh Modal Usaha dan Strategi Pemasaran terhadap Pengembangan Usaha Mikro di Kecamatan Kabila Kabupaten Bone Bolango." *Journal of Sharia Financial Management* 2, no. 2 (2021): 45.
- Miftah, Thoha. *Perilaku Organisasi: Konsep Dasar dan Aplikasinya*. Rajawali Grafindo Persada, 2011.
- Nuraini, F., and R. Maharani. "Strategi Peningkatan Daya Saing UMKM dan Koperasi dalam Menghadapi AEC (ASEAN Economic Community): Suatu Telaah Kepustakaan." N.d. Prosiding Seminar Nasional Ekonomi dan Bisnis & Call For Paper FEB UMSIDA 2016, 2016.
- Olson, K., J.D. Smyth, R. Horwitz, et al. "Transitions from Telephone Surveys to Self-Administered and Mixed-Mode Surveys: AAPOR Task Force Report." *Journal of Survey Statistics and Methodology* 9, no. 3 (2021): 381–411. <https://doi.org/10.1093/jssam/smz062>.
- Pamungkas, Pradono Tri. "Pengaruh Modal, Kualitas Sumber Daya Manusia (SDM) dan Promosi terhadap Pemberdayaan UMKM (Studi Kasus pada Pemilik Usaha di Sekitar Pasar Babadan, Ungaran)." *Journal of Management* 1, no. 1 (2017): 2.
- Purwati, Dewi, Edward Gagah Purwa, and Patricia Dhiana Paramita. "Pengaruh Kemampuan Usaha, Modal Usaha, dan Strategi Pemasaran terhadap Keberhasilan Usaha dengan Perkembangan Usaha sebagai Variabel Intervening (Studi Kasus pada Usaha Mikro, Kecil, dan Menengah (UMKM) di Kawasan Desa Kedewan, Kabupaten Bojonegoro)." *Journal of Management* 7, no. 1 (2021). <https://jurnal.unpand.ac.id/index.php/MS/article/view/1742>.
- SKCOC. "Strategi Pemasaran dan Pembukuan Sederhana Bagi UMKM." 2022. <https://bppk.kemenkeu.go.id/content/berita/balai-diklat-keuangan-yogyakarta-kcoc-strategi-pemasaran-dan-pembukuan-sederhana-bagi-umkm--2022-06-27-dd0f117>.
- Suyatno, Elmira Febri Darmayanti, and Cika Irlia Azzahra. "Pengaruh Kreativitas, Modal Usaha, Diversifikasi Produk dan Kebijakan Pemerintah terhadap Keberlanjutan Bisnis UMKM (Studi pada UMKM Bidang Perdagangan di Kelurahan Iringmulyo Kota Metro)." *Jurnal Akuntansi Aktiva* 2, no. 1 (2021).
- Triwidiati, Yuppy, and Yoyok Priyo Hutomo. "Analisis Pengaruh Karakteristik Wirausaha, Modal Usaha dan Strategi Pemasaran terhadap Perkembangan UMKM di Kecamatan Sukaraja Kabupaten Bogor." In *Jurnal Multidisiplin Madani (MUDIMA)*. 2022.