



The Efficient Financial Management as a Practical Solution for Micro and Small Enterprises (MSEs)

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ARTICLE INFO

Keywords: Financial Management, Financial Literacy, Cash Flow Management, Micro and Small Enterprises (MSEs), Cikarang Pusat

Received : 30, November

Revised : 14, December

Accepted: 28, December

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ABSTRACT

This community service program aimed to enhance the financial literacy and management skills of local entrepreneurs. Recognizing the vital role of MSEs in driving economic growth, particularly in Cikarang Pusat, this program focused on providing tailored financial training and practical tools to improve budgeting, cash flow management, and record-keeping practices. Over two weeks, from September 8 to September 22, 2024, participants engaged in hands-on workshops, case studies, and one-on-one consultations. The program yielded significant results, with average improvements of 40% in key financial concepts, reflecting the effectiveness of the training. Participants rated the program highly, with satisfaction scores of 4.7 to 4.9, indicating the relevance and value of the content provided. The findings suggest that localized financial training can substantially benefit MSEs, enhancing their operational efficiency and contributing to the broader economic resilience of the community. The program also recommends expanding its duration and incorporating follow-up support to ensure continued growth and sustainability for MSEs in the region.

INTRODUCTION

Efficient financial management is essential for the sustainability and growth of micro and small enterprises (MSEs), especially in dynamic economic areas such as Cikarang Pusat. MSEs are the backbone of Indonesia's economy, contributing significantly to employment creation and regional economic stability. However, many MSEs face persistent challenges in managing their finances, including limited financial literacy, poor record-keeping practices, and inadequate access to effective financial tools. These challenges often result in cash flow issues, limited business growth, and vulnerability to economic shocks (Dasman et al., 2023); (Azlina et al., 2020); (Firmansyah et al., 2019); (Ningtyas et al., 2017).

The community service initiative seeks to address these critical issues. This program is designed to empower local MSEs by equipping them with the knowledge, skills, and tools necessary for sound financial management, enabling them to optimize their operations and achieve long-term sustainability. The motivation for this service stems from a growing recognition of the challenges faced by MSEs in adapting to modern financial practices. Many MSEs in Cikarang Pusat operate informally, with little to no structured financial management systems. This lack of financial discipline often hampers their ability to secure financing, manage cash flows effectively, and scale their businesses. Moreover, the global shift toward digitalization has further widened the gap, leaving these enterprises vulnerable in a competitive marketplace (Purba et al., 2024); (Dewan Standar Akuntansi Keuangan, 2023); (Yulianti & Wulandari, 2023); (Mashuri & Ermaya, 2021).

From a phenomenological perspective, the experiences of MSE owners reveal a pressing need for practical, context-specific financial solutions. Through preliminary field observations and stakeholder interviews, it became evident that many MSEs in Cikarang Pusat struggle not because of a lack of motivation, but due to a lack of tailored guidance and training in financial management. This program offers a multifaceted contribution to the local MSE community, addressing critical needs through various targeted initiatives. First, localized financial training ensures that the materials and strategies are specifically tailored to the unique challenges faced by MSEs in Cikarang Pusat, making them both relevant and practical. Participants are also introduced to simple yet effective financial management tools, such as budgeting templates, cash flow trackers, and basic accounting methods, which enable them to manage their resources more efficiently. Additionally, by enhancing the financial literacy of MSE owners, the program empowers local entrepreneurs to improve their business performance while strengthening the overall economic resilience of the community. Furthermore, the program enriches financial management theory by adapting it to the realities of small-scale businesses, creating a practical model that can be replicated in other regions. Through these contributions, the program provides comprehensive support to foster sustainable growth and success among local MSEs (Muslim et al., 2024); (Wulandari et al., 2024).

The novelty of this initiative lies in its holistic approach, which integrates financial education, practical application, and community engagement. Unlike traditional training programs, this initiative adopts a hands-on approach, using real-world case studies from local businesses to ensure participants can immediately apply what they learn. Moreover, by focusing on MSEs in Cikarang Pusat, the program captures a unique sample that reflects the specific socio-economic dynamics of the region.

In conclusion, this community service program aims to bridge the financial knowledge gap among MSEs in Cikarang Pusat, empowering them to achieve greater efficiency, resilience, and success. By addressing critical financial challenges and fostering sustainable practices, this initiative contributes to the broader goals of economic empowerment and inclusive growth.

IMPLEMENTATION AND METHODS

The implementation and methods of this community service program were meticulously designed to ensure its relevance, effectiveness, and sustainability in addressing the financial management needs of micro and small enterprises (MSEs) in Cikarang Pusat.

Implementation Details

Location and Time:

The program was conducted in Cikarang Pusat, a strategically chosen location known for its high concentration of MSEs that play a vital role in the local economy. The activities were implemented over a period from September 8 to September 22, 2024, with sessions held weekly to ensure flexibility and accommodate the busy schedules of MSE operators. The training sessions took place at one of the MSE owner's homes, providing a familiar and accessible environment that encouraged active participation and engagement from all attendees.

Participants:

The participants were MSE owners and operators who were selected based on criteria such as their business size, and operational sector, and expressed interest in enhancing their financial management capabilities. A total of 20 participants were involved, representing diverse industries, including retail, food and beverage, manufacturing, and services. These participants were predominantly local entrepreneurs with varying levels of financial literacy, making the program highly impactful and inclusive.

Background of Participants:

The majority of participants were small business owners with limited formal training in financial management. Many relied on traditional, informal methods to manage their finances, such as handwritten records or mental calculations, which often led to inefficiencies and errors. This highlighted the urgent need for structured, practical training to empower them with modern financial management practices.

Methods of Service Delivery

The program employed a structured, step-by-step approach to ensure a comprehensive understanding and application of financial management principles.

1. **Assessment and Preliminary Discussions:**
Before the program began, a needs assessment was conducted through interviews and surveys to understand the participants' current challenges, knowledge gaps, and expectations. This data was used to tailor the program's content and delivery methods.
2. **Workshops and Training Sessions:**
 - a. **Lecture-Based Presentations:** The core concepts of financial management, such as budgeting, cash flow management, and record-keeping, were presented in an easy-to-understand format.
 - b. **Interactive Sessions:** Participants engaged in hands-on exercises, including creating budgets, using cash flow trackers, and practicing basic accounting techniques.
 - c. **Group Discussions:** Small group discussions encouraged participants to share their experiences and learn from each other's challenges and successes.
3. **Materials Provided:**
Participants were provided with practical tools, including:
 - a. Budgeting templates tailored to small businesses.
 - b. Cash flow tracking worksheets to monitor income and expenses.
 - c. Simplified financial statements to help participants understand their business performance.
 - d. These materials were designed to be user-friendly and directly applicable to the daily operations of MSEs.
4. **Case Studies and Real-World Applications:**
The program incorporated case studies drawn from local businesses to illustrate how efficient financial management can address common challenges. These examples allowed participants to see the practical benefits of applying the concepts taught.
5. **One-on-One Consultations:**
Toward the end of the program, individual consultations were offered to provide personalized guidance. Participants could discuss their specific business concerns, ensuring that the knowledge and tools gained were effectively implemented.

Monitoring and Follow-Up

To ensure the sustainability of the program's outcomes, a follow-up mechanism was established. This included periodic check-ins with participants to assess their progress and provide additional support where needed. Feedback from these sessions also informed improvements for future iterations of the program.

Through this comprehensive and detail-oriented implementation, the program not only equipped participants with practical financial skills but also fostered a

culture of continuous learning and improvement, ultimately contributing to the long-term success of MSEs in Cikarang Pusat.

RESULTS AND DISCUSSION

The results of the community service program demonstrate its success in equipping participants with essential financial management skills. Each step of the program was carefully implemented, ensuring relevance and practicality for the target audience. Below is a detailed description of the steps, the materials presented, and the outcomes achieved, accompanied by tables summarizing key findings.

Steps in the Dedication Process

Preliminary Assessment and Participant Engagement
The program commenced with a comprehensive needs assessment aimed at evaluating the participants' financial literacy, behaviors, and practices. To gain an in-depth understanding, a detailed survey was distributed among the participants. This survey included questions focused on key financial areas such as budgeting, cash flow management, record-keeping, and savings habits. The purpose of this assessment was to identify common financial challenges faced by the participants, including the lack of budgeting skills, ineffective cash flow management, and insufficient documentation of financial transactions.

Through this data, the team was able to uncover the most significant barriers hindering financial well-being, such as inadequate financial planning, impulse spending, and limited understanding of basic financial concepts. These insights played a crucial role in tailoring the program's content to meet the specific needs of the participants. By addressing these critical areas, the program was designed to provide practical solutions and empower participants with the tools and knowledge to improve their financial practices effectively. This initial engagement also helped in fostering a sense of trust and collaboration between the participants and the program team, setting the foundation for an impactful learning experience.

1. Workshop Delivery

The workshops were conducted weekly from September 8 to September 22, 2024, focusing on the following topics:

- a. **Budgeting Basics:** Participants learned to prepare and manage budgets using templates provided during the sessions.
- b. **Cash Flow Management:** Participants were trained to track income and expenses systematically to maintain a stable cash flow.
- c. **Simplified Accounting and Record-Keeping:** Practical exercises helped participants organize and maintain financial records, including expense logs and basic financial statements. These workshops emphasized hands-on practice, enabling participants to directly apply their learning to their business operations.

2. Case Studies and Group Discussions

Local business case studies were used to illustrate financial challenges and provide actionable solutions. Group discussions fostered peer learning, as participants shared their experiences and strategies.

3. One-on-One Consultations

In the final phase, personalized consultations were held to address specific business concerns, such as managing seasonal cash flow, reducing unnecessary expenses, and setting realistic financial goals.

Results Achieved

The program yielded significant outcomes, summarized in the tables below:

Table 1: Participant Demographics and Business Profiles

Participant Category	Count	Industry Sectors	Business Age Range
Micro Enterprises	12	Retail, Food & Beverage	1-5 years
Small Enterprises	8	Manufacturing, Services	6-10 years

Table 1 highlights the demographics and profiles of the participants, categorized into Micro Enterprises (12 participants) and Small Enterprises (8 participants). Micro Enterprises, primarily engaged in the Retail and Food & Beverage sectors, were newer businesses operating for 1-5 years, requiring foundational financial skills like budgeting and cash flow management. Small Enterprises, involved in Manufacturing and Services, were more established businesses operating for 6-10 years, needing advanced financial strategies for sustainable growth. This diversity allowed the program to address both early-stage and mature business challenges, ensuring its relevance and impact across various industry sectors.

Table 2: Pre- and Post-Program Financial Literacy Scores

Financial Concept	Average Pre-Score (%)	Average Post-Score (%)	Improvement (%)
Budgeting Skills	40	80	40
Cash Flow Management	35	75	40
Record-Keeping Practices	30	70	40

Table 2 illustrates the improvement in financial literacy among participants by comparing their pre- and post-program scores across key financial concepts. The **Budgeting Skills** improved significantly from an average pre-score of 40% to 80%, showing a 40% increase in participants' ability to manage and create budgets. Similarly, **Cash Flow Management** skills saw a

rise from 35% to 75%, reflecting a 40% improvement in participants' ability to track and maintain a stable cash flow. **Record-keeping practices** also showed a 40% improvement, increasing from 30% to 70%, indicating participants' enhanced ability to maintain accurate financial records. Overall, these results highlight the program's effectiveness in significantly boosting financial literacy among the participants.

Table 3: Participant Satisfaction Ratings

Aspect Evaluated	Satisfaction Score (1-5)
Relevance of Content	4.7
Usefulness of Materials	4.8
Overall Program Delivery	4.9

Table 3 presents the participant satisfaction ratings for different aspects of the program, measured on a scale of 1 to 5. The Relevance of Content received a high satisfaction score of 4.7, indicating that participants found the topics covered to be highly applicable to their business needs. The Usefulness of Materials scored 4.8, reflecting the participants' appreciation for the practical tools and resources provided during the program. Finally, the Overall Program Delivery achieved an impressive score of 4.9, demonstrating that the structure, execution, and engagement of the program were highly valued by the participants. These high satisfaction ratings suggest that the program was well-received and effective in meeting the needs of the MSE owners.

Discussion

The results confirm the program's success in enhancing the financial management capabilities of MSEs in Cikarang Pusat. The significant improvement in financial literacy scores reflects the effectiveness of the workshops and materials. Participants demonstrated greater confidence in budgeting, managing cash flows, and maintaining organized financial records, which are critical for business sustainability.

The high satisfaction ratings suggest that the program's content and delivery methods were well-received. Participants appreciated the use of localized examples and personalized consultations, which addressed their unique business challenges. However, the findings also indicate that future programs could benefit from extending the duration of the workshops to provide more in-depth guidance and follow-up support.

In conclusion, this program has successfully empowered MSEs with the tools and knowledge needed to optimize their financial management practices. The results underscore the potential for replicating this model in other communities to drive sustainable business growth and resilience.



Source: Community Service Team, 2024

Figure 1. Documentation of Community Service Activities

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The Efficient Financial Management as a Practical Solution for Micro and Small Enterprises (MSEs) in Cikarang Pusat program successfully enhanced the financial literacy and management skills of its participants. The program's tailored approach, focusing on fundamental financial concepts such as budgeting, cash flow management, and record-keeping, resulted in significant improvements in participants' financial skills, with an average increase of 40% across all key concepts. The high satisfaction ratings (4.7 to 4.9) further affirm the program's success in addressing the needs of local MSE owners.

In conclusion, the program demonstrated that MSEs in Cikarang Pusat can significantly benefit from localized financial training, especially when delivered in an accessible and hands-on format. By empowering business owners with practical tools and knowledge, the program contributed to improving business operations and strengthening the economic resilience of the community.

Recommendations:

1. Expansion of Program Duration: To provide more in-depth guidance and support, extending the duration of workshops and consultations could help participants grasp advanced financial concepts.
2. Follow-up Support: Offering post-program follow-up sessions or mentorship would enable participants to continue refining their financial practices and receive ongoing assistance in applying new strategies.
3. Wider Outreach: The success of this program suggests that similar initiatives could be extended to other regions, particularly those with a high concentration of MSEs, to replicate its positive impact on financial management practices.

ACKNOWLEDGMENT

We would like to extend our heartfelt gratitude to all those who contributed to the successful implementation of the Efficient Financial Management as a Practical Solution for Micro and Small Enterprises (MSEs) in the Cikarang Pusat program. First, we sincerely thank the local MSE owners and entrepreneurs who actively participated in the program, sharing their experiences and engaging wholeheartedly in the workshops and consultations.

We would also like to express our deep appreciation to our colleagues and collaborators, whose valuable suggestions and insights played a crucial role in shaping the content and delivery of the program. Their expertise in financial management and community engagement was indispensable to the success of this initiative.

Additionally, we are grateful for the financial support received, which enabled the implementation of this service. This assistance made it possible to provide high-quality materials, resources, and personalized consultations that were vital to the program's impact.

Lastly, we acknowledge the unwavering support from local organizations and institutions that helped facilitate the program and ensured its smooth execution. Without the contributions of all these individuals and groups, this program would not have been possible.

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