



Financial Assistance for MSMEs in PRM Blagung in Increasing Resilience and Sustainability Business

Ashar Mukhammad Akbar^{1*}, Eskasari Putri², Abid Ramadhan³, Qodri Royani⁴, Kholid Jundi Ar-Ridho⁵, Erma Setiawati⁶

Universitas Muhammadiyah Surakarta, Surakarta, Indonesia^{1,2,4,5,6}

Faculty of Economics and Business, Universiti Malaysia Kelantan, Malaysia³

Faculty of Economics and Business, Universitas Muhammadiyah Palopo, Indonesia³

Email: W100250008@ums.ac.id

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play an important role in supporting economic growth and improving community welfare. However, many MSMEs still face challenges in financial management, such as inadequate bookkeeping practices, mixing personal and business finances, and a limited understanding of financial reports. These conditions affect the sustainability and resilience of businesses in facing economic uncertainty and market competition. This community service program aimed to improve the financial management capacity of MSME actors through financial assistance and training activities. The methods used in this program included observation, interviews, socialisation, training, and direct mentoring related to simple financial recording, cash flow management, and preparation of basic financial statements. The activities were carried out through participatory approaches to ensure that participants could understand and apply the materials effectively. The results of the program showed that MSME actors experienced increased understanding and skills in managing business finances, particularly in recording income and expenses, separating personal and business finances, and preparing simple financial reports. In addition, participants became more aware of the importance of financial planning in supporting business sustainability. Therefore, financial assistance activities can contribute positively to strengthening MSME resilience and improving their managerial capabilities in developing sustainable businesses.

Keywords: Financial Assistance, MSMEs, PRM Blagung, Business Resilience, Business Sustainability

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in supporting national economic growth, creating jobs, and improving people's welfare (Muttaqien, et al., 2022; Machfuzhoh, et al., 2020; Wardi, et al., 2020). However, most MSMEs still face various obstacles in business financial management, such as irregular financial records, mixing personal and business finances, low understanding of financial statements, and limitations in planning and controlling cash flow (Kaban, 2024; Nareswari et al., 2023; Maheshkar, et al., 2021). This condition causes MSME actors to have difficulty in knowing the financial condition of the business accurately, which has an impact on the low ability of businesses to survive in the face of competition and economic uncertainty (Gora, et al., 2022).

Based on the results of observations and interviews with partners, it was found that most MSME actors do not have a simple and structured financial recording system. Partners still record manually, and some do not record at all. In addition, the understanding of the importance of income statements, cash flows, and business capital management is still low. These problems cause business actors to experience difficulties in determining business profits, controlling expenses, and making the right business decisions. Therefore, financial assistance is needed which aims to improve the managerial ability and financial literacy of MSMEs so that the business run becomes healthier and more sustainable.

Financial assistance is a form of empowerment that can help MSMEs in increasing their business management capacity. According to Cahyadi et al (2023), good financial management can help business actors in planning, controlling, and evaluating business performance effectively. In addition, financial literacy also affects business sustainability because MSME actors who have a good financial understanding tend to be able to make more appropriate business decisions.

Research by Aribawa (2016) shows that financial literacy has a positive influence on the performance and sustainability of MSMEs. With continuous assistance, business actors can understand the importance of financial recording, capital management, and business development strategies based on healthy financial conditions.

The solution offered in this service program is to provide assistance and training in simple financial management to MSME actors. Activities are carried out through socialisation of the importance of financial management, training in the preparation of simple financial statements, assistance in recording cash flows, and consultations related to capital management and business planning. This approach is expected to help partners in improving their ability to manage business finances independently and systematically.

The purpose of this community service program is to improve the understanding and skills of MSME actors in managing business finances so that they can increase business resilience and sustainability. The benefits of this activity are to help MSME actors in conducting more orderly financial records, improving business decision-making skills, and strengthening business resilience in facing economic challenges and market competition.

2. Method

The method of implementing this community service activity is carried out through several stages that are systematically designed to assist Micro, Small, and Medium Enterprises (MSMEs) in improving their business financial management capabilities. The methods used include the observation stage, problem identification, training, mentoring, and evaluation of activities. Each stage is carried out in a participatory manner so that partners can understand and apply the material provided properly.

The first stage is observation and identification of problems. At this stage, the service team conducts an initial survey and

interviews with MSME actors to find out the business conditions, financial management systems used, and obstacles faced by partners. The observation data is used as a basis for determining the form of mentoring and training materials that are in accordance with the needs of partners.

The second stage is the preparation of materials and activity planning. The service team compiled simple modules on MSME financial management, cash flow recording, preparation of simple financial statements, and business capital management. In addition, a schedule for the implementation of activities and mentoring methods that will be used during the program is also prepared.

The third stage is the implementation of training and socialization. At this stage, partners are given an understanding of the importance of good business financial management through the delivery of materials, discussions, and hands-on practice. The material provided includes recording income and expenses, separation of personal and business finances, and preparation of simple income statements.

The fourth stage is financial management practice assistance. Assistance is provided directly to partners to ensure that MSME actors are able to implement financial recording independently. The service team provides direction and consultation regarding the obstacles faced during the process of implementing a simple financial recording system.

The last stage is the evaluation of activities. The evaluation was carried out to determine the level of understanding and ability of the partners after participating in mentoring activities. The evaluation was carried out through observation of financial recording practices carried out by partners and discussions about obstacles and business developments after the activity took place.

Results and Discussion

Community service activities regarding MSME financial assistance have been carried out in accordance with the planned stages. This

program has a positive impact on improving the understanding and skills of business actors in managing business finances in a more orderly and systematic manner. The results of the activity show that partners are beginning to understand the importance of financial record-keeping, separation of personal and business finances, and the preparation of simple financial statements as a basis for business decision-making.

In the early stages of activities, most MSME actors do not have a good financial recording system. Partners still record simply and some even do not record at all. In addition, business finance is still mixed with personal finance, so business actors have difficulty in knowing the exact profits and financial conditions of the business. After the training and mentoring were carried out, partners began to be able to record income and expenses regularly and understand the basics of preparing simple income statements. The training activities were carried out through the delivery of material on the importance of business financial management and the direct practice of recording business transactions. Participants participated in the activity enthusiastically and actively in discussion sessions and simple financial report preparation practices. Through this activity, MSME actors gained a new understanding of the importance of cash flow management and controlling business expenses.

MSME financial management training activities carried out by the community service team. In this activity, participants were given material on recording income and expenses, separation of personal and business finances, and the preparation of simple financial statements. The activity is carried out interactively through discussions and hands-on practice so that participants can understand the material better. In addition to training, mentoring activities are also carried out directly to partners in implementing a simple financial recording system. The service team assists participants in recording daily business transactions and provides directions related to

business capital management and expenditure control. Assistance is carried out in stages so that participants are able to implement a financial recording system independently and sustainably.

The process of assisting business financial recording is carried out to MSME partners. In this activity, participants were guided directly in compiling business transaction records and simple financial statements based on daily business activities. This assistance aims to enable business actors to implement more regular financial management and be able to monitor business conditions regularly. Based on the results of the evaluation of the activity, there were changes in the condition of partners before and after the service program was implemented. Before the activity took place, partners did not understand the importance of financial management and had not done business recording regularly. After participating in training and mentoring, partners began to understand the importance of financial management and were able to do simple financial records independently. In addition, business actors become more disciplined in separating personal and business finances so that business financial conditions can be better monitored.

Overall, this MSME financial assistance program has succeeded in improving the financial literacy and skills of business actors. This activity also provides benefits in helping partners increase business resilience through more effective, structured, and sustainable financial management.

3. Conclusion

Community service activities regarding MSME financial assistance have been

4. Reference

Cahyadi, R. T., Lembut, P. I., Oktariani, F., & Pratama, B. B. (2023). Pendampingan Penyusunan Laporan Keuangan Umkm Gedhang Nugget Malang. *Sawala: Jurnal pengabdian Masyarakat Pembangunan Sosial, Desa dan Masyarakat*, 4(2), 69.

running well and providing positive benefits for business actors. Through training and mentoring activities, partners gain a better understanding of the importance of business financial management, transaction recording, separation of personal and business finances, and the preparation of simple financial statements. This program also helps MSME actors improve their skills in managing cash flow and controlling business expenses, enabling more regular monitoring of the business's financial condition. The results of the activity showed a change in partners' condition before and after the implementation of the program. Before the activity was carried out, most business actors had not done financial recording regularly and did not understand the importance of financial management in business sustainability. After participating in mentoring activities, partners began to be able to implement simple financial records independently and be more disciplined in managing business finances. Thus, this financial assistance activity can help increase the business resilience of MSMEs and support business sustainability in the midst of competition and economic challenges. In the future, similar mentoring activities are expected to be carried out on a sustainable basis with a wider scope of participants. In addition, it is necessary to develop materials and use digital technology in managing MSME finances so that business actors can more easily record and monitor the financial condition of their business effectively and efficiently.

- Aribawa, D. (2016). Pengaruh literasi keuangan terhadap kinerja dan keberlangsungan UMKM di Jawa Tengah. *Jurnal siasat bisnis*, 20(1), 1-13.
- Muttaqien, F., Cahyaningati, R., Rizki, V. L., & Abrori, I. (2022). Pembukuan sederhana bagi UMKM. *Indonesia Berdaya*, 3(3), 671-680.
- Machfuzhoh, A., & Widyaningsih, I. U. (2020). Pelatihan pembukuan sederhana bagi umkm menuju umkm naik kelas di kecamatan grogol. *Jurnal Pengabdian Dan Peningkatan Mutu Masyarakat (JANAYU)*, 1(2), 109-116.
- Wardi, J., & Putri, G. E. (2020). Pentingnya penerapan pengelolaan keuangan bagi UMKM. *Jurnal Ilmiah Ekonomi Dan Bisnis*.
- Kaban, M. (2024). Understanding financial management as a determining factor for the success of MSMEs: A qualitative study. *Journal of Multidisciplinary Academic Business Studies*, 2(1), 241-250.
- Maheshkar, C., & Soni, N. (2021). Problems faced by Indian micro, small and medium enterprises (MSMEs). *SEDME (Small Enterprises Development, Management & Extension Journal)*, 48(2), 142-159.
- Nareswari, N., Nurmasari, N. D., & Putranti, L. (2023). Financial constraints of micro, small, and medium-sized enterprises (MSMEs) in the Indonesia creative industries. *Journal of Economics, Business, & Accountancy Ventura*, 25(3), 312-321.
- Gora, K., & Dahiya, J. (2022). Problems Faced by Micro, Small, and Medium Enterprises: A Review. *IUP Journal of Entrepreneurship Development*, 19(1).