



Financial Management Training As an Effort to Improve the Financial Performance of MSMEs at Pusat Glosir Cililitan (PGC)

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ABSTRACT

This community service project is titled "Financial Management Training as an Effort to Improve the Financial Performance of MSMEs Post-COVID-19 Pandemic." The general aim of this community service activity is to provide practical training and knowledge in financial management to enhance the financial performance of MSMEs in the future. The methods used include surveys and indirect (online) delivery of material, as well as discussions on financial management, techniques or strategies for improving financial performance, and the application of sound financial management practices. The conclusion of this community service project is that financial performance can be improved by maximizing the implementation of good financial management in daily activities, especially for MSMEs.

Keywords: Financial Management, Financial Performance Improvement, MSMEs, Covid-19

1. Introduction

The global economy, particularly in Indonesia, has been significantly impacted by the COVID-19 pandemic. This economic disruption highlights the crucial role of MSMEs in the national economic recovery (Bahtiar, 2021). The importance of MSMEs in Indonesia is emphasized in their contribution to economic development and societal welfare. The Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) reported that there were 8.71 million MSMEs in Indonesia in 2022, with Java Island dominating this sector.

According to Manoppo & Pelleng (2018) one critical factor for the development of MSMEs is financial management and financial performance. Simple financial management is essential for the progress of small and medium enterprises. Poor financial systems are a significant barrier to MSME growth. This issue arises from insufficient government attention and many MSME owners' reluctance to engage with complex financial management and performance improvement. They often believe that just earning a profit is enough for their business to run and grow.

Financial management is a key aspect of business advancement and can be carried out through accounting. Accounting is a systematic process of generating financial information useful for decision-making. As long as MSMEs use money as a medium of exchange, accounting is essential. It provides several benefits, such as: (1) understanding the company's financial performance, (2) differentiating between company and owner assets, (3) tracking fund sources and uses, (4) creating accurate budgets, (5) calculating taxes, and (6) monitoring cash flow over time.

According to Wahyudiati & Isroah (2018), improved financial aspects of an MSME lead to better financial performance. To measure MSME financial performance, financial indicators or instruments such as balance

sheets and profit and loss statements from annual reports are necessary. The lack of financial management skills at VEZARA has become a cultural issue, with no clear separation between company and owner assets. Problems arise when personal needs lead entrepreneurs to use company assets, risking bankruptcy if such practices are repeated, especially in large amounts. Business success depends not only on sales ability but also on financial management. MSMEs should plan cash usage, accurately calculate profits, prepare emergency funds, and monitor assets, liabilities, and capital because money is central to business development.

The problems at VEZARA, identified through interviews with the owner and managers regarding financial management, highlight the need for this community service project. The lack of financial management knowledge and awareness among VEZARA's MSME operators prevents them from resolving financial issues, especially related to capital. They also lack understanding of the importance of improving financial performance for the future of VEZARA. In response, the PKM team conducted this community service activity.



Figure 1. Vezara and Pusat Grosir Cililitan

2. Methodology

The Community Service Team from FE Untar will conduct the community service (PKM) activity in several stages, as outlined in Figure 2 below:



Figure 2. PKM Activity Stages

- a. Preparation Stage including:
 - Administrative preparations: correspondence, permits, materials, and content.
 - Preparation of media and supporting facilities.
 - Preparation of participant invitations, PowerPoint, and material templates.
 - Location of training, conducted via Zoom.
- b. Implementation Stage, during the training conducted by the Community Service Team (PKM):

- Providing material on common problems faced by MSMEs and solutions or suggestions for addressing these issues.
- Training on simple financial management for MSMEs, including managing working and investment capital, profit control, investment decisions, and strategies for improving financial performance.
- Q&A session was held at the end of the training to ensure that the content was understood and could be applied, providing benefits to the participants.

c. Evaluation Stage

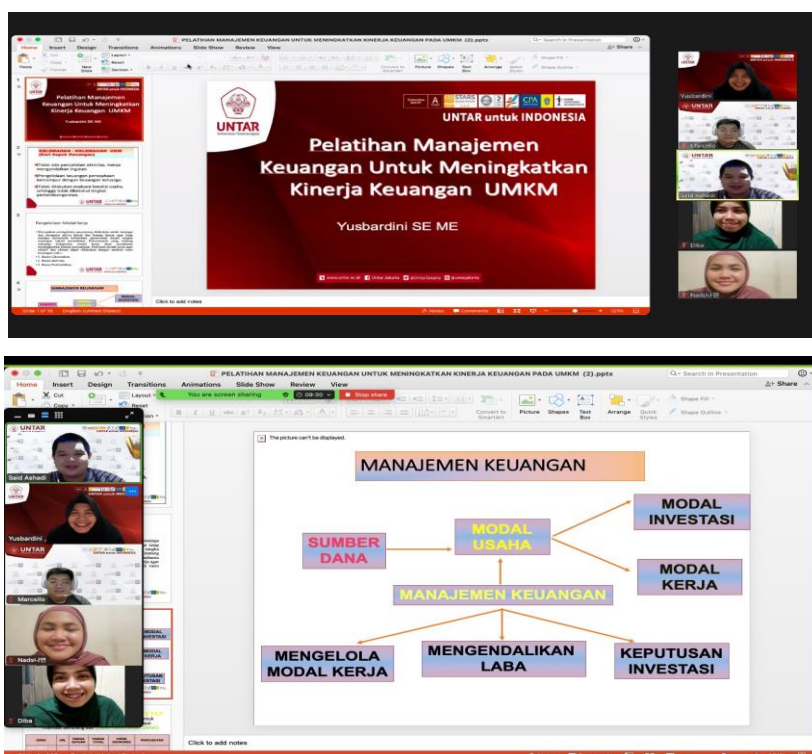
The activity will be evaluated through a Q&A session to assess the increase in financial management knowledge distributed before and after the event. Additionally, follow-up support will be provided after the training to gauge the success of the community service activity.

3. Results and Discussion

The PKM activity took place on July 31, 2024, with a focus on financial management issues to improve financial performance. The training material was delivered online via Zoom by the PKM team, including Untar students and supervising lecturers.

The first topic covered was the importance of financial literacy for VEZARA's MSME owners as it significantly affects business development. Financial literacy is the ability to manage one's money to grow and improve future living standards (Otoritas Jasa Keuangan, 2013). According to Remund (2010), financial literacy includes knowledge of financial basics, concepts, and using financial knowledge for individual or corporate decision-making. Lusardi (2012) defines it as knowledge and skills to manage funds to improve living standards and business performance. Lack of financial management knowledge can hinder MSME financial performance growth. This material was discussed via Zoom with VEZARA's MSME owners.

The second topic covered capital management, profit control, and investment decisions using PowerPoint during the training. The following are some of the topics discussed via Zoom:



KELEMAHAN - KELEMAHAN UKM (Dari Aspek Keuangan)

- Tidak ada pencatatan aktivitas, hanya mengandalkan ingatan.
- Pengelolaan keuangan perusahaan bercampur dengan keuangan keluarga.
- Tidak dilakukan evaluasi kondisi usaha, sehingga tidak diketahui tingkat perkembangannya.



2. MODAL KERJA

**MERUPAKAN KESELURUHAN
DANA YANG DIGUNAKAN UNTUK
MEMBIYAI KEGIATAN
OPERASIONAL SEHARI – HARI,
DAN MEMPUNYAI MANFAAT HANYA
SEKALI SAJA**



Pengelolaan Modal kerja

- Merupakan serangkaian upaya yang dilakukan untuk menjaga dan mengatur aktiva lancar dan hutang lancar agar tetap mampu memenuhi kebutuhan operasional dalam rangka mencapai tujuan perusahaan. Perencanaan yang matang terhadap komponen modal kerja akan membantu meningkatkan kinerja perusahaan. Penilaian modal kerja agar efektif dan efisien dapat dilakukan dengan analisis rasio keuangan yaitu :
 1. Rasio Likwiditas
 2. Rasio aktivitas
 3. Rasio Profitabilitas.



Mengendalikan LABA

- Pengendalian laba dapat membantu perusahaan dalam mengukur dan mengevaluasi kinerja aktual dari setiap bagian organisasi, kemudian melaksanakan tindakan perbaikan apabila diperlukan.
- Pengendalian laba adalah laba yang terkontrol adalah biaya yang dapat dikendalikan pada tingkat tertentu oleh manajer bisnis.



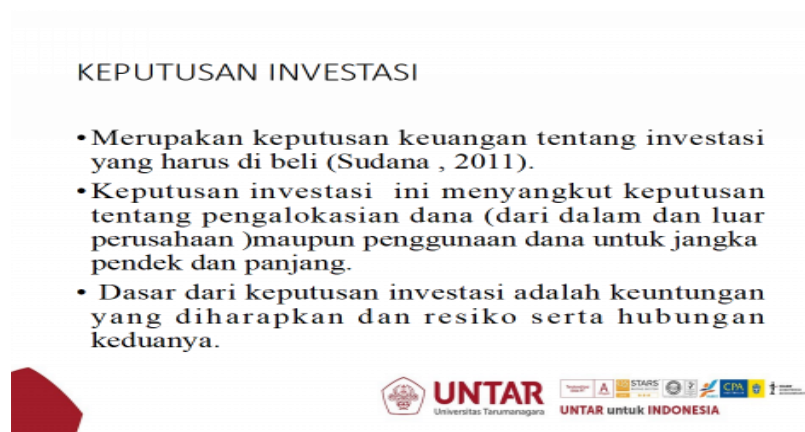


Figure 3. Online Training Implementation

The training was attended by Ms. Desy and her assistant, as well as the PKM team. The training went smoothly, and the participants followed attentively. Discussions and Q&A sessions occurred despite the online format. The partner hopes for the continuation of such training, finding financial management training highly beneficial for developing MSMEs and improving their financial performance.

4. Conclusion

In conclusion, the PKM activity focused on MSME financial management was met with a positive response from VEZARA's MSME owners. The training and counseling provided by the FE Untar PKM team addressed key areas such as capital management, types of capital, and strategies for optimizing working capital and making informed investment decisions. To further assist VEZARA in improving its financial management and performance, it is essential to continue and sustain these community service activities. Ongoing support is crucial for deepening the understanding of financial management and further enhancing the financial performance of VEZARA's MSMEs.

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