

COMMUNITY SERVICE DATA

PkM Title : **Financial Governance and Operational Management Training
Business for Micro Business Groups**

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Organizer : STIE PMCI

Activity Category : Community Service

PkM Proposed Year : 2025

Year of Activity : 2025

Activity Location : Medan

SUMMARY

Micro-enterprises play an important role in the local economy, but still face obstacles in effective financial and operational management. This community service activity aims to improve the capacity of micro-enterprises in managing their finances and business operations efficiently. The method used is participatory training involving theory and direct practice, including the preparation of simple financial reports and mapping operational flows. The results of the activity showed an increase in participants' understanding of the basic concepts of financial recording, inventory management, and operational resource management strategies. It is hoped that this activity can be sustainable through continued mentoring and collaboration with related agencies.

Keywords: micro-enterprise, financial governance, operational management, training, MSMEs

1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) plays a very vital role in the structure of the Indonesian economy. Its contribution not only includes job creation and reducing unemployment rates, but also as a driver of regional and national economic growth. Based on data from the Ministry of Cooperatives and SMEs (2023), more than 99% of business units in Indonesia are categorized as MSMEs, and they absorb more than 90% of the national workforce.

Despite this widely recognized strategic role, many MSMEs—especially micro-enterprises—still face fundamental limitations in managerial capacity, particularly in financial governance and operational management. The most common problems encountered include:

1. **Lack of systematic financial records**

Many micro-entrepreneurs run their businesses informally without recording income, expenses, or business capital. This makes it difficult for them to evaluate business performance and make data-based decisions.

2. **Mixing personal and business finances**

This practice causes the boundary between capital and personal consumption to be unclear, so that business profits cannot be measured objectively and accurately. As a result, businesses find it difficult to grow sustainably.

3. **Weak operational planning and control**

Most micro-entrepreneurs run their businesses based on experience without a structured managerial approach. The absence of a good operational system results in time inefficiency, waste of raw materials, and difficulty in meeting customer demand consistently.

Seeing these problems, a comprehensive educational and mentoring approach is needed. Collaboration between the Accounting and Management study programs is very relevant in answering this challenge. The Accounting Study Program plays a role in improving literacy and skills in recording and reporting finances that are appropriate to the scale of micro businesses. Meanwhile, the Management Study Program can provide training on business planning, resource management, and increasing efficiency and productivity.

The training and mentoring activities carried out for micro business groups in the fostered areas are expected to be practical and applicable solutions. Not only providing theory, but also direct skills that can be applied by business actors in their daily activities. With this intervention, micro business actors are expected to be able to:

- Prepare simple financial reports (cash book, profit and loss report)
- Separating personal and business finances
- Create efficient daily operational planning and production strategies
- Prepare short and medium term business development plans

Thus, interventions from the world of higher education are not only theoretical, but are also able to answer real needs in the field and encourage sustainable economic empowerment of the community.

2. Implementation Method

This community service activity is carried out systematically through four main stages, namely: partner identification, material preparation, training implementation, and evaluation and follow-up. Each stage is designed to ensure that the implementation of the activity is effective, relevant, and has a real impact on the target group.

1. Identify Partners

The first step taken is to identify activity partners, namely micro-business groups in Kelurahan X. These partners are selected based on considerations of the need for increased capacity in business management, both in terms of finance and operations. The types of businesses included in this group are quite diverse, including:

- Culinary business (such as snacks, home catering)
- Handicraft business (souvenirs, weaving)
- Service businesses (laundry, hairdressing, etc.)

The selection of partners was carried out through a participatory approach, dialogue with RT/RW heads and local community leaders to ensure the suitability of needs and the potential for program sustainability.

2. Preparation and Arrangement of Materials

Once partners are identified, a team of lecturers from the Accounting and Management Study Program collaboratively prepare training materials. The materials are focused on aspects that can be directly applied by micro-entrepreneurs, namely:

- **Basics of Micro Business Financial Recording**

This material covers an introduction to daily cash books, the importance of recording transactions in an orderly manner, and how to create simple reports.

- **Cash Flow Management and Simple Income Statement**

Explains how cash flow can be used as a tool to monitor business continuity, as well as prepare monthly profit and loss reports.

- **Stock Management and Operational Planning**

Discusses the importance of controlling raw material and finished goods inventory, as well as planning daily production or service activities.

- **Break-Even Point Analysis**

Participants are introduced to the concept of break-even point to determine at what sales level a business will not experience a loss, as well as to calculate profit margins.

The material is presented in the form of visual presentations, worksheets, and practical guides to make it easy to understand and apply for participants from various educational backgrounds.

3. Implementation of Training

The training was conducted in the form of a two-day intensive workshop with a participatory approach and direct practice.

- **First day:** Focus on introduction and practice of financial recording. Participants are invited to directly fill in the cash book, prepare a simple profit and loss report based on their own business data, and simulate transaction recording.
- **The second day:** Emphasis on operational management aspects. Activities include case studies of inventory and working time management, break-even point calculations, and daily production/service planning simulations.

This activity is guided directly by lecturers and students as assistant facilitators, to ensure direct interaction with participants and provide personal guidance.

4. Evaluation and Follow-up

To measure the effectiveness of training, formative and summative evaluations are carried out, in the form of:

- **Pre-test and Post-test**

Used to measure the increase in participants' understanding of the material before and after training. The questions cover basic accounting and simple management concepts.

- **Direct Practice Observation**

The lecturer and team observed the process when participants filled in the cash book, calculated profit and loss, and prepared operational plans directly during the workshop session.

As a follow-up, weekly mentoring was carried out for one month after the training. The service team visited the participants' businesses to:

- Checking the consistency of financial records
- Providing further guidance in stock management
- Answer questions and problems faced by participants in applying the material

This mentoring is important to maintain the continuity of practice and ensure that participants not only understand, but also apply the material obtained in daily business activities.

3. Results and Discussion

The training activity "Financial Governance and Operational Management of Micro Business Groups" was successfully implemented with active participation from the partner community. A total of 25 participants participated in the activity in full for two days of training. The participants represented 15 micro business units operating in the X Village area, which have been identified as fostered partners for community service activities.

Participant Profile

- **Number of participants** : 25 people
- **Number of business units represented** : 15 MSMEs
- **Gender composition** :
 - Women: 18 people (72%)
 - Male: 7 people (28%)

- **Educational background:**
 - JUNIOR HIGH SCHOOL : 4 people
 - SENIOR HIGH SCHOOL : 15 people
 - D1–D3 : 4 people
 - S1 : 2 persons
- **Business status:**
 - Family business : 10 units
 - Independent business : 5 units

Types of Micro Business Participants

Participants come from various micro-business fields that are commonly run by local communities.

The types of participant businesses include:

1. **Culinary and snacks**(6 attempts)
 - Market snack business, frozen food, and home catering.
2. **Handicrafts and souvenirs**(3 attempts)
 - Handmade business, accessories, and local craft products.
3. **Home services**(4 efforts)
 - Laundry by the kilo, sewing services, hair cutting services, and motorbike washing.
4. **Retail trade**(2 attempts)
 - Grocery store and online product sales (simple online shop).

Pre-Test and Post-Test Results

To measure the effectiveness of the training, a pre-test and a post-test were conducted. The pre-test results showed that 80% of participants did not understand the importance of financial records, and only 12% had previously had a simple form of bookkeeping. In other words, the majority of participants were still running their businesses without an adequate recording or planning system. After the training, there was a significant increase in participants' understanding, as seen in the following table:

Table 1 Financial Recording

Measured Aspects	Before (%)	After (%)
Financial Recording	20	88
Simple Cash Flow & Profit and Loss	16	80
Operational Management	24	84
Daily Operation Plan	12	76

This increase shows that the training has succeeded in increasing literacy and awareness of business actors about the importance of professional business management.

Direct Practice Implementation

In the practical session, all participants:

- **Creating a daily cash book:** record incoming and outgoing transactions manually based on their respective business activities.
- **Preparing a simple profit and loss statement:** use the format provided by the coaching team.
- **Design daily operational plans and production schedules:** especially for culinary and craft businesses.
- **Managing raw material stock:** participants are trained to record raw material usage and estimate needs based on daily demand.



Figure 1. Material Delivery Process

Synergy of Accounting and Management Lecturers

This activity demonstrates the excellence of a cross-disciplinary approach. Collaboration between lecturers from the Accounting and Management Study Programs results in a comprehensive training approach:

- **Accounting Lecturer** provide training related to:
 - Basic accounting concepts for small businesses
 - Transaction recording techniques
 - Preparation of simple financial reports
- **Lecturer of Management** guide participants in:
 - Daily work planning
 - Operational resource management
 - Practical development of micro business strategies

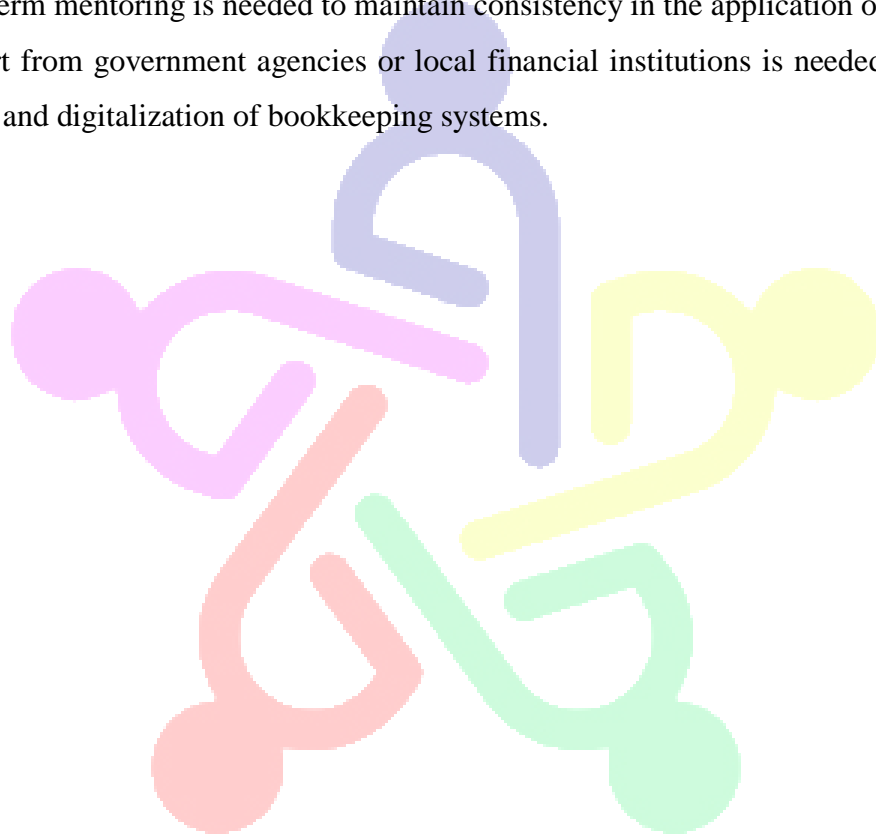
The active involvement of these lecturers also encourages participants to ask questions and discuss directly about the problems they experience in the field, so that the training becomes more contextual and solution-oriented.

4. Conclusion and Suggestions

The training activities on financial governance and operational management have succeeded in increasing the capacity of micro businesses in terms of financial recording and managing operational activities. Cross-study program collaboration is the main strength of this activity.

Suggestion:

- Long-term mentoring is needed to maintain consistency in the application of the material.
- Support from government agencies or local financial institutions is needed for access to capital and digitalization of bookkeeping systems.

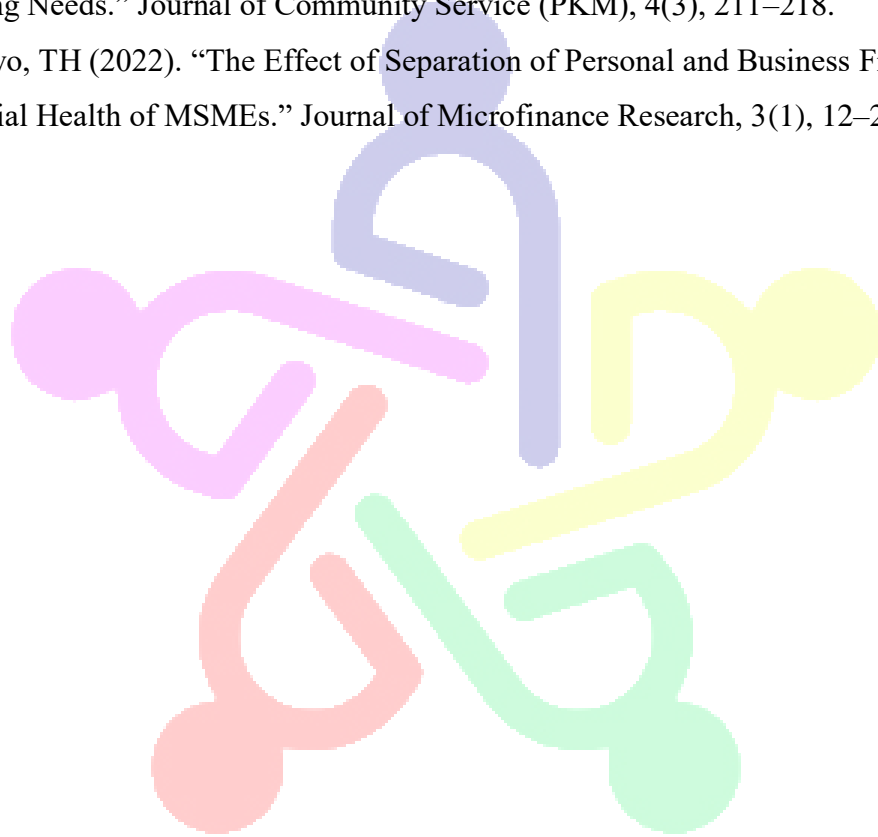


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DOCUMENTATION



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