

COMMUNITY SERVICE DATA

PkM Title	: Improving Management and Accounting Capacity for MSMEs Through Collaboration in the Field of Strategic Management, Introduction to Accounting and Financial Management.
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Organizer	: STIE Professional Management College Indonesia
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SUMMARY

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the national economy, but still face various obstacles, particularly in business planning and financial management. This community service activity aims to improve the capacity of MSMEs through scientific collaboration between Strategic Management, Introduction to Accounting, and Financial Management. The implementation method includes workshops, strategic planning simulations, simple financial record-keeping practices, and direct consultations. The training was attended by 30 MSMEs from various business sectors and was conducted over three days. Evaluation results showed a significant increase in participants' understanding of business strategy development, financial record-keeping, and daily financial management. Furthermore, this activity also encouraged the formation of MSME learning communities and the development of business development plans for each participant. Collaboration between management fields has proven effective in providing a tangible impact on strengthening MSME managerial capacity in an integrated and sustainable manner.

Keywords: MSMEs, Business Strategy, Simple Accounting, Financial Management, Community Service.

I. INTRODUCTION

1.1 Background

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in national economic growth. However, many MSMEs still lack a thorough understanding of strategic business planning, financial record-keeping, and effective financial management. Therefore, a team of lecturers from the Management Study Program conducted a community service activity based on collaboration between three disciplines: Strategic Management, Introduction to Accounting, and Financial Management.

A. The Important Role of MSMEs in the National Economy

MSMEs are the backbone of the Indonesian economy because:

- Absorbing a large number of workers,
- Be a source of local innovation,
- Encourage regional economic growth,
- Contribute to the national Gross Domestic Product (GDP).

B. Problems Faced by MSMEs

Even though MSMEs are very important, many business actors still face obstacles, especially in three main aspects:

- **Business Strategy Planning:** Many MSMEs operate without a clear direction or long-term strategy. They don't conduct market analysis, growth planning, or product differentiation.
- **Financial Recording:** Most MSMEs don't systematically record financial transactions. This makes it difficult for them to measure business performance or prepare financial reports.
- **Financial Management:** Many MSMEs mix personal and business finances, do not understand cash management, and do not have budget projections or investment plans.

C. Solutions through Community Service

To address this issue, a team of lecturers from the Management Study Program conducted a community service activity. This activity integrated expertise from three core courses:

- **Strategic Management:** Providing training on formulating vision, mission, goals, as well as SWOT analysis and business planning.
- **Introduction to Accounting:** Teaches the basics of financial record keeping, creating simple financial reports, and the importance of financial transparency.

- **Financial management:** Provides an understanding of cash flow management, cost control, and financial decision making.

1.2 Activity Objectives

1. Increase the understanding of MSME actors regarding the importance of business strategy

It means:

- Providing knowledge to MSME actors about how to structure business direction and plans.
- Business strategy includes determining the business vision and mission, analyzing strengths, weaknesses, opportunities and threats (SWOT), and determining target markets and competitive advantages.
- With this understanding, MSMEs are expected to no longer just run their businesses based on intuition, but with careful planning and long-term goals.

2. Equipping MSMEs with the basics of accountable financial recording

It means:

- Training MSMEs to be able to record all financial transactions in an orderly, systematic and accountable manner.
- This recording includes income (sales), expenses (production costs, operations), and preparation of reports such as balance sheets, profit and loss reports, and simple cash flows.
- With this knowledge, business owners can gain a clear understanding of their business's financial condition, make wiser decisions, and qualify for funding or loans from financial institutions.

3. Provide training in effective and efficient financial management

It means:

- Teaches how to organize, control, and allocate business money so that it is used appropriately.

- This training covers working capital management, daily cash management, as well as planning expenses and investments to avoid waste and support business growth.
- Effective means that finances are used for the right purposes, while efficient means that maximum results can be achieved with minimal costs.

II. IMPLEMENTATION METHOD

This activity is designed to be not only theoretical, but also practical and interactive. The activities carried out are as follows:

Workshops and Training

It means:

- This activity takes the form of delivering material directly by a resource person to participants in a training class atmosphere.
- The aim is to provide a basic understanding of strategic management, accounting records, and financial management.
- Participants are given written materials and presentations, as well as time to discuss and ask questions directly to the presenter.

Strategic Planning Simulation

It means:

- Participants are invited to carry out simulations or direct exercises in developing their business strategies.
- Involves the use of simple tools such as SWOT analysis, Business Model Canvas, or short-term and long-term target planning.
- With this simulation, MSMEs can develop a business strategy framework that suits their own business conditions.

Hands-on Practice in Creating Simple Financial Reports

It means:

- Participants are trained to make daily transaction records, profit and loss reports, balance sheets, and cash flow reports in a simple format.
- They fill out a prepared form or template, based on their respective business data or the case study provided.
- The goal is for participants to be able to immediately practice basic accounting independently after the training ends.

Consultation and Mentoring

It means:

- At the end of the session, participants were given time to consult individually or in small groups with the teaching team.
- They can discuss specific issues in their business, both in terms of strategy, financial recording, and financial management.
- This activity strengthens the training outcomes by providing personalized and applicable solutions, as well as post-training support if needed.

2.2 Time and Place

- **Date:** June 15–16, 2023
- **Place:** MSME Meeting Hall, Simarpinggan Village
- **Participant:** 30 MSME actors from the culinary, fashion and service sectors

2.3 Activity Materials

No	Subject	Material	Source person
1	Strategic Management	SWOT Analysis, Strategy Formulation, Business Canvas	Aidil Putra, Sp., M.BA
2	Introduction to Accounting	Transaction Recording, Balance Sheet, Simple Profit and Loss	Free Antonius Simanjuntak, SE., Ak., M.Ak
3	Financial management	Cash Flow, Working Capital Management, Micro Investment	Farina Jessen Yap, S.Ak., M.Ak
4	Marketing Management	Improving the Competitiveness of MSME Products Through Marketing Management Strategy Training	Dr. Sjukun, SM., MM

III. RESULTS AND DISCUSSION

3.1 Pre-Test

Before the training, a pre-test was conducted with the following results:

- 70% of participants do not have financial records.
- 60% never do a SWOT analysis.
- 80% do not know the concept of cash flow.

3.2 Training Process

This training lasted three days and was conducted intensively and interactively. The goal was to ensure that participants not only understood the material theoretically but were also able to apply it directly to their businesses.

The following is an explanation of each point:

Create a SWOT Analysis of Their Own Business

It means:

- Participants were asked to analyze the strengths (Strengths), weaknesses (Weaknesses), opportunities (Opportunities), and threats (Threats) of their respective businesses.

- This process helps MSMEs to better understand their business position in the market, as well as the internal and external factors that influence success or failure.
- The goal is for participants to be able to design appropriate business strategies, based on the real conditions of their business.

Preparing a Profit and Loss Report

It means:

- Participants are trained to prepare income statements, namely reports that show income, costs, and profits or losses in a certain period.
- With this exercise, participants can understand whether their business is making a profit or making a loss, and where the profit or loss comes from.
- This exercise introduces participants to the basic financial statement structure and how to calculate it correctly.

Preparing Financial Projections for the Next 3 Months

It means:

- Participants are asked to create a short-term financial plan, usually in the form of an estimate of income, expenses, and capital needs for the next three months.
- This projection is important to help MSMEs plan their financial steps, including purchasing materials, paying rent, paying employee salaries, or small expansion plans.
- This activity trains participants to think proactively and in a planned manner, not only managing existing money, but also estimating future finances logically.

3.3 Post-Test and Evaluation

The post-test results showed:

- 85% of participants were able to prepare simple financial reports.
- 90% are able to create short-term business strategies.
- 75% understand the importance of business financial control.

3.4 Impact of Activities

This section describes the tangible results or positive changes experienced by participants after participating in the training. This impact illustrates the program's success in providing sustainable benefits.

Increasing Awareness of Business Financial Accountability

It means:

- Participants began to realize the importance of recording and managing business finances in an orderly, transparent and accountable manner.
- Previously, many MSMEs mixed personal money with business money, or even did not record transactions at all.
- After training, they began to implement simple bookkeeping to record income, expenses, and calculate profits or losses periodically.
- This is very important to assess business performance and make the right business decisions.

Formation of a Learning Community for Mentored MSMEs

It means:

- After the activity, the participants formed communities or discussion groups that supported each other and shared information.
- This community is a place to learn from each other, discuss strategies, bookkeeping, and solutions to the challenges faced.
- The supervising lecturer or activity implementation team can also continue to provide further guidance and coaching to this community.
- This kind of community serves as a space for growing together and maintaining the sustainability of training results.

Creating a Strategy-Based Business Development Plan

It means:

- After understanding strategic planning, participants are able to develop their own business development plans, whether for expansion, product diversification, digital marketing, or service improvement.
- This plan is based on the results of the SWOT analysis, understanding of the target market, and financial projections that have been practiced during the activity.
- This indicates that participants not only run their businesses routinely, but also have a more focused and professional long-term vision and direction.

IV. CONCLUSION AND SUGGESTIONS

4.1 Conclusion

1. Collaboration between scientific fields:

- This activity does not only rely on one scientific field, but combines three important fields that complement each other in business management:
 - **Strategic Management:** Teaches how to plan business direction and goals in the short and long term.
 - **Introduction to Accounting:** Provides basic knowledge in recording and preparing financial reports in a simple and systematic manner.
 - **Financial management:** Directing participants in organizing, allocating, and controlling business money efficiently.

2. Increasing the Capacity of MSMEs:

- This collaboration has a direct impact on improving the skills, understanding, and mindset of MSME actors regarding the businesses they run.
- This training enables participants to not only run their businesses based on instinct or old habits, but also to begin applying management and financial knowledge in a structured manner.

3. More Targeted Business Planning:

- With strategic training (for example through SWOT analysis or business model canvas), participants begin to develop business plans that are clearer, data-based, and in line with the real conditions of their business.
- This planning helps participants in determining priority steps, such as expansion, production efficiency, or product innovation.

4. More Accountable and Efficient Financial Management:

- Participants became more aware of the importance of good bookkeeping and financial management to maintain business continuity.
- They start to separate personal and business finances, record daily transactions, and prepare profit and loss and cash flow reports, albeit in a simple way.

5. Significant Contribution to Business Sustainability:

- The synergy between these scientific fields not only increases participants' knowledge, but is also able to create changes in behavior and managerial habits that are more professional.
- This is important for the sustainability and growth of MSMEs in the future, especially in facing the challenges of competition and economic crises.

4.2 Suggestions

- The need for periodic further training.
- Strengthening assistance in implementing business strategies and bookkeeping.
- Collaboration with local financial institutions (cooperatives, banks) for access to financing.

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