

Increasing Financial Knowledge in Supporting MSMEs in Kiangroke Village in Supporting the Digital Market

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Abstract

Globalization era has changing market conditions which have shifted from conventional models involving face-to-face contact to digital markets that can be accessed in the palm of your hand, Micro, Small and Medium Enterprises (MSMEs) in Kiangroke Village face challenges in terms of financial recording. To become a professional businessman, one of the requirements is to have an effective recording system. Therefore, simple and easy to understand financial training is needed specifically for MSMEs in Kiangroke Village. Purpose of this activity is to encourage MSMEs in Kiangroke Village to be able to manage their business administration well, especially in terms of financial reporting. Apart from that, this activity also aims to provide an understanding of the importance of financial records in making business decisions and increase the competitiveness of MSME players in Kiangroke Village. The methods used in this activity are persuasive methods and discussions with partners, which are divided into preparation stages, implementation stages and evaluation stages. This activity ran smoothly and received the attention of micro, small and medium business actors in Kiangroke Village as partners. The modules provided to assist understanding and use have also been used by partners, although they still require gradual assistance so that financial recording and reporting for micro, small and medium enterprises in Kiangroke Village can run well.

Keywords: Accounting, UMKM, Digital Market

Abstrak

Di tengah perubahan kondisi pasar yang telah beralih dari model konvensional yang melibatkan tatap muka langsung ke pasar digital yang dapat diakses dalam genggam tangan, pelaku usaha Mikro Kecil dan Menengah (UMKM) di Desa Kiangroke menghadapi tantangan dalam hal pencatatan keuangan. Untuk menjadi pebisnis yang profesional, salah satu syaratnya adalah memiliki sistem pencatatan yang efektif. Oleh karena itu, diperlukan pelatihan keuangan yang sederhana dan mudah dimengerti yang ditujukan khusus untuk pelaku UMKM di Desa Kiangroke. Tujuan dari kegiatan ini adalah untuk mendorong para pelaku UMKM di Desa Kiangroke agar dapat mengelola administrasi usaha mereka dengan baik, terutama dalam hal pelaporan keuangan. Selain itu, kegiatan ini juga bertujuan untuk memberikan pemahaman tentang pentingnya pencatatan keuangan dalam pengambilan keputusan bisnis serta meningkatkan daya saing pelaku UMKM di Desa Kiangroke. Metode yang digunakan dalam kegiatan ini adalah metode persuasif dan diskusi dengan mitra, yang dibagi menjadi tahap persiapan, tahap pelaksanaan, dan tahap evaluasi. Kegiatan ini berjalan lancar dan mendapatkan perhatian dari para pelaku usaha mikro kecil dan menengah di Desa Kiangroke selaku mitra. Modul yang disediakan untuk membantu pemahaman dan penggunaan juga telah digunakan oleh mitra, meskipun masih memerlukan pendampingan bertahap agar pencatatan dan pelaporan keuangan para pelaku usaha mikro kecil dan menengah di Desa Kiangroke dapat berjalan dengan baik.

Kata Kunci: Pembukuan, UMKM, Pasar Digital

INTRODUCTION

Today's technological advances have changed the global business system, both in foreign and local businesses. Along with the acceleration of the development of information technology, today's business actors are increasingly encouraged to use relatively sophisticated technology as a tool to survive and compete in the business world. Not only large companies are adopting information technology, but also micro, small and medium enterprises

(MSMEs). This is proven by the fact that micro, small and medium enterprises have entered the digital market which, apart from being easy to market, can also gain market share. wider. In Naimah et al., (2020) Micro, small and medium enterprises have a very important role in the economic and industrial growth of a region or even a country. In line with this, according to Mulyana et al., (2021) The existence of MSMEs (Micro, Small and Medium Enterprises) is a series of economic activities in a region or

country and is the main point of development, where MSMEs themselves are part of the creative industry, whose activities focus on creativity and innovation. Moreover, with the COVID-19 pandemic, all business actors are increasingly looking for solutions for digitalization so that they can run their business more efficiently. This allows them to reduce direct interactions with consumers without sacrificing revenue from the products they offer, as well as continuing to generate revenue amidst the decline in consumer purchasing power due to the pandemic.

Mentioned in Rofa et al., (2021) that the use of information technology by small and medium enterprises (MSMEs) usually begins with a focus on the marketing process. In general, the Micro, Small and Medium Enterprises (MSME) sector uses technology in an effort to expand the market share of their products. One method that is commonly used is through the use of online marketing media, which can produce growth and increase sales of the products they offer more widely and are not limited to the surrounding environment and can even reach international markets. (Arifin et al., 2022). In this way, MSME business actors can increase their profit potential to the maximum. Getting substantial profits every month is certainly the main goal for every entrepreneur, because money plays a very crucial role in running a business (Paendong, 2022).

Smart financial management is very important to maintain business continuity. Mentioned in Ruscitasari et al., (2022) To become a professional business person, one of the requirements is to create an accounting or bookkeeping recording system which ultimately leads to the creation of professional financial reports that can attract investors. Apart from that, to increase efficiency in various business financial management functions, there are administrative tasks that should be carried out by business actors. Regularity in administrative records also has important value as a business development planning tool.

Based on the observations we have made, there are still many business actors in the small and medium enterprise (MSME) sector who still do not understand how to prepare financial reports. This is mainly caused by a lack of

understanding by business people regarding the administration of financial reports, so that financial transactions are not recorded properly. This is no exception for business actors in Kiangroke village, where business actors have the assumption that in managing finances from the results of their business they are considered to have made a profit if they can buy raw materials for capital again and meet their daily needs. However, on the other hand, if these business actors are no longer able to buy raw materials for capital because their income is used for daily needs, then the business actors will say that this has already been a loss. This behavior applies not only to conventional business actors but also to business actors who have used sales through digital markets or e-commerce (Wahyu et al., 2020).

Kiangroke Village itself is located in Bandung Regency, more precisely, Kiangroke Village is one of the villages in Banjaran District. Where Kiangroke Village has quite large demographics with a population of 8404 consisting of 4294 men and 4110 women, the population is spread over 4 hamlets, 13 RWs and 53 RTs. With this large population, the livelihoods of the residents of Kiangroke Village are very heterogeneous, but the focus of our observations here is only on business actors in the Micro, Small and Medium business sectors in Kiangroke Village. On average, MSME actors in Kiangroke Village are engaged in buying and selling agricultural products, distribution of fresh fruit, fish pindang, various snacks and snacks, rujak banjaran, internet service providers and service sectors such as electronic repairs, repair shops and vehicle washing. So if you add up the number of MSME actors in Kiangroke Village, it is 360 people, or around 4.3 percent of the total population of Kiangroke Village. With such a large number, the potential for Kiangroke to become a developed village with a strong economy is increasingly wide open provided that business actors in the micro, small and medium enterprise sector can maximize income and orderly financial administration.

Based on the above, business actors in the micro, small and medium enterprise (MSME) sector in Kiangroke Village need increased literacy and knowledge regarding financial

management, especially with current market conditions which have expanded to the digital market and have a very wide reach. . The objectives that we want to achieve in this service include: 1) Encouraging micro, small and medium business actors to be able to have orderly business administration, especially financial reports; 2) Providing important socialization on carrying out bookkeeping in business or financial records in order to find out financial performance which is used for decision making in business; and 3) Increasing the competitiveness of Kiangroke Village Micro, Small and Medium Enterprises.

IMPLEMENTATION METHOD

The approach we use to answer problems regarding the conditions being faced by partners, which in this case are micro, small and medium business actors in Kiangroke Village, is a persuasive method and discussions with partners. Apart from that, there was a demonstration of material about simple bookkeeping that was easy to understand using audio-visual media. Regarding this, to ensure that the method we use can work as it should, there are several stages that have been carried out, namely:

1. Preparation phase

Where at this stage, we as a community service team consisting of several lecturers assisted by students carry out in-depth observations of the partners' conditions. At this initial stage we carried out library observations based on data available at the Kiangroke Village office. Apart from that, we also carry out field observations and visits to partners to see the real objective conditions that are occurring. Then during the field visit we took the time to discuss with partners and dig deeper into the current conditions of partners. In this stage we formulate solutions that can be taken to resolve partner problems. In this stage we also prepare several further preparations such as forming a committee, conditioning the place, and conditioning partners as participants for the activities to be carried out.

2. Implementation Stage

Furthermore, at this stage, we as the community service team held training, with

material on the importance of bookkeeping in running micro, small and medium businesses in both conventional and digital market-oriented businesses. In this training we use audio visual assistance in providing material so that partners can easily understand what is being conveyed. Apart from that, we also provide a simple module for partners to use for financial recording to help maximize their efforts.

3. Evaluation Stage

The final stage that we carry out is a good evaluation of the material we deliver, the overall training that will be carried out, and we also evaluate the use and utilization of the material we provide and then we also provide additional direction if errors occur in its use.

RESULTS AND DISCUSSION

Preparation phase

The activities that we carry out in implementing this service are carried out in several stages, the most important of which is the preparation stage which includes field observations, library and data observations and in-depth surveys. In this preparation, we found data and facts in the field that several partners, in this case micro, small and medium enterprises, had their business conditions still stagnant and there was no improvement. Apart from marketing problems caused by globalization and the emergence of digitalization, market share is narrowing if it does not develop. There are also problems faced by these business actors in terms of income which cannot be separated between profit and capital. So very often the capital that would be used for business is instead used for personal or family needs. The following figure shows field observations followed by in-depth interviews as survey material for partners.



Figure 1. Field Observations continued with Mitra Survey

In the observations we made, we even found several other problems that came from data from the Kiangroke Village office, that business actors who lacked capital took dangerous actions such as illegal online loans and even loan sharks because they needed to disburse funds quickly. So we try to formulate a solution by providing basic knowledge about finance and financial bookkeeping so that it can be taken into consideration in making policies in the business carried out by partners.

We also collaborate with the Village Head and his staff to actualize plans containing our solutions for micro, small and medium business actors in Kiangroke Village as partners in our service. So we set up a committee, conditioned the locations that would be used and did not forget to condition the partners who would become participants, in a form of training with material on Strengthening Kiangroke Village MSMEs in the Digital Market Era Through Financial Knowledge.

Implementation Stage

After we carried out field observations by strengthening surveys with partners and collaborating with Kiangroke Village officials to prepare for the implementation of community service activities, we tried to make this happen through a form of training that was packaged interactively and presented partners as participants.

We started the training by presenting a



paradigm shift in market form, where initially the market was only conventional and limited to a certain area with a limited choice of goods.

However, nowadays the form of the market has begun to shift to a digital market that can be accessed with just one hand, where this digital market is not only limited to one territory and is increasingly becoming a global market. This change in market shape will definitely influence market behavior where distance is no longer an inhibiting factor, but consumer behavior will continue to look for the cheapest prices.(Marsuki, 2006). Therefore, we also explain that in the digital market there is unhealthy market competition because producers can sell goods without the burden of distribution operations on one item. To survive in the digital market or conventional market, good financial bookkeeping is very necessary, in order to maintain and develop micro, small and medium businesses in Kiangroke Village. The community service activities that we carry out are shown in the picture that we present below.



Figure 2. Implementation of Kiangroke Village MSME Financial Training

In the next session, we convey the types and uses of bookkeeping and other benefits for micro, small and medium business actors, where bookkeeping and financial records can provide information about the profits obtained from the business, the capital that must be available, and the expenses on the business. We also explain the importance of this information for making decisions in the business that is being run. In essence, accounting is not easy to understand, but we try to provide simple financial records with the help of audio visuals, this material can be seen in the following picture.

Picture3. Audio Visual Based Financial Material

After we provide such complex material, it is feared that partners will find it difficult to understand what we convey and will not be able

to use financial records like in the business carried out by partners. So we also provide partners with modules that can be used, both digitally and in printed form. We give the modules symbolically to partner representatives in printed form as in the following picture.



Picture4. Providing Financial Modules for Partners

Evaluation Stage

After going through various activities in community service from the preparation stage by conducting observations and surveys to implementing training, we also need to carry out an evaluation stage of the implementation of our service. Basically, in our observations and surveys we could not be comprehensive due to the size of Kiangroke Village and only took samples from the majority of partners.

Apart from that, in the implementation stage we still need to condition partners as participants better, so that the enthusiasm of partners can be coordinated evenly and reach more participants, both business actors and the general public who want to start a business.

Regarding the use of the modules that we provided to partners, we then returned to the opportunity to see and monitor their use. Partners were able to use the modules that we provided, but there were still several small errors such as errors in grouping assets and liabilities. The monitoring that we carry out in the use of the financial module by partners can be monitored in the picture as shown.



Picture5. Monitoring Module Usage

Basically, partners really feel helped by the provision of the financial bookkeeping module that we provide, even though its use is not very effective because they still haven't felt any significant changes, but in the near future partners can feel the benefits of the module and training that we provide by knowing how much income their business generates carried out more clearly and can differentiate between income and profit so that the capital of business actors is not eroded by personal or family needs so that the business they undertake is likely to develop.

CONCLUSION

Nowadays, the market paradigm has shifted from conventional markets to more complex digital markets, but many micro, small and medium enterprises (MSMEs) still do not have their financial administration organized, so that the income obtained by these business actors is less than optimal. This condition is also felt by micro, small and medium enterprises (MSMEs) in Kiangroke Village, where what they feel is that they cannot differentiate between profit and income so that capital is often used up. So it is necessary to increase financial literacy for micro, small and medium enterprises (MSMEs) in Kiangroke Village in a training forum on simple financial bookkeeping.

Overall, the training went smoothly and received the attention of micro, small and medium business actors in Kiangroke Village as partners. Apart from that, the modules provided to help understand and use them can already be utilized by partners, but they still need gradual assistance so that the use of bookkeeping and financial reporting for micro, small and medium

enterprises (MSMEs) in Kiangroke Village can run well.

SUGGESTION

Based on the discussion that has been presented in the community service that we have carried out, we provide several suggestions: 1) for business people, whether they want to start or are already running, that financial recording can start with simple bookkeeping of income and expenses; 2) for future researchers in the same field, it is important to coordinate partners and guide them periodically.

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