
Management of Bookkeeping for MSMEs in the BMT Mazaya Cluster to Establish a Business Entity Unit

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ABSTRACT

In the Society 5.0 era, financial literacy is essential for fostering a creative economy, particularly among micro, small, and medium enterprises (MSMEs). Many entrepreneurs lack an understanding of the importance of straightforward yet effective financial record-keeping for business management. This study aims to provide training and support in developing simple financial reports for MSME clusters assisted by BMT Mazaya, with the goal of enhancing financial literacy and promoting sustainable business growth. The service comprises three key stages: (1) Workshop, to identify the financial literacy needs of MSMEs; (2) Direct Training, to provide foundational training in financial recording led by industry practitioners; and (3) Ongoing Mentorship, to offer continuous support to ensure the implementation of effective bookkeeping practices in daily operations. The outcomes of this initiative indicate a significant need among MSME clusters supported by BMT Mazaya for a deeper understanding of financial recording. This knowledge can enhance their ability to manage finances more effectively. By improving financial literacy, we hope to empower these MSME clusters to achieve greater independence in managing and developing their businesses.

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1. INTRODUCTION

In the Society 5.0 era, business activities are increasingly driven by the creative economy, which aims to harmonize economic growth with the resolution of social issues (Febriana et al., 2023). The creative economy represents a framework for achieving sustainable development rooted in creativity (Arina, 2016). This approach emphasizes the utilization of not only renewable resources but also limitless assets such as ideas, talents, and innovative thinking. However, many economic actors overlook the crucial role that financial literacy plays in fostering a creative economy. One of the

fundamental aspects of this literacy is maintaining accurate financial records, which serves as the backbone for effective business management and growth.

Many business owners, whether they recognize it or not, often fail to maintain proper financial records and do not separate their personal finances from their business finances (Prawestri, 2024). This lack of financial oversight prevents them from understanding the true state of their businesses, making it difficult to assess whether they are thriving or struggling. The MSMEs supported by BMT Mazaya, which is affiliated with the Faculty of Islamic Economics and Business at UIN Raden Mas Said Surakarta, encompass a diverse array of industries. These MSMEs are united under BMT Mazaya's guidance, benefiting from collective resources and support to enhance their operations and financial management.

To foster a sustainable creative economy, it is crucial for business owners, particularly those in micro, small, and medium enterprises (MSMEs), to establish a solid foundation of financial literacy (Markonah et al., 2024). Effective financial record-keeping is vital not only for accurately tracking a business's financial health but also for supporting its growth and sustainability. Regrettably, many entrepreneurs, including those in MSMEs supported by BMT Mazaya, often overlook the significance of simple yet impactful financial recording practices (Arifin et al., 2023). Proper financial documentation can offer valuable insights into cash flow, revenue, and expenses. This knowledge enables MSME owners to make informed decisions about business strategies, resource allocation, and ongoing performance assessments (Rohmatin et al., 2021).

In light of these challenges, it is essential to conduct training on basic bookkeeping management for business owners, particularly those in MSMEs supported by BMT Mazaya who may not yet be familiar with simple financial record-keeping. This training aims to empower participants to implement effective financial recording practices in their daily operations. By enhancing their financial literacy, MSMEs under BMT Mazaya can maximize their business potential and make more significant contributions to the local economy. Furthermore, this initiative aligns with the goals of the Society 5.0 era, which emphasizes innovation and economic sustainability, fostering a positive transformation within the community.

2. IMPLEMENTATION METHOD

This initiative was conducted in partnership between the Faculty of Islamic Economics and Business (FEBI) at UIN Raden Mas Said Surakarta and the MSME cluster supported by BMT Mazaya. The program comprises three key stages: (1) a workshop, (2) training sessions, and (3) ongoing mentoring.

The first stage of the initiative involved a workshop aimed at assessing the financial literacy needs of MSME participants. During this event, an open discussion took place between MSME owners and the community service team to identify the challenges these businesses face in managing their finances. The dialogue aimed to uncover potential solutions to enhance the financial literacy of MSME stakeholders. By gaining insight into these needs, the program can be tailored to develop effective training and support that fosters the financial growth of MSMEs.

The second phase of this community service initiative involved training sessions conducted by the community service team from FEBI UIN Raden Mas Said Surakarta for the MSME cluster supported by BMT Mazaya. This training addressed the challenges identified during the previous workshop. Led by MSME practitioner Ms. Luluk Ayuning Tyas, S. Akun., M. Ak, the training covered essential topics, including the fundamentals of financial recording, various recording methods,

classification of income and expenses, preparation of simple financial reports, and basic financial analysis.

The third phase of the community service initiative involves ongoing support, provided in three sessions. This step is essential to ensure that the MSME clusters assisted by BMT Mazaya fully grasp the material presented and effectively implement it within their businesses. The goal is to foster a positive impact on these MSMEs by encouraging them to adopt simple financial record-keeping practices. Through this continuous support, MSMEs can enhance their financial management skills and operate more sustainably. With direct guidance, the MSMEs in BMT Mazaya's cluster will be better equipped to navigate operational challenges and strengthen their position in the local market.

3. RESULTS, DISCUSSION AND IMPACT

Effective financial management is crucial for the success of MSMEs, as it plays a key role in ensuring business continuity and growth (Athia et al., 2023). A strong foundation in basic financial recording is essential for this purpose. By consistently documenting all income and expenses, MSMEs can manage and allocate their funds more efficiently, minimizing waste and maximizing the use of limited resources. Regular financial recording enables MSMEs to systematically track their income and expenses related to business operations (Hasanudin, 2023). This practice allows business owners to evaluate their financial performance objectively and identify potential issues before they escalate. Well-maintained financial records provide a solid basis for strategic decision-making, such as setting appropriate pricing, estimating capital requirements, or assessing the feasibility of new product development.

Additionally, complete and accurate financial records facilitate compliance with tax obligations and other regulations, helping MSMEs avoid potential legal and financial repercussions resulting from administrative errors. For those seeking additional funding, strong financial documentation can enhance the confidence of investors and financial institutions, streamlining the credit or funding assessment process (Tambunan et al., 2022). Ultimately, understanding the fundamentals of financial recording not only aids MSMEs in managing their operations effectively but also increases their prospects for long-term success in a competitive market (Hasibuan et al., 2024).

This community service initiative commenced with a workshop aimed at assessing the financial literacy needs of MSMEs through open discussions between MSME stakeholders and the community service team. The primary goal was to identify the challenges MSMEs face in managing their finances and to explore effective solutions to enhance their financial literacy. The insights gained from this workshop are expected to inform the development of targeted programs and training that will foster the financial growth of MSMEs.

The workshop took place on May 7, 2023, with participation from 47 participants representing the MSME cluster supported by BMT Mazaya. It was held at the Pucangan Village Head Office in Kartasura District, Sukoharjo Regency, Central Java, located at Dusun III, Pucangan, Kartasura, Sukoharjo, Central Java 57168.



Figure 1: Discussion Activity



Figure 2: Community Service Team

Following the workshop, it became clear that the MSME clusters supported by BMT Mazaya require training and assistance in simple bookkeeping practices. Many businesses reported minimal bookkeeping activities, and some do not record any transactions at all. This identified need prompted the community service team to organize training focused on basic financial recording for MSMEs.

The training session, led by Ms. Luluk Ayuning Tyas, S.Akun., M.Ak., took place on May 8, 2023, and was attended by 50 participants from the BMT Mazaya MSME cluster. The session covered several key topics, including: (1) an introduction to the fundamental concepts of financial recording, the procedures for maintaining daily transaction records, and the importance of accurate documentation; (2) straightforward methods for tracking income and expenses using a simple cash book; (3) guidelines for preparing basic financial reports, such as profit and loss statements and cash flow reports, to evaluate business performance; (4) techniques for analyzing simple financial reports to inform decision-making; and (5) practical case examples relevant to their specific business contexts.



Figure 3: Training Activity



Figure 4: Speakers and CS Team

The training sessions were followed by a series of mentoring activities conducted over three days, on May 9, 10, and 11, 2023. These sessions aimed to ensure that the MSME clusters supported by BMT Mazaya not only understood the material presented but also applied it effectively in their operations. The mentoring was organized in small groups to facilitate personalized support and to address specific challenges faced by each MSME. This approach allowed for tailored guidance and constructive feedback, ensuring that participants could overcome obstacles and enhance their financial recording practices.

Each mentoring session includes an evaluation of the implementation of simple financial recording practices, discussions about the challenges faced, and strategies to address any issues that arise. Additionally, these sessions serve as an opportunity to provide further guidance and answer

questions related to the daily operations of MSMEs. Recognizing that each MSME has unique needs, mentoring is conducted either individually or in small groups to ensure participants receive maximum benefit from the sessions. It is crucial to monitor the progress of each MSME in applying the concepts of simple financial record-keeping. Evaluations are performed to assess how well the training material has been understood and implemented. Moreover, it is essential that the training is delivered in clear, accessible language tailored to the participants' levels of understanding and practical requirements. This approach helps MSMEs enhance their financial management skills, increase transparency in their operations, and make informed financial decisions more effectively.



Figure 5: Mentoring Activity



Figure 6: Mentoring Activity

The owners of the MSME cluster supported by BMT Mazaya have clear expectations for the training and assistance focused on creating simple financial reports. First, they hope the training will provide practical, actionable knowledge that can be easily integrated into their daily financial recording practices. They seek effective methods for tracking income, expenses, and managing cash flow more efficiently. Second, MSME owners desire ongoing support that allows them to implement simple financial report preparation in their operations, ensuring that they gain practical experience rather than just theoretical knowledge. Third, they want to deepen their understanding of the significance of financial reporting in decision-making. By utilizing insights from their financial reports, they aim to evaluate business performance, identify potential cost efficiencies, and enhance profitability. Fourth, by improving their financial literacy, MSMEs aspire to become more financially self-sufficient, reducing their reliance on external support that may not always be accessible. Lastly, MSME owners believe that generating accurate financial reports will enhance their credibility and trustworthiness in the eyes of stakeholders, including potential investors, lenders, and business partners. By addressing these expectations, the training and mentoring initiatives are poised to deliver substantial benefits, helping MSMEs improve their financial management practices and fostering sustainable business growth.

4. CONCLUSION

The implementation of workshops, training, and assistance in creating simple financial reports for the MSME clusters supported by BMT Mazaya has demonstrated a significant positive impact on participants. This initiative has notably enhanced their financial literacy, enabling MSME owners to recognize the importance of financial record-keeping as a means of monitoring their business's financial health. Furthermore, they are now equipped to apply these practices directly in their daily operations, leading to improved financial management and decision-making.

As a result, the MSME cluster supported by BMT Mazaya is expected to optimize its business potential more efficiently and transparently. Enhanced financial management skills will facilitate smarter strategic decisions regarding business development, fund allocation, and ongoing performance evaluations. Additionally, as financial literacy improves, MSMEs are anticipated to gain

greater independence in managing and growing their businesses. This increased competence will also make them more appealing to external stakeholders, including investors and financial institutions.

Therefore, this initiative not only enhances the operational capacity of individual MSMEs but also has the potential to create a broader positive impact on the local economy. It contributes to a positive transformation within the creative economy framework of the Society 5.0 era. Furthermore, it is hoped that the MSMEs participating in this training will become agents of change within their communities, bolstering the competitiveness of local businesses and actively contributing to sustainable economic growth.

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