



## Microfinance Training on MSMEs In Klatak Tourism Village Facing the Covid-19 Pandemic

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### ABSTRACT

*Covid-19 has paralyzed the world economy, including Indonesia. Indonesian people can still not face the economic downturn due to the Covid-19 pandemic. Microfinance management for MSME actors in Indonesia is increasingly essential, especially in a pandemic like the current one. Therefore, Microfinance training is needed so MSME actors can survive amid a sluggish economy. This community service program partners with the Masyarakat Peduli Wisata Klatak (Makladuta). The method used is Community Service Workshop. This activity is also in collaboration with the Department of Management FE Unnes, which has made Makladuta a partner. Service activities are carried out online through zoom meetings and Youtube streaming on Tuesday, August 10, 2021. The resource person for the activity is the Head of the Central Java Province Cooperatives and SMEs Office, Dra. Ema Rachmawati, M. Hum., which describes the material on "Steps for Financial Management and Improving MSME Business Creativity." The second resource person is the Founder and CEO of Pentone.id, Yoga Muda Aditya, S.B.A., delivered the material "Financial Literacy and the Importance of Financial Reports in MSMEs." The participants were very enthusiastic about participating in this activity. It can be seen in the participation of participants when the resource person invites direct dialogue with the participants. Participants were also very enthusiastic about the question-and-answer session.*

Covid-19 telah melumpuhkan perekonomian dunia, tak terkecuali Indonesia. Masyarakat Indonesia masih belum mampu menghadapi penurunan ekonomi akibat adanya pandemic Covid-19. Pengelolaan keuangan mikro bagi para pelaku UMKM di Indonesia semakin penting dirasakan, terlebih dalam kondisi pandemic seperti saat ini. Oleh karena itu, diperlukan pelatihan Keuangan Mikro agar para pelaku UMKM dapat bertahan di tengah lesunya perekonomian. Program pengabdian kepada masyarakat ini bermitra dengan Masyarakat Klatak Peduli Wisata (Makladuta). Metode yang digunakan adalah Workshop Pengabdian pada Masyarakat. Kegiatan ini juga bekerjasama dengan Jurusan Manajemen FE UNNES yang telah menjadikan Makladuta sebagai mitra. Kegiatan pengabdian dilaksanakan secara daring melalui zoom meeting dan streaming YouTube, pada hari Selasa, 10 Agustus 2021. Narasumber kegiatan adalah Kepala Dinas Koperasi dan UMKM Provinsi Jawa Tengah, Dra. Ema Rachmawati, M.Hum. yang memaparkan materi mengenai "Langkah-langkah Jitu Pengelolaan Keuangan dan Peningkatan Kreativitas Usaha UMKM". Narasumber kedua adalah Founder dan CEO Pentone.id, Yoga Muda Aditya, S.B.A. yang menyampaikan materi "Literasi Keuangan dan Pentingnya Laporan Keuangan pada UMKM". Peserta kegiatan sangat antusias mengikuti kegiatan ini. Hal ini tampak pada partisipasi peserta saat narasumber mengajak dialog langsung dengan peserta. Peserta juga sangat antusias pada sesi tanya jawab.

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## INTRODUCTION

Covid-19 has crippled the economy of all countries, including Indonesia. Economically, Indonesian people are not ready to face economic paralysis because of the low level of financial literacy. Low financial literacy causes people to be unable to make effective decisions regarding their finances (Chinen & Endo, 2012). Financial literacy is the knowledge and ability to manage personal finances through appropriate financial decisions and avoid financial problems (Chen & Volpe, 1998; Kezar & Yang, 2010). Financial literacy is not intended to restrain people so they cannot enjoy life. However, with financial literacy, it is hoped that ethics and families can enjoy their lives by allocating their finances appropriately (Stolper & Walter, 2017).

To be able to live in prosperity, a person needs not only good financial literacy but also the ability to manage their finances well. The collaboration between good financial management and financial literacy can result in financial well-being (Coşkuner, 2016; Gerrans, Speelman, & Campitelli, 2014). Therefore, a person with good financial behavior can prevent financial problems (Munoz-Murillo et al., 2020). Financial literacy is essential for everyone, whether for personal, family, or business financial interests. Based on data from the Financial Services Authority, the financial literacy index in Indonesia is only 29.66%, indicating that the people who are financially literate have not yet reached 50% of the total population in Indonesia. It is undoubtedly very worrying, seeing that sound financial management is the basis for every individual to be able to survive and plan their lives as well as possible.

The lack of financial literacy skills is also faced by MSME actors (Micro, Small and Medium Enterprises). Although most entrepreneurs have a formal ethical background, not all have an ethical background in management or accounting. It causes the financial management of their business to be hampered. Seeing this fact, it is not very good if MSMEs cannot carry out good financial management. It is because many benefits can be obtained from financial management in business, including making clear business financial plans. With sound financial planning, MSME actors can act efficiently and effectively. Second, knowing with certainty the number of trade payables so that MSME actors can know the amount of wealth owned by the company and how much debt is still borne. Furthermore, with sound financial management, MSMEs can control finances when changes occur, such as during the Covid-19 pandemic. Through sound financial management, MSME actors can prevent misuse and monitor business costs.

Makladuta Klatak Tourism Village used to be a rural area, but with time, significant changes have

occurred in the economy. According to information from Mr. Muhamad Ichsanudin, Chairman of the Klatak Tourism Care Society, the development of MSMEs in Makladuta Tourism Village is currently relatively rapid. There are approximately 55 families in Klatak village, RT 002/RW 001, and ± 15 families have joined to form a culinary center. Based on the observations, Makladuta Tourism Village SMEs still have problems related to their company management. It is, of course, miserable, considering that MSMEs have a reasonably significant role in creating jobs that impact the increase in the gross product (Setyobudi, 2017). Therefore, it is essential to be able to have good business management to be able to achieve an effective business.

According to Supeni and Sari (2011), small business management at least includes finance, operations, marketing, and human resources. Of the four elements of management, according to observations made, Makladuta Tourism Village SMEs still have obstacles, especially in financial management and online marketing. In financial management, MSME actors still have difficulty managing their business finances. They have not made a separation between their finances and their business finances. In addition, only a few MSMEs have recorded financial transactions, and the rest still have not recorded incoming and outgoing transactions, so they cannot control how much expenditure and income they get. Based on observations, although some MSMEs have recorded transactions, the recordings carried out are also still far from financial recording standards, so they cannot reflect the company's financial condition. It is dangerous because the turnover of business capital becomes unclear and uncontrolled, which can result in the closure of the business. Not only that, it turns out that in determining prices, there are still many MSMEs that have not been able to calculate expenses (Cost of Good Sold) carefully and in detail, so that product pricing is still simple and not too deep. In addition, on average, Klatak Tourism Village MSMEs are businesses that depend on one person, the business owner (one-person show).

Seeing that the management of SMEs in Klatak Tourism Village is still weak, primarily related to financial management, it is necessary to conduct training related to financial management. Since MSMEs have an essential role in developing the community's economy and the national economy, training related to financial management is necessary to improve the financial literacy of MSME actors (Asuquo et al., 2014). With sound financial management, it is hoped that the MSMEs of Klatak Tourism Village will be able to determine product prices appropriately by taking into account the cost of goods sold and record financial transactions neatly and in detail so that they

can see their business performance. In addition, they can also make financial reports properly and correctly to attract investors and provide capital for the development of their business. Based on the description, the partner problems that will be solved in this devotional activity are: How to improve microfinance management through simple financial training.

## METHOD

The solution to the problems offered by the team of service is the increasing awareness of MSMEs actors about the importance of financial management so that they will start practicing financial management in their businesses. Hopefully, MSMEs will be able to manage their financial problems more comprehensively and organized based on micro-financial management. The methods offered to solve the problems faced by the Klatak Tourism Village MSMEs are as follows:

1. Lectures, questions and answers, and discussions;

The service team will provide knowledge related to financial management through lectures, in which there is knowledge about how to do financial planning, prepare simple financial reports and calculate HPP. Through the lecture method, the service team will explain the material then it can be continued with questions and answers and discussions from the participants of the Klatak Tourism Village MSMEs. With the discussion, it is hoped that the participants will better understand the material to apply it to their business.

2. Training or workshop.

The method of training or workshops will be conducted online, given the condition of the Covid-19 pandemic in Indonesia, which has not yet subsided. In this online training, the service team will provide training related to financial management, which includes:

- a. Financial planning training;
- b. Financial report preparation training;
- c. Cost of Goods Sold calculation training.

With the financial management training, it is hoped that the participants will be able to understand and apply the knowledge of financial management to their business.

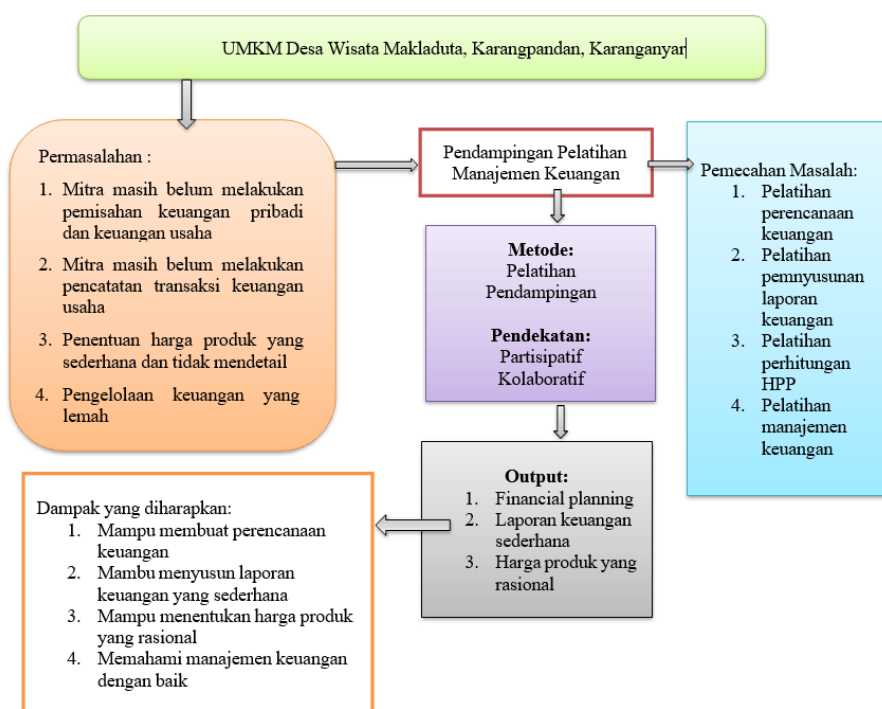


Figure 1.  
Methods of Service Implementation

## RESULTS AND DISCUSSIONS

This community service activity was held online on August 10, 2021, through zoom meetings and Youtube streaming. Klatak Tourism Village MSMEs, Karangpandan, attended this activity. The description of the stages of implementation of this devotional activity is as follows:

### Microfinance Socialization and Training

The socialization of the program will be carried out immediately after obtaining permission from the BUMDes Klatak Peduli Wisata (Makladuta). Furthermore, an online discussion via WhatsApp was held with the BUMDes who will participate in this program training. In this socialization, an agreement can be made regarding the time of program implementation and other matters related to the details of this service program. Before the socialization, we held several online discussions with BUMDes Klatak Peduli Wisata (Makladuta). It is done so that we can approach it in the following ways:

### Discussion 1: Integration, Action Research.

At this stage, the team held the first discussion with BUMDes Klatak Peduli Wisata (Makladuta) to express the aims and objectives of the service team, where the team would conduct socialization and financial administration training. The team also held discussions with BUMDes Klatak Peduli Wisata (Makladuta) regarding the model and design of program implementation to adapt it to the community's programs.

The service team also asked about the problems faced by the community to find out more deeply

whether the program planned by the service team was following the problems they faced. After discussing with Bumdes Klatak Peduli Wisata (Makladuta), it was discovered that they were facing several problems related to capital and marketing methods. The two problems faced by this community can be minimized if the BUMDes Klatak Peduli Wisata (Makladuta) has knowledge related to sound financial management. BUMDes Klatak Peduli Wisata (Makladuta) said that because some of their members did not study up to college, they had limited knowledge regarding good financial management. It is unfortunate because, with sound financial management, entrepreneurs can present their financial reports nicely and neatly to know their business performed well and attract new investors to increase their capital. This activity was carried out on June 10, 2020.

## Discussion 2: Ensuring the Implementation of the Work Program

Following up on the first meeting, the service team found harmony between the problem and the work program proposed by the service team. Therefore, the service team held another online discussion on June 12, 2021, to take care of licensing and ensure the implementation of the financial management socialization and training program. After discussion, the service team and the community agreed to online complete the program on August 10, 2021. They also discussed the equipment and supporting materials that must be prepared for these activities.

On August 10, 2021, the service team carried out socialization and financial management training for the Klatak Peduli Wisata (Makladuta) BUMDes. Due to the Covid-19 pandemic, which has not yet subsided in Indonesia, this activity was carried out online using zoom media.



Figure 1.

The Dean of Economic Faculty, Prof. Drs. Heri Yanto, MBA, Ph.D gives a speech

The Makladuta BUMDes gathered together to participate in online training while still implementing health protocols such as maintaining distance and wearing masks. In the practice of this community service activity, the socialization material will be divided into three sessions, namely:

1. Introduction to financial management includes understanding, benefits/effectiveness, and the importance of good financial management.
2. The stage of preparing for Financial Administration includes:
  - a. balance
  - b. Income statement
  - c. Statement of Changes in Capital (Equity)
  - d. Cash flow statement
  - e. Sales Record
  - f. Sales HPP Calculation
3. The practice of preparing simple and good financial administration.

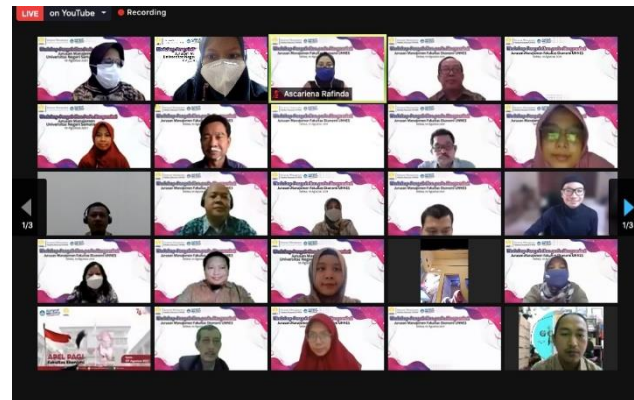


Figure 2.  
Participants

## Monitoring

As a follow-up to this activity, after socialization and financial management training, the service team monitored the Makladuta BUMDes community via WhatsApp. So that they could help members who had difficulties in financial management.

## Evaluation

The activities were evaluated to see how interested the members of the Makladuta BUMDes community were in the program carried out by the service team and how the business development of community members was after participating in the socialization and training. With this evaluation, it is hoped that the service team will be able to carry out even better programs in the future.

## CONCLUSION

Seeing the enthusiasm of the participants in the socialization and financial management training shows that the members of the Makladuta BUMDes have

realized the importance of sound financial management. However, they still have difficulty practicing good financial administration due to limited knowledge. With an interest in learning from the participants of the socialization, it is easier for the service team to attract participants to this program. Even though most of the trainees were already running a business, they admitted that the business they were running still encountered many difficulties in its implementation. It is realized because, during their business, they do not arrange good financial administration. By participating in this training, they realize they must develop a better and structured financial administration to improve their business. This program needs to be maintained and developed in the future in order to improve the ability to prepare for financial administration. In the future, financial management training can be developed for the younger generation and communities around the Makladuta BUMDes interested in learning how to implement sound financial administration.

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