



Increasing Financial Literacy as an Effort to Increase the Empowerment of MSMEs

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ABSTRACT

The Badung Regency Government has shown its commitment to advancing the MSME sector through various initiatives, such as facilitating access to capital through People's Business Loans (KUR) and loan interest subsidy programs. In addition, the government also encourages business digitalization as a strategic step in empowering MSMEs in the modern era. However, Saur Samudera MSMEs still face challenges, especially in the aspects of financial literacy and digital marketing. Financial literacy is an important factor that MSME actors must have in order to be able to manage and develop their businesses more effectively. On the other hand, the use of digital platforms provides opportunities for MSMEs to reach a wider market at a more cost-efficient time. To overcome these problems, a Community Partnership Program was implemented involving Mr. Putu Oka Wijaya as the owner of Saur Samudera MSMEs in Banjar Kauripan, Sedang Village, Abiansemal District, Badung Regency. The purpose of this program is to increase sales of Saur Samudera MSME products while improving the financial recording pattern of artisans. The program is carried out through three main activities, namely: (1) financial literacy assistance through socialization of financial recording and simple accounting; (2) online marketing assistance through logo innovation and product catalog creation; and (3) optimizing the use of social media as a means of promotion. The results of the program show that after mentoring, partners are able to use social media to market products more effectively and conduct financial records in a more structured manner, so as to minimize errors in the financial management process. Thus, increasing financial literacy has been proven to support the empowerment of Saur Samudera MSMEs towards a more adaptive and sustainable business.

Keywords : Financial Literacy, Msme Empowerment, Digital Marketing, Financial Recording

I. INTRODUCTION

Sedang Village, Abiansemal District, Badung Regency, is an agrarian village with five official banjars, one of which is Banjar Kauripan where Saur Samudera MSMEs have been established since 2014. This business was pioneered by Mr. Putu Oka Wijaya and produces saur for daily consumption and religious ceremonies. Despite having potential, business development has not been maximized due to limited capital, low financial literacy, and lack of use of technology in marketing. The Badung Regency Government has supported the empowerment of MSMEs through access to People's Business Loans (KUR), loan interest subsidies, and digitalization encouragement. However, Saur Samudera MSMEs still face serious obstacles, such as unstructured financial records, the absence of separation between personal and business funds, and marketing strategies that are still conventional and limited to the local scope. This has an impact on slow business growth and low competitiveness amid increasing market competition (ul Haq et al., 2025). Various previous studies have shown that financial literacy has a significant effect on the performance and sustainability of MSMEs (Wulandari, 2018; Idawati&Astika, 2019), while digital marketing has been proven to be able to expand market reach at a cost-efficient time (Kory &Sanica, 2021). In this context, Saur Samudera MSMEs are partners in the community service program of Warmadewa University which focuses on two main aspects: (1) improving financial literacy through simple accounting recording training, and (2) digital marketing assistance through social media optimization, logo design, and product catalogs. Marketing has an important role in a business, so it is a benchmark for success in facing competition and the key to business success (Arifin & Nurudin, 2020). The problem that often occurs is that business actors prefer conventional methods because they do not understand the use of technology, so they are reluctant to switch to modern methods (Martadiani et al., 2021). Marketing through social media and digital platforms provides convenience in expanding product promotion (Samsiana et al., 2020). However, the limitation of understanding in digital strategy is a serious obstacle, because the success of the business is largely determined by the success of marketing (Irfani, Hidayat, & Nurdin, 2020).". Therefore, increasing financial literacy and utilizing digital marketing is an important step in empowering Saur Samudera MSMEs. The community service program carried out with Warmadewa University is directed at financial literacy assistance through simple accounting recording training, as well as strengthening digital marketing strategies through logo design, product catalogs, and social media optimization. With this intervention, it is hoped that Saur Samudera MSMEs will be able to improve the professionalism of business management while expanding the marketing reach, so that it is more adaptive and sustainable in the modern era (Setini et al., 2025). Based on the results of the survey on partners, the production process is presented in the following Figure



Figure 1. Saur Samudera Production Process

II. PROBLEMS AND SOLUTIONS

Partner Problems

Based on the analysis of the situation conditions in Saur Samudera MSME partners, various kinds of problems or problems and limitations have been found that can be identified as follows:

Financial aspects

1. Lack of Financial Literacy: Lack of knowledge about financial management makes it impossible for partners to develop a mature budget plan and effective financial strategy. Often, partners do not separate personal and business finances, and do not have neat books, making it difficult to monitor cash flow and the financial health of the business.
2. Production aspects: Partners do not understand well that in the production process, it is necessary to plan starting from the problem of raw materials, arranging a good work environment, determining production capacity, and product quality that consumers expect
3. Marketing aspects: Partners often struggle to expand their market reach due to network and information limitations, yet to leverage digital technologies such as e-commerce and social media to market their products widely

Solutions offered

To overcome these problems, this service program offers several strategic solutions that are tailored to the proposer's field of science, including: Financial Aspect Solutions Provide basic financial literacy training, including simple financial recording, separation of personal and business finances, and budget planning. Assistance in the use of simple bookkeeping applications to make it easier to monitor cash flows and financial statements. This activity was given in the form of socialization accompanied by discussions with service program partners. This solution is so important for partners, because it can be used as an initial opening in providing additional knowledge and understanding to partners related to the benefits and objectives of the role of accounting in business activities, For this reason, it is hoped that with this activity, it is hoped that there will be a change in knowledge and understanding for partners, The indicator is that there is a change in understanding and knowledge from partners, who initially did not understand the understanding of the basic concept of accounting and then partners became more understanding and understood that accounting can be used as a language of business information and useful in decision-making for every business Production Aspect Solutions. Production planning

assistance ranging from raw material management, more efficient work environment arrangements, to determining production capacity according to market needs. Carry out assistance and direct practice related to the process of calculating the cost of production accurately, carefully and appropriately related to determining the actual profit and loss information from partners. In addition, knowing the actual cost of goods can be used as a guideline for partners. Thus, the output of this activity is expected to be more understanding, knowing, and also skilled in applying the concept of calculating the cost of production carefully, accurately and accurately so that by knowing the cost of production carefully, it will have an impact on efficiency for partners, so that the selling price becomes more competitive, superior and competitive Marketing Aspect Solutions. Training in digital-based marketing strategies through the use of social media, e-commerce. Assistance in creating attractive packaging logos and product catalogs. With the implementation of these solutions, it is hoped that partners will be able to increase managerial capacity, improve production systems, and expand marketing access, so that the business run can be more sustainable, adaptive, and highly competitive.

III. METHODS AND FIVE STAGES OF SERVICE IMPLEMENTATION

Stages of Each Activity

This PKM took place for 3 activities, namely preparation/initial survey to the location of PKM activities and Monitoring. Service preparation activities include, socialization of the activity process, preparation of tools and service materials. This step is carried out in coordination with Mr. Putu Oka Wijaya's partner related to the implementation of this program. To finalize this event so that it is more effective and efficient, coordination will be carried out. The implementation methods used in PKM are lecture methods, socialization, training and procurement of appropriate technological equipment Socialization is in the form of counseling about the importance of accounting for a business and the importance of business promotion in increasing sales turnover. In this activity, the participants were given material on the role of accounting for the development of a business

The training is related to providing training to partner members on how to record transactions using sales memorandums so that they get the actual total turnover. Finally, from the implementation method, namely monitoring. Evaluation of the implementation of community service activities with the community partnership empowerment scheme can be carried out by 1) Initial evaluation. 2) Final evaluation 3) Program Sustainability Evaluation

Table 1. Stages and types of activities

Phase	Types of activities
Socialization	Partners are given counseling on the importance of accounting for a business
Training	Partners are given how to record transactions using notes.
Application of Technology	Application of technology in processing saur with more sophisticated coconut graters
Mentoring	Assistance in using technology in designing Packagingmedia online and take notes.
Program Sustainability	Conduct an evaluation by distributing a questionnaire to find out the partner's capabilities after it is held service activities.

Phase Types of activities

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3.2 The five stages in Community Service are as follows:

1. Preparation and Observation Stage: At this stage, field observations are first carried out on the Partner to obtain information and find out the real situation or condition of the Partner so that the most urgent problems of the Partner can be known to find solutions through mentoring.
2. Implementation Stage: In the second stage, assistance began to be carried out by providing counseling, lectures on solutions that must be done by partners to overcome problems
3. Evaluation/Monitoring Stage: At this stage, after assistance in the form of training, an evaluation is carried out to determine the development of the partner whether there is positive progress in terms of understanding the material provided and the increasing progress on the products sold.

4. Report Preparation Stage: At this stage, the team compiles a report on the results of the implementation of the service which will later be evaluated by the review team to improve the final report
5. Report Deposit Stage: At this stage, it is the submission of the final report which includes a report on the results of the implementation of the service in the form of outputs that have been published in an international journal, videos of activities, publications in online or print media and IPR

IV. RESULTS OF THE IMPLEMENTATION OF ACTIVITIES

4.1 Production Strategy: Packaging and production capacity building

The PKM team found that partners do not yet have product labels so that consumers can easily recognize the partner's products in the market. The products produced by partners are only packaged with unbranded plastic. The Unwar PKM team helped create a packaging system by adding the Saur Samudera SME logo so that it was more attractive and easily recognizable by consumers. An old and obsolete coconut grater causes the production process to be slow and less efficient. The PKM team helps by providing more sophisticated coconut graters so that the grating capacity is more and faster



Figure.2 of the packaging training with labels and coconut graters from the PKM team

Product Marketing: Product cataloging, label creation and Digital marketing

The problem obtained at the beginning of the survey by the Unwar PKM Team related to the marketing field was that there was no label or product name on the packaging, which at that time still used simple plastic. So that the Unwar PKM Team made a label so that it could be attached to the plastic packaging. With the existence of product labels, it is hoped that in the future saursamudera can be better known to the surrounding community. The Unwar PKM team also assists in the creation of product catalogs. For marketing, an Instagram account with a link https://www.instagram.com/saur_samudra?igsh=aHM2dWpxdGZSOghlyang can reach a wider audience in the hope of increasing sales.



4.3 Simple Financial Management

The implementation of this program is carried out through an individual approach. This individualized approach begins with exploring the partner's understanding of bookkeeping. After exploring the partner's understanding of bookkeeping, then proceed by providing material and understanding of what a simple financial book looks like and what the contents of a simple financial book are. Then, partners are invited to find out what things are needed if they want to find out how much net profit is generated and how much real costs are spent and make a simple financial report book. After providing understanding, the partner was then given a blank book to be invited to compile a simple financial statement book. This approach emphasizes partners to be able to create a simple financial report book. Partners are accompanied by the PKM team to compile a simple financial report book. Partners are guided and assisted to record every matter related to expenses, costs and income in the production and marketing process, including the number of wages that must be paid to their workers. Partners are expected to be able to make simple financial reports, be able to find out how much money is spent in the production and marketing process, be able to determine the selling price and the number of wages that must be paid to their workers. With the understanding given, it is hoped that later the continuity of the partner's business can run smoothly and develop



Figure .4 Financial Reporting Training

After the assistance was carried out, there were several benefits obtained, namely Partners had more skills in making daily cash books to record expenses and all incoming income, partners were able to carry out production processes according to standards, as well as increase market share as seen

from the asset value which increased by 25%, sales increased by 50%. This PKM activity ended by providing assistance in the form of production equipment in the form of coconut graters, business cards, product labels, and product catalogs. With the help of this equipment, it can facilitate the product production process and productivity also increases. The following is a picture of handing over production equipment to partners by the team leader and continuing to eat together

Mitra explained that after the assistance from the Warmadewa University Service Team, an overview of the improvement can be obtained as in the following table.

Table 2 Activity Achievement Indicators

Yes	Information	Before PKM	After PKM	Progress
1.	Asset	100 million	125 million	+/- 25 %
2.	Average turnover/month	120 million	180 million	+/-50 %

V CONCLUSIONS AND SUGGESTIONS

Conclusion

The PKM program has succeeded in increasing the motivation of partners in developing their businesses through the utilization of human resource potential and the implementation of the right business strategy. Partners are able to expand their marketing reach by implementing digital marketing strategies, including the use of labels/brands and promotion through social media. Partners understand the importance of simple financial records so that they can know the position of the business in profit/loss conditions and make more informed decisions. There was a significant increase in business performance, as shown by a 25% increase in assets and a 50% increase in turnover after the mentoring program

Suggestion

Mentoring activities should be continued on an ongoing basis, especially related to the preparation of financial statements, calculation of cost of production, and digital marketing strategies. Thus, Saur Samudra MSMEs can be more competitive and able to develop markets at the local and regional levels

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