


Cash Planning Training for MSMEs in Setu Babakan

Syahril Djaddang*, Harnovinsah, Shanti Lysandra, Mulyadi, Lola Fitria Sari, Dian Riskarini, Laila Nur Rahma, Zikra Elza Rahmawati

Department Accounting and Management, Universitas Pancasila, Jakarta, Indonesia

*Correspondence author: syahril@univpancasila.ac.id

Doi:

INFO	ABSTRACT
<p><i>Submitted:</i> 5-11-2025 <i>Revised:</i> 18-11-2025 <i>Accepted:</i> 12-12-2024 <i>Available Online:</i> 30-12-2024</p> <p>Copyright ©2024 by Journal of Judikultura (s) This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.</p>  <p>Keywords: <i>Planning, the process of recording the revenue and expenditure budgets, MSMEs</i></p>	<p><i>MSMEs in Setu Babakan, South Jakarta, often experience problems running a business and managing finances in detail. One of the primary challenges for MSMEs is that they have struggled to conduct effective cash planning and accurately record their revenue and expenditure budgets. Inaccuracies in cash planning and budget monitoring, as well as discrepancies between actual achievements and planned outcomes, can hinder the sustainability of business activities due to a lack of knowledge about cash planning and proper budgeting mechanisms for Micro, Small, and Medium Enterprises. The objectives of Community Service are to motivate MSME actors to apply reasonable and correct cash planning governance and to encourage the community to be interested in entrepreneurship by utilizing their existing potential. The method of implementing Community Service activities includes training, FGD, mentoring, and action research. The results of this Community Service are expected to develop MSMEs and understand the importance of organizing cash planning and preparing financial budgets for businesses. Additionally, MSME actors manage debt wisely, yet they still face challenges and obstacles in sustainable MSME business planning.</i></p>

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a key business unit that makes a significant contribution to the country's development and economic growth. The MSME sector helps reduce unemployment rates by absorbing workers who are not accommodated in the formal sector. The growth of micro businesses creates many job opportunities and sources of income. With their ability to employ a large number of workers, MSMEs play a strategic role in supporting government efforts to reduce poverty and unemployment.

International cooperation allows various parties to share knowledge, resources, and innovative solutions to address these challenges together. International cooperation in community service activities provides for the exchange of knowledge and technology. Different countries and organizations have unique expertise and technologies. By collaborating, they can learn from each other and apply best practices that have proven effective in various situations. This can accelerate the development process and improve the quality of life of the communities involved. Through international cooperation, local communities can gain access to resources, training, and support that may not be available in their area. This helps strengthen regional capacity to manage development projects and social initiatives independently in the future. Additionally, the involvement of international partners often lends stronger legitimacy and political support to local initiatives.

Many complex social and development problems require a cross-disciplinary approach to address. International collaboration facilitates the integration of diverse disciplines and expertise

from various countries, resulting in more comprehensive and practical solutions. In an increasingly interconnected world, international cooperation in public service is essential. By sharing knowledge, resources, and experiences, the global community can collaborate to develop more effective and sustainable solutions to the challenges faced by people worldwide. The problems faced by MSMEs are related to difficulties in cash planning and the process of recording budget revenues and expenditures. Inaccuracy in budget planning and supervision of actual achievements disrupts business activities. The lack of knowledge about cash planning and proper budgeting mechanisms for small and medium enterprises, such as the Betawi Cultural Foundation, requires solutions that can be provided through Community Service activities with the theme 'Cash Planning Training for MSMEs' in Setu Babakan, South Jakarta.

The PkM team offers solutions to problems related to cash planning training and financial budget process systems experienced by MSMEs in Setu Babakan. The solutions offered are designed to provide training on budget process mechanisms for businesses, as well as practical and efficient cash planning. Cash planning, in a financial context, refers to the process of creating detailed budgets and financial plans to manage income, expenses, and savings. This process involves analyzing cash inflows and outflows, identifying areas of unnecessary spending, and creating plans to improve sustainable financial stability.

The objectives of the Community Service Program are to: a. Accelerate the process of developing a culture of implementing the practice of the preparation process, budgeting, and cash planning for MSMEs in Setu Babakan, b. Help create access for the creation of new entrepreneurs who implement business strategies and financial management according to MSME accounting standards. c. Provide opportunities and work experience to young and fostered entrepreneurs to implement cash planning practices and the MSME budget preparation process in Setu Babakan. d. Business actors can skillfully prepare cash planning and budgeting processes, business strategies, and cash flow for MSME operations in Setu Babakan, South Jakarta.

The target of this cash planning and budgeting process training is to help individuals, families, and businesses manage their finances effectively and achieve sustainable financial governance goals. With materials that provide an understanding of cash planning and the budgeting process, MSMEs in Setu Babakan, South Jakarta, can prepare their cash planning and budgeting more easily to manage and improve their operations.

LITERATURE REVIEW

Financial management is the process of planning, controlling, and evaluating financial resources to support business sustainability. According to Gitman and Zutter (2021), systematic financial planning can improve operational efficiency and minimize business risks. Fatoki (2019) also asserts that many MSMEs fail to thrive due to weak cash management and a lack of separation between personal and business finances. Strategic investment refers to funds invested to support business growth with long-term returns. Investors tend to favor ventures that have a clear vision, professional management structure, and transparent financial statements (Zhang et al., 2023). The existence of pitch decks, business model canvas, and valuation values is key in the investment decision-making process. Financial literacy has a positive correlation with the ability of business actors to access capital (Putri & Widodo, 2021). Continuous education and mentoring can enhance the readiness of business actors to attract investment and expand their network of strategic partnerships.

This Community Service (PKM) is carried out through several stages of activities, including providing training on how to prepare budgets directly using material presentations that are simple and practical, so that they can be easily understood. Additionally, consultation is provided on problems related to the preparation of production budgets and sales budgets at Setu Babakan MSMEs.

A complete description of the implementation method section to overcome problems according to the following stages: 1. For partners engaged in the productive economy and

directing to the productive economy, the method of implementing activities is related to the stages in at least 2 (two) different problem areas addressed to partners, such as: a. Problems in cash planning, b. Problems in management, c. Problems in marketing and others. 2. For partners who are not economically/socially productive, state the stages or steps taken to implement solutions to specific problems faced by partners. The implementation of these solutions is systematic, encompassing health services, education, security, social conflicts, land ownership, clean water needs, illiteracy, and other areas. 3. Describe how partner participation in program implementation. 4. Describe how the evaluation of program implementation and program sustainability in the field is conducted after the Community Service activity is completed. 5. Describe the roles and duties of each partner. This Community Service (PKM) activity was conducted on May 25, 2024, with a single central location: MSMEs in Setu Babakan, Indonesia, a training center for the MSME community. The method of implementing this PkM activity employs a participatory and practical approach, with the primary objective of enhancing the financial capacity and business presentation skills of the participants.

METHODS

Interactive Training

Participants were trained on the basics of simple bookkeeping, including how to record cash flow, manage profit and loss statements, and become familiar with simple accounting software such as Wave Accounting or Acacia. This workshop employed the experiential learning approach, where participants not only received theoretical material but also directly practiced it (Kolb, 1984).



Figure 1. Interactive Training Session

Pitching Training

Participants are taught how to develop an attractive and convincing pitch deck for potential investors. The material covers the structure of an effective pitch deck, from problem identification and solutions to business models, financial projections, and exit strategies. This training is essential for preparing participants to access investment opportunities through the entrepreneurial finance approach (Leach & Melicher, 2018).



Figure 2. Pitching Training

Group Mentoring

After the training, participants were grouped and assisted in preparing basic financial statements and one-year business projections. This process employs the coaching method, where the facilitator serves as an active guide, helping participants apply the knowledge gained to their respective business contexts (Whitmore, 2017).

Cash Planning Simulation

To conclude the activity, participants make a presentation to a panel of mentors who act as potential investors. This simulation mimics a real-life situation in the process of pitching for venture capital, aiming to hone participants' business communication skills and argumentation abilities. This practice follows the concept of learning by doing, which has been proven effective in entrepreneurship education (Neck et al., 2014).

Textual Research

The evaluation of the program's implementation activities was conducted both quantitatively and qualitatively to obtain a comprehensive understanding of its impact. A quantitative evaluation was conducted through a pre-test and post-test to measure the improvement in participants' knowledge of financial management and business pitching. The analysis was performed by calculating the difference in average scores between the pre-training and post-training periods. Meanwhile, qualitative evaluation was conducted through direct observation of participants' engagement during the training and simulation sessions. Aspects observed included active participation, ability to prepare financial reports, and confidence

when pitching. This assessment provided important information on the extent to which the program successfully transformed participants' practical and sustainable capacity.

RESULTS AND DISCUSSION

Community Service Participants from Setu Babakan Jakarta. Consisting of MSMEs located in the Setu Babakan area of Jakarta. The organizers of this Community Service are from Universiti Teknologi MARA (UiTM), Faculty of Economics and Business, Pancasila University, and the Postgraduate School of Pancasila University. This Community Service event was attended by 29 MSMEs in Setu Babakan, South Jakarta, Acting Rector of Pancasila University (Prof. Sri Widyastuti, SE., MM., M.Sc.), Dean of the Faculty of Economics and Business, Pancasila University (Dr. Harnovinsah, SE., M.Sc., Ak., CA., C. IPSAS., CMA., CSRS., CSRA), and representatives from Universiti Teknologi MARA (UiTM), Madam Nurul Salizawatee Binti Mahpar. In addition, 38 participants from UiTM were also present. Participants from UiTM were invited to learn about the culture of Setu Babakan Jakarta, which provided them with new insights into the local culture. Following that, the activity continued with a discussion and workshop that focused on the development of micro, small, and medium-sized enterprises (MSMEs). Many participants provided positive feedback on the material presented.

This Community Service activity is a collaboration between the Postgraduate School of Pancasila University, Universiti Teknologi MARA (UiTM), and MSMEs in Setu Babakan Jakarta, providing education, training, and mentoring for MSMEs in Setu Babakan Jakarta. The theme of the Community Service activity is "Cash Planning Training for MSMEs in Setu Babakan Jakarta", which was held on Saturday, May 25, 2024. The purpose of this Community Service (PkM) is to prepare cash planning and financial budget management for MSMEs in Setu Babakan, South Jakarta. The results of implementing this Community Service are that we aim to become more knowledgeable in cash planning and utilize MSME finances to run our operations stably and sustainably.

Cash planning, in the context of personal finance, refers to the process of creating a detailed budget and financial plan to manage income, expenses, and savings effectively. This process involves analyzing cash inflows and outflows, identifying areas of unnecessary spending, and creating a plan to improve sustainable financial stability. The purpose of SMEs in preparing a cash budget is to determine the cash position at various times by comparing cash inflows with cash outflows, estimating the possibility of a deficit or surplus, preparing short-term and long-term spending decisions where if there is a deficit SMEs need to find new additional funds and vice versa, as a basis for credit policy, as a basis for authorizing the budget funds provided, and as a basis for assessing the realization of actual cash expenditures. Some cash planning strategies that can be employed include using the 50-30-20 rule to allocate income among needs, wants, and savings, reducing unnecessary expenses, increasing savings through automation, and managing cash flow effectively for business purposes.

Cash Planning is essential for several reasons including dealing with unexpected expenses, identifying potential cost savings by analyzing expenses and eliminating unnecessary spending, helping individuals and businesses prepare for the future by setting financial goals and making plans to achieve them, assisting companies to maintain relationships with suppliers by managing cash flow effectively, reducing financial risk by analyzing cash inflows and outflows, and making plans to mitigate losses.

When MSMEs have debts, they must manage these debts wisely. Clever use of debt can help MSMEs in expansion and investment. Here are ways to manage debt wisely: 1) Make a list of debts: Start by making a complete list of all debts you have, including the amount, interest rate, and payment deadline. This helps to have a clear picture of the financial situation and allows for evaluation of the debts you have, the remaining tenor, and the interest rates to be paid. 2) Negotiate interest rates: If necessary, negotiate interest rates with lenders to reduce the costs you will pay. 3) Payment priorities: Prioritize payments based on high interest rates and debt

amounts first. For other debts, they will still be paid, albeit in installments, with a minimum amount. 4) Create a budget: Establish a realistic budget that allows for effective management of the income generated to pay off debts. Set aside some money from your income each month to pay off debts. 5) Negotiate interest rates: If necessary, negotiate interest rates with lenders to reduce the costs you will pay.

MSME business planning often faces numerous challenges and obstacles that can impact the success and sustainability of the company. Some of the main challenges that are often faced in MSME business planning include: 1) Financial Resource Constraints: MSMEs often face limited access to start-up capital, loans, or investment to start or grow their businesses. 2) Intense Competition: MSMEs often face competition from larger companies or local competitors that have greater resources, a broader market reach, and the ability to offer more competitive prices. 3) Rapidly Changing Technology: Technology continues to evolve rapidly, making it essential to continually update and adapt business strategies to stay relevant. 4) Skill and Talent Constraints: MSMEs often have limited teams and may lack the managerial skills or functional expertise needed to manage certain aspects of their business, such as finance, marketing, or operations. 5) Changing Consumer Behavior: Changes in consumer behavior and preferences, particularly those driven by technological advancements or shifting market trends, can make it challenging for MSMEs to maintain the relevance of their products or services.

CONCLUSION

From the entire series of Community Service activities that have been carried out, it can be concluded that MSME actors can know how important it is to organize cash planning and prepare financial budgets for MSMEs in Setu Babakan, South Jakarta. Additionally, MSME actors manage debt wisely, yet they still face challenges and obstacles in sustainable MSME business planning.

Acknowledgements

The authors would like to express their sincere gratitude to the experts and researchers who provided valuable insights and feedback throughout the development of this study. Special thanks are extended to the members of the University of Pancasila, Universiti Kebangsaan Malaysia (UKM), and Universiti Teknologi MARA (UiTM) Malaysia, specifically Madam Nurul Salizawatee Binti Mahpar. In addition, 38 participants from UiTM also attended. Participants from UiTM were invited to learn about the culture of Setu Babakan Jakarta, which provided them with new insights into the local culture.

REFERENCES

- Fatoki, O. (2019). The impact of financial management practices on the sustainability of small and medium enterprises in South Africa. *Journal of Small Business and Enterprise Development*, 26(3), 325–340. <https://doi.org/10.1108/JSBED-05-2018-0156>
- Gitman, L. J., & Zutter, C. J. (2015). *Principles of Managerial Finance* (14th ed.). Pearson Education.
- Gitman, L. J., & Zutter, C. J. (2021). *Principles of Managerial Finance* (15th ed.). Pearson.
- Kolb, D. A. (1984). *Experiential Learning: Experience as the Source of Learning and Development*. Englewood Cliffs, NJ: Prentice Hall.
- Leach, J. C., & Melicher, R. W. (2018). *Entrepreneurial Finance* (6th ed.). Cengage Learning.
- Neck, H. M., Greene, P. G., & Brush, C. G. (2014). *Teaching Entrepreneurship: A Practice-Based Approach*. Edward Elgar Publishing.
- Putri, R. Y., & Widodo, R. (2021). Corporate governance and strategic investment in emerging markets: Evidence from Indonesia. *Asian Economic and Financial Review*, 11(2), 157–169. <https://doi.org/10.18488/journal.aefr.2021.112.157.169>
- Whitmore, J. (2017). *Coaching for Performance: The Principles and Practice of Coaching and Leadership*. Nicholas Brealey Publishing.

Zhang, Y., Lee, K. H., & Lee, H. (2023). ESG performance and access to capital: Evidence from Asian markets. *Finance Research Letters*, 50, 103186.

<https://www.financestrategists.com/wealth-management/financial-statements/cash-flowstatement/cash-flow-planning/>

<https://www.imf.org/external/pubs/ft/expend/guide5.html>

https://www.oreilly.com/library/view/controllers-guide-to/9780471576808/13_chap08.html

<https://www.personalfinancelab.com/finance-knowledge/accounting/cash-planning/>

https://www.oreilly.com/library/view/fundamentals-of-financial/9789332508170/xhtml/heading-00004_chapter009.xhtml

<https://semnas.univbinainsan.ac.id/index.php/escaf/article/download/335/195>

<https://runsystem.id/id/blog/cash-flow/>

<https://www.zoho.com/blog/id/general/cara-mengatur-cash-flow-bisnis-agar-tak-besar-pasakdari-tiang.html>

<https://www.jurnal.id/id/blog/2018-8-tips-menjaga-cash-flow-bisnis-tetap-sehat/>

<https://www.xendit.co/id/blog/bcg-matrix-definisi-kuadran-strategi/>