



## FINANCIAL GOVERNANCE TRAINING TO IMPROVE FINANCIAL PERFORMANCE FOR PRINTING BUSINESS ACTORS

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Article info	ABSTRACT
<p><b>Corresponding Author:</b></p> <p>Agung Wijaya <a href="mailto:agung@ubs-ppni.ac.id">agung@ubs-ppni.ac.id</a> Universitas Bina Sehat PPNI Mojokerto</p>	<p>This community service activity aims to increase the understanding and skills of Brangkal printing business actors in financial management. Through this training, business actors are expected to be able to manage their finances more effectively and efficiently, which in turn will improve the performance and sustainability of their business. The methods used in this training include material delivery, interactive discussions, and direct practice. The training material includes the basics of accounting, cash flow management, preparation of financial reports, and financial planning strategies. The results of this training show a significant increase in participants' understanding and ability to manage business finances. Participants also reported positive changes in the way they recorded and planned their finances, which resulted in increased operational efficiency and profitability of their businesses. Discussions in this training identified several challenges faced by business actors in implementing good financial governance, including limited resources and previous knowledge. However, through this training, business actors obtain practical solutions and support to overcome these challenges.</p>
	<p><b>Keywords:</b> <i>financial governance, MSMEs, printing business actors</i></p>
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### INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a very important role in the Indonesian economy. Small and medium-sized businesses not only contribute significantly to Gross Domestic Product (GDP), but also provide employment to millions of people across the country. Despite their strategic role, many small and medium businesses still face various challenges in their operations, including in terms of financial governance.

One of the small and medium enterprise sectors that has great potential but still faces obstacles in financial governance, such as small and medium enterprises in the printing sector. Small and medium printing businesses, like many other micro businesses, often experience difficulties in effective financial management. These challenges include a lack of knowledge in financial recording, cash flow management, and access to appropriate funding sources.

Good financial governance is an important foundation for the success and sustainability of a business. Without an efficient financial management system, MSMEs

often experience difficulties in managing cash flow, creating budgets, compiling financial reports, and gaining access to adequate financing. This can lead to financial instability, inappropriate decision making, and ultimately, business failure. Good financial governance covers various aspects, such as recording financial transactions, managing cash flow, preparing financial reports, and access to financing. According to basic accounting theory, proper recording of every financial transaction is very important to provide accurate and reliable information for management decision making (Hornigren, Sundem, & Elliott, 2013).

Furthermore, financial management theory emphasizes the importance of efficient cash flow management to ensure liquidity and the ability of a business to meet its short-term obligations (Brigham & Ehrhardt, 2014). Cash flow that is not managed properly can cause serious liquidity problems, which can ultimately threaten business continuity. Preparation of financial reports is also an important aspect of financial governance. Financial reports provide a complete picture of the financial performance of a business and are used by management to plan and control company operations. According to financial accounting theory, well-prepared financial reports can increase business transparency and accountability (Weygandt, Kimmel, & Kieso, 2015).

Experts agree that financial governance training is very important for MSMEs to improve their business performance and sustainability. Zimmerer and Scarborough (2008) state that good financial management is one of the key factors for the success of small businesses. They emphasize the importance of financial training and education for small business owners so they can make better financial decisions and increase operational efficiency.

Furthermore, according to Kiveu and Ofafa (2013), access to financial information and adequate financial training can improve the ability of MSMEs to manage their finances better, which in turn can improve business performance and growth. They also highlighted the importance of support from governments and financial institutions to provide the necessary training and resources for MSMEs. The importance of financial training for MSMEs was also emphasized by Akifa, P. Nayla. (2014) which states that financial education can help small businesses manage financial risks, access financing, and increase their managerial capacity. Financial training can also increase business owners' confidence in managing their finances and make them better prepared to face financial challenges.

Some common problems often faced by small and medium-sized printing businesses in financial management include: first, lack of financial knowledge, many business owners do not have basic knowledge of accounting and financial management, so they are unable to record and manage finances properly. Second, there is no transaction recording: Most business actors do not record their financial transactions properly, making it difficult to monitor cash flow and business financial conditions accurately. Third, difficulty accessing financing: without good financial reports and a clear business plan, business actors often have difficulty getting access to formal financing sources such as banks and other financial institutions. Fourth, poor cash flow management: the inability to plan and manage cash flow causes many business actors to experience liquidity problems, which can disrupt daily business operations.

In this context, it is important to provide financial management training for Brangkal printing business actors. This training is expected to increase the financial management capacity of business owners, so that they can manage business finances better, increase

operational efficiency, and prepare themselves to get better access to financing. Financial governance training is an effective solution to overcome this problem. With proper training, Brangkal printing business actors are expected to be able to increase their capacity and skills in managing business finances. This training is expected to not only help in recording and managing finances, but also in long-term financial planning, debt management, and sustainable business development strategies.

This training aims to design and evaluate the effectiveness of financial management training for printing business actors. With this study, it is hoped that the most effective and applicable training methods can be found to improve the quality of financial governance in printing businesses, so that they can encourage the growth and sustainability of their businesses. Apart from that, it is also hoped that this research can provide a contribution in the form of policy recommendations for local governments and related institutions in supporting the capacity development of small and medium enterprises through targeted training programs.

## **METHOD**

The implementation of this activity aims to increase the financial management capacity of Brangkal printing business actors through comprehensive and applicable training. The method used in this community service program includes several stages, namely preparation, implementation and evaluation. The following is a description of each of these stages:

### **1. Preparation**

#### **a. Identify Needs.**

Conduct an initial survey to identify the financial governance conditions of printing MSMEs in Brangkal and specific training needs. Interviews with MSME owners to understand the obstacles faced in financial management.

#### **b. Designing Training Materials.**

Develop a training curriculum that covers important topics such as basic financial recording, cash flow management, financial planning, and access to sources of financing. Develop training modules and supporting materials such as practice guides, case examples and worksheets.

#### **c. Participant Recruitment.**

Identify and invite printing MSME owners in Brangkal to participate in training. Provide information about the objectives, benefits and training schedule to prospective participants.

### **2. Implementation**

#### **a. Opening and Introduction.** Conduct an opening session which includes an introduction to the coaching team, training objectives, and an overview of the material to be presented. Conveying the importance of good financial governance for the sustainability and growth of MSMEs.

#### **b. Theoretical Training Sessions.** Provide material on the basic principles of financial governance, including financial recording, preparation of financial reports, and cash flow management. Convey short-term and long-term financial planning concepts.

#### **c. Practical Training Session.** Carrying out financial recording exercises and simulations using tools such as cash books, general journals and simple accounting software. Provides case examples and exercises for managing cash flow and preparing budgets.

- d. Consultation and Discussion.  
Provide individual or small group consultation sessions to discuss specific problems faced by participants in financial management. Provide practical solutions and suggestions based on the real conditions of participating MSMEs.
3. Evaluation
- a. Formative Evaluation.  
Use questionnaires to collect feedback from participants regarding training materials, delivery methods, and perceived benefits. Conduct daily evaluations to assess participants' understanding of the material presented and adjust training methods if necessary.
  - b. Summative Evaluation.  
Conduct pre-tests and post-tests to measure participants' increased knowledge and skills before and after training. Prepare an evaluation report that includes analysis of pre-test and post-test results, as well as recommendations for improving training in the future.
  - c. Follow-up.  
Provide continued support for participants through consultation and mentoring after training is completed. Develop a network between participants to share experiences and best practices in financial management.

## **RESULT AND DISCUSSION**

### **Finding**

The results of this study aim to explain in detail the results obtained from financial management training for Brangkal printing business actors. In this section, the results of the analysis during the training will be presented, including participants' responses, increasing their understanding of financial governance, as well as implementing the knowledge gained in business practice. This discussion provides an overview of the effectiveness of training and its impact on business financial management, namely:

#### **Participation and enthusiasm of participants.**

The financial management training carried out succeeded in attracting interest from the owner of the printing business. This reflects the high enthusiasm of printing business actors to improve their financial management. The desire to learn and improve financial governance is reflected in the high level of active participation in training sessions. Participants came from a variety of educational and experiential backgrounds, demonstrating diversity in initial understanding of financial management. Participants have long business experience but do not have a good financial recording system and need basic guidance in managing finances.

#### **Increased knowledge and skills.**

This training succeeded in increasing the participants' knowledge and skills significantly. Evaluations carried out through pre-test and post-test showed a marked improvement in participants' understanding. The average pre-test score of participants was sufficient, while the average post-test score reached a good value. This shows that this training is effective in increasing participants' understanding of the basic concepts of financial governance. Some of the material provided and well understood by participants included:

- a. Basic financial recording.

Basic financial record keeping is an important step to ensure that your business has accurate and complete records of all financial transactions. The following are the steps that need to be carried out in basic financial recording:

- Separating Personal and Business Finances. Steps: open a separate bank account for your business, don't mix personal money with business money, use different debits for business expenses.
- Developing a Bookkeeping System. Steps: choose a bookkeeping system that suits the manual system (cash book) or accounting software, set the bookkeeping period (daily, weekly or monthly), determine the account code for each transaction category (for example, income, expenses, assets and liabilities).
- Record all transactions. Steps: income, recording all cash receipts such as sales, income from services, and others. Expenditures: Record all expenses such as purchasing raw materials, operational costs, salaries, etc. Transaction Details: Include the date, amount, transaction description, and account category.
- Save Proof of Transaction. Steps: save all proof of transactions such as invoices, receipts, payment receipts. Organize transaction evidence systematically by date or category.
- Categorize Transactions. Steps: define a category for each transaction (for example, revenue, purchases, operating expenses, payroll, and other), using consistent account codes for each category.
- Bank Reconciliation. Steps: compare business transaction records with bank statements periodically (monthly), identify and resolve any differences that may exist between business records and bank records, ensure the ending balance in the cash book matches the bank balance.
- Preparation of Financial Reports. Steps: Profit and Loss Statement: Record all income and expenses to determine profit or loss. Balance Sheet: List all assets, liabilities, and equity to see the financial position of the business. Cash Flow Report: Record all cash receipts and disbursements to find out the business's cash flow.
- Using Technology to Assist with Record Keeping. Steps: choose accounting software that suits your business needs, use automation features for recording transactions, creating reports and bank reconciliation, back up data regularly to avoid losing information.

b. Cash flow management.

Good cash flow management is key to ensuring a business remains liquid and can meet its financial obligations on time. The following are the stages of cash flow management in detail:

- Preparation of cash budgets (cash budgeting). Steps: Identify cash sources, determine all sources of business income, such as product/service sales, rental income, or other income. Identify cash expenditures, register all types of expenses, including purchasing raw materials, operational costs, employee salaries, etc. Estimating income and expenses, creating monthly forecasts for income and expenses based on historical data and future projections. Create a cash budget, prepare a cash budget that shows monthly cash receipts and expenditures, and ensure there are cash reserves for urgent needs.

- Record all cash transactions. Steps: Record every cash receipt and disbursement in detail and immediately after the transaction occurs. Use a cash book or accounting software to record all cash transactions. Include the date, amount, transaction description, and account category in each recording.
  - Daily Cash Flow Monitoring. Steps: monitor daily cash balances to ensure there is enough cash to meet short-term obligations. Compares actual cash flow with cash budget to identify deviations and takes corrective action if necessary.
  - Cash and Bank Reconciliation. Steps: perform bank reconciliations periodically (e.g. monthly) by comparing business cash records with bank statements. Identify and resolve discrepancies between cash records and bank statements, such as uncashed checks or recording errors. Ensure that the final cash balance matches the balance recorded at the bank.
  - Cash Flow Analysis. Steps: analyze the cash flow statement to understand the pattern of cash receipts and disbursements. Identify periods where the business experiences cash shortages and periods where cash is surplus. Use this analysis to make strategic decisions, such as delaying large expenditures when cash is low or investing when cash is excess.
  - Management of Receivables and Payables. Steps: Receivables: manage receivables by ensuring customers pay on time. Send invoices immediately after the sale, provide payment reminders, and set strict credit policies. Debt: Manage debt by paying on time to avoid penalties and interest. Take advantage of early payment discounts if available and negotiate favorable payment terms with suppliers.
- c. Preparation of financial reports: Participants gain knowledge about how to prepare simple financial reports such as profit and loss statements and balance sheets.

### **Implement good financial practices.**

After the training, many participants reported starting to implement better financial practices in their businesses. For example, some participants began to record daily transactions more regularly using cash books or simple accounting applications. Apart from that, participants also started compiling monthly financial reports to monitor the financial health of their businesses. Some positive changes reported by participants include:

- Increased financial transparency: With good records, participants can be more transparent in seeing the flow of funds in and out.
- Better financial planning: Participants can plan expenses and income better, thereby avoiding unexpected financial problems.
- Efficiency in fund management: With a better understanding of cash flow management, participants can manage their business funds more efficiently.

### **Discussion**

In this section, it is presented to evaluate the effectiveness of training, discuss factors that support and hinder the implementation of training, and identify the implications of the results obtained. It is hoped that this discussion will provide deeper insight into the impact of training on improving the financial skills of printing businesses and offer recommendations for future training.

### **Effectiveness of training methods.**

The training method used, which combines theoretical and practical sessions, has

proven to be effective in increasing participants' knowledge and skills. This approach allows participants to not only understand the basic concepts of financial governance, but also apply them directly in exercises and simulations. Individual consultation sessions also provide an opportunity for participants to discuss specific problems they are facing and find appropriate solutions. Some aspects that make this training method effective include:

- Practical approach: exercises and simulations help participants to understand how the concepts taught can be applied in real situations.
- Interaction and discussion: discussion and consultation sessions encourage participants to share experiences and learn from each other.
- Relevant material: training material is tailored to the specific needs of printing businesses, so that it is more relevant and applicable.

### **Obstacles faced**

Although this training was successful in increasing participants' financial management capacity, several obstacles were still faced, including:

- Time limitations: limited training time made some participants feel the need for further training to deepen the material.
- Diverse levels of education: variations in the level of education and initial understanding of participants cause gaps in the delivery of material, so that some participants require more in-depth explanations.
- Limited access to technology: some participants had difficulty accessing the technology used in the training, such as simple accounting applications.

### **Long term impact**

This training is expected to have a positive long-term impact on printing businesses. With the knowledge and skills gained, participants are expected to be able to manage their business finances better, which in turn will improve business performance and sustainability. Apart from that, the network between participants formed during the training can also become a platform for sharing experiences and best practices, thereby strengthening the community of fellow micro business actors.

## **CONCLUSION**

Financial management training for Brangkal printing businesses succeeded in increasing participants' knowledge and skills in financial management. The results of the training showed that participants were able to apply better financial practices, such as recording accurate transactions, preparing financial reports, and managing cash flow. In addition, this training also has a positive impact on participants' access, enabling them to obtain better financial support for their businesses. Although the training provided positive results, several obstacles remained, such as time constraints and variations in participants' educational levels. Therefore, there is a need to adapt training methods and additional support to overcome this obstacle. Thus, financial training can provide greater benefits for micro and medium businesses and support the growth and sustainability of their businesses in long term.

Support from various parties, including government, financial institutions, academics and the business community, is needed to ensure the success of this program and achieve a wider impact. Thus, financial governance training for micro and medium enterprises is an important first step in efforts to strengthen the capacity of local business actors and support sustainable economic growth.

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