

Digital Financial Technology Adoption in Financial Management: Evidence from Small and Medium Enterprises in Cisarua Village, Sukabumi, West Java, Indonesia

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ABSTRACT

This community service program was conducted in the Goalpara area, Sukaraja District, Sukabumi Regency, with the aim of strengthening the capacity of MSMEs to manage their business finances through a digital-based approach. The training materials covered basic financial management, financial record-keeping, cash flow management, and simulations of production cost and selling price calculations. The program involved 50 MSME participants and was conducted over two days using lectures, discussions, and simulation methods. The results of the training indicated an improvement in participants' understanding of financial management concepts as well as enhanced skills in using digital financial technologies. To ensure the sustainability of the program, follow-up monitoring and advanced training are recommended, particularly focusing on the use of digital technologies and the internet to expand market reach.

INTRODUCTION

PT Jaminan Kredit Indonesia (Jamkrindo), established pursuant to Deed No. 25 dated February 24, 2020, as amended by Deed No. 10 dated March 8, 2021, aims, in accordance with Article 6, to implement and support government policies and programs in the fields of economic development and national development, including by providing guarantee services for Micro, Small, and Medium Enterprises (MSMEs). PT Jamkrindo plays a strategic role in supporting MSMEs by providing credit guarantee services that improve access to financing for business owners who lack sufficient collateral. Jamkrindo's credit guarantees help reduce the risks faced by financial institutions, thereby encouraging greater lending to MSMEs. In addition, Jamkrindo contributes to strengthening the business capacity of MSMEs through mentoring, financial literacy initiatives, and collaboration with various stakeholders, with the aim of creating an inclusive, sustainable, and competitive financing ecosystem.

Micro, Small, and Medium Enterprises (MSMEs) constitute one of the main pillars of both the national and regional economies due to their significant contribution to job creation, income distribution, and the strengthening of community-based economic activities. In Indonesia, MSMEs dominate the structure of business establishments and serve as the primary source of livelihood for a large proportion of economically active households. However, the substantial contribution of MSMEs has not yet been fully supported by adequate business management capabilities, particularly in terms of financial management and the adoption of digital technologies in day-to-day business operations. According to the Sukabumi Regency Open Data, the number of registered MSMEs reached 14,354 businesses in 2025, continuing an upward trend observed since 2021. Despite this growth, however, the number of MSMEs receiving business development and mentoring support has continued to decline.

Table 1. Trends in the Number of MSMEs and MSME Development

Year	The Number of MSMEs	MSME Development Programs
2021	8.660	234
2022	9.220	584
2023	10.884	482
2024	11.979	400
2025	14.354	100

Source: <https://opendata.sukabumikota.go.id/>

Sukabumi Regency is one of the regions characterized by a high level of MSME activity and diversity. Based on the classifications issued by Statistics Indonesia (Badan Pusat Statistik/BPS) and the Ministry of Cooperatives and Small and Medium Enterprises (SMEs), the MSME structure in Sukabumi Regency is dominated by micro enterprises, which account for more than 80 percent of the total business units, while the remainder consists of small enterprises. Micro enterprises generally record annual turnover of no more than IDR 300 million and are independently managed by their owners, whereas small enterprises generate annual revenues ranging from IDR 300 million to IDR 2.5 billion and tend to adopt more structured management practices. The dominance of micro enterprises indicates that most MSMEs in Sukabumi operate on a family-business scale, with limited capital, workforce, and management systems.

This structural condition is also reflected among MSMEs located in Sukaraja District, particularly in the Goalpara area of Cisarua Village, which serves as the location of this Community Service Program. MSMEs in this area operate across various sectors, including trade, culinary businesses, household crafts, and services, with the majority categorized as micro and small enterprises. Most business owners simultaneously act as managers, meaning that decisions related to operations, marketing, and finance are made independently based largely on experience and routine business practices. Business turnover is generally generated on a daily or weekly basis, with relatively high fluctuations and a strong dependence on local market demand. Therefore, in line with efforts to support MSME credit guarantees and strengthen MSME capacity, STIE Indonesia Banking School, in collaboration with Jamkrindo, conducted a development and mentoring program for MSME owners in Sukaraja District, particularly in the Goalpara area. A number of publications have demonstrated that appropriate mentoring and capacity-building programs can improve MSME owners' understanding of financial management, as reported by Ayuntari (2025), Mutmainnah and Azizah (2022), Semaun and Darwis (2024), Indriani and Suryantara (2023), Rumbianingrum and Wijayangka (2018), Shaddiq et al. (2023), Fauzi (2020), Lakoro and Sukrianto (2021), Zulhelmi and Khairi (2024), and Assanniyaha and Setyorini (2024).

The initial assessment was conducted through field observations during the program preparation stage. The findings indicated that the main challenges faced by MSMEs in the Goalpara area, Sukaraja District, were largely related to financial management practices. Many MSME owners did not maintain regular and systematic financial records, failed to separate business finances from personal finances, and had limited ability to accurately calculate business costs and determine appropriate selling prices. As a result, business owners experienced difficulties in measuring business progress, managing cash flows, and planning for sustainable business development. These findings are consistent with the general characteristics of MSMEs in Sukabumi Regency, the majority of which are micro enterprises operating with simple and informal financial management systems.

At the same time, rapid technological advancement has created significant opportunities for MSMEs to improve efficiency and accountability in financial management. Various digital technologies, such as financial record-keeping applications, spreadsheets, and digital point-of-sale systems, are widely available and relatively accessible to MSME owners. The use of technology in financial management enables more systematic transaction recording, improved cash flow control, and the generation of financial data that can support business decision-making and access to formal financing (Lede et al., 2023; Lakoro & Sukrianto, 2021). Nevertheless, the level of digital adoption among MSMEs in Sukaraja District, particularly in the Goalpara area, remains relatively low. In the long term, this condition may limit the capacity of MSMEs to grow, improve their business performance, and gain access to formal financing. Therefore, capacity-building programs are needed to strengthen MSMEs' ability to manage their business finances in a more systematic and digitally adaptive manner.

In response to these conditions, STIE Indonesia Banking School implemented a Community Service Program entitled *"Business Financial Management through a Digital Approach"* in Goalpara, Sukaraja District, Sukabumi Regency. The program was designed to promote sound and consistent financial management practices among MSME owners through the utilization of digital financial technologies. The training focused on financial planning, transaction recording, cash flow management, cost calculation, and pricing strategies. This community service initiative was financially supported by PT Jamkrindo (Persero), reflecting cross-sector collaboration between a higher education institution and a state-owned enterprise in strengthening the capacity and sustainability of MSMEs at the local level. Through this initiative, MSME owners are expected to improve their financial literacy and financial management skills, enhance the quality of business decision-making, and promote business sustainability and the competitiveness of MSMEs in Sukaraja District and Sukabumi Regency more broadly.

IMPLEMENTATION AND METHODS

This community service activity was conducted in response to an official request from the Kebun Gedeh/Goalpara Micro, Small, and Medium Enterprises (MSME) Association, located in Cisarua Village, Sukaraja District, Sukabumi Regency, West Java, Indonesia. This strategically located area has significant potential for MSME development, particularly in the tourism and vegetable farming sectors. The training activities were delivered by a team consisting of lecturers and students from STIE Indonesia Banking School (IBS). The program was conducted over two days, on Friday and Saturday, August 8–9, 2025. The training methods employed included lectures, discussions, and simulations.

The first day of the program focused on delivering training materials and conducting simulations on financial management, with the topics outlined as follows:

1. *The Main Objectives of Business Financial Management:* The main objectives of business financial management are to control cash, optimize profits, fulfil business obligations, and prepare for future business development. Business owners must be able to monitor cash inflows and outflows to avoid shortages of operating funds. In addition, sound financial management helps improve cost efficiency, establish appropriate pricing strategies, meet obligations to suppliers and the government, and provide sufficient funds for future business expansion and innovation.
2. *Financial Planning:* Financial planning is an essential first step before starting or expanding a business. The process begins by evaluating personal living expenses and business needs, followed by setting the financial goals to be achieved. Business owners then need to distinguish between needs and wants to ensure that funds are used more effectively. The next steps involve determining the time horizon for achieving financial goals and establishing financial protection through emergency funds or insurance. With proper financial planning, business owners can reduce financial risks and be better prepared to deal with various business conditions.
3. *Financial Record-Keeping:* Financial record-keeping refers to the systematic documentation of all business transactions. Business owners can maintain records manually using a cash book or utilize digital tools and applications such as Kasir, Dompetku, or Microsoft Excel. The purpose of financial record-keeping is to enable business owners to determine the amount of revenue earned, the costs incurred, and the actual profit generated by the business.
4. *Cash Flow Management:* Cash is the lifeblood of a business. Therefore, every business owner should regularly record all cash inflows and outflows and keep business finances separate from personal finances. In addition to maintaining proper records, business owners should prepare monthly cash flow projections by estimating expected revenues and expenditures. Effective working capital management is also essential, for example, by maintaining sufficient cash reserves to cover three to six months of operating expenses and avoiding overly rapid business expansion.

The second day of the program focused on a *simulation of selling price calculations on GoFood*. Determining the selling price of products on GoFood requires greater consideration than direct sales because the selling price must cover both the total product costs and the additional costs associated with using the digital platform. Participants were guided in calculating the Cost of Goods Sold (COGS), which includes all relevant cost components such as raw materials, packaging, direct labor, and allocated operating expenses. Once the COGS had been determined, participants were asked to establish their desired profit target. They were then guided in incorporating platform-related selling costs, such as commissions or *service fees*, merchant-funded promotional program costs,

discounts borne by merchants, and other cost components applicable under the relevant partnership scheme. Through this process, participants learned how to determine a GoFood selling price that would cover the COGS while still generating the expected level of profit.

Participants also received hands-on assistance in setting up a GoFood merchant account and ensuring that their stores or businesses were listed on Google. Each participant was individually assisted by the Community Service Program team throughout the account activation process and during the selling price calculation simulations. This practical assistance was intended to ensure that participants not only understood the concepts of digital pricing and cost calculation but were also able to apply them directly to their own businesses.

RESULTS AND DISCUSSION

A total of 50 MSMEs from Sukabumi and Jakarta participated in this community service program. The participants were engaged in a diverse range of business activities, including gas distribution, grocery stores, vehicle washing services, rental properties, and food stalls. During the program, the MSME owners received training aimed at strengthening their understanding of financial management. The results of the post-test survey indicated that:

1. All participants correctly answered that the first step in business financial planning is to determine financial goals.
2. All participants correctly answered the question regarding how to determine the appropriate amount of business reserve funds.
3. All participants correctly answered the questions related to identifying cash inflows and cash outflows.
4. All participants correctly answered the question regarding the percentage allocation between essential expenses and living expenses as part of the preparation for accumulating their own business capital.

In addition, a number of questions were raised by participants throughout the first and second days of the training, including:

1. How can MSMEs obtain additional low-cost financing through government programs?
2. What are effective strategies for saving money?
3. How long should business owners evaluate their businesses before deciding whether they are feasible to continue?
4. How can MSMEs expand their market reach?

These questions also provided valuable input for designing future training programs, particularly those focusing on strategies for expanding market reach.

Overall, the training program was conducted successfully and received positive responses from the participants. To ensure the sustainability and greater impact of the program, follow-up training is recommended, particularly on topics such as digital marketing and promotional digitalization to help MSMEs expand their market reach. The following section presents documentation of the activities conducted during the program:



Figure 1. Documentations

Overall, the evaluation results indicate an improvement in participants' understanding and confidence in applying the knowledge and skills acquired during the training. However, challenges remain in consistently implementing financial record-keeping and sustainable business practices, highlighting the need for continued mentoring and ongoing capacity-building initiatives.

CONCLUSIONS AND RECOMMENDATIONS

This community service program aimed to enhance the understanding of MSME owners in Goalpara, Sukaraja District, Sukabumi, particularly in the area of financial management through the utilization of digital financial technology. At the end of the program, participants demonstrated a better understanding of financial planning and the use of financial technology. This program should be implemented on a continuous basis and adapted to the evolving needs and challenges faced by MSME owners in the area. Future community service programs should include follow-up mentoring and training on the use of digital technology to expand market reach. Through collaboration among credit guarantee companies, higher education institutions, and local governments, MSME owners can continue to receive capacity-building support, which is expected to strengthen their business capabilities and contribute to long-term business sustainability.

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