

Simple Cash Flow Management Training to Prevent Financial Distress Among KSBI Micro-Entrepreneurs in South Jakarta

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Abstract Micro-entrepreneurs in Indonesia, particularly those in the informal sector, often face difficulties in financial management because of limited knowledge of basic cash flow practices. To address this issue, a community engagement program was conducted for members of Komunitas Sukses Berjamaah Indonesia (KSBI) in South Jakarta, with a focus on simple cash flow management training. Using a Participatory Action Research (PAR) approach, the program involved 25 micro-entrepreneurs through the stages of diagnosis, action, evaluation, and reflection. The training modules covered income and expense tracking, cash flow forecasting, and emergency fund planning. Pre- and post-test results showed a significant improvement in participants' financial literacy, with the overall mean score increasing from 54.5 to 85.3. Participant feedback also indicated strongly positive responses, with 95% reporting an improved ability to separate personal and business finances and all participants expressing greater confidence in making financial decisions. In addition, 85% of participants planned to build emergency savings after the training. Overall, the program strengthened basic financial management skills and encouraged more structured financial practices among micro-entrepreneurs.

1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are the backbone of the Indonesian economy, particularly in absorbing the labor force and supporting household income. However, despite their dominant role in the national business landscape, MSMEs continue to face persistent challenges in financial management. Data from the Central Statistics Agency (BPS) show that approximately 54% of MSMEs do not maintain organized financial records, resulting in difficulties in profit evaluation, income instability, and weak cash flow management. These structural weaknesses ultimately constrain business sustainability, even though MSMEs account for the majority of enterprises in Indonesia (BPS, 2023).

This condition has drawn scholarly attention to the role of financial literacy as a key determinant of MSME performance and resilience. Margaretha et al. (2020) demonstrated that inadequate financial planning and monitoring, particularly at the household level, lead to weak

expenditure control and poor financial decision-making. Similarly, Nugraha et al. (2022) found that poor cash flow management frequently triggers liquidity problems among MSMEs. Consistent with these findings, Nurchayati (2025) observed that Indonesian small firms with weak financial management practices tend to experience low levels of liquidity.

In response to these challenges, various financial literacy and budgeting training programs have been implemented to improve MSMEs' financial behavior and decision-making capacity. Previous studies show that financial education can encourage better budgeting practices, improve financial independence, and strengthen business management capacity (Asiah et al., 2024; Hamzah et al., 2024; Sofilda et al., 2024). However, many training programs remain generic and are delivered through top-down approaches, which limits participants' ability to apply financial management practices in their daily business

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activities. Studies by Utami et al. (2021) and Rosliyati et al. (2024) indicate that practice-oriented and contextual financial training is more effective in improving financial management behavior among MSMEs.

This limitation is evident in Komunitas Sukses Berjamaah Indonesia (KSBI, Indonesian Collective Success Community), an entrepreneurial community in South Jakarta consisting of MSME actors from the culinary, fashion, and craft sectors (Bachtiar et al., 2024; Misnan et al., 2024; Putri et al., 2024). Although KSBI has strong social capital through collaborative activities and business-sharing practices, previous mentoring programs have focused primarily on marketing and product development. Financial management, particularly simple cash flow practices, has received limited attention. Initial observations and findings from previous studies indicate that many KSBI members still experience difficulties in managing cash flow, recording income and expenses, planning emergency funds, and separating personal finances from business finances.

To address this gap, the Participatory Action Research (PAR) approach was considered appropriate because it actively involves MSME actors in identifying problems, implementing actions, and reflecting on financial management practices within their community context. In collaborative communities such as KSBI, financial behavior is closely related to daily habits, social interaction, and practical experience. Previous studies emphasize that participatory and practice-based mentorship is more effective than one-way interventions in encouraging sustainable financial behavior change (Ruscitasari et al., 2022; Usman et al., 2024).

Based on these considerations, the community service team from the Faculty of Economics and Business, Universitas Trisakti, initiated the "Simple Cash Flow Management Program" for KSBI members using a PAR approach. The program aimed to strengthen participants' ability to manage cash flow, record income and expenses, plan emergency funds, and apply simple financial management practices through a practical and interactive learning process. Through this community-based approach, the program is expected to create

immediate practical benefits while contributing to the development of an applicable financial literacy model for MSME communities.

2. METHOD

This community service activity employed a Participatory Action Research (PAR) approach, positioning MSME members of KSBI as active collaborators in problem identification, intervention design, and outcome evaluation. This approach was chosen because of the contextual nature of financial management challenges at KSBI, which were directly linked to daily business operations and therefore required solutions that were collaboratively developed and evaluated with the community (Nurhaida et al., 2025).

Building on this rationale, PAR brought together academic knowledge and local experience to support real and lasting changes in practice, not only improvements in understanding (Cornish et al., 2023; Kamelia et al., 2020). In this program, the service team worked closely with KSBI members through a shared process of identifying challenges, taking action, reviewing the results, and reflecting on what worked and what needed improvement. KSBI members were therefore actively engaged as research partners, with activities centered on practical financial issues they faced in daily business operations, such as managing cash flow, preparing simple budgets, and clearly separating business and personal finances. Table 1 presents an overview of how the PAR approach was implemented in this program. The integration of participatory diagnosis, collaborative action, and reflective evaluation enabled KSBI members to develop practical and context-based financial management skills aligned with their daily business activities.

The program evaluation used pretests and posttests administered through a closed questionnaire consisting of 15 items measured on a 1 to 5 Likert scale. The instrument assessed participants' understanding of cash flow management, budgeting, income and expense tracking, financial separation, and emergency fund planning. The questionnaire items were developed based on the training objectives and reviewed by the team to ensure content

Table 1. Summary of Participatory Action Research (PAR) implementation

No	PAR Stage	Action	Activity
1.	Diagnose the situation	Community engagement	Facilitate discussions with KSBI members
		SWOT analysis	Conduct surveys to assess financial literacy and cash issues Identify strengths and gaps in members' financial practices and tools
2.	Act to improve it	Collaborative action	Organize workshops on cash flow tracking, budgeting, and financial separation
		Prototype development	Co-develop budgeting templates and cash flow monitoring tools tailored to MSME operations
3.	Evaluate effectiveness	Define key metrics	Use pretests/posttests and feedback forms to measure changes in knowledge and behavior
		Data collection	Document cash flow improvements and individual financial plans
4.	Reflect and plan next	Reflective workshops	Share outcomes and lessons learned with participants
		Planning for sustainability	Design follow-up support

relevance and clarity. The raw scores were converted into a 0 to 100 scale to facilitate interpretation and comparison across indicators.

Data were analyzed descriptively by comparing the average pretest and posttest scores, supported by participant feedback and percentage-based summaries of practical financial skill improvements. No inferential statistical analysis was conducted because the primary purpose of the program was practical capacity building rather than hypothesis testing.

3. RESULT AND DISCUSSION

3.1 A PAR-based approach to delivering simple cash flow management training among KSBI micro-entrepreneurs

The Simple Cash Flow Management program for MSME members of Komunitas Sukses Berjamaah Indonesia (KSBI, Indonesian Collective Success Community) was implemented using a Participatory Action Research (PAR) approach. By actively involving participants in identifying financial challenges, developing practical solutions, and reflecting on their learning experiences, the program ensured that the training materials were closely aligned with participants' actual business needs. This participatory approach strengthened participants' sense of ownership and supported sustainable improvements in financial management practices, consistent with previous PAR studies (Bergold & Thomas, 2012; Koesoemasari et al., 2024). Figure 1 shows the training activities conducted for KSBI MSME members.



Figure 1 . Documentation of simple cash flow management training activities

3.2 Diagnosis phase: Identifying financial problems of KSBI members

During the diagnosis phase, the PKM team conducted interviews and administered a financial literacy survey to 25 participants to better understand their financial management practices in daily business activities. The results indicated that informal financial practices remained common among participants, with 80% not yet implementing financial record-keeping for their business transactions and 70% still mixing personal and business finances. This condition reflects the broader characteristics of MSMEs in Indonesia, where informal approaches to financial management

continue to prevail (BPS, 2023).

The SWOT analysis presented in Figure 3 further identified several key weaknesses, including limited budgeting discipline, weak financial record-keeping practices, and the absence of emergency savings. However, participants also demonstrated important strengths, particularly strong peer support within the KSBI community and high motivation to learn through practical activities. These findings suggest that the effectiveness of financial literacy interventions depends not only on participants' initial knowledge levels but also on the availability of social support and collaborative learning environments.

3.3 Action phase: Practical and participatory financial training

Based on the diagnostic findings, the action phase focused on strengthening participants' practical financial management skills through structured and participatory training activities. The training modules were specifically designed to address the financial challenges identified during the diagnosis stage, particularly cash flow management, budgeting discipline, and financial separation practices. Figure 2 presents the practical framework used in the training program.

One core module, Recording Daily Income and Expenses, focused on helping participants develop discipline in recording daily financial transactions using simplified cashbook templates. This module addressed the common practice among KSBI members of relying on

Figure 2 . Practical tips for managing MSME cash flow



Figure 3 . SWOT analysis

memory or informal notes, which often resulted in incomplete expense records and unclear profit calculations.

Another module, Weekly and Monthly Cash Flow Planning, introduced participants to basic cash flow forecasting and budgeting practices. Through guided exercises, participants learned how to anticipate cash shortages, manage operational expenses, and improve spending discipline. This module was particularly relevant for MSME actors who frequently experienced liquidity problems because of unplanned expenditures.

The third module, Emergency Fund and Business Savings, emphasized the importance of building financial reserves to reduce business vulnerability during unexpected situations. Participants were encouraged to identify minimum operating costs and gradually build emergency savings as part of their financial planning strategy.

The modules were delivered through participatory methods such as group discussions, role plays, and worksheet simulations, allowing participants to directly apply the concepts to their business conditions. The co-creation of simple budgeting and cash flow templates also helped ensure that the financial tools were practical,

relevant, and easy to implement in daily business activities.

3.4 Evaluation phase: Improvement in financial literacy and financial practices

During the evaluation stage, pretests and posttests were administered to measure changes in participants' financial literacy and practical financial management skills. As presented in Table 2, the overall average score increased from 54.5 in the pretest to 85.3 in the posttest, reflecting a 30.8-point improvement.

The greatest improvement was found in participants' ability to separate personal and business finances, with an increase of 35.5 points, followed by their ability to track income and expenses, which increased by 32.4 points. These findings indicate that practical financial skills closely related to daily business activities were more easily adopted through participatory learning methods. The use of simplified financial templates, role-play exercises, and peer discussions enabled participants to directly apply the concepts to their own business conditions.

The program also generated observable behavioral changes. By the end of the training, 90% of participants

Table 2 . Pretest and posttest score summary

Indicator	Pretest (Avg. Score)	Posttest (Avg. Score)	Change (+/-)
Understanding of cash flow concepts	56.2	87.1	+30.9
Ability to separate finances	49.5	85.0	+35.5
Skill in tracking income/expenses	52.0	84.4	+32.4
Familiarity with budgeting tools	60.2	84.7	+24.5
Knowledge of emergency fund strategy	54.3	85.5	+31.2
Overall Average Score	54.5	85.3	+30.8

Table 3 . Summary of participant feedback

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
The training materials are relevant to my business needs	80%	20%	0%	0%
I understand how to monitor daily/weekly/monthly cash flow	75%	25%	0%	0%
I have started separating business and personal finances	65%	30%	5%	0%
I feel more confident in making financial decisions	70%	30%	0%	0%
I plan to build an emergency fund as a result of this training	85%	15%	0%	0%

reported an improved ability to separate personal and business finances, while 75% were able to independently prepare weekly or monthly cash flow reports. In addition, participants demonstrated greater confidence in managing expenses, planning emergency savings, and evaluating their financial condition.

As presented in Table 3, participant feedback reflected high levels of satisfaction and perceived relevance of the training program. All participants agreed that the materials were relevant and applicable to their business needs, while 85% expressed readiness to build emergency savings after the training. These findings suggest that the participatory and context-based approach not only improved technical financial skills but also strengthened financial awareness and self-confidence among MSME participants.

3.5 Reflection and sustainability planning

This reflection and planning phase focused on sustaining the improvements achieved through the program. Participants collectively proposed a monthly peer review session to discuss cash flow progress and encourage accountability. The community also expressed interest in learning to digitize financial records using simple mobile applications, which will be considered for future engagement.

At the end of the program, the community engagement team emphasized several easy-to-remember and practical strategies that are crucial for MSME actors in ensuring business sustainability and resilience. These six strategies included: (1) separating personal and business finances by using different bank accounts to maintain clear and controlled cash flow; (2) recording all transactions daily to avoid missing important financial data; (3) projecting cash flow to anticipate future financial needs and prevent cash shortages; (4) controlling expenses by regularly evaluating and eliminating unnecessary costs; (5) preparing an emergency fund as a financial buffer during crises; and (6) regularly reviewing financial reports to make well-informed and timely business decisions. Although these steps are simple, they can have a significant effect on

financial management.

3.6 Key insights and implications

The approach based on PAR proved effective in tailoring financial literacy interventions to the lived realities of MSMEs in community settings. By involving KSBI members throughout the process, from identifying problems to reflecting on solutions, the program built practical financial capacity and enhanced self-reliance. This approach aligns with the findings of Nurhaida et al. (2025), who emphasized that participatory training increases both knowledge retention and empowerment.

Moreover, the program addressed the critical gap between available financial literacy programs and the actual needs of informal entrepreneurs. While conventional financial training often assumes prior exposure to accounting principles, the Simple Cash Flow Management module provided an accessible and culturally relevant entry point into financial discipline. This finding aligns with Daryanto (2021), who demonstrated that targeted training in basic accounting and finance significantly enhances understanding of cash flow and financial statements, indicating that community-centered interventions can be highly effective when tailored to local needs.

In the context of Indonesia's broader economic landscape, where approximately 54% of MSMEs do not maintain organized financial records BPS (2023), such grassroots initiatives serve as foundational interventions. When scaled, they can contribute to more financially resilient communities, better access to capital, and improved competitiveness in local markets.

Despite the positive outcomes, this program had several limitations. The training was conducted within a relatively short implementation period, limiting the ability to observe long-term behavioral changes among participants. In addition, no long-term follow-up or monitoring was carried out to evaluate whether the financial management practices introduced during the program were consistently maintained after the training ended. Future community engagement programs are therefore encouraged to include

periodic mentoring and longitudinal evaluation to assess the sustainability of behavioral and financial management improvements among MSME participants.

4. CONCLUSION

The Simple Cash Flow Management program successfully improved the financial literacy and basic financial management skills of MSME members in Komunitas Sukses Berjamaah Indonesia (KSBI, Indonesian Collective Success Community). The program strengthened participants' understanding of cash flow management, financial record-keeping, budgeting practices, and emergency fund planning, as reflected in the increase in the overall average score from 54.5 in the pretest to 85.3 in the posttest. Most participants also demonstrated an improved ability to separate personal and business finances, track income and expenses, and prepare simple cash flow plans.

The Participatory Action Research (PAR) approach proved effective in aligning the training process with the actual financial challenges faced by MSME participants. Through collaborative diagnosis, participatory training activities, and reflective discussions, the program encouraged not only knowledge improvement but also practical behavioral changes in daily financial management. Participatory methods such as role plays, peer discussions, and the co-creation of simple financial templates enabled participants to apply the training materials directly to their business activities.

Beyond improving technical financial skills, the program also strengthened participants' financial awareness and confidence in managing business finances more independently. These findings indicate that practical and context-based financial literacy programs can effectively support financial resilience among community-based MSMEs.

However, this program was conducted within a relatively short implementation period and did not include long-term follow-up to evaluate the sustainability of participants' behavioral changes over time. Future community empowerment programs are therefore encouraged to provide periodic mentoring, integrate simple digital financial tools, and conduct longitudinal evaluations to strengthen the long-term impact of financial literacy interventions among MSMEs.

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CONFLICT OF INTERESTS

The authors declare no conflicts of interest.

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