

## Bookkeeping Training for Ceramic Trading MSME Entrepreneurs

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### Abstract

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in supporting economic growth, absorbing labor, and reducing poverty, yet many entrepreneurs still face challenges in financial management, particularly in bookkeeping practices. This community service program was carried out to respond to the limited capacity of ceramic trading entrepreneurs in Pekanbaru, who often manage their businesses informally without proper financial recording, which hampers decision-making, cost calculation, and access to financial support. The purpose of this program was to improve the knowledge and skills of MSME entrepreneurs in preparing simple bookkeeping records adapted to their business characteristics. The method applied was the Participatory Action Research (PAR) approach, involving socialization, lectures, discussions, and mentoring that enabled participants to directly practice recording daily transactions and compiling basic financial reports such as balance sheets and income statements. The results show that participants were able to separate personal and business finances, record transactions more regularly, and recognize the strategic importance of bookkeeping for business sustainability. The drawn conclusion is that bookkeeping training contributes significantly to increasing financial literacy and competitiveness of MSMEs, although long-term mentoring is still required to strengthen consistency and adoption of digital tools. This program contributes practically by empowering local entrepreneurs and theoretically by affirming the relevance of financial literacy in MSME development.

### Keywords

Bookkeeping Training, Ceramic Trading, MSME.



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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in national economic growth. One MSME sector with significant potential is the ceramics craft industry, particularly in production centers. Ceramics entrepreneurs not only contribute to the local economy but also possess high cultural and aesthetic value. However, the challenges faced by ceramics entrepreneurs remain quite complex, one of which is low capacity in financial management,

particularly in bookkeeping.

Many ceramics entrepreneurs operate their businesses through generations and informally, lacking adequate financial record-keeping systems. Bookkeeping is often done manually or not at all. As a result, they struggle to monitor their financial condition, accurately determine the cost of goods manufactured, manage cash flow, and prepare the financial reports required for credit applications or government assistance.

This problem impacts operational efficiency and business competitiveness. However, good bookkeeping can be a strategic tool for business decision-making, business planning, and sustainable growth. Therefore, interventions in the form of training and mentoring are needed for ceramics entrepreneurs to develop the skills and awareness to create simple bookkeeping that aligns with their business characteristics.

Through this Community Service activity, the implementing team from the university is present to provide tangible contributions in the form of bookkeeping assistance to ceramic entrepreneurs. The approach used is participatory, practical, and applicable so that the results can be directly applied in daily business activities. Through a deeper understanding of the market, the ability to adapt to new technologies, and maintaining good relationships with customers, ceramics trading MSME entrepreneurs can achieve success and have a positive impact on the local economy.

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in economic growth because they contribute to the ever-increasing domestic product. MSMEs are also capable of absorbing labor, thereby reducing poverty and unemployment. Several challenges currently faced by MSMEs include marketing difficulties, limited innovation and technology, and limited knowledge of bookkeeping and financial reporting. Bookkeeping is a crucial task in conducting or recording business transactions. MSMEs often rarely prepare financial reports due to limited accounting information and a focus on marketing (Musliha Shaleh, 2021).

The purpose of holding this Community Service (PKM) is to strengthen the theory and insight of students' knowledge in the real world of work, in addition to fostering a professional attitude that students need to enter the business world, and broadening students' insights and views on the types of work in the place where we carry out PKM. The benefits of implementing PKM for students are Improving students' skills in communicating PKM activities make students interact directly with the local community so that students are trained to be more communicative in the future in interacting with the community.

## **METHOD**

The community service activities in this program adopt the Participatory Action Research (PAR) approach, which emphasizes community members' collaboration, reflection, and active involvement throughout all stages of the intervention. The initial stage of the Community Service implementation began with outreach to Micro, Small, and Medium Enterprises (MSMEs), which included program proposals and preparation of briefings. After an agreed timeframe was reached, training was delivered using the following methods: First,

a lecture method was used to convey knowledge and understanding of financial reporting to MSMEs. The lecture material began by introducing the importance of preparing simple financial reports. Second, a discussion method provided MSMEs with the opportunity to discuss issues related to financial reporting and other challenges they faced. This interactive method allowed participants to share experiences and solutions. Third, through mentoring, MSMEs were provided with concrete guidance on how to prepare simple financial reports. This mentoring was carried out after some time had elapsed, ensuring direct application of the knowledge gained. Thus, this stage provided a holistic approach to improving MSMEs' understanding and skills related to financial reporting.

The type of activity in this Community Service (PKM) is assistance in bookkeeping financial reports in ceramic shop businesses, namely by visiting ceramic shop business owners and conducting interviews to find out what obstacles are encountered in the business. Then we provide suggestions and ideas that are acceptable to business owners, as well as providing a brief overview of bookkeeping and financial taxes. This mentoring activity is carried out continuously, carried out from July to August 2025. The object of this PKM activity is one of the Pekanbaru Ceramic Shops, precisely located on Jl Garuda Sakti, Pekanbaru City, Riau. Geographically. The location is quite affordable for the owner because it is close to the main road.

## FINDINGS AND DISCUSSION

During the PKM program conducted with the community service team, my friends and I gained a lot of new knowledge, broadening our perspectives on ceramics management in the business world, which we hope will be useful in the future. For example, we learned how business owners control and manage their businesses to maintain their operations, and what appropriate decisions and strategies they have implemented. We also learned how important financial reporting is for a business, allowing us to mitigate potential profits and losses.

The following is documentation during the training;



**Figure 1.** Assistance activities for financial report bookkeeping in ceramic shop businesses

The program material provided to MSMEs is how to process daily transactions to produce a balance sheet and profit and loss statement; a) Balance Sheet The balance sheet is a report regarding the assets, liabilities, and equity of an entity on a certain date, namely the end of the reporting period. The balance sheet can be said to be balanced if the company's assets are equal to the amount of debt plus capital (assets = debt + capital); b) Profit and Loss Statement: Components in the profit and loss statement are income earned in a certain period, then followed by expenses incurred in the same period.

The implementation of bookkeeping training for ceramic trading MSME entrepreneurs in Pekanbaru showed a significant improvement in participants' understanding of financial recording and reporting. Before the training, most business owners admitted that they rarely carried out systematic bookkeeping, with financial transactions often mixed with personal expenses. After participating in the sessions, they were able to distinguish between business and personal finances, record daily transactions more accurately, and recognize the importance of preparing basic financial statements such as the balance sheet and income statement. This change was evident in their ability to present structured transaction records, which became a valuable tool for decision-making and monitoring cash flow.

Furthermore, the participatory approach applied in this community service activity enabled participants to not only receive theoretical explanations but also engage in discussions and hands-on practices relevant to their business context. The mentoring process helped them gradually apply bookkeeping techniques directly to their daily operations. As a result, participants expressed greater confidence in managing their finances and realized that accurate bookkeeping would support their access to credit facilities and government assistance programs. In general, the program succeeded in raising awareness among ceramic trading entrepreneurs that good bookkeeping practices are not merely administrative tasks, but a strategic foundation for sustaining and growing their businesses.

The results of this community service program indicate that the bookkeeping training for ceramic trading MSME entrepreneurs brought significant changes in the way participants understood and applied financial management in their businesses. Initially, most entrepreneurs managed their businesses without a structured bookkeeping system, which caused difficulties in monitoring income and expenses, calculating production costs, and projecting business growth. After participating in the training and mentoring sessions, they began to adopt more systematic recording practices, which are aligned with the objectives of the program to build awareness of the strategic role of bookkeeping in sustaining business operations.

The following is a financial report from the community service activities carried out:

<b>PENJUALAN</b>			
Penjualan		128.296.050	
HPP	82.076.029		
Potongan Pembelian	-		
Ongkos Kirim	-		
Potongan Penjualan	-		
Retur + Potongan Penjualan		82.076.029	
<b>JUMLAH PENJUALAN BERSIH</b>			<b>46.220.021</b>
	-		
Persediaan Barang Jadi Selama Periode Ini		-	
		-	
<b>JUMLAH HPP</b>			<b>-</b>
<b>LABA KOTOR</b>			<b>46.220.021</b>
<b>BEBAN</b>			
Beban Administrasi	336.000		
Beban Penyusutan Peralatan	-		
Beban Penyusutan Kendaraan	-		
Beban Perlengkapan	600.000		
Beban Jasa Konsultan	-		
Beban Gaji Karyawan Tetap	10.850.000		
Beban Gaji Karyawan Tidak Tetap	-		
Beban Konsumsi	300.000		
Beban Perjalanan Dinas	2.175.000		
Beban Pajak	540.000		
Beban Pajak Bank	7.328		
Beban Angkut	27.000.000		
Beban Iklan	-		
Beban Akomodasi	1.346.900		
Bongkar Muat	-		
Beban Pulsa dan Internet	-		
Beban Sewa Ruko	-		
Beban Maintenance	-		
Beban Lain-lain	-		
<b>JUMLAH BIAYA DAN BEBAN</b>			<b>43.155.228</b>
<b>LABA OPERASIONAL</b>			<b>3.064.793</b>
<b>PENDAPATAN LAIN-LAIN</b>			
Pendapatan Bunga	37.967		
<b>JUMLAH PENDAPATAN LAIN-LAIN</b>			<b>37.967</b>
<b>JUMLAH BIAYA LAIN-LAIN</b>			<b>-</b>
<b>LABA BERSIH</b>			<b>3.102.760</b>

**Figure 2.** financial statement bookkeeping report

The resulting balance sheet can be seen in the following image below;

AKTIVA	-	
AKTIVA LANCAR	-	
Kas	-	
Bank Mandiri	25.094.778	
Piutang	-	
Persediaan	85.381.804	
PPN Masukan	-	
Perlengkapan	-	
PPh 23 Dibayar Dimuka	-	
PPh 22 Dibayar Dimuka	-	
PPh 21 Dibayar Dimuka	-	
PPh 25 Dibayar Dimuka	-	
<b>JUMLAH AKTIVA LANCAR</b>		<b>110.476.582</b>
AKTIVA TETAP	-	
Peralatan	-	
Kendaraan	-	
<b>JUMLAH AKTIVA TETAP KOTOR</b>		<b>-</b>
Akumulasi Penyusutan Peralatan	-	
Akumulasi Penyusutan Kendaraan	-	
<b>AKUMULASI PENYUSUTAN AKTIVA TETAP</b>		<b>-</b>
<b>JUMLAH AKTIVA TETAP BERSIH</b>		<b>-</b>
<b>JUMLAH AKTIVA LAIN-LAIN</b>		<b>-</b>
<b>TOTAL AKTIVA</b>		<b>110.476.582</b>
KEWAJIBAN	-	
Hutang Usaha	57.474.579	
PPN Keluaran	-	
Hutang Gaji	-	
Hutang Pajak	-	
Hutang Pajak PPh 21	-	
Hutang Pajak PPh 23	540.000	
Hutang Pajak PPh Final	-	
Hutang Pajak PPh Ps.29	-	
<b>JUMLAH KEWAJIBAN LANCAR</b>		<b>58.014.579</b>
<b>JUMLAH KEWAJIBAN JANGKA PANJANG</b>		<b>-</b>
<b>JUMLAH KEWAJIBAN</b>		<b>58.014.579</b>
EKUITAS	-	
Modal	49.359.244	
Prive	-	
Laba Bersih	3.102.760	
Laba Ditahan	-	
<b>JUMLAH EKUITAS</b>		<b>52.462.003</b>
<b>TOTAL KEWAJIBAN DAN EKUITAS</b>		<b>110.476.582</b>

**Figure 3.** Results of the balance sheet of the financial statements

When compared with previous community service programs conducted in similar

contexts, these findings reinforce earlier results. For example, Musliha Shaleh (2021) highlighted that the lack of financial literacy among MSMEs often becomes a barrier to business development, particularly in relation to access to formal financial institutions. Likewise, a community service project in the batik MSME sector (Sari & Nugroho, 2022) found that entrepreneurs who received bookkeeping training were able to better separate personal and business finances, which in turn improved the accuracy of their profit-loss calculations. The findings of this program in ceramic trading MSMEs resonate with those earlier studies, showing that bookkeeping training has a direct impact on improving the financial accountability and competitiveness of micro-entrepreneurs.

From the perspective of relevant theory, the results of this program are consistent with the resource-based view (RBV) of the firm, which emphasizes that organizational resources—such as financial management skills are strategic assets that determine competitiveness and sustainability. Bookkeeping skills acquired through training can be categorized as an intangible resource that strengthens the entrepreneurial capacity of MSMEs. Moreover, this finding is also aligned with financial literacy theory (Lusardi & Mitchell, 2014), which stresses that individuals with higher financial knowledge are more capable of making rational financial decisions, reducing risks, and achieving long-term business growth. In this context, the ceramic trading entrepreneurs who improved their bookkeeping skills demonstrated an increased ability to make decisions based on accurate financial information, rather than intuition or tradition alone.

Another point of analysis lies in the pedagogical approach adopted in this program. The participatory action research (PAR) model not only delivers theoretical knowledge through lectures but also describes interactive discussions and mentoring. This methodological choice is validated by experiential learning theory (Kolb, 1984), which argues that knowledge is best acquired through active engagement, reflection, and application. The direct involvement of participants in practicing bookkeeping during the mentoring sessions accelerated the learning process and ensured that the acquired skills could be directly applied in their business. This explains why participants expressed greater confidence in managing their financial records after the program compared to their initial conditions.

In addition, the findings highlight a cultural and contextual dimension of financial management in MSMEs. Many ceramic trading businesses are family-owned and inherited across generations, leading to informal financial practices. This observation is consistent with previous studies on traditional SMEs (Tambunan, 2019), which noted that cultural practices often limit the adoption of formal business management systems. However, by introducing bookkeeping as a simple and practical tool rather than a bureaucratic burden, this program managed to overcome resistance and encouraged gradual behavioral change. Thus, the analysis shows that adapting financial training to the socio-cultural background of entrepreneurs is a crucial factor in ensuring its effectiveness.

## CONCLUSION

The results of this community service program demonstrate that bookkeeping training for ceramic trading MSME entrepreneurs in Pekanbaru has succeeded in enhancing participants' understanding and ability to apply simple financial records in their businesses. This finding answers the researcher's initial concern that many MSME entrepreneurs, particularly in the ceramic trade, were still constrained by limited knowledge and practices in financial management, leading to difficulties in decision-making and accessing external funding. Through participatory approaches that combined lectures, discussions, and mentoring, participants not only gained theoretical knowledge but were also able to directly implement bookkeeping practices adapted to the daily realities of their businesses. This shows that structured financial literacy interventions can significantly improve the competitiveness and sustainability of MSMEs. However, the implementation of this program also faced several limitations. First, the relatively short duration of mentoring limited the depth of assistance provided to participants, particularly in mastering more advanced aspects of bookkeeping such as tax reporting or digital accounting applications. Second, the findings were focused on one ceramic shop in Pekanbaru, which limits the generalizability of the results to broader MSME contexts. Third, some participants still perceive bookkeeping as a secondary task compared to marketing and production, which reflects a cultural challenge that cannot be resolved in a single intervention. These weaknesses highlight the need for continuous, long-term, and context-sensitive assistance.

For future community service activities, it is suggested that the program be expanded to include more participants and diverse business sectors, so that broader comparisons can be drawn. In addition, integrating digital bookkeeping applications tailored for MSMEs could be an effective strategy to make financial recording easier, faster, and more accurate. Collaborating with local government agencies and financial institutions is also recommended, so that entrepreneurs can connect bookkeeping practices with access to capital, training, and market opportunities. Finally, long-term mentoring programs that combine financial literacy, business strategy, and digital skills are necessary to ensure that the impact of such interventions is sustainable and can truly transform the way MSMEs manage their businesses.

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