



FINANCIAL LITERACY EDUCATION FOR SME BUSINESS ACTORS IN IMPROVING FINANCIAL MANAGEMENT AT MUHAMMADIYAH CHARITY WARUNG SOTO LAMONGAN IN KUALA LUMPUR, MALAYSIA

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Abstract

This community service activity aims to increase knowledge about financial literacy for UKM, namely increasing the understanding of some Muhammadiyah citizens in Malaysia regarding financial planning and improving the quality of preparing financial reports for UKM Muhammadiyah Charity Warung Soto Lamongan (WASOLA) in planning their finances. With this service activity on financial literacy, AUM can make financial plans and prepare good and accurate financial reports. This activity is carried out by conducting outreach on financial literacy and financial management training. The target of this activity is the Muhammadiyah Charity Business Warung Soto Lamongan in Kuala Lumpur. The output resulting from this service is increasing managers' understanding of financial literacy, increasing awareness of financial management and implementing financial report preparation programs that are appropriate to partners' conditions. The financial reporting application that will be provided to partners is an Excel-based application, which is quite simple, easy to apply and can solve partner problems. This application is designed to be used by anyone.

Keywords: Education, Financial Literacy, Financial planning, Financial management

INTRODUCTION

Who doesn't know Soto Lamongan? For local culinary hunters, you are certainly familiar with the distinctive taste of this soupy and koya food. In several areas in Indonesia, it is easy to find food stalls that provide the Soto Lamongan menu. You must go out to a crowded place like a market or along the road; your wish will come true. The delicious taste makes this Lamongan culinary speciality loved by many people. Even recently, Soto Lamongan has started to go international. It was marked by the inauguration of Warung Soto Lamongan (Wasola) in Kampong Bharu, Kuala Lumpur, Malaysia. The presence of Soto Lamongan in the neighbouring country is certainly a source of pride for its citizens. The legacy of culinary recipes from our ancestors is still loved by many people, including in other countries.

This pride was also realized by the presence of the Regent of Lamongan, Yuhronur Efendi, to inaugurate Wasola, which MEK PCI Muhammadiyah Malaysia initiated. Last Sunday, January 22 2023. Reporting from the page lamongankab.go.id, the establishment of Wasola in the neighbouring country was also thanks to the collaboration between Indonesian Migrant Workers (PMI) and Muhammadiyah. Apart from having the aim of delegating Soto Lamongan, the presence of Wasola is also a medium for strengthening the people's economy. The Regent of Lamongan, who is familiarly called Pak Yes, not only inaugurated it, but he also tasted a bowl of Soto Lamongan there. The taste is no less than Warung Soto Lamongan in the area of origin. The aim of PMI and PCI Muhammadiyah to encourage economic

strengthening of the people is also supported by Pak Yes. He admitted that he would soon send the chief expert in the culinary field of Soto Lamongan to Wasola in Malaysia.

Warung Soto Lamongan (Wasola) was officially opened on Sunday, August 16 2020. Can't believe it, a day before the 76th Independence Day of the Republic of Indonesia, it is still only a few years old for the charity restaurant PCIM Malaysia. However, the development of the business has progressed. Even though it is called a soto stall, what is served at this stall is a variety of other Indonesian dishes which are also popular with Indonesian people who live in Kuala Lumpur, such as Asem-seam Bandeng, Asem-aseam Head Manyung, various kinds of meatballs, catfish pecel and various kinds of drinks. (<https://besarmuhammadiyah.id/2021/08/16/wasola-kami-waiting-di-sini/>). Founded during the pandemic, Wasola serves a menu of typical East Javanese food. It requires high optimism and great sacrifice in its management to survive. The reason for choosing a place on Jalan Raja Alang Kuala Lumpur was based on the consideration that this place was the central point for important PCIM Malaysia events, especially those involving figures from the central leadership (PP). It is also close to the International Guest Hotel, a popular star hotel owned by Muslim entrepreneurs in Malaysia.

During the pandemic, the challenges faced by Wasola also became more difficult. Many experienced, well-known and established restaurants have now been forced to close or leave. As for Wasola, thank God, up to this moment, it is still able to survive and progress. This condition cannot be separated from serious and professional management. When starting this business, Wasola managers were quick to ask for guidance from experts. One of them is Prof. Dr. M. Akhyar Adnan, the first chairman of PCIM Malaysia, who is currently the Supervisor of BPKH in Jakarta. Transparency and accountability it is still difficult at this time because it is still very dependent on managers whose status is volunteers, and the majority are Indonesian Migrant Workers. For this reason, the service team provides a solution by providing outreach on the importance of financial literacy for WASOLA managers.

Financial literacy is people's knowledge and skills related to finances so they can manage and utilize finances optimally. With financial literacy, people are expected to have adequate financial education to take a stand and make financial decisions wisely. According to the OJK, financial literacy is knowledge, skills and beliefs that influence human behaviour as a form of improving the quality of financial management and decision-making to achieve a prosperous life. Thus, it is very important for all business actors, including SMEs, to know financial literacy so that SMEs can manage their finances better. OJK continues to strive to increase Indonesia's financial literacy through various means. The OJK launched several programs as a form of support and expansion of financial education. For example, OJK is developing digital financial education through online courses, social media, etc. OJK also invites influencers and communities to carry out branding related to financial education.

Khadijah and Purba (2021) explain that financial management is planning, organizing, directing and controlling economic activities such as procuring and utilizing business funds. By carrying out financial management, the Company can maximize profits and minimize costs. Through good financial

management, it is hoped that it will reduce costs arising from company operations (Armereo et al., 2020:6).

Based on the situation analysis above, it can be formulated that the problems faced by partners are as follows: 1) Partners need to understand better financial literacy, and 2) Partners need to be able to carry out good financial management. Based on several problems partners face, the service team discusses with partners to find appropriate and acceptable solutions. The service team involves partners in determining the proper method to resolve these problems. It ensures that the answers provide optimal results and suit the partner's circumstances.

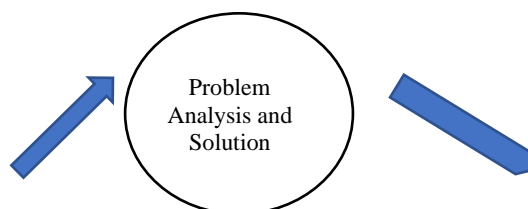
Some of the alternative solutions provided by this service activity are in the form of education and discussions about financial literacy, bookkeeping and accounting, and ways to manage finances. By doing the above, partner companies can gain a good understanding, be able to produce faster and more accurate accounting information, be able to manage finances better so they can make better work plans, be able to analyze company performance competitor performance and be able to access funding from external parties.

The resulting output is 1) an increased partner's understanding and knowledge about financial literacy, 2) Human resources who can carry out financial records well, and 3) an ability to manage finances.

METHOD AND PROCEDURES

1. Stages of Devotion

This method of implementing community service begins with looking at the conditions and listening to the problems faced. After that, we carried out financial literacy outreach and education. To measure the partners' level of understanding, the service team conducted pre-tests and post-tests. The questions given to socialization participants were designed to refer to the questions in the OJK module in the Indonesian Financial Literacy Series. Next, we conducted a joint evaluation and discussion regarding alternative solutions that could provide a solution to the level of financial literacy. After an agreement was reached by all parties involved in this activity, preparations for community service were immediately carried out. The stages carried out in this service are as follows,



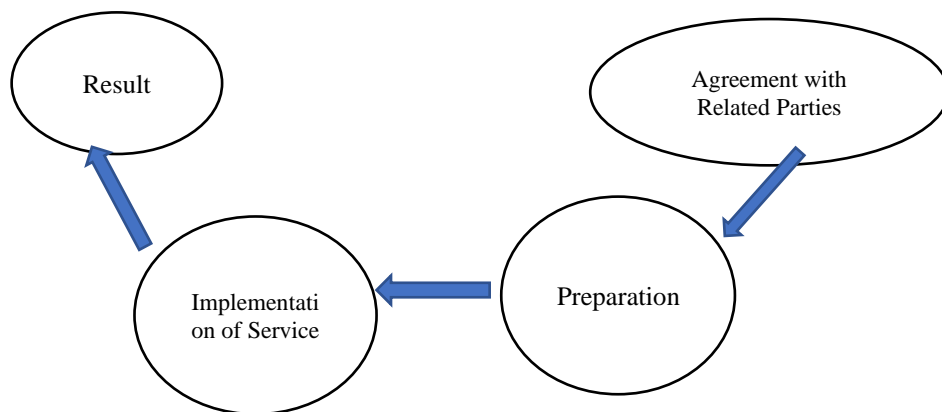


Figure 1. Stages of Implementation of Community Service

2. Approaches Offered

The approach method offered by the service team is with several steps, namely: 1) Partner Problem Identification, 2) Financial literacy education, 3) Presentation of Financial Management, 4) Implementation

3. Problem Solving Framework

Below is Figure 1 to see the problem-solving framework prepared by the service team.

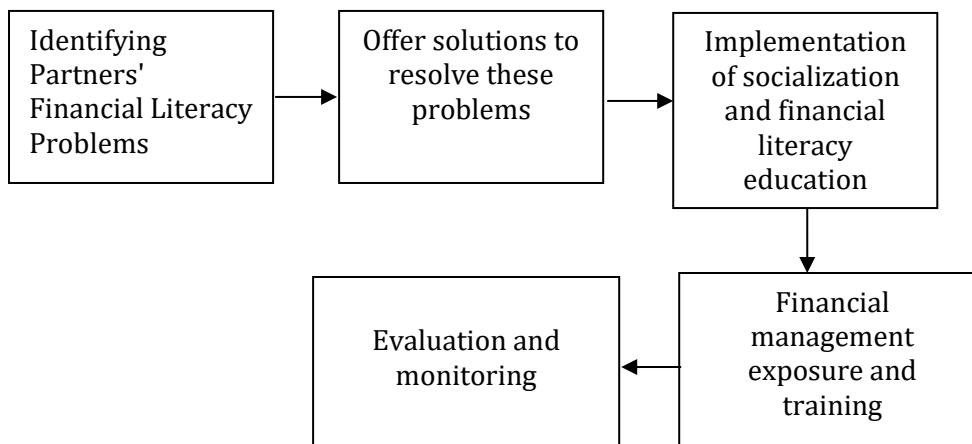


Figure 1. Problem-Solving Framework

Partners play an active role in coordinating with service providers to resolve problems experienced by partners. Partners provide a place to coordinate and implement the results of this service.

RESULTS

Financial Literacy Socialization

Based on the results of discussions, questions and answers and direct observations during community service activities, effects include 1) Education and socialization of financial literacy for wasola managers and volunteers providing new information regarding the importance of knowing basic finances, 2) Participants who attended were very enthusiastic about finding more detailed information related to the material being taught, especially those related to recording transactions to making correct financial reports. It can be seen from the very active participation of participants during discussions and questions and answers, and 3) This community service has also succeeded in becoming a medium for the formation of Financial Literacy Studies for AUM in the neighbouring country of Malaysia.



Figure 2. Documentation of financial literacy outreach activities at Wasola

Understanding of Financial Management

Understanding of financial management is getting better. The indicators are obtained from the results of the questionnaire answers given during the pre-test and post-test. Where the answers show increased understanding. The following is financial management training documentation.



Figure 3. Community Service Implementation Team



Figure 4 Location of activity implementation

The implementation of community service went well and smoothly. It can be seen from the enthusiasm of the participants who attended. Evaluation of the community service activity process is carried out after the activity ends.

CONCLUSION

The results of this community service provide solutions to partners in increasing their understanding of financial literacy so that partners can manage their finances better. Partners can prepare financial reports and manage cash flow (money in and out). The advice given to partners after this community service activity was carried out was to improve the quality of human resources. Improve managerial abilities by carrying out grading related to financial management.

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