

Enhancing the Competitiveness of Micro and Small Enterprises (MSEs) in Bandung City Through Financial Management and Product Certification Assistance

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ABSTRACT

The Community Service activity, themed on enhancing the competitiveness of Micro and Small Enterprises (MSEs) in Regol Subdistrict, Bandung City, through financial management assistance and product certification, was carried out for 10 culinary MSE actors. It aimed to improve the quality of financial management to support business advancement, and to increase product quality and consumer trust through Halal-certified products. The activities included material delivery, workshops on supporting technology use, and direct assistance. The increase in post-test scores after 9 material deliveries indicates that the training had an impact on improving participants' understanding. The largest percentage increase in score was in the Business Licence material at 62.3%, and the smallest was in the Product Branding material at 7.6%. Feedback from participants showed that they were satisfied and benefited from all the activities.

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INTRODUCTION

Bandung City is recognized as one of the growth hubs for the creative economy in Indonesia. Various Micro and Small Enterprises (MSEs) grow and develop in this city, especially in the culinary sector, which saw an increase in number from 3,464 in 2022 to 4,024 and 4,763 in 2024, based on data from the Bandung City Cooperatives and Micro and Small Enterprises (MSEs) Agency. The existence of MSEs is very important for supporting the local economy, creating employment, and serving as a livelihood for many people. However, despite having great potential, many MSE actors in Bandung City still face various challenges in developing their businesses to compete in an increasingly competitive market. Although the numbers are quite large, only about 30% have a good financial management system and have obtained product certification. This situation indicates that many MSE actors still need support to strengthen their business foundation, particularly in financial management and product legality. Implementing more efficient financial management principles can monitor cash flow, formulate more realistic budgets, and plan investments better. This leads to stronger financial stability and prepares the business to overcome challenges in the future (Dewi et al., 2025).

Geographically, Bandung City has varying regional characteristics. The central part of the city functions as the main center for trade and economic activity, while the outskirts become an important production base. However, access to information, training, and facilities to support businesses is still uneven. micro and small entrepreneurs in the outskirts often experience difficulties in getting technical assistance, both in business management and in the process of licensing and product certification. This creates a gap in competitiveness between MSEs in the central area and the outskirts.

The problems faced by MSE actors in Bandung City generally revolve around three main issues. First, weak financial management capability. Many micro and small entrepreneurs are not accustomed to regularly recording transactions, managing cash flow, or preparing simple financial reports. Consequently, they often find it difficult to obtain financing from financial institutions because they do not have accountable financial reports. Second, low awareness and capability in obtaining product certification. In fact, certifications such as Halal and other quality labels are key to increasing consumer trust and expanding the market. Halal products have become a lifestyle as well as a necessity for the community in Indonesia. The government has made efforts to meet this need by providing Halal certification (Dakwah et al., 2023). The process, which is considered complicated and expensive, makes most MSE actors reluctant to take care of it. Third, limitations in utilizing digital technology for marketing. Many MSE actors still rely on conventional methods of selling products, making it difficult to reach a wider market, especially in the current digital era (Rosida et al., 2022).

This community service activity involved a group of culinary MSE actors located in Regol Subdistrict, Bandung City, as mentored partners. Based on a survey conducted, there are approximately 200 active MSEs in this area, with most focusing on the food sector (40%), followed by handicrafts (30%) and fashion (20%). Most of the MSE actors consist of housewives, youth, and retirees who make this business their main source of income. However, only about 25% of them have written financial records, and less than 10% have obtained product certification. This situation shows how important continuous assistance is so that MSE actors can run their businesses more professionally. Within the framework of this activity, assistance was provided in financial management and support to obtain product certification for culinary MSE actors in Regol Subdistrict. The assistance was carried out with an approach that involved the active participation of MSE actors at every stage of the activity, ranging from training, practicing the preparation of financial reports, to the certification application process. In addition, this

activity also utilized technology such as simple financial recording applications and digital marketing platforms to help MSE actors expand their market access (Revana et al., 2025).

This service activity supports the achievement of Key Performance Indicators (KPIs) of the university, especially in terms of the involvement of lecturers and students in providing a real impact on the community. Through this activity, it is hoped that MSE actors in Bandung City, especially in Regol Subdistrict, can enhance their ability to manage their businesses, obtain product certification, and utilize digital technology to strengthen competitiveness. With this assistance, it is hoped that MSEs can grow into tougher, more independent, and competitive businesses, while simultaneously strengthening Bandung City's role as one of Indonesia's creative economy centers.

METHOD

This community service activity was carried out through several interconnected steps, starting from the preparation stage to the evaluation of results. Each step was designed to ensure the activity is effective, achieves its goals, and can provide a real impact on increasing the competitiveness of MSE actors in Bandung City, especially in the Regol Subdistrict.

Preparation Stage

The preparation stage began with the process of identifying needs and mapping the problems faced by MSE actors. This was done through brief interviews, field observations, and the collection of supporting data regarding the financial management conditions and product certification status. Furthermore, the implementation team prepared various necessary resources, including experts, speakers, and facilities and infrastructure for the activity. At this stage, a general plan for the implementation of the activity was also created, including the schedule, division of tasks, and the design of the training module. Good preparation is expected to guarantee that the activity can run effectively and in accordance with the partners' needs.

Planning Stage

The planning stage was carried out after the preparation process was completed. At this stage, the activity steps were arranged more systematically and in detail, covering the establishment of goals, targets, implementation methods, and the activity schedule. Planning also included the development of training modules, a socialization strategy for MSE actors, and technical planning for the application of technology in business management. With structured planning, it is expected that the activity can meet the real needs of the partners and provide measurable results, such as improving financial management capability and awareness of the importance of product certification.

Implementation Stage

The implementation stage is the core of this service activity. All planned activities were implemented directly with the partner 10 MSE actors. The implementation of the activities was divided into three main parts: socialization, training, and technology application. Socialization aimed to deepen MSE actors' understanding of the importance of good financial management and product certification as determining factors for competitiveness. This stage also discussed various main problems usually faced by MSEs, including:

- Weak financial management, such as the absence of transaction recording and systematic long-term financial planning, thus hindering access to formal financing.
- Lack of Product Certification, such as Halal certificates, quality standards, and other legality labels, which is an important factor in increasing the competitiveness of MSEs products. However, the certification process is often considered complicated and expensive by MSE actors, so many are reluctant or unable to do it. This makes it difficult for their products to enter a wider market, including online and export markets.
- Limited market access, due to the lack of utilization of digital platforms and modern marketing strategies.

Socialization was conducted interactively through discussions and experience sharing among MSE actors, so that participants could understand the context and urgency of this assistance program. After the socialization, the activity continued with the implementation of ten MSE actors development training sessions designed to enhance participants' capacity in managerial, financial, legal, and marketing aspects. There were 9 training materials: financial bookkeeping, financial reporting, financing strategy, product branding, digital platform, promotion strategy, product safety standards, halal certification management, and business licence. Each training was delivered by experienced speakers in their fields, accompanied by practice sessions so that participants could directly apply the learned material in their respective businesses. Before material delivery, all participant doing pre-test consisting of 5 questions, and doing post test consist of 5 questions after material delivery. The questions of pre- and post-test are the same but randomized.

The technology application stage focused on using technology to increase business efficiency and expand the market. MSE actors were introduced to a simple application for financial recording and e-commerce platforms like Shopee Food, which serves as a medium for product promotion and sales. Through this implementation, it is hoped that MSEs can manage finances more systematically and increase market reach digitally.

Monitoring Stage

Monitoring was carried out to ensure that all activities proceeded according to plan and to find any problems that might arise during implementation. The monitoring process was carried out routinely during and after the training, through direct assistance to MSE actors. In this stage, the service team assessed the level of participant participation, the effectiveness of the training, and the application of the material in business activities. Feedback from participants was also collected for continuous improvement.

Evaluation Stage

The evaluation stage aimed to assess the results and impact of the activity in increasing the capacity of MSE actors. Evaluation was performed by measuring success indicators, such as the increase in the number of MSE actors that have written financial reports, obtained product certification, and shown growth in turnover or market coverage. Additionally, the results of this evaluation were used as a basis for formulating recommendations for program improvement in the future. With continuous evaluation, this assistance program is expected to continue to provide long-term benefits and contribute to increasing the competitiveness of MSEs in Bandung City.

RESULT AND DISCUSSION

Preparation and Planning

The preparation stage was carried out by conducting an initial observation of the MSEs through direct observation and interviews regarding the condition of financial management and certification in their business institutions, and the willingness of the MSEs to become partners in the assistance program by attending all training, workshops, and evaluation activities. After conducting the observation, 10 culinary micro and small entrepreneurs were gathered who were willing to participate in the assistance program, consisting of Siomay Oishii, Martabak Sari Sunda, Baso Tahu Thomas, Es Jeruk Fresh, Manisan Kolang Kaling, Dapoer Permata, Baso Tahu Siomay Mirasa, Arabian Kebab Bang Aji, Kintan AA, and Bakso Malang Akas.



FIGURE 1. Initial observation of prospective assistance participants

The results of the field observation planning for the assistance program consisted of training programs, technology application workshops, evaluation, and monitoring. The training consisted of 9 trainings, namely training on financial bookkeeping, financing strategies, financial reporting, product branding, utilization of digital marketing platforms, promotion strategies, product safety standards, Halal certification, and legality recording. Workshops included creating accounts and introducing the smart cashier application, using a thermal printer, using a QRIS soundbox, creating logos and product packaging, using marketplace and social media platforms, product photography, product safety standards, managing Halal certification, and managing business license.

Implementation of Assistance

The training and workshops were held at the RW 3 Office in Ancol Village, Regol Subdistrict, Bandung City. The training began with a pre-test, material delivery, workshop implementation, and a post-test to measure the impact of the material delivery on participants' understanding.

TABLE 1. Pre-Test and Post-Test Scores of Participants' Understanding

Training Material	Average Pre-Test	Average Post-Test	Percentage Increase in Understanding Before and After Training
Financial Bookkeeping	80	86.7	8.3 %
Financial Reporting	73.3	80	9.1 %
Financing Strategy	60	80	33.3 %
Product Branding	86.7	93.3	7.6 %
Digital Platform	73	89.5	22.6 %
Promotion Strategy	65.4	86	31.5 %
Product Safety Standards	40	60	50 %
Halal Certification Management	53.3	60	12.6 %
Business License	53.3	86.7	62.3%

Table 1 shows that the delivery of training material had an impact on increasing participants' understanding. Financial bookkeeping training showed an increase in post-test scores of 8.3%, financial reporting by 9.1%, and financing strategy by 33.3%. The main step in starting financial management is separating personal and business finances and regularly recording finances. These efforts can help MSEs monitor cash flow, identify expenses, and improve operational efficiency. In this activity, participants were taught how to separate personal and business finances, perform daily financial recording, and prepare basic financial reports (Amelia et al., 2024). Financial management helps MSE actors ensure the sustainability of their businesses (Tanjung et al., 2022).

Training on marketing with product branding strategy material experienced an average score increase of 7.6%, while digital platform material increased by 22.6%, and promotion strategy training material increased by 31.5%. Digital product marketing is a means to increase product sales and expand market share through the utilization of product photography branding in digital marketing (Januari et al., 2023; Rukmawati & Deniati, 2025). Digital literacy through training is a concrete form of assistance to MSEs (Riau, 2024).

Product certification training material showed an increase in average post-test scores compared to the pre-test. Product safety standards material increased by 50%, Halal certification management material showed an increase of 12.6%, and business licence material showed the highest increase, which was 62.3%. Halal certification training is important so that MSEs' products not only have a guarantee of quality, but are also able to increase consumer trust, expand the market, and increase the selling value of the product. In the long term, this has the potential to open wider access to national and international markets, especially for consumers who consider the Halal aspect as a primary factor in choosing a product (Amelia et al., 2024; Halal & Makanan, 2025). Training on managing the Business Identification Number (NIB) can support the management of Halal certification and other permits like PIRT which are important for culinary businesses (Studi et al., 2023).



FIGURE 2. Financial management training and workshop



FIGURE 3. Group photo during the handover of supporting technology for financial recording and product certification

TABLE 2. Feedback From Participants

	Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
The material delivered is beneficial for improving my business financial management.			10%	40%	50%
The material delivered is beneficial for preparing my business certification process.				60%	40%
The material delivery was easy for me to understand.				40%	60%
The speakers were able to convey the material engagingly.			10%	40%	50%
The material delivery was supported by adequate facilities and infrastructure.			10%	20%	70%
The time of the activity was in line with the needs.			10%	40%	50%
The distributed technology can improve my business management.				30%	70%

The evaluation of the training and workshop implementation was carried out by collecting feedback from participants. Table 2 shows that 90% of participants agreed and strongly agreed that the material delivered was beneficial for improving business financial management, while 100% agreed and strongly agreed that the material delivered was beneficial for preparing the business certification process. The participants also stated that the material delivery was easy to understand, and the speakers were able to convey the material engagingly. Training participants also stated that the material delivery was supported by adequate facilities and infrastructure and that the time of the activity was in line with their needs. All participants agreed and strongly agreed that the technology distributed could improve business management.

CONCLUSION

The implementation of the community service program, in the form of assistance for Financial Management and Product Certification for Micro and Small Enterprises, proceeded according to the initial plan. The increase in post-test results after the material delivery indicates that the training had an impact on improving participants' understanding of financial management and product certification. The feedback results from the participants show that the participants were satisfied and benefited from all the training and workshop activities. The limitations of this program is only ten participant and only for culinary MSE actors. Future programs should consider larger participant and other sectors of MSEs not only culinary.

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