

## **Financial Management Model for Micro and Small Enterprises Owner in Surabaya**

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*This study aims to develop a financial management model for micro and small businesses and develop a financial management assistance module for micro and small businesses. This study uses a development research design. For model development, the Design Based Research method was used with 4 stages of design-based research development developed by Reeves and modified by Cotton. W, Lockyer. L, Brickell. G. To test the model using action research techniques with action planning cycles, action implementation, and action reflection/evaluation. The research subjects were micro and small business actors in Surabaya, totaling 20 business actors. The results of the development of this model focuses on simple financial recording or bookkeeping, such as receiving money, spending money, purchasing and selling to make a profit. The guideline modules produced for each financial management model are also different, this is because the modules are prepared according to the needs of business actors and the material presented therein.*

*Keywords: task commitment, learning creativity, learning outcome, online learning*

## INTRODUCTION

In Indonesia, "Micro, Small, and Medium Enterprises" (MSMEs) play an important and vital role in the country's economic growth. MSMEs have a role in sharing the benefits of development in addition to helping employment and economic development. Economic development in Indonesia cannot be separated from MSMEs. In the last 10 years, the development of the number of MSME units from 2016 to 2019 has increased by 4.2% per year, and the average MSME contribution to Indonesia's Gross Domestic Product has been over 50% for the last three years. This shows that MSMEs can independently improve the economic zone of citizens and support economic development in Indonesia (Soetjipto, 2020).

MSMEs are micro, small, and medium enterprises that are grouped based on business capital or annual sales results. MSMEs are businesses that help the Indonesian economy and are an important part of the economic zone. The existence of MSMEs can increase foreign exchange through business entity taxes and generate employment that can absorb many workers so that it can lower the unemployment rate (Dahyani, 2021).

Not only helping the economy, but MSMEs also have strengths. The strength of MSMEs lies in their ability to be flexible in facing various environmental challenges, to be creative, to innovate, and to take actions that large-scale businesses cannot possibly try, especially in terms of resilience to crises.

Micro "Small" Medium Enterprises (UMKM) means the economy of a country or region. Even though it is not that big in terms of the economic scale, the number of MSMEs is very large and the grants that have been given so far both for residents and the country can experience the results. For Dahlan (2017), this important position has urged many countries including Indonesia to continue working to develop MSMEs. Because MSMEs often increase productivity through finance and technology adaptation, secondly because MSMEs are currently doing very well in terms of creating productive labor, and thirdly because MSMEs benefit from greater flexibility compared to large businesses, developing countries are starting to recognize the importance of MSMEs.

The city in East Java, namely Surabaya, has an area of around 335.28 km<sup>2</sup>, and a population of 2,972,801 people in 2022. Surabaya, which has a population of around 10,000,000 people, is the second largest metropolis in Indonesia after Jabodetabek. T information from the Central Bureau of Statistics (BPS) for East Java Province in 2019, out of 862,450 micro and small industries in East Java, 247,501 industries (28.70%) are operating in the food and beverage zone. A large number of players in this industry certainly need to be continuously nurtured so that they continue to support the economy in East Java. For BPS in 2019, it has just been known that there are currently more than 60,000 MSMEs in the city of Surabaya, or more precisely 60,007 MSMEs. 45,566 MSMEs are registered in the sub-district, and 13,441 MSMEs are registered in the service. (Eri Cahyadi, 2021).

According to Law No. 20 of 2008, the identity of MSMEs is independent management, self-provided capital, local marketing areas, small industrial heritage, and a limited number of employees. MSMEs function in increasing the standard of living and opening new labor markets for ordinary citizens (Yuniarta, 2013). Some MSMEs manage growth in terms of financial performance from a financial perspective. Many MSME managers cannot recognize their formal ancestry. There is no distinction or deletion between the two uses of these artifacts for personal gain. Financial statements can be used to find out the net worth, profit, and loss of a company over a certain period, as well as the amount of cash in and out of the organization (Prasetyo, 2010).

Financial reports are important for large industries, but they are also needed in MSMEs. For BluePrint, there are many reasons why financial reports are needed for MSMEs, including identifying MSME financial funding, identify MSME profitability, show cash activities, and show remaining money (Tasya Kania, 2022). Simple MSME financial reports, including writing financial reports, financial status reports, and profit and loss reports. (UBICO, 2020).

Not only do they have strength, but MSMEs also experience several problems such as lack of capital, lack of knowledge about financial management, difficulties in terms of marketing, intense business competition, and raw material barriers (Sunariani & Mahaputra, AAN. Oka Suryadinatha, 2017). Therefore, encouragement and efforts from various parties are needed to help MSMEs grow and develop rapidly.

Holt (2013) reported that the factors that most contributed to business failure were managerial aspects at 45% and financial aspects at 42%, the rest came from macroeconomic aspects and industry characteristics. Holt's comments are in line with the results of research conducted by Jindrichovska (2013) which reports that poor financial management is the main and universal cause of business failure in SMEs. Most importantly, the lack of knowledge about financial management combined with uncertainty in the business sector often causes SMEs to experience serious problems related to financial performance and the totality, which can even threaten the survival of the industry (Kaya & Alpkhan, 2012). Karadag (2015) also emphasized that the main problem experienced by SMEs in Turkey is an inefficient and ineffective financial management system, this problem has an impact on the age of the business and the performance of SMEs.

Financial management is one of the important aspects that can help the industry grow. Financial data generated from financial management can be used by users to make decisions. If MSMEs still use money as a medium of exchange, then financial management is needed by MSMEs. With financial management, MSMEs will get several benefits, including (1) MSMEs can recognize the financial performance of the industry, (2) MSMEs can separate industrial assets and owned assets, (3) MSMEs can identify reliable financial conditions, sources, or destinations, (4) MSMEs can make appropriate financial plans. (5) MSMEs can calculate taxes, and (6) MSMEs can recognize the flow of cash during a certain period.

Financial management can help the growth of Micro and Small Businesses, especially in terms of finance and increasing profits. A good profit increase plan can support the growth of Micro and Small Enterprises, so that they role of Micro and Small Enterprises can be part of the solution to improve the economy in Indonesia. However, there are still Micro and Small Enterprises that have not used financial management to support their activities.

Not only that, Micro and Small Enterprises are run by entrepreneurs themselves and other parties such as the Government, private sector, banking and non-banking, and large academies (Nuzul; Nalini, 2021). However, not all existing Micro and Small Enterprises receive assistance, support, and supervision that is appropriate to the problems they are experiencing, so assistance from related parties is needed. One of the problems experienced by Micro and Small Enterprises in Indonesia is financial management.

Financial management is the activity of managing one's finances in daily life that is carried out by people or groups (Larasaty, Faradila, Makaryanawati, 2021) intending to achieve financial well-being (Haekal, 2020). The financial management process is a meaningful activity for Micro and Small Enterprises actors. Financial management can prosper the actors of Micro and Small Enterprises. Not only that, but the purpose of financial management is also to generate or increase value. However, achieving this goal requires proper and correct financial management.

Therefore, it is necessary to think about the characteristics of Micro and Small Enterprises which have a relatively simple turnover speed and type of business (both in terms of business scale and human resources). Micro and Small Enterprises are also required to make good financial reports so that every transaction in business activity is recorded and prepared following general regulations. The preparation must be in the form of simple accounting records through an accounting process that starts from information identification to the analysis of financial records. The financial condition and performance of an entity are presented in an organized manner through financial reports (Jaurino, 2021). Financial reports are used to distribute information about a company's financial condition, performance, and changes in the competitive landscape (Suwondo, 2021).

To develop the national economy, small and medium enterprises play an important role following the law of the Republic of Indonesia No. 20 of 2008 concerning Small, Micro, and Medium Enterprises. In this Law, it is emphasized that the empowerment of Micro, Small, and Medium Enterprises must be carried out in an equitable, optimal, and sustainable manner through the development of a conducive climate, providing business opportunities, support, protection, and the widest possible development, to improve the position of, position, and capabilities of Micro, Small, and Medium Enterprises to realize economic development, equity, and increase people's income, create job vacancies, and alleviate poverty. Year after year, the growth of Micro and Small Enterprises in the City of Surabaya is experiencing quite rapid growth, as can be seen from the information that can be presented in table 1 below.

**TABLE 1**  
**DEVELOPMENT OF THE NUMBER OF MSMEs IN INDONESIA IN 2016-2019**

Year	Total	Growth 2016-2019	Percentage
2016	61,651,177	2,388,405	4.03
2017	62,922,617	1,271,440	2.06
2018	64,194,057	1,271,529	2.02
2019	64,199,606	1,271,440.5	1.98

Source: Ministry of "Cooperatives and" Small and Medium Enterprises of the Republic of Indonesia, 2019

If the business climate is under Law no. 20 of 2008 Article 1 Paragraph 9 and it is mandatory for the utilization of Micro, Small, and Medium Enterprises (MSMEs) in a coordinated manner, can be assessed based on interview findings. by establishing various laws, regulations, orders, and policies in various economic sectors to aid, guarantee and opportunities to MSMEs many businesses are experiencing a reduction in turnover, so the conditions are not normal because many business actors have run out of customers. However, many large business areas are building side businesses to support the stability of the current business climate. Meanwhile, MSME business actors themselves experience competition in the city of Surabaya in various ways, such as improving their products with various innovations, increasing product quality, and marketing their materials through marketplaces and other social media.

The results of interviews with researchers to gather sources in conducting Focus Team Discussions (FGD) to follow up on what is the need of UMK actors. The actors complained that their businesses had not been able to grow, and the actors needed to improve their businesses, especially micro and small businesses. One of the aspects that causes Micro and Small Enterprises to not grow is the lack of descriptions by Micro and Small Enterprises actors regarding financial management.

The results of interviews with the actors of Micro and Small Enterprises show that even though they do not manage their finances well, their business continues to run and earn profits. They feel that their business is running normally, but they are not experiencing growth. This can be seen when researchers ask about the profit, they get every month, and the actors of Micro and Small Enterprises cannot show the nominal numbers, but can only show tangible assets such as land, houses, or vehicles. Tangible assets that have been acquired for purchase not only use business funds but also individual funds. Relics that have been purchased are sometimes used not for their business but for individual interests. Micro and Small Enterprises actors find it difficult to use financial management in their activities. This causes the growth of the financial performance of their business cannot be known clearly. This is because there are no guides or novels that can be used as a reference for learning to manage finances. Existing books do not focus on financial management in Micro and Small Enterprises. There are several accounting novels for MSMEs, but the contents are like accounting for large industries.

Micro and small business owners tend to keep simple income and expense records. There are micro and small business owners who do not record space rent as operational costs so the business seems to have a big profit because it is not following what it should be. As a result, accounting does not reflect the company's true financial position. Recording financial reports is not done because it is considered a hassle, especially because the financial statements are not known. Several micro and small businesses in Surabaya did not last long due to poor financial management. Inappropriate financial budget management can also cause errors in determining production costs.

To overcome this problem, material for managing Micro and Small Enterprises' finances is needed, as assistance in preparing financial reports. The material is one of the manifestations of teaching materials that are systematically organized and consist of a package of learning experiences that are planned and designed to help the learning community achieve specific learning goals. Financial management material made by researchers has been adapted to the needs of Micro and Small Enterprises. With the existence of material on financial management and assistance, it is hoped that it will be able to improve the managerial performance of Micro and Small Enterprises in Surabaya and help Micro and Small Enterprises actors in Surabaya in making financial reports according to needs.

## METHOD

### Research Design

Following the research objectives, namely 1) Developing a financial management model for Micro and Small Enterprises, 2) Developing a module for micro and small business financial management assistance. So, this research was made as development research. The model used in this development research is Design-Based Research (DBR). The reason for using Design Based Research (DBR) is to develop financial management assistance modules that suit the needs of learning residents.

### Design Phase I: Analysis of Problems in the Field by Researchers and Practitioners

Stage 1. Researchers conduct an initial needs analysis to identify what are the problems and needs of Micro and Small Enterprises in Surabaya. This need data is summarized from surveys at research locations, in-depth interviews with Micro and Small Business Actors, and conducting Focus Group Discussions to gather information on the problems and needs of MSE actors. In the first stage, the initial product design for the financial management model was also prepared.

**TABLE 2**  
**LIST OF KEY INFORMANTS IDENTIFICATION OF PROBLEMS AND NEEDS ANALYSIS**

No	Informant Name	Profession	Reason for Selected as Key Informants
1	Mrs. Aminah	– Group leader – micro business	Serves as chairman of the business group micro-West Surabaya for 10 Years, so, he understands micro business issues
2	Mrs. Silfana Cahya	– Group leader – Small business	Serves as chairman of the business group small for 10 years, so he understand small business issues
3	Mrs. Ratih Fibrina	– Management expert – SMEs in the Department business cooperative – Small and Intermediate and Commerce	Act as a companion for activities SMEs in Surabaya

The reason for choosing the three informants was based on the principle of a subject who knows the problem, and is willing to provide complete and accurate information according to the data they have. The number of informants was determined by snowball sampling technique, namely the determination based on previous informants without determining the exact number by digging up information related to the research topic.

### Phase II Design: Product Development Based on the Theoretical Framework

Stage 2. The second stage is prototype development. The second stage, namely the development of a prototype financial management model for Micro and Small Enterprises actors based on problem identification and results of needs analysis. the object of research, the results of the needs analysis carried out in the first stage. At this stage the development of the financial management model is prepared in addition to being based on an initial survey and needs analysis, prototype development is also based on theoretical studies relevant to the development material. The drafting process involved researchers as well as model developers, the Office of Cooperatives of Small and Medium Enterprises and Trade, and

facilitators. Efforts to elucidate the objectives were carried out in the FGD (Focus Group Discussion) which was held on 24 August 2022 from 09.00-12.00 with participants. Residents learn as key informants:

- Facilitator: Surabaya City Field Extension Facilitator
- Expert: Office of Small and Medium Enterprises Cooperatives and Surabaya Trade
- Researcher: Suci Rohayati

### **Phase III Design: Product Design Testing and Evaluation**

Stage 3. This stage is the stage of testing and evaluating the prototype on the test object, namely the perpetrators of Micro and Small Enterprises on a small (limited) scale. The limited trial used the action research method with 4 cycles namely problem identification, trial planning, trial implementation, and evaluation. The evaluation of trial results used written tests and performance tests which were assessed and analyzed by the facilitator and the model researcher/developer. The results of the limited trial were discussed in the Focus Group Discussion (FGD). This FGD discussed the findings during the first phase of the trial in a limited group. Langka then proceeded with the advanced requirements analysis and process of refining the prototype model design. The FGD was carried out by the model designer, namely the researcher (designer) together with a team of experts, facilitators, and learning residents (UMK actors).

Stage 5. This fifth stage is the stage of Product Testing and Evaluation of the Financial Management Model for MSE Actors. The object of the trial was the UMK group of actors (20 Learning Citizens). Evaluation of this trial researchers used action research (action research) as an evaluation tool. From the results of this action research, a product of a financial management model has been produced which has gone through the action and evaluation cycles in action research.

### **Phase IV Design: Documentation and Reflection to Produce Design Principles**

Stage 4. In this fourth stage, a financial management model product is developed referring to evaluation results (FGD results) and further needs analysis, then followed by expert validation or expert review of each learning technology expert and learning materials expert. The end of the fourth stage of activity is the product modification of the financial management model for MSE actors. This modification is based on the results of further needs analysis and validation or expert review of each learning technology expert and content expert. The final activity of this fourth stage is the product modification of the financial management model. These modifications are based on the results of further needs analysis and validation or expert review.

Stage 6. This stage is the stage of final revision or improvement of the financial management model product for MSME actors before the final product is disseminated or disseminated to citizens.

This research is a quantitative research technique where the entire data source comes from a sample that has been collected. Then, the data will be managed through statistical testing and analysis, and in the final stage of interpreting the data results. This study used 61 students as research participants who took a taxation course with an online learning format. An online questionnaire was utilized to reach the participant. We adopted thirty-five items from Safitri et al. (2020) to measure task commitment. We adopted the creativity scale from Rubenstein et al. (2013) consists of twenty-three items, while we used the summative examination of the taxation course for the learning outcome. This study used multiple regression through SPSS 24 to examine the research model.

### **Research and Development Product Trials**

The draft financial management model for MSEs will be tested on micro and small businesses and then on even larger groups. Before being tested, the draft model will be validated by experts with theoretical validation. Validating experts are learning technology experts and content experts. The trial focused on assessing the feasibility level of the designed financial management model, the feasibility of the model, the feasibility of the material in the model presented, the constraints in its application, and the suitability of the model with the level of target achievement. With the implementation of this trial, it is hoped that empirical input will be obtained and can be used as material for improvement and modification of the draft financial management model design for Micro and Small Business actors in Surabaya.

### **Trial Subjects and Locations**

The test subjects in this development research were Micro and Small Enterprises in Surabaya. The UMK actors were chosen because of the large number of businesses in the environment so 20 people were used as a trial sample. For trials are Micro and Small Enterprises in Surabaya. For the implementation of field trials and evaluation of field trials on the subject, researchers used action research as a means of testing and field evaluation of product draft financial management models for Micro and Small Enterprises. The action research cycle model used for testing and evaluating the draft financial management model for MSMEs is adopted from the action research model developed by Rory O, and Brien (1998).

The process of this action research cycle begins with the process of diagnosing problems or problems that have not been facilitated in the first phase of the trial (in small groups) and from the results of the FGD, then developing an action plan to correct the identified problems and problems, then implementing the action, namely applying the financial management model for the perpetrators. Micro and Small Enterprises through the verbal transfer of materials and skills training then the next cycle is the evaluation stage of the effectiveness of the model in responding to the needs and problems of Micro and Small Enterprises actors in Surabaya. This cycle continues until the ideal condition is that the financial management model for Micro and Small Business actors can provide increased financial literacy and increased skills and expertise in preparing financial reports.

### **Data Type**

The type of data used by researchers in this development research is qualitative and quantitative data. Qualitative data were obtained by observation, in-depth interviews, documentation, and discussions with Micro and Small Enterprises, the Office of Cooperatives, Small and Medium Enterprises, and Trade. While qualitative data is in the form of suggestions, input, and comments from the expert team, then suggestions, comments, and input from observers and facilitators. For quantitative data, namely descriptive statistical data regarding learning, the data from the responses of the team of experts, learning residents, facilitators, and observers are quantified.

### **Teknik Pengumpulan Data**

Data collection was carried out by researchers using observation methods, in-depth interviews, documentation, FGD (focus group discussion), and questionnaires.

### **Data Analysis Techniques**

Data analysis used by researchers in processing research and development data uses qualitative data analysis and quantitative data analysis.

## **RESULT**

This research develops a financial management model for MSMEs in Surabaya with a Design-Based Research (DBR) approach using the Design Based Research model proposed by Reeves (2000) and developed by Cotton. W, Lockyer. L, Brickell. G. (2009) namely the Design Based Research model. Anderson & Shattuck (2012) argues that Design-Based Research (DBR) developed near the beginning of the 21st century and is stated as a practical research methodology that can effectively bridge between research and practice in education. Meanwhile, according to Kennedy-Clark (2013), Design Based Research (DBR) is a research approach that extends existing methods to address problems that link theory and practice in educational research. Stages of development of the Design Based Research model:

### **Problem Analysis**

The initial stages in the development of this model are the identification of problems and analysis of needs based on the problems that have been studied. Identification of problems other than focus group discussion (FGD) through interviews with small and micro business actors in Surabaya to obtain the necessary information. In addition to the interview method, observations were made by distributing

questionnaires to owners of Micro and Small Enterprises in Surabaya. The results of problem identification are then analyzed, and a solution is determined to solve the identified problems and then determine the needs of Micro and Small Enterprises actors in the area. Needs analysis is carried out by direct observation and distributing questionnaires containing questions to gather information and determine the needs of Micro and Small Enterprises in Surabaya. In addition to direct observation, needs analysis was carried out through discussions with Micro and Small Business actors and the Surabaya Small and Medium Enterprises Cooperative and Trade Office. The results of problem identification and needs analysis that has been carried out show that there are still many Micro and Small Business actors in the Surabaya area.

**TABLE 3**  
**IDENTIFICATION OF PROBLEMS AND ANALYSIS OF THE NEEDS OF MICRO AND SMALL ENTERPRISES**

No	STAGE 1 Problem Identification and Needs Analysis	Problem Identification Results
1	Observations, In-depth Interviews, and Discussions with the Office of Cooperatives of Small and Medium Enterprises and Trade in Surabaya	<ol style="list-style-type: none"> <li>1. Lack of entrepreneurial knowledge</li> <li>2. Lack of entrepreneurial motivation</li> <li>3. Lack of venture capital</li> <li>4. Lack of familiarity with the business being undertaken</li> <li>5. Lack of knowledge of venture capital</li> <li>6. There is no financial management for micro businesses</li> <li>7. Not optimal financial management for small businesses</li> <li>8. There is no assistance for micro and small businesses related to financial management</li> <li>9. Lack of compliance by micro and small business actors with applicable regulations</li> </ol>
2	Focus group discussions (FGD) With micro and small business actors, the Office of Cooperatives for Small and Medium Enterprises and Expert Trade empowerment (survey)	Results of Needs Analysis <ol style="list-style-type: none"> <li>1. Knowledge &amp; Skills of micro and small businesses</li> <li>2. Entrepreneurial Knowledge &amp; Skills</li> <li>3. Knowledge &amp; Skills in business planning</li> <li>4. Knowledge &amp; Skills in Financial Management</li> <li>5. Saving Knowledge &amp; Skills</li> <li>6. Knowledge &amp; Skills of Business Capital</li> <li>7. Knowledge &amp; Skills in Financial Reporting</li> <li>8. Knowledge &amp; skills in tax calculation</li> </ol>

**Results of the Development of the Financial Management Model and the Financial Management Assistance Module**

The second stage is the development of product prototypes of financial management models for micro and small business actors as well as financial management assistance modules for micro and small business actors. In preparing the prototype for this development, the first step taken was to hold discussions involving Micro and Small Enterprises, the Office of Cooperatives, Small and Medium Enterprises and Trade, and researchers. Discussions involving business actors and experts from the Office of Cooperatives, Small and Medium Enterprises, and Trade and community leaders aim to help provide information about the types of Micro and Small Enterprises that are suitable for the characteristics of their businesses, as well as reaffirm whether the needs previously identified are appropriate or not. In this discussion, it was formulated regarding the financial management model that will be carried out for Micro and Small Business actors and

the financial management assistance module for micro and small business actors. The research subjects were 20 fostered residents at the Surabaya Small and Medium Enterprises and Trade Cooperative Office. In addition to formulating the model, the formulation of materials related to the financial management assistance module, learning, and training programs will be carried out according to the needs of Micro and Small Business actors. In this discussion, the objectives of financial management for Business and Small Business actors are formulated through a learning and training program as well as setting a program schedule and duration of time for implementation.

The second stage of developing a financial management model prototype for Micro and Small Enterprises (UMK) is as follows:

1. Design The initial framework of the financial management model for small and micro enterprises consists of 4 stages, namely 1) Problem identification and needs analysis, 2) Product Prototype Development, 3) Product Testing, and Testing, 4) Refinement of Product Design Principles Model
2. Stages of development of micro and small business financial management mentoring modules. The second stage of developing this model produces an outline of the material or the main concept of the financial management model material for Micro Enterprises and Small in Surabaya and formulation of goals in each material. While the formulation of objectives is formulated material that is adapted to the needs of Micro and Small Enterprises. Furthermore, the material is formulated into learning objectives as follows:
  - a. Identify the definition and characteristics of micro-enterprises, be able to identify criteria for micro-enterprises, identify the strengths and weaknesses of micro-enterprises, know the role of micro-enterprises in improving people's welfare
  - b. Identifying the definition of entrepreneurship, understanding the characteristics and principles of entrepreneurship, understanding the basic capital of entrepreneurship, knowing things to avoid when becoming an entrepreneur, knowing the risks in entrepreneurship
  - c. Identifying business planning, knowing the purpose of business planning, identifying components in business planning
  - d. Understand the meaning and purpose of financial management, analyze the stages in financial management
  - e. Analyzing business planning includes the definition of business planning, objectives, components of business planning
  - f. Understanding the meaning of saving, understanding the sources of money for saving, identifying the benefits of saving, knowing ways to save, getting to know savings at financial institutions, knowing things to pay attention to when saving, Understanding, and applying simple Financial Statements
  - g. Identify the definition and characteristics of small businesses, identify the characteristics of small businesses, identify the criteria for small businesses, identify the strengths and weaknesses of small businesses
  - h. Identify the definition of entrepreneurship, understand the characteristics and principles of entrepreneurship, understand the basic capital of entrepreneurship, know things that need to be avoided when becoming an entrepreneur, know the risks in entrepreneurship
  - i. Understanding the meaning of business capital, understanding the sources of business capital, understanding the types of business capital, understanding the sources of small business funding, identifying credit capital requirements and financial institutions
  - j. Knowing the types of financial reports, knowing the benefits of financial reports, identifying the steps for making financial reports, knowing the types of financial books, identifying the stages of financial management

- k. Knowing the meaning of taxes, identifying types of taxes for businesses, identifying taxes to be paid, knowing the risks of not paying taxes, knowing tax calculations, identifying tax reporting

After the work design model and material outlines have been formulated, the financial management model for micro and small business actors can be developed into a model 1 design in the form of a prototype financial management model for Micro and Small Enterprises and learning media in the form of powerpoint material.

- 3. The second stage of the development of the Micro and Small Business Assistance Module also produces an outline of learning material. Materials formulated include micro-enterprises, entrepreneurship, business planning, financial management, savings, small businesses, venture capital, financial reports, and tax calculations. After the work design model and material outlines have been formulated, the financial management model for micro and small business actors in Surabaya to improve the family economy can be developed into a prototype financial management assistance module that consists of a citizen learning guidebook.

**TABLE 4**  
**MATERIAL AND LEARNING OBJECTIVES**

No.	Material Outline	Learning objectives
1	Microbusiness and Small	<ul style="list-style-type: none"> <li>1. Citizens learn to identify definitions and characteristics of micro and small businesses</li> <li>2. Citizens learn to identify the criteria for micro and small businesses</li> <li>3. Residents learn to identify the strengths and weaknesses of micro-enterprises</li> </ul>
2	Businessman	<ul style="list-style-type: none"> <li>a. Citizens learn to identify the definition of entrepreneurship</li> <li>b. Citizens learn to understand the characteristics and principles of entrepreneurship</li> <li>c. Citizens learn to understand the basis of entrepreneurship. Citizens learn to know things that need to be avoided when becoming entrepreneurs</li> <li>d. Residents learn to know the risks of entrepreneurship</li> </ul>
3	Business Planning	<ul style="list-style-type: none"> <li>1. Residents learn to identify business plans</li> <li>2. Residents learn to know the purpose of business planning</li> <li>3. Residents learn to know the components of business planning</li> </ul>
4	Financial Management	<ul style="list-style-type: none"> <li>1. Citizens learn to understand the meaning and purpose of financial management.</li> <li>2. Citizens learn to analyze the stages of financial management</li> <li>3. Residents learn to understand the preparation of financial reports</li> </ul>
5	Startup Capital	<ul style="list-style-type: none"> <li>1. Residents learn to understand the meaning of the types of capital</li> <li>2. Residents learn to understand the sources of venture capital</li> <li>3. Citizens learn to understand the types of venture capital</li> </ul>
6	Financial statements	<ul style="list-style-type: none"> <li>1. Citizens learn to understand the meaning</li> <li>2. financial statements</li> <li>3. Citizens learn to determine the components of financial statements</li> <li>4. Citizens learn to practice the preparation of financial reports</li> </ul>
7	Saving	<ul style="list-style-type: none"> <li>1. Residents learn to understand the meaning of saving</li> </ul>

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8	Tax Calculation	<ol style="list-style-type: none"> <li>2. Residents learn to know the source of money to save</li> <li>3. Residents learn to know the benefits of saving</li> <li>4. Residents learn to know ways to save</li> <li>5. Citizens learn to know savings in financial institutions</li> <li>6. Residents learn to know the things that must be considered when saving</li> </ol> <ol style="list-style-type: none"> <li>1. Residents learn to understand the meaning of tax</li> <li>2. Residents learn to understand the types of taxes for businesses</li> <li>3. Citizens learn to know the tax to be paid</li> <li>4. Residents learn to know the risks of not paying taxes</li> <li>5. Residents learn to know tax calculations</li> <li>6. Residents learn to find out tax reporting</li> </ol>
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### **Trial Results**

The third stage of developing a financial management model for micro and small businesses is testing the prototype model as well as evaluating the prototype model. This trial is the first phase of the trial in a limited group with the number of test subjects being 10 micro businesses and 10 small businesses in Surabaya.

#### *Initial Trial Subjects Prototype of a Financial Management Model for Micro and Small Businesses*

In the process of testing the prototype of the financial management model, it was carried out on a limited basis to groups of micro and small businesses, each of which numbered 10 people in Surabaya. Requirements for Limited Trial of the Financial Management Model Prototype for micro and small business actors. The conditions for testing the pilot model for micro and small business actors as trial subjects through learning and training include micro and small business actors assisted by the Small and Medium Enterprises Cooperatives and Trade Service as limited trial subjects of this prototype financial management model are micro and small business actors. Small and Medium Enterprises Cooperatives and Trade Offices that have a business and already have a NIB (Business Identification Number). Study residents who will take part in the limited trial have at least a junior high school equivalent. Study residents, namely micro and small business actors who are the test subjects are adults, who are in good health. Because the test subjects for micro and small businesses are adults, the approach used in learning and training uses an adult education approach (andragogy).

#### *Stages of Action Research*

The trial phase uses the action research model from Rorie. 0 Brian, namely diagnosing, namely diagnosing the needs of micro and small business actors by using needs analysis data obtained from the results of the focus group discussions conducted, then entering into the planning action stage, namely preparing a learning plan in the form of establishing the competencies needed by micro and small business actors, learning materials to answer the competency needs of micro and small business actors, learning strategies, duration of time needed in learning, learning resources, learning steps carried out by the facilitator, learning evaluation, place of implementation and schedule of learning. Then enter the action stage of carrying out trials through learning and training and end with the reflection or reflection stage in the form of evaluating action trials for micro and small business actors using 1) Instrument evaluation sheets containing self-evaluation questions to measure learning outcomes for micro business actors and small. 2) Questionnaire sheets in the form of attitude scale questionnaires to measure the accuracy, legibility, and usefulness of the model for micro and small business actors, 3) Observation sheets used by facilitators to determine the attitudes of learning citizens in the learning process and 4) Interview instrument sheets that are useful for knowing opinion, input suggestions. and the expectations of the learner.

### *Diagnosing Stages*

The stages of the action research cycle start with diagnosing the problems and needs of micro and small business actors in Surabaya. Data for diagnosing the problems and needs of micro and small business actors are taken from data in the first stages of developing a financial management model, namely data from problem identification and needs analysis obtained from observations and discussions with micro and small business actors. Data on the needs of micro and small businesses obtained in the Focus Group Discussion were verified through surveys on research subjects. From the results of the problem diagnosis and needs analysis, an action plan was developed through learning and training materials compiled in the material book for micro and small businesses.

### *Planning Stage*

Stages Planning action or action planning is carried out by preparing a lesson plan (action). The description of product trial planning in the financial management model consists of determining trial material for micro and small business financial management model products, determining the trial form, setting learning objectives, and the duration of learning time. In addition to the material plan, the form, and duration of the trial period, in the planning action research cycle stages, a schedule and time for the implementation of the learning trial are also determined.

### **Trial Material and Trial Time Duration**

1. Phase 1 Trial Material: Micro and Small Enterprises  
Trial Form: Learning using the Model Problem  
Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance  
Media: Presentation slides Video Learning  
Learning Objectives: Citizens learn to identify definitions and characteristics of micro and small businesses. Learners can identify the criteria for micro and small businesses. Learners can identify the strengths and weaknesses of micro-enterprises  
Duration Time: 60 minutes
2. Phase 1 Test Material: Entrepreneurial characteristics and principles  
Trial Form: Learning using the Model Problem  
Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance  
Media: Presentation slides Video Learning  
Learning Objectives:
  - a. Citizens learn to identify entrepreneurial definition
  - b. Citizens learn to understand the characteristics and principles of entrepreneurship
  - c. Citizens learn to understand the basis of entrepreneurship
  - d. Citizens learn to know things that need to be avoided when becoming entrepreneurs
  - e. Residents learn to know the risks of entrepreneurshipDuration Time: 60 minutes
3. Phase 1 Trial Material: Business Planning  
Trial Form: Learning using the Model Problem  
Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance  
Media: Presentation slides  
Learning Objectives:
  - a. Citizens learn to identify business planning
  - b. Residents learn to know the purpose of business planning
  - c. Residents learn to know the components of business planningDuration Time: 60 minutes
4. Phase 1 Trial Material: Financial Management  
Trial Form: Learning using the Model Problem  
Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance  
Media: Presentation slides

Learning Objectives:

- a. Citizens learn to understand the meaning and financial management objectives.
- b. Citizens learn to analyze the stages in financial management
- c. Residents learn to understand the preparation of financial reports

Duration Time: 120 minutes

5. Phase 1 Trial Material: Business Capital

Trial Form: Learning using the Model Problem

Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance

Media: Presentation slides Video Learning

Learning Objectives:

- a. Citizens learn to understand the meaning of the types of capital
- b. Residents learn to understand the sources of venture capital
- c. Citizens learn to understand the types of venture capital

Duration Time: 60 minutes

6. Phase 1 Trial Material: Financial Report

Trial Form: Learning using the Model Problem

Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance

Media: Presentation slides Video Learning

Learning Objectives:

- a. Citizens learn to understand the meaning of financial statements
- b. Citizens learn to determine the components of financial statements
- c. Citizens learn to practice the preparation of financial reports

Duration Time: 120 minutes

7. Phase 1 Trial Material: Saving

Trial Form: Learning using the Model Problem

Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance

Media: Presentation slides Video Learning

Learning Objectives:

- a. Citizens learn to understand the meaning of save
- b. Residents learn to know the source of money to save
- c. Residents learn to know the benefits of saving
- d. Residents learn to know ways to save
- e. Citizens learn to know savings in financial institutions
- f. Residents learn to know the things that must be considered when saving

Duration Time: 120 minutes

8. Phase 1 Trial Material: Tax Calculation

Trial Form: Learning using the Model Problem

Based Learning: Discussion Presentation Questions and Answers Self-evaluation and performance

Media: Presentation slides Video Learning

Learning Objectives:

- a. Citizens learn to understand the meaning of tax
- b. Residents learn to understand the types of taxes for businesses
- c. Citizens learn to know the tax to be paid
- d. Residents learn to know the risks of not paying taxes
- e. Residents learn to know tax calculations
- f. Residents learn to find out tax reporting

Duration Time: 60 minutes

## **DISCUSSION**

### **Problem Analysis**

The initial stages in the development of this model are the identification of problems and analysis of needs based on the problems that have been studied. Identification of problems other than focus group discussion (FGD) through interviews with small and micro business actors in Surabaya to obtain the necessary information. The focus group discussion (FGD) method emerged in the 1940s with the work of Merton and Fiske who used focus group discussion (FGD) to conduct consumer satisfaction (Kabir, 2018). focus group discussion (FGD) is a technique in which a researcher gathers a group of individuals to discuss a particular topic, aiming to draw from the complex personal experiences, beliefs, perceptions, and attitudes of the participants through moderated interactions (Cornwall & Jewkes, 1995). In addition to the interview method, observations were made by distributing questionnaires to owners of Micro and Small Enterprises in Surabaya. The results of problem identification are then analyzed, and a solution is determined to solve the identified problems and then determine the needs of Micro and Small Enterprises actors in the area. Needs analysis is carried out by direct observation and distributing questionnaires containing questions to gather information and determine the needs of Micro and Small Enterprises in Surabaya. In addition to direct observation, needs analysis was carried out through discussions with Micro and Small Business actors and the Surabaya Small and Medium Enterprises Cooperative and Trade Office. This is following the statement According to Krueger (De Negri & Thomas 2003), analysis is like detective work. After conducting a focus group discussion (FGD), you must read lots of notes, organize them, and then look for "clues" that will help you understand everything. It takes a lot of time and needs for you to know the information very well.

Results of problem identification and needs analysis that has been done that there are still many Micro and Small Business actors in the Surabaya area who do not understand how to record their finances properly and accurately. This can be interpreted that there is still a minimum level of literacy in the financial management of Micro and Small Enterprises actors. According to Ardiyani (2021), Good financial management determines the sustainability of MSME businesses. To produce a good performance, MSME actors must know how to manage finances for their business (Suindari & Juniariani, 2020). This resulted in the disorganized financial management of Micro and Small businesses in Surabaya which could lead to inaccurate financial positions.

The results of the needs analysis are that Micro and Small Business actors in Surabaya need literacy related to financial management. Inappropriate financial management can result in inaccuracies in the set cost of goods sold. This has an impact on business actors experiencing losses or bankruptcy. Therefore, the financial management of Micro and Small Enterprises is something that is needed as a solution to the problem of managing business finances. Based on the results of problem identification and needs analysis, it is necessary to develop an initial description of the financial management model for Micro and Small Enterprises in Surabaya.

### **Results of the Development of the Financial Management Module and the Financial Management Assistance Module**

The second stage is the development of product prototypes of financial management models for micro and small business actors. In essence, development is an educational effort both formal and non-formal which is carried out consciously, planned, directed, organized, and responsibly to introduce, grow, guide, and develop a basic personality that is balanced, intact, aligned, knowledge, skills according to talent, , desires and abilities as provisions on their initiative to add, improve, develop themselves towards achieving dignity, quality and optimal human abilities and independent individuals (Iskandar Wiryokusumo in Afrilianasari, 2014). To prepare a prototype for this model, the initial step taken was to hold discussions involving Micro and Small Enterprises, the Small Business Cooperative Office, and Medium and Commerce, and researchers. Discussions involving business actors and experts from the Office of Cooperatives, Small and Medium Enterprises, and Trade and community leaders aim to help provide information about the types of Micro and Small Enterprises that are suitable for the characteristics of their

businesses, as well as reaffirm whether the needs previously identified are appropriate or not. In this discussion, it was formulated regarding the financial management model that would be carried out for Micro and Small Business actors who were the subjects of the research as many as 20 fostered residents at the Department of Cooperatives, Small and Medium Enterprises, and Trade in Surabaya. According to Muhammad Idrus (2009), research subjects are elements of objects, individuals, and organisms as a source of information needed by researchers to obtain research data. The expected number of samples representing 100% of the population is all members of the population itself, in the writings of Wiratna Sujarweni (2008). In addition to formulating the model, materials related to financial management, learning, and training programs will be formulated according to the needs of Micro and Small Enterprises actors. In this discussion, the objectives of financial management for business actors are formulated; and Small through learning and training programs and determine the program schedule and the duration of implementation. The second stage of developing a financial management model prototype for Micro and Small Enterprises (UMK) is as follows:

1. Design The initial framework of the financial management model for small and micro enterprises consists of the objectives and benefits of the model, the form of implementation of the financial management model, the implementation of the financial management model, the objectives, and stages of developing the financial management model for Micro and Small Enterprises. A research design is a structured set of rational decision-making choices, or guidelines, to assist in producing valid and reliable research results (Cavana, 2001). The second stage of developing this model produces an outline of the material or the main concept of the financial management model material for Micro and Small Enterprises in Surabaya and the formulation of objectives in each material. the formulation of objectives is formulated first adjusted indicators. The needs of Micro and Small Enterprises. Furthermore, these indicators are formulated into learning objectives as follows: Indicator: Performing Financial Management for Micro and Small Enterprises, Learning Objectives:
  - a. Understanding the meaning of micro and small businesses, the characteristics of micro and small businesses, the criteria for micro and small businesses, the strengths and weaknesses of micro and small businesses, and examples of micro and small businesses.
  - b. Classify the characteristics and principles of entrepreneurship
  - c. Analyzing business planning includes the definition of business planning, objectives, components of business planning
  - d. Understand financial management
  - e. Understand and apply simple Financial Reports
  - f. Understanding venture capital
  - g. Understand and apply Savings
  - h. Understand tax calculations

After the working design model and material outlines have been formulated, the financial management model for micro and small business actors can be developed into a model 1 design in the form of a prototype financial management model consisting of the Micro Business module and the Small Business Module as a guide for micro and small business actors with the title "Micro Business Module and Small Business Module" and learning media in the form of powerpoint material.

2. The second stage of developing this model also produces an outline of the material for the Micro Business Module and the Small Business Module. The material formulated includes the definition of micro and small businesses, characteristics and principles of entrepreneurship, business planning, simple financial statements, savings, and tax calculations. After the work design model and material outlines have been formulated, the financial management model for micro and small entrepreneurs in Surabaya to improve the family economy can be developed into a prototype financial management module which consists of a learning citizen handbook and a guide for facilitators entitled "Micro Enterprises Module and Small Business Module".

## **Trial Results**

The third stage of developing a financial management model for micro and small businesses is testing the prototype model as well as evaluating the prototype model. This trial is the first phase of the trial in a limited group with a sample size of 10 micro businesses and 10 small businesses in Surabaya. Following Riduwan's statement, (2016) that the sample is part of the population that has certain characteristics or conditions to be studied.

1. Initial Trial Subjects Prototype of a financial management model for micro and small businesses

In the process of testing the prototype of this financial management model, it was carried out on a limited basis to micro and small business groups, totaling 20 people in Surabaya.

2. Requirements for Limited Trial of the Financial Management Model Prototype for micro and small business actors

The requirements for the trial model for micro and small business actors as trial subjects through learning and training include micro and small business actors assisted by the Office of Cooperatives, Small and Medium Enterprises and Trade as limited trial subjects of this prototype financial management model, namely micro and small business actors. Small and Medium Enterprises Cooperatives and Trade Offices that have a business and already have a NIB (Business Identification Number). Study residents who will take part in the limited trial have at least a junior high school equivalent. Study residents, namely micro and small business actors who are the test subjects are adults, who are in good health. Because the test subjects for micro and small businesses are adults, the approach used in learning and training uses an adult education approach (andragogy). This is because adults are people who have a lot of experience, knowledge, skills, and the ability to deal with life's problems independently (Sujarwo, 2015). According to Knowles (Sujarwo, 2015)<sup>5</sup>, "Andragogy is, therefore, the art and science of helping adults learn". Andragogy is both the science and art of helping adults learn.

3. Stages of Action Research

The trial phase uses the action research model from Rorie. Summarizing the opinions of experts, Badrun KW (1998) explains: Action Research (AR) or Action Research (PT) is research conducted collaboratively by participants in the social and educational sciences to improve understanding and implementation of their work and bring impact on the surrounding environment. 0 Brian, namely diagnosing, namely diagnosing the needs of micro and small business actors by using needs analysis data obtained from the results of the focus group discussions that were carried out, then entering the planning action stage, namely preparing a learning plan in the form of establishing the competencies needed by micro and small business actors, material learning to answer the competency needs of micro and small business actors, learning strategies, duration of time needed in learning, learning resources, learning steps carried out by the facilitator, learning evaluation, place of implementation and learning schedule. Then enter the action stage of carrying out trials through learning and training and end with the reflection or reflection stage in the form of evaluating action trials for micro and small business actors using 1) Instrument evaluation sheets containing self-evaluation questions to measure learning outcomes for micro business actors and small. 2) Questionnaire sheets in the form of attitude scale questionnaires to measure the accuracy, legibility, and usefulness of the model for micro and small business actors, 3) Observation sheets used by facilitators to determine the attitudes of learning citizens in the learning process and 4) Interview instrument sheets that are useful for knowing opinion, input suggestions. and the expectations of the learner.

4. Diagnosing Stages

The stages of the action research cycle start with diagnosing the problems and needs of micro and small business actors in Surabaya. According to D. H. Barlow's quote (Haryanto, 2011) states that diagnosis is a process of determining the cause or disorder and describing a

suitable treatment. Data for diagnosing the problems and needs of micro and small business actors are taken from data in the first stages of developing a financial management model, namely data from problem identification and needs analysis obtained from observations and discussions with micro and small business actors. Data on the needs of micro and small businesses obtained in the Focus Group Discussion were verified through surveys on research subjects. From the results of the problem diagnosis and needs analysis, an action plan was developed through learning and training materials compiled in the material book for micro and small businesses.

#### 5. Planning stage

Stages Planning action or action planning is carried out by preparing a lesson plan (action). Planning or planning is an activity to determine what will be done first before we carry it out later. As stated by Newman (in Firmansyah & Mahardhika, 2018). The description of the planning for the trial of the financial management model product consists of determining the trial material for the micro and small business financial management product model, determining the form of the trial, setting learning objectives, and the duration of the learning time. In addition to the material plan, the form, and duration of the trial period, in the stages of the planning action research cycle, a schedule and time for the implementation of the learning trial are also determined.

### **Module Improvement Results**

Stage 1 product prototype financial management model for micro and small businesses in improving the family economy is carried out at the end of the trial session using trial instruments, namely (1) Test question sheets to find out the learning outcomes of learning citizens (2) Facilitator observation sheets to find out conditions and attitudes learning residents, namely micro and small business actors in the test questions carried out. (3) The questionnaire is used to determine the accuracy, legibility, and usefulness of the model for micro and small business actors. (4) The interview instrument is a useful instrument to find out the opinions and suggestions as well as the expectations of the learning community (micro and small business actors) about model trials through learning and training for micro and small business actors. The learning outcomes reflected are as follows:

#### 1. Student Learning Outcomes

The learning outcomes of the training participants as learning citizens were obtained from the results of the evaluation carried out after the facilitator gave the material. The phase 1 trial material that was evaluated consisted of 5 materials for micro and 6 materials for small which consisted of micro-businesses, entrepreneurial characteristics and principles, business planning, financial management, Business Capital, Financial Statements, and saving. Evaluation is carried out through practice questions and performance demonstrations for several materials. The summary of the learning outcomes of micro and small entrepreneurs can be seen from several sides.

##### a. Micro and small enterprises, Characteristics and principles of Entrepreneurs, Business Planning

As many as 70% of people get results that match expectations. This means that more than half of the sample can understand the contents of the material.

##### b. Development of financial management records

2 groups get success. This means that half of the sample can test the performance of the material.

##### c. Savings, Financial reports, and tax calculations

As many as 75% of people get results that match expectations. This means that more than half of the sample was able to understand the content of the material.

#### 2. Product Development Model of Financial Management for Micro and Small Enterprises

At this stage, a model is set to increase the income of micro and small entrepreneurs and there are results of additions and improvements made based on the results of the limited trial

prototype of the financial management model from the responses and input of learning citizens in the limited trial, based on the results of the initial needs analysis survey and continued and based on the results of further needs analysis through Focus Group Discussions, the initial step in developing the financial management model at stage 4 is to prepare a learning and training syllabus, complete materials along with learning objectives, preparation of facilitator guides and learning media in the form of presentation slide shows.

3. Preparation of Learning and Training Syllabus

In implementing financial management models to increase the income of micro and small entrepreneurs through learning and training. technical training carried out on research subjects, namely micro and small business actors in Surabaya. Therefore, a learning and training syllabus is needed. The syllabus is structured to become the basis for implementing the learning and training process for micro and small business actors in Surabaya, which is facilitated by facilitators from the Surabaya Small and Medium Enterprises Cooperatives and Trade Office. A syllabus is an outline, summary, overview, or main content/learning materials (Salim, 1987). The basis for compiling this syllabus refers to the results of the initial needs analysis, Focus Group Discussion, responses, and input from the learning community (micro and small business actors), surveys of responses from micro and small business actors, as well as the results of further needs analysis. The syllabus is composed of components: (1) Required Competencies, (2) Learning Objectives, (3) Learning and training materials, (4) Learning and training strategies, (5) Duration of time, (6) Media used (7) Evaluation form.

4. Preparation of Learning and Training Materials and their Objectives

For the preparation of learning and training materials in the financial management model for micro and small businesses to increase family economic income based on the compiled learning syllabus, 6 learning and training materials, and their learning objectives are determined.

a. Validation and Expert Review

In stage 4 part 2, the financial management model for micro and small business actors is validated and reviewed by experts consisting of material experts and learning technology experts. Validation of research data can be said as a series of forms of accuracy on the degree of a research variable that connects the research process to the research object using various data reported by a researcher (Sugiyono, 2012). Material expert validation and review for modules were carried out by Prof. Dr. Sri Umi Mintatarti Widjaja, S.E, M.P, Ak. Meanwhile, media and graphic experts were carried out by learning technology experts, namely Prof. Dr. H. Punaji Setyosari, M.Pd., M. Ed as a lecturer at Malang State University, Department of Educational Technology. Practitioners from the Department of Cooperatives, Small and Medium Enterprises, and Trade in Surabaya are experts in financial management. Recapitulation of Validator Results for the Facilitator's Guide, the result is that this Facilitator's Guide gets a good category, meaning it is suitable for use. Likewise the recapitulation of Product Eligibility for the Learning Citizens Guide also gets the good category, meaning it is suitable for use.

b. Model Modification

At this stage, the draft model that has gone through the process of validation and review by learning technology experts, material experts, management experts, and MSME assistants is modified to improve the financial management model for micro and small businesses. The process of modifying and perfecting the draft model refers to the results of validation and expert review. Expert input in the validation and review of the model draft that was carried out was included as material for modification and refinement. After the modification and refinement stages have been completed, the draft financial management model for micro and small business actors can be tried out in limited trials for micro and small business actors.

c. Final Testing of the Financial Management Model for Micro and Small Enterprises

After modifying and perfecting the financial management model, this model will then be tested on trial subjects, namely small and micro business actors with a total of 20 test subjects. The trial phase was carried out using the action research model from O'Brian. There are 4 trial stages. The first stage is the diagnostic stage, which is to analyze the condition of the readiness of small and micro business actors as trial subjects before testing, then the planning action stage is the preparation of a plan. learning by determining the competencies needed by small and micro business actors, learning materials to answer the competency needs of small and micro business actors, learning strategies, duration of time needed in learning, learning resources, learning steps carried out by the facilitator, learning evaluation, place of implementation and schedule learning. Then the action stage is the implementation of trials of the small and micro business financial management model through learning and training with 6 materials for small and 5 materials for the main micro then ends with a reflection stage in the form of an evaluation of the management model trial action financial management for small and micro businesses by using 1) Questionnaire sheets by filling out a questionnaire in which there are "yes" and "no" answer choices for small and micro business actors to find out the response of small and micro business actors to the financial management model that has been implemented.

5. Summary of Trial Results of the Financial Management Model for MSMEs

This stage is the final stage of the micro and small finance management model, namely the final improvement of the financial management model. In the analysis stage, the results of the response of micro and small business actors to the limited trial provided input and suggestions for improving the financial management model that was previously tested. This is needed as a reference for improvements in the micro and small finance management model so that the final product of this financial management model can be disseminated to 100 micro and small business actors in Surabaya.

### **The Effectiveness of the Financial Management Model for Micro and Small Enterprises in Surabaya**

The effectiveness of the financial management model framework for micro and small businesses has an impact on increasing the family economy and knowledge of business actors. The need for innovation, most of the respondents related to this study have implemented financial management which is very influential in cost savings and can increase operating profits which are part of the increased performance of micro and small businesses. Micro and small business actors have implemented financial management following what they have learned. The existence of mentoring after training has a good influence on improving the performance of micro and small entrepreneurs. The effectiveness of the process of implementing the financial management model for micro and small business actors can be seen from the learning outcomes and results of the maximum performance of learning residents. This effectiveness can be seen from the responses of the learning community stating that 100% of the learning carried out was very enjoyable, 90% stated that the learning material being taught was easy to understand, 85% stated that the learning media delivered could make it easier for learning residents to understand the material, 90% of the learning residents stated the time allocation provided in the implementation of sufficient learning, 90% of learning residents stated that the appearance of the modules used in learning was interesting and 85% of learning residents stated that assistance in learning was under their needs.

There is an increase in changes in the family economy for micro and small business actors because they have made separate records of personal needs and business needs. If micro and small business actors can manage finances well, it can be said that these business actors are responsible for the funds they have. Good financial management will provide great benefits for micro and small businesses. By keeping financial records in an orderly manner, micro and small businesses can find out their financial condition as well as their business development. The condition of assets, debts, capital, cash flows, and fluctuations in operating

profits can be easily identified, thereby helping small and micro businesses in making important business decisions, such as buying new assets and planning business development. Good financial management also improves aspects of business control, where micro and small businesses can find out whether their financial plans have been achieved or not.

Orderly financial administration will make it easier for micro and small businesses to apply for capital loans from banks or other financial institutions. Financial management can be an important factor in developing a business to run effectively. The financial literacy has an important role in the process of making financial decisions. The right financial decisions can improve the welfare of micro and small entrepreneurs in the future.

Financial literacy can provide many benefits for individuals, families, communities, and businesses. Especially for micro and small business actors, will have information on various alternative sources of venture capital after their business develops. Micro and small businesses can invest in various sectors, both in the banking industry such as deposits and in the non-banking sector such as stocks, mutual funds, bonds, and others. Education on financial literacy and capital potential for micro and small business actors is expected to be able to provide new information for other businesses. In addition, an understanding of various sources of capital will provide access for business actors so that they can develop their businesses more optimally. Financial literacy can be the foundation for micro and small business actors to be able to manage their funds more effectively which in the end is expected to be able to encourage the development of their business in a sustainable manner

## CONCLUSION

The financial management model for micro and small businesses that is compared with other models is a comparison with the Simple Financial Management Model. In this model, financial management is only focused on simple financial records or bookkeeping, such as receiving money, spending money, buying, and selling to make a profit. The guideline modules produced for each financial management model are also different, this is because the modules are prepared according to the needs of business actors and the material presented therein.

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