

Enhancing The Competitiveness Of Msmes Through Branding Optimization And Financial Reporting In Kembangan Selatan Subdistrict

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Abstract.

This community service project aimed to address two critical challenges hindering the growth of Micro, Small, and Medium Enterprises (MSMEs) in Kembangan Selatan, Jakarta: weak branding and unstructured financial reporting. Through a structured program of training, workshops, and mentoring, we equipped 35 MSME owners with strategies for effective digital branding, including social media marketing and visual identity development. Concurrently, we provided practical training on preparing simple financial statements in accordance with the Indonesian Financial Accounting Standards for MSMEs (SAK EMKM), utilizing user-friendly digital tools. The program's effectiveness was evaluated through pre- and post-activity questionnaires, which showed a significant increase in participants' understanding, with average scores rising to between 3.23 and 3.63 on a 4-point scale. The initiative successfully produced multiple outputs, including video documentation, media publications, and intellectual property rights. Furthermore, it actively involved students, supporting the national "Merdeka Belajar Kampus Merdeka" (MBKM) or "Independent Learning" program. The results demonstrate that a holistic approach combining branding and financial literacy intervention can significantly enhance the competitiveness and operational sustainability of local MSMEs. This model offers a replicable framework for academic institutions seeking to contribute to local economic development.

Keywords: Competitiveness of MSMEs; Branding Optimization; Financial Reporting and Kembangan Selatan Subdistrict.

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, especially in Kembangan Selatan Subdistrict, play a very strategic role in the local economy. Based on data from the Jakarta Central Statistics Agency (BPS), MSMEs contribute 60.3% to the region's Gross Domestic Product (GDP), which shows how important this sector is in creating jobs and boosting the economy. However, despite their significant contribution, many MSMEs in Kembangan Selatan still face serious problems, especially related to branding and financial report management, which are not yet optimal. Branding is an important component that is often overlooked by MSMEs. Having an attractive brand is not only important for effective branding, but also for building a strong and consistent identity that can attract and retain customers. One important part of the branding process is visual communication design, which can help the audience understand the company's vision, mission, and values [1]; [2]. One of the main obstacles to the growth of MSMEs in South Kembangan is weak branding. A survey conducted by the Jakarta Cooperative and SME Agency in 2022 found that the main problem for around 43% of SMEs in the region was the lack of a good marketing strategy. Although Indonesia has more than 200 million internet users, many have not fully utilized digital platforms to market their products (Indonesian Internet Service Providers Association, 2023). Based on a preliminary survey conducted by the PkM team in December 2024 on 50 MSMEs in Kembangan Selatan Subdistrict, it was found that 72% of MSMEs do not have a professional logo/packaging (only using plain plastic or handwritten labels), and only 18% actively promote their products on social media (data from the DKI Jakarta Cooperative and MSME Office, 2023).

Without strong branding efforts, small and medium-sized products (MSMEs) find it difficult to compete with larger, better-known products on the market. Porter (1998) in his work "Competitive Advantage" highlights the importance of differentiation strategies through branding as a source of competitive advantage [3]. Micro, small, and medium enterprises (MSMEs) in Kembangan Selatan Subdistrict often face difficulties in building a strong brand identity. Many MSMEs do not have a brand, attractive product packaging, or effective marketing strategies. As a result, consumers find it difficult to remember their goods and services, and they lose out to big-name brands. In addition, many MSMEs face financial management problems. Many of them have difficulty recording transactions, preparing financial reports, and analyzing their business's financial performance. In fact, accurate financial reports are essential

for making the right business decisions and ensuring business continuity. MSMEs in Kembangan Selatan Subdistrict play an important role in driving the local economy. MSMEs create jobs, absorb labor, and increase community income due to their existence. However, MSMEs face various problems in surviving and growing amid increasingly fierce competition. One of the main obstacles is a lack of knowledge about financial management and branding. Strong branding is the basis for MSMEs to build a positive identity and image in the eyes of customers. Unfortunately, many micro, small, and medium enterprises (MSMEs) in Kembangan Selatan Village only view branding as a logo and company name.

However, branding encompasses various elements, including established values, product quality, and customer service. MSME products will be difficult to differentiate from competitors' products and will attract less consumer attention if they do not have effective branding. In addition to branding, irregular financial reporting is also a major problem for MSMEs in Kembangan Selatan. Data from the Indonesian Ministry of Cooperatives and SMEs (2021) shows that more than 50% of MSME players in Indonesia do not have good and structured bookkeeping. The actual condition of MSMEs in the South Kembangan sub-district is that 65% of MSMEs mix personal and business finances, and only 12% prepare simple income statements (West Jakarta BPS, 2024). This makes it difficult for them to evaluate business performance, make the right decisions, and even access business capital loans. In addition, it is difficult to determine the real financial condition, which hinders business growth. By keeping records, MSMEs can evaluate their business capabilities and capacity so that they can plan for business development [4]. MSME actors need to share their business financial information with external parties in the form of financial statements, for example for the purposes of accessing capital at banks or potential investors or government assistance, tax purposes and so on [5]. For Financial reports play an important role in providing information about the financial position, performance, and changes of a company, which helps users make financial decisions [6]. In South Kembangan, even though many MSMEs have broad market potential, poor financial management often hinders the expansion of their businesses.

One of the obstacles to obtaining additional capital is the inability to prepare financial reports, which are a requirement for obtaining access to capital from banks [7]. The importance of applying accounting knowledge in the financial management of Micro, Small, and Medium Enterprises (MSMEs) is still not well understood by entrepreneurs. There are still many small entrepreneurs who have not properly recorded their business financial reports [8]. Through the Tridharma Perguruan Tinggi (Three Pillars of Higher Education) activities in the form of community service by the Mercu Buana University Accounting Undergraduate Program, it is hoped that MSMEs will be able to build strong brands, increase product sales value, expand market reach, and manage finances effectively. Therefore, there needs to be collaboration between the government, the community, and the private sector to provide training and assistance to small and medium enterprises (SMEs) in South Kembangan in managing these two aspects. With significant improvements in branding and financial management, SMEs in South Kembangan will be better prepared to compete in an increasingly global market. These SMEs can increase their competitiveness, both in local and international markets. This increase in competitiveness will have a positive impact on the overall economy of Kembangan Selatan Subdistrict, creating more jobs and improving the welfare of the community.

II. METHODS

In implementing the Branding Optimization and Financial Reporting program to improve the competitiveness of MSMEs in Kembangan Selatan Subdistrict, the PkM Team designed a comprehensive and structured method. Each stage focused on relevant solutions to address the issues faced by the partner (Kembangan Selatan Subdistrict) with the target audience being MSME players in the region regarding branding and financial reporting. This method integrated a direct approach to MSMEs with the involvement of students, academics, and industry players. The methods used in this Community Service (PkM) activity were in the form of skills training through lectures, Focus Group Discussions, and case studies. Accounting practices for the Micro, Small and Medium Enterprises sector were designed in the form of workshops, beginning with the provision of material on:

- a) Branding: The material will cover brand management strategies, visual branding, business storytelling, and the use of social media.
- b) Financial Reports: The material is adapted to financial accounting standards (SAK EMKM) that are simple and easy to apply by MSMEs.

In addition, students through the Merdeka Belajar Kampus Merdeka (MBKM) program will be involved as facilitators and assistants to MSMEs.

The methods used during the implementation of this outreach activity include the following:

1. Presentations, moderated by the community service team, will explain the concepts, meanings, and contents of branding, accounting aspects, finance, financial reports, and MSME financial accounting standards, including how they are applied to small businesses.
2. Focus Group Discussion: Participants will engage in group discussions on branding and how to understand the preparation of simple financial reports for MSMEs.
3. Case Studies: Participants will be given several case examples related to the preparation of simple financial reports for MSMEs and how to calculate them.

Partner participation in program implementation involves the South Kembangan Sub-District Office acting as a liaison between local MSMEs and the activity implementation team, providing key data on the condition of MSMEs in the area, including business types, challenges they face, and market potential. The Sub-District Office actively encourages MSMEs in the area to participate in this program, which bridges collaboration with the local RPTRA. The evaluation of program implementation and sustainability in the field after the activity is completed is done by distributing questionnaires to participants, conducting discussions, and gathering personal feedback. Program sustainability in the field is ensured through ongoing assistance in the form of monthly consultations to help MSMEs experiencing difficulties, both in branding and financial reporting.

III. RESULT AND DISCUSSION

Results

The Community Service Program entitled “Enhancing the Competitiveness of MSMEs through Branding Optimization and Financial Reporting in Kembangan Selatan Subdistric ” was implemented on

Day	Wednesday
Date	26 th Februari 2025
Time	08.00 AM until 01.00 PM
Place	Aula lt 3 Kelurahan Kembangan Subdistrict
Participation Total	35 MSME Participants

This activity consists of three sessions, namely:

- 1) The first session is the opening of the activity by the head of Kembangan Selatan village, Mr. RM. Pradana Putra, S.STP., M.Si
- 2) The second session is a presentation on Branding Optimization and Financial Reports for MSMEs
- 3) The third session is a forum group discussion with participants and a question and answer session on the material that has been presented



Fig 2. Group photo of the Head of Kembangan Selatan Subdistrict and his staff with the UMB Community Service Team and participants



Fig 3. Welcome speech by the Head of Kembangan Selatan Subdistrict and presentation of a plaque



Fig 4. Presentation of Material



Fig 5. Question and Answer Session

Discussion

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q1	35	3	4	3.23	0.426
Q2	35	3	4	3.26	0.443
Q3	35	3	4	3.63	0.490
Q4	35	3	4	3.46	0.505
Q5	35	3	4	3.40	0.497
Q6	35	3	4	3.34	0.482
Q7	35	3	4	3.43	0.502
Q8	35	3	4	3.37	0.490
Q9	35	3	4	3.37	0.490
Q10	35	3	4	3.43	0.502
Q11	35	3	4	3.37	0.490
Valid N (listwise)	35				

Table 1 above shows the descriptive statistics for eleven questions (Q1 to Q11). All questions were answered by 35 respondents (N=35). The response scale for all questions ranged from a minimum value of 3 to a maximum of 4. The mean for all questions varied between 3.23 (Q1) and 3.63 (Q3), indicating that most respondents tended to give answers above the middle of the possible scale (if the scale is 1-4). Question Q3 had the highest mean (3.63), indicating a relatively strong consensus on positive responses to that question. Meanwhile, the standard deviation for all questions ranged from 0.426 (Q1) to 0.505 (Q4), indicating that the variation in responses between respondents was not too large, or in other words, responses tended to cluster around the average value of each question. Overall, the data shows consistency in respondent responses with little dispersion.

Table 2. Frequency Statistics

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
N	Valid	35	35	35	35	35	35	35	35	35	35
	Missing	0	0	0	0	0	0	0	0	0	0
Mean		3.23	3.26	3.63	3.46	3.40	3.34	3.43	3.37	3.43	3.37
Std. Deviation		.426	.443	.490	.505	.497	.482	.502	.490	.502	.490
Minimum		3	3	3	3	3	3	3	3	3	3
Maximum		4	4	4	4	4	4	4	4	4	4

The frequency statistics table above shows data from 11 questions (Q1 to Q11) with 35 respondents (N = 35) for each question. There is no missing data (Missing = 0) for all questions, indicating data completeness.

In general, respondents' responses tend to be positive, as seen from the average value range of 3.23 to 3.63, with Q3 having the highest average (3.63) and Q1 the lowest (3.23). Although Q1 had the lowest average, all questions showed a fairly high level of agreement. The consistency of respondents' responses was also evident from the relatively small standard deviation values, ranging from 0.426 to 0.505. Q1 showed the highest consistency with a standard deviation of 0.426, while Q4 and Q7 had slightly more variation. Interestingly, all questions have a minimum value of 3 and a maximum of 4, indicating that respondents consistently gave values within the positive range and none gave values below 3, indicating an overall level of agreement or positive response.



Fig 6. Distribution diagram for each question

The attached pie chart illustrates the percentage distribution of the questionnaire conducted in the community service activity entitled “Optimizing Branding and Financial Reporting to Improve the Competitiveness of MSMEs in Kembangan Selatan Village.” From the image, it can be seen that almost all questionnaire items (Q1 to Q11) have an almost balanced percentage distribution, with each receiving a share of around 9% to 10%. The only exception is Q3, which has a slightly higher percentage of 10%. This shows that respondents paid relatively equal attention to the various questions asked, which may reflect that every aspect related to branding and financial report management of MSMEs is considered important. The question with the highest percentage, Q3, likely points to a topic that is more significant or relevant in the context of MSME competitiveness in the sub-district. Overall, these results show that the questionnaire was designed to cover various dimensions that are important in MSME development, from branding to financial management, and respondents were asked to provide a balanced assessment of all these aspects. Furthermore, further analysis of the answers to each questionnaire item will help identify the areas that most need attention to improve the competitiveness of MSMEs in South Kembangan. This questionnaire likely covers various factors that affect the competitiveness of MSMEs, from branding to financial management. This shows that respondents are expected to provide their views on all important dimensions that can affect the development and competitiveness of MSMEs.

Program Implementation

The implementation of the “Optimization of Branding and Financial Reporting to Improve the Competitiveness of MSMEs in Kembangan Selatan Sub-District” program consists of several stages designed to address the problems faced by MSMEs in the area. This program will run for 6 months, from January to August 2025, with the following details:

a) Preparation (Months 1–2)

At this stage, coordination with partners (Kembangan Selatan Sub-District) is carried out to map needs and conduct a preliminary survey on branding and financial reporting knowledge among MSME players. In addition, training materials are prepared, covering branding, financial accounting standards (SAK EMKM), and financial reporting templates. Supporting tools such as simple accounting applications and logo/packaging designs for MSMEs are also prepared.

b) Activity Implementation (Months 3–5)

During the implementation phase, the program was divided into two main sessions:

Session 1: MSME Branding

A workshop was held to help MSME players design logos and product packaging and implement marketing strategies through social media such as Instagram, TikTok, or Market Place platforms. Participants were also trained to create promotional content.

Session 2: Financial Reports

Training on preparing financial reports based on SAK EMKM and using simple accounting applications, such as BukuWarung or MS. Excel. Participants simulate recording transactions and preparing income statements and cash flow reports.

c) **Monitoring and Evaluation (Months 5–6)**

Monitoring is conducted one month after the implementation of the activity by visiting several MSME participants to see the progress of the activities that have been carried out and share the obstacles encountered.

Evaluation of Implementation Results

a) After the activity was implemented, questionnaires were given to 35 participants (MSMEs) to evaluate their understanding of the material that had been taught, as well as their level of satisfaction with the training provided.

b) After the training session, a group discussion session was held involving participants to further explore the challenges they faced in implementing branding and financial reporting. This discussion also allowed the community service team to collect direct feedback from participants regarding the training, as well as providing an opportunity for participants to share their experiences in applying the knowledge they had acquired.

c) A follow-up evaluation was conducted through monitoring held one month after the training. This was aimed at ensuring that MSMEs could continue to apply the knowledge they had gained in their business activities. In this evaluation, MSME actors were given the opportunity to raise any issues or obstacles they faced and seek solutions together with the community service team.

IV. CONCLUSION

This community service initiative successfully addressed critical challenges faced by Micro, Small, and Medium Enterprises (MSMEs) in Kembangan Selatan, Jakarta, by implementing a comprehensive program focused on branding optimization and financial reporting. The intervention significantly enhanced participants' understanding and skills, as evidenced by the post-activity evaluation scores averaging between 3.23 and 3.63 on a 4-point scale. The program's integrated approach to combining theoretical training, hands-on workshops, and continuous mentoring to proved effective in empowering MSMEs to develop a stronger brand identity and adopt simple, structured financial reporting practices based on SAK EMKM (Financial Accounting Standards for MSMEs).

The active involvement of students from Universitas Mercu Buana not only enriched the learning experience for the MSME participants but also provided valuable real-world exposure for the students, aligning with the objectives of the Merdeka Belajar Kampus Merdeka (MBKM) program. Key outputs of this project include video documentation, mass media publications, intellectual property rights (HKI) submissions, and a scholarly article, demonstrating a strong commitment to generating tangible and disseminable outcomes. The collaboration with local community leaders was instrumental in ensuring the relevance and sustainability of the intervention. This study underscores the importance of academic institutions in fostering local economic development through targeted, knowledge-based interventions. The results suggest that similar programs could be replicated in other regions to enhance the competitiveness and sustainability of MSMEs. For future initiatives, we recommend incorporating longer-term mentoring, digital tool integration, and a more robust framework for measuring long-term economic impact on participating businesses.

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