

BUILDING A SOLID BUSINESS FOUNDATION BY IMPLEMENTING APPROPRIATE FINANCIAL REPORTING, DIRECTED MARKETING, AND ATTRACTIVE BRANDING FOR SUKAWATI WOOD CARVING ENTREPRENEURS

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Abstract:

Gianyar Regency, Bali, is known as a center for high-value woodcarving crafts. However, MSMEs in this sector still face several challenges in business management, particularly in financial record-keeping, branding strategies, and digital marketing. This community service program aims to increase the business capacity of the Baliary Artcrafts woodworking group through a digital-based empowerment approach. The methods used include training in simple financial record-keeping using Excel and accounting applications, strengthening brand identity through logo and product packaging design, and digital marketing training utilizing social media and e-commerce. The program also involves university students as a form of implementing the Independent Learning Campus (MBKM) program and supporting the achievement of higher education's Key Performance Indicators (IKU). The expected outcomes of this activity are increased financial literacy, a more professional brand image, and broader market reach for the target MSMEs. Overall, this activity contributes to the digital transformation of MSMEs in the craft sector in Gianyar, making them more adaptive and competitive in the global market.

INTRODUCTION

Gianyar Regency in Bali Province has long been known as a center of the craft industry, particularly woodcarving, a region rich in cultural and aesthetic value. This region, particularly Sukawati District, contributes significantly to the Gross Regional Domestic Product (GRDP) through the creative and craft industries sector. According to 2023 data from the Central Statistics Agency (BPS) of Gianyar Regency, the processing industry sector, including woodcrafts, contributed approximately 32.7% of the total GRDP of Gianyar Regency, occupying a strategic position in the regional economic structure. However, this enormous potential has not been fully utilized by Micro, Small, and Medium Enterprises (MSMEs). The main challenge faced is weak professional business management, particularly in financial record-keeping, product branding, and digital marketing. A 2022 survey by the Bali Provincial Department of Industry and Trade revealed that more than 60% of craft businesses still use manual, unsystematic financial records, hindering their access to capital and long-term business planning.

Furthermore, branding is also a fundamental weakness. A 2021 report from the Indonesian Ministry of Cooperatives and SMEs noted that only 25% of craft MSMEs in Bali have a strong and consistent branding strategy. Weak brand positioning makes it difficult for local products to compete in the wider market, both nationally and internationally. Even superior products often lose ground due to a lack of visual differentiation and a strong brand narrative. Meanwhile, the digital transformation that is urgently needed in the post-COVID-19 pandemic era has not been embraced by the majority of craft businesses. A study by Wijaya & Handoyo (2023) showed that approximately



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70% of craft MSMEs in Gianyar still rely on conventional promotional methods such as exhibitions or word of mouth. However, digital marketing has been proven to increase market reach and sales turnover. Research by Astuti & Hakim (2021) demonstrated that MSMEs implementing digital marketing experienced a 50% increase in turnover in the first two years.

One concrete example of this is Baliary Artcrafts, a partner in this program, led by I Komang Ari Harimbawa. Despite producing high-quality products and possessing significant potential for market expansion, this business unit still lacks an adequate financial system, a digital-based promotional strategy, or a strong brand identity.

This community service program aims to address these challenges through technology-based interventions and practical training, focusing on:

1. Improving financial literacy through training in digital financial record keeping and business report preparation.
2. Strengthening branding and visual identity, including logo design, product packaging, and digital catalog creation.
3. Utilizing digital media in marketing through training on the use of social media (Instagram, TikTok, Facebook) and marketplaces (Shopee, Tokopedia).

Furthermore, this program aligns with national policy directions to support the achievement of the Sustainable Development Goals (SDGs), particularly point 8, Decent Work and Economic Growth, and supports the university's key performance indicators (KPIs) through the active involvement of lecturers and students in community empowerment.

With a participatory approach and sustainable strategy, this activity focuses not only on solving short-term problems but also on building long-term capacity that is adaptive to technological developments and the global market.

METHODS

This community service program aims to improve the capacity of Balinese carving entrepreneurs to manage their businesses through the implementation of accurate financial reporting, targeted marketing, and attractive branding. According to Arief et al. (2023), an effective business strategy is key to the success of MSMEs in facing competition and market changes. This program will involve several structured implementation stages to ensure the achievement of its objectives. The community service implementation method will be implemented through several structured stages, including outreach, training, mentoring, and evaluation.

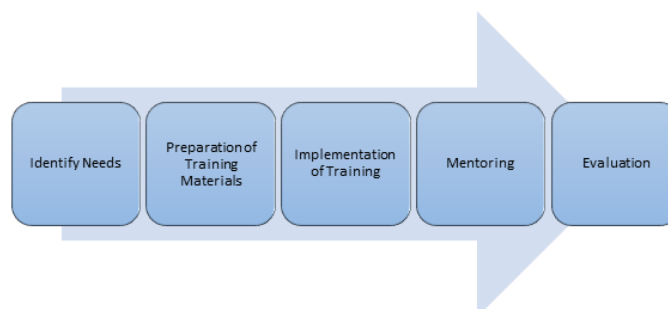


Figure 1. Methods of implementing community service

Needs Identification. The initial stage in implementing this community service program was to identify the needs and problems faced by Balinese carving entrepreneurs in Gianyar Regency. According to research by Nugraha and Setyawan (2022), a participatory approach through group discussions and in-depth interviews with local entrepreneurs was deemed effective in uncovering the main problems they face, such as weak financial management, suboptimal marketing strategies, and a lack of understanding of branding concepts and implementation.

Preparation of Training Materials. Training materials were systematically developed based on the findings from the needs identification process. These materials focused on four main aspects: financial report preparation, marketing strategy, branding strengthening, and the use of digital technology in marketing activities. Setiawan et al. (2021) stated that relevant, structured, and contextual materials will increase the effectiveness of the training process. The materials include:

- a. **Financial Reports:** Based on a study by Haryanto and Suryani (2022), a basic understanding of simple financial record-keeping is crucial for Micro, Small, and Medium Enterprises (MSMEs). Therefore, the material will cover simple and applicable techniques for preparing profit and loss statements and balance sheets.
- b. **Marketing:** The training will cover both digital and conventional marketing strategies. Sukmawati et al. (2023) emphasize that strategic use of social media can significantly expand market reach and increase product competitiveness.
- c. **Branding:** The training also covers the importance of brand identity and techniques for building strong branding. Pratama and Nugroho (2024) revealed that consistent and authentic branding can increase consumer trust and loyalty in a product.

Training Implementation. The training will be conducted as an interactive workshop over three consecutive days. Each training session will include material delivery, case studies, and group discussions to deepen participants' understanding.

- a. **First Phase:** The initial phase will include outreach on the importance of financial reporting, marketing strategies, and effective branding development. This outreach will be conducted through seminars or workshops involving Balinese carving business owners in Gianyar and relevant stakeholders. The socialization materials refer to current literature, such as the importance of financial reports in business management (Misbah et al., 2021) and effective MSME marketing strategies (Santoso, 2023). Participants will be given training on recording daily transactions, preparing monthly financial reports, and analyzing the business's financial condition. In addition, participants will be trained in developing targeted marketing strategies, including the use of digital platforms like Instagram and Facebook, as well as an introduction to basic branding concepts such as logo and tagline creation.
- b. **Second Stage:** After the socialization process, the training continues with in-depth material, specifically related to financial report preparation. In this stage, participants will learn to prepare simple financial reports that include balance sheets, profit and loss statements, and cash flow statements, as well as understand basic accounting principles. A study conducted by Utami (2022) shows that entrepreneurs who implement good and consistent financial record-keeping have more stable business performance. Furthermore, the training materials will also focus on marketing strategies, including market analysis, segmentation, and determining relevant target markets. Hidayat et al. (2023) emphasized that understanding consumer behavior is an important element in designing an effective marketing strategy.

Mentoring. The next stage is post-training mentoring, which aims to ensure that participants are able to implement the knowledge and skills they have acquired sustainably. Based on research by Utami and Handayani (2021), ongoing mentoring significantly contributes to the successful implementation of the training program. The community service team will conduct regular visits to business locations to provide direct guidance on preparing financial reports and implementing marketing strategies. This mentoring also covers branding aspects, where participants will be facilitated in designing a brand identity that aligns with the characteristics of their carved products. Rahman (2024) shows that strong and relevant branding can increase product competitiveness in both local and global markets.

Evaluation. The final stage of the program is an evaluation of the program's implementation and impact. This evaluation is conducted through data collection related to changes in participants' business performance, both in terms of financial management and marketing. Furthermore, the community service team will gather feedback from participants to identify aspects that need improvement in subsequent program implementations. The evaluation process is conducted periodically at the end of each month to monitor participant progress and provide recommendations for continuous improvement. Yuniarti et al. (2023) stated that systematic and periodic evaluation is very important to assess the effectiveness of the program and ensure the sustainability of positive impacts on business actors, especially in the context of developing the carving business in Gianyar Regency.

RESULTS AND DISCUSSION

Although the Community Service (PKM) program has significant potential to impact the capacity development of Balinese carving entrepreneurs positively, its implementation is not without various obstacles and challenges. Constructive input and recommendations are essential to improve the program's effectiveness and sustainability in the future. This section will systematically discuss the obstacles encountered during the PKM implementation, along with proposed improvements that can be applied to similar programs in the future.

Obstacle 1: Variation in Participants' Levels of Understanding. One of the main challenges that emerged during the program's implementation was the heterogeneity in participants' levels of understanding of the training materials, particularly in aspects of financial reporting, marketing strategies, and branding. Not all participants had a formal business education background, resulting in gaps in their absorption of the material. Hidayat et al. (2023) emphasized that education level significantly influences the effectiveness of learning and the application of new knowledge. In this regard, participants with lower levels of education tended to have difficulty understanding basic accounting concepts and systematic marketing strategies. Therefore, a more adaptive and contextual learning approach is needed, such as the use of real-life case studies, material visualizations, and interactive question-and-answer sessions to enhance participant understanding and engagement in the training process.

Obstacle 2: Limited Time and Resources. The limited time and resources available to Balinese carving entrepreneurs pose a significant obstacle to optimally participating in the entire training program. Most participants are micro-entrepreneurs directly involved in daily operations, thus severely limiting the time available for training. Utami (2022) points out that time constraints are a factor hindering the learning process and application of new knowledge among small business owners. In response, training programs need to be designed flexibly, both in terms of implementation time and the delivery method. For example, training can be conducted online in a



modular format, supplemented with video materials or digital modules that participants can access independently whenever needed.

Obstacle 3: Resistance to Change. Resistance to change is a psychological and cultural challenge often encountered in implementing capacity-building programs for entrepreneurs. Many participants are accustomed to traditional methods of running their businesses, leading them to express doubt or resistance to new approaches offered through training. Rahman (2024) states that changes in business practices often trigger uncertainty and anxiety about potential risks. To address this, a more persuasive and empathetic approach is needed from training facilitators. Providing concrete examples of success stories from other businesses that have adopted change, as well as fostering a dialogue-based atmosphere during the presentation, can help build participants' confidence in the benefits of the proposed changes.

Obstacle 4: Limited Access to Technology. Although current marketing and branding strategies are heavily influenced by developments in digital technology, not all businesses have adequate access to the necessary infrastructure and tools. Santoso (2023) highlighted that limited access to technology remains a major obstacle for MSMEs in effectively adopting digital marketing strategies. In this context, PKM programs need to collaborate with relevant parties, such as local governments or technology service providers, to provide access to technological tools and training on the use of relevant digital applications. Furthermore, it is crucial to provide education on the benefits of using technology in business management to motivate participants to adapt to current developments.

Obstacle 5: Limited Business Capital. Financial factors are also a significant obstacle to implementing training outcomes. Although participants have gained an understanding of financial reporting and marketing strategies, limited capital often hinders the optimal implementation of these strategies. Misbah and Rahman (2021) emphasize that access to financing is a crucial factor in supporting the sustainability and growth of small businesses. Therefore, the PKM program should also facilitate participants in obtaining information about microfinance institutions and government assistance programs that can be utilized for business capital. Partnerships with financial institutions that offer loans with MSME-friendly schemes should also be considered as part of the empowerment strategy.

CONCLUSION

The Community Partnership Program (PKM), themed "Building a Solid Business Foundation through Accurate Financial Reporting, Targeted Marketing, and Attractive Branding for Wood Carving Entrepreneurs," demonstrated significant potential for increasing capacity and empowering small businesses in the craft sector, particularly in the production of wall carvings and miniature statues. Through structured training and mentoring, program participants gained a greater understanding of the importance of preparing accurate financial reports as a tool for evaluating business performance and as a basis for rational decision-making.

Furthermore, this activity emphasized the urgency of implementing targeted marketing strategies. Participants were trained to understand the dynamics of consumer behavior and introduced to the use of digital technology as an effective marketing medium for expanding market reach. An introduction to the concept of strong branding was also a primary focus, with the aim of helping entrepreneurs build a distinctive and highly competitive product identity.

However, the program's implementation faced several obstacles that impacted the effectiveness of the intervention, such as disparities in participants' understanding, limited time



available to entrepreneurs, resistance to changing business habits, limited access to information technology, and limited availability of business capital. These findings underscore the importance of adopting a more adaptive and responsive approach to the participants' real-world circumstances. Therefore, the various inputs obtained during the program serve as a crucial foundation for future program development, including tailoring training content based on participant backgrounds, innovating more interactive learning methods, and improving access to resources and supporting technology.

More broadly, the success of this program is reflected not only in the improvement of individual knowledge and skills but also in its contribution to strengthening the local economy. By building a strong business foundation, woodcarving entrepreneurs in Bali can increase product competitiveness, create new jobs, and play an active role in preserving traditional carving as a regional cultural heritage. In this regard, ongoing synergy between academics, business actors, and other stakeholders is crucial in establishing a healthy, adaptive, and sustainable small and medium enterprise ecosystem in Indonesia.

Overall, this PKM activity demonstrates that with a targeted approach and adequate support, small businesses can overcome existing challenges and significantly improve business performance. Implementing systematic financial reporting, planned marketing strategies, and strengthening brand identity are essential strategic steps to build a business foundation that is not only solid but also sustainable in the long term.

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