

MSME Financial Management: Cash Flow Management Strategies to Enhance Business Sustainability

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Abstract

This study aims to identify effective cash-flow management strategies for Micro, Small, and Medium Enterprises (MSMEs) in Bandar Lampung, Indonesia. Although MSMEs play a critical role in national economic development, many still experience liquidity problems due to weak financial recording, the mixing of personal and business funds, and the limited use of digital financial tools. This research employs a descriptive qualitative approach, collecting data through in-depth interviews, observations, and documentation involving 15 MSMEs from the culinary and retail sectors. The findings reveal that cash-flow management can be significantly improved through four key strategies: monthly budgeting, daily transaction recording, structured management of receivables and payables, and the use of digital financial applications. These strategies enhance financial control, strengthen preparedness for unexpected expenses, and support more informed business decision-making. The study highlights the importance of financial and digital literacy for MSMEs and calls for continued government support through training and capacity-building programs.

Keywords: Cash Flow, Cash Management Strategy, Financial Recording, Liquidity, MSMEs

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) hold a strategic role in the Indonesian economy. This role is not only reflected in the enormous number of business units but also in the sector's ability to maintain national economic stability, especially during times of pressure on the formal business sector or large-scale companies. Based on official data from the Ministry of Cooperatives and SMEs in 2023, more than 65 million active MSME units operate across various economic sectors (Kemenkop, 2023). The dominance of this number makes MSMEs the backbone of domestic economic activity, contributing significantly to the Gross Domestic Product (GDP) and serving as the primary source of national employment (Tambunan, 2019). With their labor-intensive characteristics, MSMEs are able to create job opportunities for communities in various regions, including remote areas untouched by large-scale investment. This condition affirms that MSMEs are not merely economic entities but also critical instruments in achieving equitable development and strengthening the people's economy.

Despite their substantial contribution, the MSME sector still faces various structural challenges that hinder capacity building and competitiveness. One of the most frequently encountered fundamental problems is weak financial management, particularly in the aspect of cash flow regulation. Cash flow is a vital indicator of a business's financial health; smooth cash flow determines the business owner's ability to meet short-term obligations, manage working capital, and maintain operational sustainability (Hardiningsih, Srimindarti, Alfasadun, & Lisiantara, 2022). However, many MSMEs experience liquidity difficulties, not due to a lack of turnover, but because of poorly managed cash flow (Asadi, Mukoffi, & Susanti, 2021). The mismatch between the timing of revenue receipts and expenditures often leads to a "cash crunch" condition that can impede business continuity (Hilarianty & Maisela, 2024). These difficulties arise due to limited access to financial resources and the lack of financial knowledge possessed by owners and management (Tandean, Kusnadi, Anantadjaya, & Nawangwulan, 2024).

This problem is exacerbated by the low financial literacy among MSME actors (Rahmadhani & Kusumastuti, 2025). Many business owners view financial record-keeping as an administrative activity that offers no direct benefit (Kasenda & Wijayangka, 2019). Consequently, the recording process is often done minimally, irregularly, or even entirely neglected. Some MSME actors still rely on memory to record transactions—a method highly vulnerable to errors and the loss of important

information. This condition limits the MSMEs' ability to perform financial planning, evaluate business performance, identify the break-even point, or plan business expansion.

Furthermore, limited access to supporting resources—such as professional accounting personnel, bookkeeping software, and financial management training—also constitutes a significant barrier (Brigham & Houston, 2021). Many MSMEs lack the financial capacity to hire consultants or accountants, while financial training provided by the government or non-governmental organizations often does not reach all regions and is frequently not tailored to the specific needs of MSME actors (Moore, 2022). This creates a capacity gap between MSMEs that have access to assistance and those that do not (Khaled, Kamil, Prihanto, & Venni, 2025).

Recognizing the crucial role of cash flow in determining business sustainability and resilience, this research seeks to identify practical, relevant, and easily implementable cash flow management strategies for MSMEs with limited capital and resources. The study is focused on real practices found in the field so that the recommendations generated are not merely theoretical but can genuinely be implemented in the context of MSMEs' day-to-day operations. Thus, the results of this research are expected to provide a tangible contribution to business owners, MSME assistance institutions, and policymakers in designing more effective and targeted capacity-building programs. Ultimately, strengthening the financial governance of MSMEs is expected to enhance the sector's efficiency, competitiveness, and resilience in facing increasingly complex economic dynamics.

2. RESEARCH METHODS

This study employs a descriptive qualitative design to gain an in-depth understanding of the behavior patterns and habits of MSME financial management. The sample consists of 15 MSMEs from the culinary and retail sectors in Bandar Lampung, chosen due to their fast daily transactions and the need for precise cash management. Data collection was conducted through in-depth interviews, direct observation of daily activities, and documentation, including manual notes, proof of purchase, accounts receivable records, and financial application reports, if available. Data analysis follows the Miles & Huberman model, encompassing data reduction to select relevant information, data display in tables and narratives for easier interpretation, and conclusion drawing to formulate strategies and implications for MSME sustainability.

3. RESULTS AND DISCUSSION

3.1 Cash Flow Management Conditions of MSMEs in the Field

Based on the results of in-depth interviews and field observations of 10 MSMEs operating in the culinary, craft, and services sectors, it is evident that cash flow management remains a significant challenge. Almost all business actors display an unstructured cash management pattern, which directly affects operational continuity, the ability to plan expenses, and strategic financial decision-making. This condition can be detailed through the following dominant characteristics:

a. Inconsistent Financial Record-Keeping

Observation and interview results indicate that the majority of MSMEs have not implemented systematic and consistent bookkeeping. Existing financial recording practices vary widely, from merely writing down daily income to completely failing to document important expenditures. For example, a restaurant owner in City X only records the total daily sales in a small notebook, without tracking the costs of raw materials, employee wages, or transportation fees. A similar situation was found with a craft shop owner in Regency Y, who relies entirely on memory to estimate weekly profit. This inconsistency leads to several significant impacts on operational continuity and MSMEs' financial decision-making:

- **Lack of Clarity in Cash Position:** Without complete records, business owners often do not know the amount of cash available for urgent needs. Consequently, day-to-day decision-making tends to be speculative and reactive, such as delaying the purchase of raw materials or taking on sudden debt risks.
- **Errors in Profit Calculation:** Because expenditures are not recorded, the profit seen on paper is often higher than the reality. This can mislead business owners in determining investment strategies, setting selling prices, or purchasing stock, thereby increasing the potential for loss.

- **Difficulty in Predicting Working Capital Needs:** Without historical data, planning for raw material procurement, employee payroll, or preparation for large orders becomes inaccurate. MSMEs tend only to react to problems as they arise, rather than anticipating them strategically. This situation makes MSMEs vulnerable to "cash shocks," which are conditions where sudden expenditures emerge without prior planning. Real examples include unexpected increases in raw material prices, urgent needs for repairing production tools, or large customer orders that must be fulfilled immediately. These events often trigger sudden financial pressure, disrupt operational smoothness, and diminish the MSMEs' ability to make sound and sustainable business decisions.

b. **Mixing of Personal and Business Finances**

Interview results indicate that almost all respondents admit to the practice of mixing personal finances with business cash. This phenomenon is one of the significant challenges in MSME cash flow management because it directly impacts the stability of working capital and daily operational smoothness. For example, a catering business owner in City Z uses business cash to suddenly pay household electricity bills. As a result, when a large order unexpectedly arrives, the purchase of raw materials must be postponed because the business cash is insufficient. The impact of this mixing is multi-dimensional:

- **Disruption to Daily Operations:** The use of business cash for personal needs causes delays in production or service. For instance, raw materials cannot be purchased on time or employees cannot be paid, which subsequently reduces service quality and customer satisfaction.
- **Difficulty in Objectively Assessing Business Performance:** When personal and business expenses are mixed, it is difficult for the owner to know the actual profit generated by the business. This biases the business performance evaluation and hinders strategic decision-making, such as determining selling prices or planning investments.
- **Increased Risk of Debt:** When business cash is insufficient for operational needs, the owner is forced to seek additional funds suddenly, for example, through short-term loans or credit with high interest rates. This can trigger additional financial burdens and increase long-term liquidity risk.

The practice of mixing personal and business finances reflects a weak separation of financial responsibility between the individual and the business. Without clear separation, MSMEs become more vulnerable to liquidity problems, cash flow uncertainty, and financial pressure when facing sudden situations (Andersson, Eklund, & Tsvetkova, 2023). This separation is, in fact, a vital foundation for making cash management more transparent, efficient, and supportive of sustainable business growth.

c. **Absence of Projections or Budgets**

Most observed MSMEs focus on short-term activities without preparing structured cash projections or monthly budgets. This is seen in a mobile coffee vendor in City Y who admitted, "I only think about today; tomorrow will take care of itself." This approach makes financial management tend to be reactive, where financial decisions are made based on urgent needs, not strategic planning. The impacts of the absence of budgets and cash projections include:

- **Unfocused Spending:** Without budget limits, daily expenditures become difficult to control. Cash can run out faster than anticipated, leading to pressure when having to purchase raw materials or pay operating costs.
- **Difficulty in Facing Price and Demand Fluctuations:** MSMEs are less prepared to face increases in raw material prices or decreases in customer demand, as there are no systematically allocated reserve funds.
- **Difficulty in Planning Business Growth:** Without historical data or cash projections, business owners lack a basis for making investment decisions, adding stock, or hiring new employees.

This lack of planning indicates that many MSMEs still run their businesses with a "going with the flow" approach, making them prone to liquidity problems and operational instability when urgent situations arise.

d. Minimal Use of Technology

Although various free financial recording applications are now available, most MSMEs have not optimally utilized technology. The main factors are low digital literacy, the technology gap, and concerns about making mistakes when using applications. Some MSMEs that tried applications eventually returned to using notebooks because they felt more comfortable and familiar. The consequences of the minimal use of technology are:

- Financial Data is Scattered and Vulnerable to Loss: Without a digital system, financial records are easily lost, damaged, or misplaced, leading to inaccurate cash information.
- Slow Decision-Making Process: Financial analysis becomes manual and time-consuming, so strategic decisions such as setting prices, ordering stock, or preparing promotions are often delayed.
- Difficulty in Accessing Financing: MSMEs that do not have formal financial reports or digitally stored data face challenges when applying for loans or capital assistance from financial institutions.

This condition shows that the lack of technology integration in cash management limits the MSMEs' ability to increase efficiency, transparency, and accuracy in financial management. Even the implementation of simple technology can actually have a significant impact on cash flow stability and the business's capacity to grow.

3.2 Effective Cash Flow Management Strategies

Based on the results of interviews and field observations of MSMEs in the culinary, craft, and services sectors, although the business scale is relatively small, there are several simple yet demonstrably effective cash flow management strategies. These strategies do not require complex systems but rather the implementation of discipline and consistent managerial habits.

a. Preparation of a Monthly Budget

One of the most fundamental yet significantly impactful strategies in MSME cash flow management is the preparation of a monthly budget. Based on interviews and field observations, several business actors have started implementing simple budgets that contain maximum expenditure limits, income targets, and the allocation of reserve funds for urgent needs. For example, a cake shop owner in City X sets a raw material spending limit of Rp2,500,000 per week and sets aside 10% of income as an emergency fund. The implementation of this budget brings a number of real positive impacts:

- Expenditures are More Controlled: With clear spending limits, MSMEs can prioritize essential operational costs and avoid impulsive spending. The budget serves as a control tool that ensures every transaction is recorded and monitored routinely.
- Raw Material Purchasing is More Organized: The budget makes it easier for business owners to predict raw material needs in line with sales projections. This helps maintain stock availability, reduces the risk of material shortages during high demand, and avoids waste due to over-purchasing.
- Reserve Funds to Face Unexpected Events: A budget that includes the allocation of emergency funds allows MSMEs to cope with sudden increases in raw material prices, equipment repair costs, or other urgent needs without disrupting the main operational cash.

Business actors emphasize that the success of this strategy is not determined by the complexity of the system but by the discipline and consistency in implementing the budget. A simple notebook or a digital spreadsheet is sufficient to start, as long as the records are kept tidy and updated routinely. This strategy also serves as a foundation for other cash management steps, as the monthly budget provides clear guidance for all MSME financial decisions.

b. Daily Transaction Recording

Daily transaction recording is a simple strategy that has a significant impact on MSME cash flow management. The interviews revealed that some business actors have started recording all income and expenditures daily, including small costs previously considered trivial, such as plastic packaging, gasoline, or parking fees. For instance, a craft trader in Regency Y records every transaction in detail,

both sales and minor operational expenses, thereby obtaining a more accurate picture of daily cash movement. The benefits of daily recording include:

- **Understanding Daily Cash Position:** By recording transactions every day, business owners can know the cash available in real-time. This helps avoid sudden cash shortages and allows for more accurate decision-making.
- **More Accurate Profit Measurement:** Routine recording helps differentiate between real profit and apparent profit, as all expenditures, both large and small, are properly recorded.
- **Finding Sources of Cash Leakage:** Small unrecorded expenditures can accumulate and reduce profit. With daily recording, MSMEs can identify and suppress waste or unproductive cash usage.

Business actors who were initially inconsistent in recording transactions realize that small expenditures, if ignored, can significantly impact the final profit. With this habit, MSMEs begin to build higher financial awareness and stronger internal control.

c. Debt and Account Receivable Management

Debt and account receivable management is a crucial strategy in maintaining the stability of MSME cash flow. Based on observations and interviews, MSMEs that apply disciplined debt and account receivable management are able to keep cash availability stable and minimize the risk of operational disruption. The practices found include setting payment schedules for suppliers, regularly collecting customer receivables, and transparently recording business credit arrangements. For example, a catering business owner in Bandar Lampung City sets clear customer payment deadlines and limits the provision of credit without formal documentation. This keeps the business cash flow smooth and facilitates the planning of routine expenditures, such as purchasing raw materials, paying employee wages, and other operating costs. The concrete benefits of this strategy include:

- **More Stable Cash Availability:** With systematic payment and collection schedules, MSMEs can project cash receipts and adjust routine expenditures, ensuring working capital needs are always met.
- **Reduction of Default Risk:** Documentation of receivables and timely collection help minimize the risk of bad debt, thereby suppressing potential financial losses that could disrupt operations.
- **More Efficient Payment Planning:** By knowing the debt due dates, business owners can strategically prioritize payments, avoid penalties or additional fees, and maintain good relationships with suppliers.

Overall, organized and disciplined debt and account receivable management not only increases liquidity but also strengthens the financial foundation of MSMEs. This strategy allows business actors to remain flexible in facing demand fluctuations, changes in raw material prices, or unstable market conditions, thereby better guaranteeing business continuity.

d. Utilization of Digital Financial Applications

As technology develops, some MSMEs are starting to shift from manual recording to digital financial applications such as BukuWarung, Akuntansi UKM, or simple POS systems (Pradana, Parela, & Putra, 2024). Although some business actors are still reluctant to adapt, the main reasons MSMEs are starting to use digital applications are recording efficiency, automatic reports, and data security. The use of digital financial applications provides various strategic advantages for MSMEs:

- **Automatic Financial Reports:** Daily transactions are instantly recorded and can be processed into financial reports. Business owners can monitor income, expenditures, and profit at any time without time-consuming manual calculations.
- **Faster Recording and Minimal Errors:** Human errors frequently occurring in manual ledgers, such as miscalculations or missed transaction records, can be significantly reduced. As a result, financial information becomes more accurate and reliable for decision-making.
- **Secure Data Storage:** All financial information is stored digitally, drastically reducing the risk of data loss or damage due to human error or physical factors. This facilitates business evaluation, internal audits, and medium-to-long-term financial planning.

- **Easier Access to Funding:** Neatly organized digital financial reports increase the credibility of MSMEs when applying for loans, business credit, or other financing assistance. Banks and financial institutions can more easily assess the business's financial health based on transparent and documented data.

The real impact of adopting digital applications is seen in recording discipline and cash flow control (Krisdiyawati & Maulidah, 2023). MSMEs accustomed to using this technology can analyze sales trends, identify costs that can be reduced, and make strategic decisions faster and more accurately (Morisson & Fikri, 2025). Although its implementation is still limited to some businesses, the use of digital financial applications shows great potential in improving operational efficiency, financial stability, and the MSMEs' readiness to face future business challenges (Yolanda, Shaddiq, Faisal, & Kurnianti, 2023).

3.3 Impact of Strategies on Business Sustainability

The implementation of effective cash flow management strategies provides tangible impacts on the sustainability and stability of MSMEs (Widayanti, Damayanti, & Marwanti, 2017). These effects are not only seen from the financial side but also influence the decision-making process, readiness to face risks, and the ability of MSMEs to grow amid dynamic economic conditions.

a. Improved Liquidity

One of the most significant impacts of implementing cash flow management strategies is the maintenance of MSME liquidity. By compiling a monthly budget and consistently recording daily transactions, business owners can monitor cash conditions in real-time. This means they not only know the total overall income and expenditures but also understand the daily cash flow details, including small expenses often overlooked, such as transportation costs, packaging, or additional electricity costs. This ability allows MSMEs to plan cash utilization more judiciously (Fitriningrum, Ramadhan, & Pulungan, 2025). For example, a craft trader who previously often faced a shortage of capital to purchase raw materials can now arrange purchases gradually according to the available cash allocation. Thus, the business is no longer dependent on sudden loans or high-interest credit when facing emergency needs.

Furthermore, improved liquidity provides a positive psychological effect for business owners. The anxiety previously arising from cash uncertainty, such as the fear of being unable to fulfill large orders or pay employee salaries on time, is reduced. Business owners can now make operational decisions more calmly and rationally, as they have a clear view of the business's financial capacity. Moreover, stable liquidity also creates room for long-term strategic decision-making (Cahya, Rachmawati, & Putri, 2021). MSMEs can begin considering investments for business development, purchasing additional stock when raw material prices are low, or diversifying products without the risk of disrupting daily operations. In other words, effective cash management does not only maintain business sustainability in the short term but also serves as a foundation for future business growth and expansion.

b. Readiness to Face Sudden Expenditures

One of the main benefits of effective cash flow management strategies is the increased ability of MSMEs to cope with unexpected expenditures. By implementing a structured monthly budget and setting aside reserve funds routinely, business owners have a reliable financial buffer when sudden situations arise (Sofyan & Kumala, 2024). This reserve fund acts as a liquidity cushion that allows business operations to continue uninterrupted. For example, a catering business owner in City Z who routinely sets aside 10% of revenue for an emergency fund is able to fulfill large orders even if the price of food ingredients suddenly increases due to market fluctuations or high season periods. Without a reserve fund, the business owner might have had to postpone raw material orders, reject orders, or even take out short-term loans with high interest, potentially squeezing profit margins.

In addition to coping with increased raw material costs, this readiness also includes the ability to manage other sudden expenditures, such as repairing broken equipment, additional transportation costs for goods delivery, or other urgent needs that arise unexpectedly. With planning and reserve funds in place, production disruption can be minimized, customer orders are fulfilled on time, and

customer trust in the quality of service is maintained. Furthermore, readiness to face sudden expenditures also has a significant psychological effect. Business owners no longer feel stressed or panicked when facing unexpected conditions. Decisions can be made rationally, not reactively or hastily, thus reducing the risk of financial mistakes. In other words, a cash management strategy that includes reserve funds and expenditure planning does not only maintain short-term operational stability but also builds a foundation for business resilience in the face of crises or economic uncertainty.

c. More Accurate Decision-Making

Daily transaction recording is a crucial foundation for accurate decision-making in MSME operations. By documenting every income and expenditure in detail, business owners get a complete picture of the cash flow, the profitability of each product or service, and daily, weekly, and monthly sales trends. This data provides an objective basis for making strategic decisions, replacing guesswork methods or reliance on memory, which are prone to errors (Fajriyah & Handayani, 2022). As an illustration, a mobile coffee vendor in City Y who started recording all daily transactions, from coffee sales and raw material purchases to transportation and packaging costs, was able to identify the best-selling and most profitable products. With this information, they could adjust the raw material purchasing strategy to match demand, set the right selling price to maintain profit margins, and optimize the menu offered. Without accurate recording data, these decisions would typically be trial-and-error, risking unnecessary losses or surplus stock.

Furthermore, daily transaction recording also assists in evaluating investment decisions. For example, the business owner can assess whether the purchase of new equipment or the expansion of the business scale provides value-added commensurate with the costs incurred. Thus, decision-making becomes more systematic, evidence-based, and reduces dependence on mere intuition. The long-term effect is also significant: more accurate decisions improve operational efficiency, optimize cash utilization, and support sustainable business growth. MSMEs that are disciplined in daily recording indirectly build a more professional managerial culture, which is the cornerstone of business sustainability and market competitiveness.

d. Increased Ability to Survive During a Crisis

Discipline in cash flow management and consistent daily transaction recording not only impacts financial regularity but also increases the resilience of MSMEs against fluctuating market conditions. MSMEs with neat cash records can analyze income and expenditure trends, thus being able to make strategic decisions when facing crisis situations, such as sudden increases in raw material prices, decreased demand, or unexpected operational disruptions. For example, a craft trader who is accustomed to recording all transactions can identify which products are the most popular and when sales decline. With this data, they can adjust the amount of stock purchases, postpone non-urgent expenditures, or streamline production without incurring major losses. Additionally, MSMEs that have prepared reserve funds from the monthly budget have a financial buffer that allows them to continue fulfilling orders or operational needs even if income temporarily decreases.

This resilience is also psychological. Business owners who know their cash position and have a clear management strategy feel more confident in facing uncertainty. They tend to make rational and proactive decisions, rather than reactive or impulsive ones, thereby minimizing the risk of bankruptcy. In other words, cash management discipline does not only function as a day-to-day financial control tool but also serves as a long-term survival strategy foundation. MSMEs that consistently implement it are able to navigate economic challenges more adaptively, maintain operational stability, and increase the chances of business continuity even when market conditions are unstable.

e. Easier Access to Funding

Neat and systematic financial recording not only provides internal control for MSMEs but also increases their opportunities to obtain external funding. Clear, accurate, and structured financial reports serve as concrete evidence to banks, financing institutions, or investors that the MSME has

professional and accountable cash management. For example, a cake shop owner who consistently records all daily transactions, from sales and raw material expenditures to operational costs, and compiles monthly reports can transparently demonstrate the business's cash flow. When applying for working capital loans or business credit, the bank can assess the repayment capacity, spending patterns, and income stability of the business based on this data. This condition is different from MSMEs without bookkeeping; they often struggle to prove the business's ability to manage cash, resulting in financing applications being rejected or granted with stricter terms.

Furthermore, systematic recording also facilitates MSMEs in negotiations with investors or business partners. Investors can assess the potential profit, risk, and growth strategy of the MSME based on concrete data evidence (Putri, Dwiputranti, Salilama, & Baswedan, 2025). This enhances the business's credibility and fosters external parties' trust in the MSME's financial management capabilities (Saragih & Harahap, 2023). In other words, disciplined financial recording acts as a bridge to funding access, opening opportunities for MSMEs to expand their business, increase working capital, and innovate without solely depending on internal sources. Simple strategies such as daily recording and monthly report compilation can be a determining factor for long-term business sustainability and growth.

3.4 Relation to Current Literature

The findings of this research indicate that the cash flow management conditions of MSMEs in the field align with the findings of current research. These studies emphasize the importance of liquidity, digitalization, and consistent transaction recording as key factors in improving the performance and sustainability of micro, small, and medium enterprises.

a. Good liquidity management enhances MSME growth.

Hardiningsih et al. (2022) demonstrated that MSMEs capable of structuring cash inflows and outflows tend to be more stable and better able to utilize business opportunities. The field research results reinforce this point. MSMEs that compile monthly budgets and routinely record transactions are able to maintain cash availability for operations and small investments, resulting in more consistent business growth compared to those relying on memory or partial records. Descriptively, MSMEs disciplined in liquidity appear better prepared to face sudden increases in raw material prices, decreased demand, or other urgent needs.

b. Financial digitalization improves efficiency and recording accuracy.

Chaidir, Ruslaini, and Irawan (2025) affirmed that the use of digital financial applications helps MSMEs reduce recording errors, speed up data processing, and generate financial reports in real-time. The field research shows similar results: MSME owners who use applications such as BukuWarung or Akuntansi UKM can ascertain their cash position faster, detect small cash leakages, and find it easier to prepare reports when applying for financing. Digitalization also assists small business actors who previously struggled to conduct systematic business evaluations, allowing them to make more informed decisions based on valid data.

c. Daily transaction recording has a significant influence on cash management.

Puspita, Nikhal, and Toriq (2024) found that routine recording of every transaction, including small expenses, facilitates MSMEs in controlling cash flow, accurately calculating net profit, and planning working capital. The field interview results support this finding: MSMEs that started recording all transactions, from raw material purchases to transportation or packaging costs, could see patterns of hidden expenses that were previously unnoticed. This strengthens the business owners' awareness of the importance of recording discipline and cash planning. The practical implications of these findings are quite broad and deep:

Sustained improvement in financial literacy is a crucial foundation for enabling MSMEs to understand key concepts such as cash management, financial recording, and budget planning. Strengthened literacy does not merely enhance technical competencies but also shapes more disciplined and structured financial behavior among MSME actors. To support this transformation, the facilitation of digitalized recording systems by the government or relevant institutions must be

intensified—through targeted training programs, application or software subsidies, and practical guidance on the use of digital tools. Such initiatives allow MSMEs that were previously reluctant or unfamiliar with technology to adopt digitalization for improved efficiency and accuracy in financial recording. Furthermore, intensive assistance for micro-scale MSMEs is essential to ensure the early establishment of sound cash-management discipline. This support may include mentoring, hands-on workshops, and routine monitoring so that cash-management strategies are not merely conceptual but consistently implemented in day-to-day operational activities

Overall, the connection between these research findings and current literature confirms that disciplined cash flow management, supported by daily recording and digitalization, is an essential foundation for the growth, stability, and sustainability of MSMEs, especially in the micro and small-scale sectors.

4. CONCLUSION

4.1 Conclusion

Based on the research findings and field observations of MSMEs in the culinary, craft, and services sectors, it can be concluded that cash flow management remains the main challenge for the majority of business actors. This condition is characterized by inconsistent financial recording, the mixing of personal and business finances, minimal budget planning or cash projection, and low utilization of technology in financial recording. As a result, MSMEs often face difficulties in predicting working capital needs, making strategic decisions, and maintaining stable operational continuity. This study also affirms that the implementation of simple yet systematic strategies can significantly improve the quality of cash management. These strategies include preparing a monthly budget, daily transaction recording, orderly management of accounts payable and receivable, and the utilization of digital financial applications. The implementation of these strategies is proven to help MSMEs maintain liquidity, cope with sudden expenditures, make more accurate decisions, enhance their ability to survive crises, and facilitate access to funding. The relation to current literature shows that liquidity management, routine recording, and financial digitalization play an important role in the growth and efficiency of MSMEs. This confirms the need for sustainable financial literacy programs, the facilitation of recording digitalization, and intensive assistance for micro MSMEs so that cash management discipline is established from the beginning. Overall, this research emphasizes that cash flow management is not merely about recording transactions but also a strategic foundation for the growth, stability, and sustainability of MSME businesses. With the right approach, even small-scale MSMEs can build a healthy cash system, enhance business resilience, and open up greater growth opportunities in the future.

4.2 Suggestions

Based on the research findings regarding MSME cash flow management, several suggestions to improve financial management and business continuity are:

1. **Enhancement of Financial Literacy**
MSMEs need training on financial recording, budgeting, and cash management. Continuous financial literacy helps in understanding liquidity, profit-and-loss, and working capital for data-driven decision-making.
2. **Facilitation of Recording Digitalization**
The government and relevant institutions can provide access and training for digital financial applications (e.g., BukuWarung, Akuntansi UKM, POS). Digitalization increases accuracy, eases report generation, and improves the availability of financial data.
3. **Intensive Assistance for Micro MSMEs**
Consultants or mentors can guide micro MSMEs in compiling budgets, recording daily transactions, and separating personal and business finances. This assistance can be provided through visits, workshops, or online mentoring.
4. **Implementation of Simple Budgeting and Recording Systems**

MSMEs are advised to create a monthly budget and record daily transactions, even if using a simple notebook or spreadsheet. This step helps control expenditures, prepare emergency funds, and facilitate business decision-making.

5. Separation of Personal and Business Finances
Creating separate business accounts and recording all transactions separately maintains the stability of working capital, facilitates the evaluation of business performance, and reduces the risk of sudden cash shortages.
6. Collaboration with Financial Institutions
Tidy financial records make it easier for MSMEs to apply for loans or working capital. A good relationship with banks or financing institutions increases business credibility and access to funding.

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