

STRENGTHENING CREATIVE INDUSTRY CAPACITY AND FINANCIAL MANAGEMENT OF LOCAL WISDOM-BASED MSMEs THROUGH FOCUS GROUP DISCUSSIONS IN CENTRAL ACEH

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ABSTRACT This Community Service Program aimed to strengthen the capacity of local wisdom-based Micro, Small, and Medium Enterprises (MSMEs) in Central Aceh through the integration of creative-industry development, financial management, product identity, digital marketing, institutional collaboration, and tourism linkages. The program sought to identify MSME needs in production, branding, marketing, finance, licensing, and financing; improve participants' initial understanding of transaction recording, separation of personal and business finances, production-cost calculation, selling-price determination, and simple financial statements; encourage the utilization of local wisdom as a basis for product identity and digital marketing; strengthen collaboration among universities, local government, business organizations, and MSME actors; and formulate a measurable follow-up mentoring agenda. The activity was implemented on 18 July 2026 at Bie Homestay, Kebayakan District, Central Aceh Regency, using preliminary coordination and needs mapping, thematic presentations, Focus Group Discussion (FGD), identification and classification of business problems, experience sharing, formulation of follow-up priorities, and documentation. The results showed interconnected challenges related to financial recording, separation of personal and business finances, production-cost calculation, pricing, packaging, branding, digital marketing, legality, financing, product quality, market access, and tourism integration. The activity produced a structured needs map, initial understanding of financial separation and transaction recording, product value addition, local identity and marketing communication, strengthened institutional networking, and a phased follow-up framework. Because the documentation did not contain quantitative pre-test–post-test data or numerical business-performance indicators, the outcomes are interpreted as descriptive evidence of initial capacity building, participatory needs identification, and collaborative planning.

KEYWORDS: MSME Empowerment; Creative Industry; Financial Management; Local Wisdom; Focus Group Discussion; Central Aceh

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) constitute an important part of local economic development because they connect household entrepreneurship, employment, local resources, and market activity. In Central Aceh, this role is reinforced by distinctive commodities and creative products, including Gayo coffee, processed foods, souvenirs, kerawang handicrafts, natural-fiber products, and other locally rooted products. The community service program was designed around these assets while responding to practical business constraints identified among participating MSMEs. Initial mapping documented problems in financial recording, separation of personal and business funds, production-cost calculation, selling-price determination, packaging, branding, digital marketing, legality, access to financing, product quality, and market access. These problems show that MSME development requires more than product availability because business sustainability also depends on managerial, financial, marketing, and institutional capacity. Local wisdom can strengthen product differentiation when cultural resources are translated into recognizable product characteristics, narratives, branding, and market positioning (Susilatun et al., 2023; Judijanto et al., 2024; Africano, 2023; Wahyudi et al., 2021). Studies also emphasize innovation, digital capability, market access, and collaboration as important elements of creative MSME development (Purwaningsih et al., 2022; Setiadi et al., 2024; Maksum et al., 2020; Patty & Yuhertiana, 2023). Accordingly, the Central Aceh program combined local product identity with financial management, digital marketing, and institutional collaboration within a single participatory activity.

Financial management was a particularly important concern because participating MSMEs reported mixing personal and business funds, irregular transaction recording, incomplete production-cost calculations, and pricing difficulties. These conditions may limit the ability of owners to assess costs, margins, and business performance systematically. The literature supplied for this program identifies financial literacy, financial behavior, financial inclusion, and digital financial capability as factors associated with MSME resilience and sustainability (Korompis et al., 2023; Widagdo & Sa'diyah, 2023; Heliani, 2023; Harahap et al., 2024). Financial capability is also related to financing access and the ability of enterprises to respond to changing business environments (Fahrati et al., 2024; Joeliaty, 2024; Zhou, 2023). For this reason, the activity addressed financial separation, transaction recording, production costs, pricing, and simple financial statements while simultaneously mapping related needs in legality and financing. The program did not assume that these issues could be solved in a single meeting; instead, the FGD was used to establish an initial learning and diagnostic foundation. This approach enabled the team to formulate follow-up mentoring according to field-identified priorities rather than relying on a predetermined intervention. The financial component was

therefore integrated into a broader MSME capacity-building framework.

The program was implemented collaboratively by Universitas Terbuka, Universitas Malikussaleh, Universitas Samudra, IAIN Langsa, and IAIN Takengon together with the Central Aceh Regency Government, relevant regional agencies, Kadin, and MSME actors. Participatory approaches are relevant to this configuration because they enable beneficiaries and stakeholders to articulate needs, compare experiences, and contribute to the formulation of feasible actions (Diapepin et al., 2024; Mulyawati et al., 2023; Kristianto & Zuwanita, 2022; Kristiyanti et al., 2024).

The FGD therefore served as the central forum for discussing production, finance, marketing, licensing, financing, tourism, and networking. Government stakeholders contributed perspectives concerning business development, legality, capacity, product development, and promotion, while the Tourism Office highlighted the potential relationship between local products, destinations, and visitor experiences. The activity aimed to identify MSME problems, improve initial understanding of basic financial management, encourage local wisdom as a basis for product identity and digital marketing, strengthen institutional coordination, and formulate measurable follow-up mentoring.

The community-service problem was formulated as how a participatory FGD could strengthen the initial capacity of local wisdom-based MSMEs in Central Aceh by identifying interconnected needs in creative-industry development, financial management, product identity, digital marketing, institutional collaboration, and tourism linkage. The program consequently focused on needs identification and initial capacity building rather than claiming immediate long-term business transformation. This framing also establishes a clear basis for evaluating the descriptive results and subsequent sustainability plan.

2. METHOD

The program employed a participatory and collaborative community-service design consisting of initial coordination and needs mapping, thematic presentation, Focus Group Discussion (FGD), identification of problems and needs, experience sharing, follow-up formulation, and documentation. It was conducted on Saturday, 18 July 2026, from 09:00 to 12:00 WIB at Bie Homestay, Jalan Kala Lengkie, Kebayakan District, Central Aceh Regency. Participants included representatives of the Central Aceh Regency Government, the Office of Cooperatives and MSMEs, elements of the Trade and Industry Office, the Tourism Office, Kadin, MSME actors, and academics from five universities. Direct beneficiaries included owners or managers of Gayo Mountain Cigar, Syalia Pie/Oleh-oleh Takengon, Ida Kerawang, Wine Kopi, Serat Nanas Keriga, Stik Pisang, and other MSME participants. Implementation comprised registration and opening, thematic presentation, FGD on production, finance, marketing, licensing, financing and tourism, formulation of needs and follow-up actions, and

closing and documentation.

Data were collected descriptively through preliminary mapping, participant statements and experience sharing during the FGD, stakeholder responses, activity records, photographs, partner documentation, and jointly formulated recommendations. The available program documentation did not report standardized modules, observation sheets, or quantitative pre–post tests; therefore, these instruments were not claimed as part of the method. Evaluation was descriptive by organizing identified issues into thematic domains and documenting initial understanding and agreed follow-up actions, without inferential statistical testing. This participatory structure is consistent with community empowerment approaches that emphasize stakeholder involvement in needs identification and action planning (Diapepin et al., 2024; Kristianto & Zuwanita, 2022; Kristiyanti et al., 2024).

3. RESULT AND DISCUSSION

3.1 Participant Involvement and Needs Mapping

The activity brought together academics, local government, regional agencies, Kadin, and MSME actors in a three-hour sequence of presentations, FGD, needs formulation, and documentation. MSME participants communicated their business conditions, constraints, experiences, and priority needs. The resulting map grouped issues into production, finance, marketing, licensing, financing, networking, product quality, packaging, branding, digital marketing, market access, and tourism linkages.

Government stakeholders contributed information related to development, legality, capacity strengthening, product development, and promotion, while tourism stakeholders addressed links between local products and destinations or visitor experiences. The source documentation does not provide a numerical total of participants, an active-participant count, standardized satisfaction scores, or quantitative need-assessment percentages.

The results are therefore reported descriptively. The participatory character of the FGD is consistent with literature that positions stakeholder dialogue as a mechanism for identifying locally defined needs and producing context-responsive action plans (Mulyawati et al., 2023; Kristianto & Zuwanita, 2022; Ishak, 2024). The immediate output was a structured needs map and an agreement concerning practical, phased, and evaluable follow-up mentoring.

3.2 Financial Management Capacity

Financial-management findings included the mixing of personal and business funds, irregular transaction recording, incomplete production-cost calculation, and difficulties in determining selling

prices. Participants obtained an initial framework for examining selling prices, business costs, transaction-recording orderliness, and the separation of business and personal finances. The activity documented initial understanding of financial separation and transaction recording and identified these topics as priorities for subsequent mentoring. These findings are consistent with studies linking financial literacy and financial behavior with MSME resilience and sustainability (Korompis et al., 2023; Widagdo & Sa'diyah, 2023; Heliani, 2023).

Financial inclusion and access also emerged as relevant because financing was identified among the participants' priority needs (Fahrati et al., 2024; Harahap et al., 2024; Joeliaty, 2024). However, no quantitative pre-test or post-test scores, percentage increases, sales changes, profit changes, or statistical comparisons were recorded. Consequently, the activity cannot be interpreted as demonstrating a quantified increase in financial capability. Its contribution at this stage lies in identifying concrete financial-management problems and establishing a basis for targeted follow-up assistance. This evidentiary boundary is important for distinguishing initial capacity building from longer-term business outcomes.

3.3 Creative Industry, Local Wisdom, Branding, and Tourism

The creative-industry component addressed product identity, local branding, packaging, digital marketing, product quality, market access, and tourism linkage. Participants represented locally distinctive commodities and products such as Gayo coffee, processed foods, souvenirs, kerawang handicrafts, pineapple fiber and other natural-fiber products. The activity documented initial understanding of product value addition, local identity, and marketing communication. These outcomes correspond with literature emphasizing that local wisdom can support differentiation when cultural attributes are translated into product design, branding, narratives, and market positioning (Susilatun et al., 2023; Judijanto et al., 2024; Africano, 2023).

Digitalization and e-commerce are also relevant to expanding market reach and strengthening MSME competitiveness (Setiadi et al., 2024; Maksum et al., 2020; Patty & Yuhertiana, 2023; Ananda, 2022). The Tourism Office's contribution added a regional-development dimension by connecting local products with destinations and visitor experiences. Nevertheless, the program did not record increases in tourism transactions, digital engagement, customer numbers, or sales. Tourism integration and digital marketing therefore remain development directions rather than completed economic outcomes. The findings support continued mentoring in brand development, packaging, product narratives, digital marketing, product quality, and tourism-based promotion.

3.4 Collaborative Capacity Building and Significance

A significant outcome of the program was the strengthening of communication and networking among five higher education institutions, local government, Kadin, regional agencies, and MSME actors. This multi-stakeholder arrangement enabled business problems to be considered from academic, governmental, commercial, community, and tourism perspectives. Collaborative capacity-building literature indicates that universities and external institutions can catalyze MSME empowerment when their resources are connected with locally defined priorities and continuing mentorship (Ishak, 2024; Fridayani et al., 2024; Okello, 2025).

The Central Aceh program reflects this principle because the FGD was used not only for information delivery but also for problem identification, experience exchange, needs classification, and follow-up formulation. The activity therefore answered the community-service problem at the level appropriate to an initial intervention: it produced a partner-needs map, facilitated initial learning, strengthened stakeholder communication, and established a phased mentoring direction. It did not establish quantitative evidence of long-term improvement in profitability, market reach, financing access, or sustainability.

This distinction is consistent with participatory approaches that treat empowerment as an iterative process rather than a one-time event (Diapepin et al., 2024; Kristianto & Zuwanita, 2022). The practical contribution is a needs-based sequence in which participatory diagnosis precedes specialized training and mentoring. Such a sequence can reduce the risk of delivering generic assistance that does not correspond with the conditions articulated by MSME partners.

3.5 Sustainability and Limitations

The follow-up agenda provides the principal mechanism for program sustainability. During August–September 2026, the plan calls for consolidation of FGD results, updating of needs data, and determination of target MSME groups. September–October 2026 is directed toward separation of personal and business finances, transaction recording, production-cost calculation, and selling-price determination. October–November 2026 covers brand development, packaging, product narratives, and a digital-marketing clinic, followed by tourism-based promotion and network strengthening during November–December 2026.

Evaluation is planned for January 2027 to examine application of the mentoring material, changes in financial recording, marketing, and business development. Sustainability nevertheless depends on continued mentoring, institutional collaboration, and MSME willingness to implement the identified changes. The principal limitations are the short initial implementation period, absence of quantitative pre–post tests, absence of standardized satisfaction measures, lack of a numerical

participant total, absence of verbatim interview or FGD quotations, and lack of post-activity economic indicators. Accordingly, the findings should be interpreted as evidence of an initial participatory capacity-building stage rather than proof of completed MSME transformation.

4. CONCLUSION

The community service program demonstrated that participating MSMEs in Central Aceh faced interconnected needs involving production, financial management, marketing, licensing, financing, networking, product quality, packaging, branding, digital marketing, market access, and tourism linkages. The participatory FGD provided a forum for MSME actors, academics, local government, regional agencies, and Kadin to identify constraints and formulate priority areas for follow-up assistance. The principal outcomes were a structured needs map, initial understanding related to financial separation and transaction recording, product value addition, local identity and marketing communication, strengthened institutional communication, and a phased mentoring framework.

Direct benefits included an initial framework for improving financial discipline and a clearer identification of creative-industry development priorities. The community service team also obtained a field-based basis for organizing subsequent assistance rather than relying on a single predetermined intervention. Sustainability is reflected in the planned stages from needs consolidation and financial-management mentoring to branding, packaging, digital marketing, tourism-based promotion, and evaluation in January 2027. Because no quantitative pre–post data or business-performance indicators were recorded, the program should be interpreted as an initial capacity-building and collaborative planning stage rather than a quantitatively demonstrated transformation. Continued mentoring and MSME implementation of the identified changes remain essential to the realization of medium-term outcomes.

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