

Forum Group Discussion Improving Business Sustainability: Financial Management Strategies in Home-Based “Kiloan” Laundry Services in Bengkulu Province

Nadya Khairunisa^{1*}, Eka Wirajuang Daurrohmah²

^{1,2}Prodi Akuntansi, Fakultas Ekonomi dan Bisnis
Universitas Terbuka, Jakarta

^{1,2}INDONESIA

Email: nadyakhairunisa06@gmail.com*

Abstract: - In an era of increasingly fierce business competition, financial management is a crucial factor in determining the sustainability of micro-enterprises, including home-based laundry businesses. This study aims to analyze the financial management problems faced by laundry businesses in Bengkulu Province and evaluate the effectiveness of Focus Group Discussions (FGDs) as a strategy to increase business financial management capacity. The method used was a qualitative approach with FGD techniques involving ten laundry businesses from Padang Jaya and Giri Mulya Districts. Data were collected through interviews, participant observation, and documentation. The results showed that the majority of business owners did not have a structured financial recording system, mixed personal and business funds, and did not have reserve funds or long-term financial planning. Through the FGD implementation, significant positive changes occurred: 90% of participants began to separate personal and business finances, all participants implemented daily financial records, and some began to set aside funds for development and formed communication networks between business owners. The conclusion of this study confirms that FGDs are an effective participatory approach in improving financial literacy and the sustainability of micro-enterprises. The implications of this research suggest the importance of community-based training and government support in increasing the capacity of MSMEs, particularly in professional financial management to encourage sustainable business growth.

Key-Words: - Financial Management, MSMEs, Laundry by the Kilo, Forum Group Discussion (FGD).

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1 Introduction

In an era of globalization and increasingly fierce competition, business sustainability is a key factor in determining the survival of a business, including home-based businesses like laundry services. Laundry services, which offer affordable laundry services, have become a popular choice among urban communities with high mobility and busy schedules. MSMEs play a significant role in economic growth, including in Indonesia. They contribute significantly to job creation, income growth, and economic equality. MSMEs often face significant challenges in competing with large companies and well-known brands. Therefore, they need an effective marketing strategy to compete and survive in a competitive market (Prasetyo, 2023).

The rapid development of the digital era has opened up various business opportunities for the community. Available technology can be leveraged to generate profits. One type of service business that is currently popular among the public is laundry services. The presence of laundry businesses significantly reduces the burden of daily household chores (Prakoso, 2021).

Although demand for this service continues to increase, many laundry businesses in Bengkulu face challenges in effective financial management. The purpose of this study is to analyze how a home-based laundry business manages its finances and its impact on business sustainability, and to formulate an appropriate financial management strategy so that the laundry business can increase efficiency and maintain business sustainability. Based on Mardiasmo's (2016) opinion, financial management is a series of activities that include planning, organizing, directing, and supervising financial activities, including the acquisition and use of company funds. The goal of this management is to increase shareholder wealth while ensuring the company's long-term survival.

Etymologically, financial management comes from the word "management," meaning the process of arranging, and "finance," which refers to all matters related to money, such as funding, investment, and capital. Thus, financial management can be defined as a series of activities related to fund management, from obtaining financing sources, optimally utilizing funds, to allocating funds to various forms of investment to achieve company goals (Armereo, 2020). Many MSMEs pay little attention to the financial management aspect, even though this is one of the main obstacles in the business development process. Financial management is closely related to cash flow management, and errors in cash flow management can hinder business growth. Therefore, financial management plays a crucial role in determining business success, including in the MSME sector. One form of financial management is financial recording, which can serve as a basis for MSMEs in making strategic decisions in managing their businesses (Palulun, 2024).

According to the 2016 Economic Census, the number of Micro and Small Enterprises (MSEs) in Bengkulu Province reached 195,775 units, employing a total of 464,541 people. Most of these MSEs operate in the service sector, including laundry businesses (BPS, 2016). Although the latest data is not yet available, the growth trend of MSEs in the service sector is expected to continue in line with the increasing demand for laundry services in the region.

Field research shows that most laundry businesses still mix personal and business finances, lack a well-organized financial record-keeping system, and lack long-term financial planning. This leaves businesses without a clear direction and vulnerable to losses, despite seemingly promising revenue. The following is an example of a financial report from Nadya Khairunisa, a researcher who has been operating under the name Laundry Bugenville since 2022, but lacks clear and well-managed financial reporting:

Table 1. Example of Bugenville Laundry Business Financial Report for 2022

Month	Income (Rp)	Expenditure (Rp)	Information
January	5,000,000	-	
February	6,500,000	± 4,000,000	
March	7,000,000	-	
April	6,800,000	-	Washing machine service
May	-	-	Lost notebook
June	8,000,000	± 5,000,000	
July	7,500,000	± 5,500,000	
August	8,100,000	5,800,000	
September	± 7,700,000	4,000,000	
October	7,200,000	-	
November	± 8,000,000	± 5,000,000	
December	8,500,000	6,000,000	

Source: Bugenville Laundry financial results data (2022)

The report above is very chaotic, due to the mixing of personal and business funds and inconsistent recording of these financial reports. Good financial management is crucial to ensure that a business can operate efficiently, manage costs, and maximize profits. This is where focus group discussions (FGDs) play a crucial role. Focus Group Discussions (FGDs) are a common data collection technique in qualitative research in the social sector. This method can be used as a forum for business actors to exchange experiences, strategies, and best practices in financial management. Through constructive discussions, participants can

learn from each other and find solutions to problems they face, thereby improving the sustainability of their businesses. The FGD method primarily aims to explore data through interactions between participants or respondents, in order to deepen their understanding of the various dimensions of a life phenomenon. This allows the phenomenon to be identified and explained more comprehensively. Data obtained from these group discussions can highlight similarities and differences in experiences among participants and provide rich and in-depth information based on the perspectives emerging from the discussions.

Through FGDs, business owners can learn about the importance of separating personal and business finances, daily record keeping, emergency savings strategies, and promotional and development budgeting. Adequate financial knowledge, or financial literacy, is crucial for MSMEs, as a high level of understanding can help them make decisions related to the future sustainability of their businesses (Rahmawati, 2022).

In recent years, the laundry industry has experienced significant growth, particularly in urban areas where high mobility and busy lifestyles make laundry services a convenient option (Kusuma, 2022). However, despite the significant market potential, many home-based businesses in this sector face financial management challenges that can impact their sustainability. Sound financial management is key to small business sustainability. Successful laundry businesses typically implement a well-organized financial record-keeping system, cash flow analysis, and thorough budget planning. Several studies also emphasize the importance of utilizing technology, such as accounting software, to simplify financial management. Therefore, this research provides an overview of financial management strategies that can help entrepreneurs improve their business sustainability amidst existing challenges.

Many previous studies have discussed financial management in small and medium enterprises in general, and how financial management contributes to business sustainability. However, there is a lack of in-depth focus on home-based laundry businesses, which face unique characteristics and challenges, such as small scale, limited capital, and intense market competition. Therefore, detailed and contextual research is needed to develop effective and sustainable financial management strategies for this business segment. A distinctive feature that distinguishes this study from other existing research is its specific strategic approach to laundry businesses and the context of their sustainability.

With the title "Forum Group Discussion Improving Business Sustainability: Financial Management Strategies for Home-Based Laundry Businesses," this study aims to identify the challenges faced by these businesses in managing their finances and the obstacles that hinder their success when financial management is suboptimal. This research is also expected to provide practical contributions to laundry MSMEs in managing their business finances more professionally, as well as serve as a reference for the government or supporting institutions in designing effective and sustainable entrepreneurship training programs.

2 Research Method

This study uses a qualitative approach with the aim of understanding in-depth the financial management strategies implemented by home-based laundry businesses in an effort to improve business sustainability. The research subjects were home-based laundry businesses purposively selected based on certain criteria, such as business age, location, and operational scale. This study sought to explore respondents' thoughts on a topic by providing various directions or guidelines, allowing them to express their views in their own words (Moleong, 2015).

The method used in this research is the Focus Group Discussion (FGD) method. The FGD (Focus Group Discussion) method is a data collection technique in research that generates information through interactions between several research participants, similar to other data collection methods. However, the FGD method has its own unique characteristics, namely that it is used primarily for qualitative research, and the data obtained comes from exploring social interactions that occur during discussions conducted by participating informants. This method utilizes the collection of data or information obtained from interactions

between informants or respondents through focused group discussions to discuss and resolve a specific problem. The data obtained from this technique not only provides information from the group but also reflects the group's collective opinions and decisions. The advantage of using the FGD method lies in its ability to produce more in-depth data and provide added value that is difficult to obtain through other data collection methods, especially in quantitative research (Fitriani, 2020).

Data was collected through in-depth interviews conducted directly with the owners or managers of laundry businesses to explore their experiences, understanding, and the financial management strategies they employ. Through participant observation, researchers directly observed the financial management and operational activities of the laundry business in a day-to-day context. Documentation involved collecting supporting documents such as financial records and income and expense reports to provide an overview of the business's financial condition.

4 Research Results and Discussion

4.1. RESULTS

1. General Description of FGD Participants

Respondents in this FGD consisted of 10 laundry businesses operating by the kilo from rural areas or villages in Bengkulu Province, specifically in Padang Jaya and Giri Mulya Districts. The majority of respondents were women (70%) aged 25–45. Their businesses had been running for between 1 and 5 years, and most did not yet have a formal financial recording system. They were managed independently or involved family members. In terms of education, most participants had a high school or bachelor's degree and had never received formal training in management or financial management. Most of the participants in this FGD operated their businesses solely with their immediate family and did not have any employees.

Recruitment of participants in this study was recruitment using the Snowball technique, with this technique usually used by research that requires a population with specific characteristics (Ridlo, 2018).

2. Financial Issues Faced Before FDG

Based on initial observations and discussions before the FGD was held, several main problems were found that were commonly faced by laundry business actors, namely:

1. Lack of structured financial records.

The majority of laundry businesses operate by the kilo without recording financial transactions, either income or expenses. Business finances are managed informally, relying on personal memory or simple, discontinuous records. This results in business owners lacking a clear picture of profits, losses, and the overall financial condition of their businesses. Financial management and business development practices implemented by MSMEs are rudimentary, as evidenced by substandard financial record-keeping methods. However, MSMEs possess significant strengths and opportunities in developing business opportunities (Supriadi, 2023).

2. Mixing personal finances and business finances.

One important finding is the lack of a clear separation between personal and business finances. Most business owners mix funds used for business operations with household expenses. This can potentially lead to confusion in cash flow management and complicate business development planning.

3. There is no allocation of funds for equipment maintenance or emergency capital.

As a service-based business, laundry businesses rely heavily on equipment such as washing machines and dryers. However, most businesses don't allocate specific funds for regular maintenance or equipment replacement. This lack of reserve funds leaves businesses vulnerable to sudden machine breakdowns, disrupting operational continuity.

4. Difficulty managing daily cash flow due to irregular income.

Laundry businesses typically face fluctuating cash flow challenges due to their reliance on daily customer volume. Business owners report difficulties in financial planning due to uncertain income, while expenses such as electricity, detergent, and employee salaries must still be paid regularly.

5. Dependence on one source of income without diversification of services.

Most businesses only offer standard laundry by the kilo services without additional services like individual laundry, pick-up and delivery, or express ironing. This lack of innovation in their service offerings makes their businesses less competitive and leaves them with no alternative source of income when customer numbers decline.

This indicates that most business owners still operate traditionally without an adequate managerial approach, particularly in financial management. The lack of a sound financial system can hinder business growth and sustainability. This underscores the importance of educational interventions such as focus group discussions (FGDs) to encourage increased capacity in sustainable financial management.

3. Implementation of the Focus Group Discussion (FGD)

This FGD, or discussion, was conducted in a single session and lasted two hours. I, a laundry business owner who implements structured financial reporting, was guided by a video tutorial on report creation and materials sourced from the internet. The FGD was designed with four main stages to explore and build participants' understanding of the importance of financial management in a home-based laundry business:

- a. Financial problem identification session for each participant.

In the initial session, each participant was asked to describe the financial challenges they face in running their business. Common issues reported included mixing personal and business funds, difficulty recording expenses regularly, and a lack of business capital planning. This identification provided an important basis for identifying participants' weaknesses in their business financial management.

- b. Delivery of basic material on micro-business financial management.

Basic material covers the definition and purpose of micro-business financial management, the importance of daily financial record-keeping, and the basic principles of separating personal and business funds. The material is delivered interactively so participants can directly relate the theory to their own experiences.

- c. Simple financial recording simulation (making daily income and expenditure notes).

In this session, participants were encouraged to practice recording daily income and expenses using a simple paper-based format or a mobile app. Participants demonstrated high enthusiasm, as the simulation revealed new insights into the importance of accurate record keeping for business evaluation.

- d. Small group discussions and case studies on capital management, business savings, and risk management strategies.

Participants were divided into small groups to discuss case studies related to capital management, the importance of setting aside business savings, and strategies for dealing with risks such as customer decline or equipment failure. The session highlighted several interesting practices participants have implemented, such as setting aside a portion of daily income for an emergency fund and collaborating with other businesses on joint promotions.

Throughout the FGD, participants demonstrated active engagement. They not only listened attentively to the material but also openly shared their experiences and implemented solutions. The discussion was dynamic, creating an atmosphere of mutual learning among participants. One important finding from this FGD was the abundance of local knowledge in the form of simple, effective strategies that have not been systematically documented.

4. Results After FGD Implementation

The results of the Focus Group Discussion (FGD) showed positive changes in participants' knowledge and attitudes toward financial management. The Focus Group

Discussion (FGD), which focused on financial management for a home-based laundry business, had a positive impact on participants' knowledge and behavior. The FGD results indicated that most participants experienced increased awareness and improved implementation of better financial practices. These results were obtained two days after the FGD. Some key findings are as follows:

- a. Understanding and separating personal finances and business finances.
Ninety percent of participants reported separating business and personal finances after participating in the focus group discussions (FGDs). This is a crucial first step in objectively assessing business performance and avoiding miscommunication that could disrupt business continuity. Financial separation also reflects participants' increased financial literacy regarding the basic principles of microfinance management.
- b. Daily Financial Recording
All participants recorded daily income and expenses for two weeks following the FGD. This record-keeping served as a crucial tool for measuring daily business financial performance and providing a basis for evaluation and decision-making. This demonstrated that the FGD successfully instilled the importance of simple administration in small businesses.
- c. Separation of Reserve Funds and Development Capital
Some participants demonstrated healthier financial behavior by setting aside a portion of daily profits as a reserve fund or for business development plans. This habit contributed to business resilience in the face of emergencies and strengthened business sustainability.
- d. Awareness of the Importance of Short-Term Investment
There's a growing awareness of the importance of short-term investments, such as regular washing machine maintenance. This is a non-financial investment that is crucial for maintaining operational continuity and avoiding significant costs due to sudden breakdowns.
- e. Establishment of a Communication Network between Business Actors
The FGDs also resulted in a social impact in the form of a communication network among laundry business owners. They shared information about wholesale detergent prices and opportunities for additional services such as express laundry. This collaboration opened up opportunities for cost efficiency and service innovation, while strengthening local competitiveness. Research by Fitriani (2020) also supports this, stating that financial management training was very positively received by tenants. They gained new knowledge and insights into managing their business finances. Furthermore, they were able to independently record business finances, starting with creating cash flow reports. During the mentoring process, tenants actively sought guidance when facing obstacles and diligently asked questions, both during and after the training. Tenants considered it important to begin business financial management by separating business financial records from personal finances.

4.2. DISCUSSION

Forum Group Discussion has proven to be an effective strategy in increasing the capacity of small business owners in financial management. The participatory approach allows participants to feel more comfortable opening up about their shortcomings in business management. This aligns with the empowerment communication approach, which emphasizes active community involvement as agents of change. The application of basic financial management principles, such as segregating funds, recording transactions, and establishing reserve funds, is an important indicator in achieving business sustainability. Sustainability is not only measured by the ability to survive but also by the readiness of business owners to plan development and manage risks. The formation of communication networks among business owners indicates that FGDs also build social capital, which in the context of small businesses is crucial for sharing resources and information, and creating a collaborative business ecosystem. Measurable behavioral changes after FGDs (such as

starting to record finances and set aside funds) are a clear indicator that group discussion-based interventions are effective in increasing the capacity of micro-business owners, particularly in financial management.

These results also reinforce development communication theory, which states that knowledge transfer is more effective through a dialogic and participatory process, rather than a one-way process. The participants' improved ability to record and manage finances simply demonstrates that behavioral change can be achieved through focused small-group discussions.

5 Conclusions

Based on the results of research conducted through a Forum Group Discussion (FGD) with household laundry service providers in Bengkulu City, it can be concluded that:

1. Kiloan laundry business owners face various challenges in managing their finances effectively, including the lack of systematic financial records, the mixing of personal and business funds, the absence of records, and the minimal allocation of reserve funds. These challenges arise from limited knowledge and limited access to business management training. Focus Group Discussions (FGDs) have proven effective as a participatory method to improve the understanding and skills of business owners in managing finances in a simple yet structured manner. Following the FGDs, positive changes occurred in the participants' financial behavior, such as starting to record daily transactions, separating personal and business funds, and forming networks of business owners.
2. The obstacle hampering this laundry business by the kilo is the uncertainty of daily income. Suboptimal financial management creates various obstacles to business sustainability, such as difficulty in evaluating profits and losses, the absence of a business development plan, and dependence on uncertain daily cash flow. This makes the business vulnerable to changing economic conditions and urgent operational needs. The financial management strategies implemented through the focus group discussions (FGDs) contribute to business sustainability and the preparedness of business owners to face economic challenges.

Based on the results and discussion above, the author makes suggestions in this research:

1. There is assistance and support from local governments or certain institutions to provide training on finance for a business to ensure the implementation of financial strategies.
2. Business owners are advised to consistently implement daily financial records and separate personal and business funds, as well as set aside reserve funds for business sustainability and development. With a better financial management strategy, the sustainability of a household laundry business by the kilo can be more optimally achieved. Reserve funds are also set aside for business sustainability and development.

The implications of this research are:

1. The results of this study indicate that participatory approaches such as focus group discussions (FGDs) are highly effective in encouraging changes in financial management behavior in micro-enterprises. Therefore, business owners and relevant agencies can adopt this method as part of community-based entrepreneurship training programs. Improved financial strategies can result in businesses that are resilient to potential risks and sustainable business development. With proper record-keeping and planning, business owners are better prepared to face challenges such as a decline in customers or machine breakdowns.
2. Regional governments and economic empowerment institutions can use the results of this research as a basis for designing policies to strengthen MSMEs, especially in the aspects of financial literacy and the sustainability of household-based micro-enterprises.

3. This research contributes to the development of literature in the field of micro-entrepreneurship and financial management, and opens up space for further research related to the effectiveness of group-based learning methods in increasing the capacity of micro-enterprises.

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