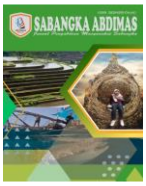

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From Product To Profit: Student Entrepreneurship Mentoring Through Production Practices and Preparation of Simple Financial Reports

Nengsi Sudirman*[1], Arianto Dangkeng[2], Rafika Fausiah[3], Muh. Ramli[4], Resky Aulia Asri[5]
[1,2,3,4,5] Mega Buana University, Palopo, Indonesia
*Corresponding Author: nengsisudirmann@gmail.com

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Abstract: *Students as aspiring entrepreneurs need to have the ability to produce products while managing business finances sustainably. However, entrepreneurship education in higher education still focuses more on production aspects than financial management. This community service activity aims to improve students' entrepreneurial competencies through mentoring in production practices and preparing simple financial reports. The method used is participatory mentoring in five stages: production practices, cost recording, simple digital bookkeeping, financial report preparation, and business profit analysis. The results show that students are able to understand the production process, identify costs, prepare digital bookkeeping, present simple financial reports, and analyze business profits. The product-to-profit approach provides a learning experience that integrates operational and financial aspects, thus supporting the development of young entrepreneurs who are able to manage their businesses professionally and sustainably.*

Abstrak: Mahasiswa sebagai calon wirausahawan perlu memiliki kemampuan menghasilkan produk sekaligus mengelola keuangan usaha secara berkelanjutan. Namun, pembelajaran kewirausahaan di perguruan tinggi masih lebih berfokus pada aspek produksi dibandingkan pengelolaan keuangan. Kegiatan pengabdian ini bertujuan meningkatkan kompetensi kewirausahaan mahasiswa melalui pendampingan praktik produksi dan penyusunan laporan keuangan sederhana. Metode yang digunakan adalah pendampingan partisipatif dalam lima tahapan, yaitu praktik produksi, pencatatan biaya, pembukuan digital sederhana, penyusunan laporan keuangan, dan analisis profit usaha. Hasil menunjukkan mahasiswa mampu memahami proses produksi, mengidentifikasi biaya, menyusun pembukuan digital, menyajikan laporan keuangan sederhana, serta menganalisis keuntungan usaha. Pendekatan from product to profit memberikan pengalaman belajar yang mengintegrasikan aspek operasional dan finansial sehingga mendukung terbentuknya wirausahawan muda yang mampu mengelola usaha secara profesional dan berkelanjutan.

INTRODUCTION

Entrepreneurship is recognized as a driver of social innovation, economic growth, and job creation. Universities are increasingly prioritizing entrepreneurship education and support programs for students seeking to embark on entrepreneurial careers (Mustafa et al., 2023). The From Product to Profit (FPP) program is designed as an applied learning approach that emphasizes a balance between technical production skills and managerial skills in business. This activity focuses on strengthening students' entrepreneurial competencies through practical experiences integrated with financial management. The current situation is that business faculty students who have a strong interest in entrepreneurship still face several obstacles in the practice of business management and financial reporting.

Empirical data show that although students possess the potential and creativity to develop businesses, many lack adequate financial literacy and financial reporting capabilities, impacting overall business performance and making it difficult to maintain sustainable business practices (Romadhon & Mulyadi, 2025). This situation reflects a gap between the theoretical entrepreneurial knowledge acquired in the curriculum and the hands-on practical skills required when students enter the real business world.

The environment surrounding the partner universities exhibits diverse demographic and economic characteristics. Students frequently engage in entrepreneurial activities, both individually and in groups, but many still stop at the production stage, unable to prepare simple and accurate financial reports, such as cost accounting, capital calculations, profit and loss calculations, and business financial planning. This obstacle stems from a lack of experience in systematic and comprehensive business financial management practices within regular campus learning. Research shows that strong financial literacy is positively correlated with business performance and more effective business decisions among student entrepreneurs (Rachmawati et al., 2022). Other studies also indicate that many students lack a grasp of the crucial aspects of bookkeeping and financial planning in business, thus challenging them in the field with business development strategies and assessing future feasibility (Utama & Syarif, 2021).

The primary objective of this activity is to enhance students' competency in managing a real-life business, particularly through practical production and simple financial reporting. This objective aligns with the Impact Campus policy, which provides students with opportunities to learn through real-world experiences outside the classroom and integrates entrepreneurship learning into the context of business practices, thereby enhancing 21st-century skills such as creativity, problem-solving, innovation, and financial literacy, which are essential for the workplace and business world. Furthermore, this activity aligns with the university's Key Performance Indicators (KPI), which encourage graduates to possess entrepreneurial competencies and employability skills, including the ability to become qualified independent entrepreneurs upon graduation.

This mentoring program is also relevant to the focus of community service, supporting student empowerment as part of the academic community to play an active role in solving local economic problems and developing productive businesses. Through systematically designed activities, students are equipped with practical skills applicable to the creative industry and the basic capital of business management, including the preparation of simple financial reports, which are essential for the sustainability of student entrepreneurial activities. Thus, this activity not only encourages students to understand entrepreneurial theory and financial reports but also to practice them directly, thus supporting the achievement of holistic graduate competencies and readiness to compete in the business world and the workplace.

METHOD

The FROM PRODUCT TO PROFIT program implementation method is designed based on an experiential learning approach, learning-by-doing, and participatory mentoring. This approach was chosen because it is effective in building entrepreneurial competencies that are not only conceptual but also applicable. Studies show that real-world experience-based learning can improve technical and managerial skills, as well as business decision-making abilities (Lackéus, 2020). This program focuses on solving problems for target partners (Faculty of Business students) in the areas of business production and business/financial management.

The implementation of activities is carried out through five main stages, namely, socialisation, training, technology application, mentoring and evaluation, and programme sustainability.

1. Program Socialization.
   The initial phase was implemented through outreach activities for students in the Entrepreneurship Study Program and the International Trade Study Program, the target partners. Outreach activities included interactive discussions and the distribution of a baseline survey instrument to gauge students' initial understanding of business production and financial management. This approach aligns with the

principle of participatory engagement, where program success is strongly influenced by the active involvement of partners (OECD, 2024). At this stage, initial mapping is also carried out, namely: the level of student business experience, the level of basic financial literacy, and readiness to participate in production practice.

2. Production and Business Management Competency Training.

   This training phase is designed to address students' competency gaps in the production and financial aspects of businesses. The training is conducted using a hands-on, practical approach.

   a. Production Training.

      Training materials include business production planning, raw materials management, production process efficiency, product quality control, and production cost and COGS calculations. This practical-based training approach can improve business operational skills and a real-world understanding of business processes.

   b. Business Management and Finance Training.

      Training materials include basic business management concepts, simple business bookkeeping, recording financial transactions, preparing profit and loss statements, preparing cash flow statements, and analyzing business profits. Applicable financial literacy training has a significant impact on the management skills of start-up businesses.

   c. Implementation of Supporting Technology.

      To improve business management effectiveness, the program integrates simple technology based on digital tools. The technologies implemented include simple bookkeeping applications (spreadsheets/mobile bookkeeping), practical financial report templates, and cost and profit calculation tools. Utilizing digital technology in business management can improve the accuracy of financial records and improve business management efficiency. Students are trained to use this technology to systematically record transactions, automatically calculate costs and profits, and prepare practical financial reports. This approach also supports digital entrepreneurship competencies relevant to the needs of the modern business world (OECD, 2024).

   d. Mentoring and Evaluation.

      The mentoring phase is the core of the program, where students apply all training materials in real-life business practices, including production mentoring and management & finance mentoring. This mentoring approach is supported by research showing that mentoring and coaching increase the successful implementation of entrepreneurial competencies (Newman et al., 2021).

e. Program Sustainability.
   Program sustainability is designed to ensure the long-term impact of activities. Sustainability strategies include: providing business practice modules, providing financial report templates, integrating the program into entrepreneurship learning, and strengthening the student business community. This approach aligns with the concept of sustainable entrepreneurial education, which emphasizes the importance of continuous, practice-based learning (European Commission, 2020). Students are encouraged to continue their independent businesses, use simple bookkeeping systems, and develop sustainable business models.

Activity flow

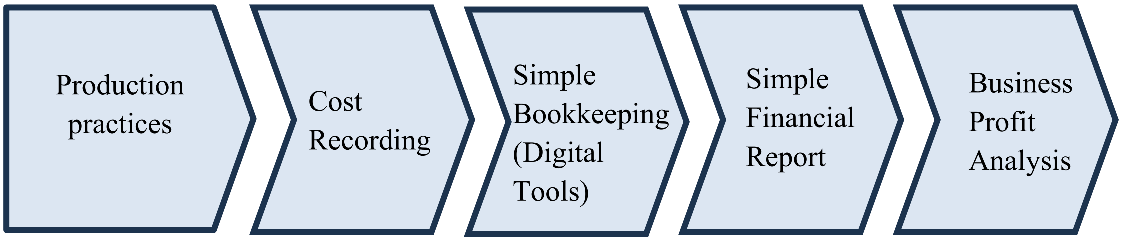

Figure 1. Activity Flow

RESULTS AND DISCUSSION

The community service program is implemented through a learning-by-doing approach, where students are guided step-by-step through the process of producing a product and analyzing business profits using simple financial reports. This approach is designed to provide students not only with a conceptual understanding of entrepreneurship but also with real-world experience in managing a business from both an operational and financial perspective. The implementation of the activity consists of five main stages, namely: (1) production practice, (2) recording production costs, (3) simple bookkeeping using digital tools, (4) preparing simple financial reports, and (5) analyzing business profits. These five stages are integrated so that each participant obtains a complete picture of the business cycle, from the product creation process to evaluating business performance.

A gradual mentoring approach has been proven to improve participants' understanding because the learning process doesn't stop with the presentation of material but continues with practice and simulations. According to Pramono and Puspita (2023), training combined with practical experience from recording transactions to preparing financial reports can improve participants' abilities in managing cash, preparing bookkeeping, and using financial information as a basis for business decision-making.

Production Practice

The first stage is production practice as a foundation for building students' entrepreneurial experience. In this stage, students are divided into groups and given responsibility for producing a product, from raw material preparation and processing to packaging and quality evaluation. Through this internship, students begin to understand that the production process is not solely focused on producing goods, but also involves efficient use of raw materials, quality control, production time management, and teamwork.

Throughout the process, the supervising lecturer provides guidance on the importance of maintaining consistent product quality, as quality is a key factor influencing customer satisfaction and business sustainability. In addition to improving technical skills, production practice also develops students' ability to identify the various cost components that arise during the production process. This experience provides a foundation for students to understand the relationship between production activities and cost recording, which will be implemented in subsequent stages.

Direct practice aligns with the concept of experiential learning, which emphasizes that real-world experience can improve entrepreneurial competency more effectively than purely theoretical learning. Community service programs that combine practice with mentoring have been shown to improve participants' skills in running independent businesses (Pramono and Puspita, 2023).

These findings are consistent with Lackéus (2020), who demonstrated that experiential entrepreneurship education through direct production activities significantly enhances students' entrepreneurial competencies, practical skills, and business problem-solving abilities. These findings are also supported by Iqbal et al. (2022), who reported that entrepreneurship learning emphasizes practical activities and an interactive learning environment significantly improves students' entrepreneurial competencies, particularly in problem-solving, teamwork, and business decision-making skills.

Figure 2. Student Production Practice

Assistance in Recording Production Costs

After the production process is complete, students are assisted in identifying all costs incurred during the product manufacturing process. Cost components are classified into raw material costs, direct labor costs, overhead costs, and other operational costs. At the beginning of the activity, it was discovered that most students were unfamiliar with differentiating between personal and business expenses. This situation caused participants to experience difficulties in determining the cost of goods sold and calculating business profits. Therefore, mentoring focused on the ability to identify, categorize, and record each transaction according to expense type.

The mentoring results showed an increase in students' understanding of the importance of recording costs as a basis for preparing financial reports. Students began to realize that every expense must be documented so that all production costs can be calculated accurately. As a result, product selling prices are no longer determined based on estimates, but rather on recorded cost information.

This finding is in line with Atanti and Vendy (2023) who stated that the ability to identify income, expenses, costs, and profits is a basic competency that business actors must have in order to be able to manage their business sustainably. OECD (2024) emphasizes that the ability to identify, classify, and record financial transactions is a fundamental financial literacy competency that supports sound business decision-making and sustainable entrepreneurship. Romadhon and Mulyadi (2025) reported that financial literacy, including cost recording and financial management, plays an essential role in improving entrepreneurial capability among university students.

Simple Bookkeeping Practices Using Digital Tools.

The next stage is simple bookkeeping practice using a spreadsheet application as a medium for recording transactions. All cost data that has been collected is then entered into digital format so that the process of grouping transactions and calculating balances can be carried out automatically. The use of spreadsheets was chosen because it is easy for students to operate, does not require special software, and can be applied to the process of recording daily transactions, grouping cash receipts and disbursements, as well as preparing systematic transaction recapitulations. During the activity, students' ability to record transactions more accurately was evident. They also began to understand that digitizing bookkeeping can reduce manual calculation errors and simplify financial reporting.

Figure 3. Simple Bookkeeping Practice

The results of this activity support the findings of Adriyanto et al. (2023) who explained that using Microsoft Excel as a simple bookkeeping medium was able to help participants obtain financial reports that were faster, more accurate and easier to understand. Apart from that, digitalization of bookkeeping also increases the efficiency of business administration processes.

These findings support Romadhon and Mulyadi (2025), who concluded that integrating digital financial recording into entrepreneurship education improves students' financial literacy and business management competencies.

Preparation of Simple Financial Reports

The next stage is the preparation of simple financial statements based on previously recorded transaction data. Students are guided in preparing a simple profit and loss statement, a simple cash flow statement, and a summary of business capital. Through this activity, students began to understand that financial reports are not just for evaluating business conditions. All transactions recorded during the production process form the basis for calculating total production costs, revenue, and profits.

The evaluation results showed that all groups were able to prepare simple financial reports independently with a higher level of accuracy compared to the initial training. Students also began to understand the importance of consistent transaction recording to ensure the resulting information has a high level of accuracy. Kartika et al. (2023) explained that training in preparing simple financial reports increased participants' awareness of the importance of discipline in recording every business transaction, allowing financial reports to be used as a basis for business development. Similar findings were also reported by Ramiyanti et al. (2023) who noted that business management skills improved because entrepreneurs obtained better information about their financial position and performance.

Business Profit Analysis

The final stage is a business profit analysis based on the prepared financial statements. Students calculate business profit by comparing total revenue with all production costs recorded throughout the activity process. In addition to calculating profits, students were also asked to analyze factors influencing business profitability, such as the efficiency of raw material use, operational cost control, selling price determination, and strategies for increasing sales volume. Discussions demonstrated that students began to understand that increasing profits is not solely determined by sales volume but also by the ability to effectively control production costs.

This shift in mindset indicates that students no longer view entrepreneurship solely as a matter of producing products but also understand the importance of financial management as a basis for business decision-making. Students were able to connect information obtained from financial reports with strategies for increasing business profits. These results align with Afkar et al. (2023), who stated that simple bookkeeping helps entrepreneurs understand their business's profit or loss, thus providing a basis for determining business development strategies. Similarly, Pramono and Puspita (2023) emphasized that the ability to prepare simple financial reports is crucial for supporting more rational business operational decision-making.

CONCLUSION

The community mentoring program "From Product to Profit: Student Entrepreneurship Mentoring through Production Practice and Simple Financial Report Preparation" successfully improved students' understanding and skills in managing a comprehensive business, from the production process, cost recording, simple bookkeeping based on digital tools, and financial report preparation to business profit analysis. The gradual, practice-based mentoring approach provided students with real-world experience, enabling them not only to produce products but also to understand the importance of financial management as a basis for business decision-making. Improving financial skills is the foundation for business decision-making. These improvements are expected to provide provisions for building a more planned, efficient, and sustainable business. Going forward, similar activities are recommended to be implemented on an ongoing basis with a broader scope of material, such as preparing financial reports based on financial accounting standards for micro, small, and medium entities; calculating more comprehensive production costs; performing business feasibility analysis; and utilizing digital accounting and digital marketing applications. Furthermore, continued mentoring and regular evaluation of the implementation of acquired skills are needed so that students' entrepreneurial competencies can develop into productive, independent, and competitive businesses. The conclusion contains a summary of research results that are a contribution to the development of economics and business.

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