Problem analysis of financial aspects of halal culinary micro enterprises

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Abstract. This research aims to recommend priority problems that must be resolved regarding the financial aspects of halal culinary micro-enterprises in Bangkalan Regency. Data on financial aspects of micro business problems was taken using interview, observation, documentation, literature study and questionnaire methods. A questionnaire instrument was used to obtain data on weighting problems regarding the financial aspects of micro businesses. The questions asked in the questionnaire are related to preferences and assessments of aspects of the financial problems of halal culinary micro-enterprises that are being evaluated. The research respondents were 12 people who were determined using a purposive sampling technique, with the criteria of understanding culinary micro businesses in Bangkalan which included academics, bureaucrats, business actors, culinary micro business associations and banking employees. The collected data is processed using Analytic Hierarchy Process modeling, starting from identifying goals, to analyzing results. Through the Analytic Hierarchy Process, it can be seen that the main challenge faced by halal culinary micro businesses in Bangkalan Regency is poor financial records which have an impact on business sustainability and growth. Therefore, improving financial records is a top priority that needs to be addressed with training, the use of applications that are simple and easy to use. The government must provide training and assistance as well as provide incentives or subsidies to micro businesses that implement a good financial recording system. Good financial records will encourage the growth of halal micro businesses in Bangkalan and will strengthen the regional and national economy.

1 Introductioon

Micro, Small and Medium Enterprises (MSMEs) have an important role in the Indonesian economy because they contributed 60.5% to Gross Domestic Product (GDP) in 2019 [1]. According to data from [2] , micro businesses in Indonesia have the dominant number of business units, reaching 64.6 million or 98.67% of the MSME posture in Indonesia. The existence of micro businesses is also considered important because their businesses tend to be more resilient to the global crisis, because many of them use local raw materials and market their products in the surrounding area. Because of this strategic role, various parties continue to strive to develop the capacity of micro businesses so that they can become drivers of the people's economy and provide a strong foundation for national economic growth.

According to [3] over time, a business/enterprise is expected to develop into a larger business or what is known as "scale up". However, in reality, developing a business is quite difficult considering the various obstacles faced by business actors. In line with the results of a study conducted by [4] , the obstacles faced by micro business actors include marketing, capital, production, availability of competent human resources, availability of raw materials, legal permits, financial

management and limited distribution chain for micro business products.

In addition, [5] states that in general, MSMEs face two main problems, namely financial problems and non-financial problems (organizational management). Financial related problems include limited access to capital, complex financing requirements, high cost of funds for working capital and investment financing, lack of knowledge and skills in financial management. Meanwhile, non-financial problems faced include lack of knowledge and skills in using technology, limited marketing distribution channels.

Based on study [6] , financial factors are the main inhibiting factor in growing micro businesses. This is because most banks do not distribute credit to micro businesses due to high transaction costs. In line with this, [7] also stated the same thing that banks are less willing to distribute credit to micro businesses because of the high risk, high credit transaction costs, inefficient credit monitoring and collection and micro businesses not meeting the bank's technical requirements.

Referring to the financial aspects of challenges faced by micro businesses, the government has made efforts to overcome them. One concrete form of government support for the development of MSMEs is the issuance of Law no. 20 of 2008 concerning MSMEs [8], where the government has the responsibility to encourage the

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development of MSMEs by imposing relevant rules and policies. As an example of implementation, the government provides financing facilities such as implementing the new People's Business Credit (KUR) scheme by reducing interest rates.

Interest rates have decreased since 2008 by 24 percent, and continue to decrease gradually until 2020, currently at the level of 6 percent. Apart from that, the government is also encouraging the amount of KUR distribution. KUR distribution has increased, starting from 2007, the realization of KUR distribution was 0.98 trillion until 2020, KUR distribution has reached 198.53 trillion or an increase of 20,158.16 percent. According to studies conducted by [9–12] it is stated that the realization of KUR distribution has a positive impact on the development of micro businesses.

The efforts made by the government need to be followed up with other concrete steps by the government, private sector, practitioners and micro business actors themselves. All parties need to work together in solving the financial problems of culinary micro businesses in Bangkalan. This is considering the potential for micro culinary businesses in Bangkan which can develop if managed well.

The potential for culinary micro businesses in Bangkalan cannot be separated from the fact that Indonesia, a country where the majority of the population adheres to Islam, is a potential market for halal and safe food businesses. According to research [13], Indonesia's population will experience a demographic bonus in 2030, where the population of productive age will be twice as large as the population of children and the elderly. With a large population of productive age, the food and beverage industry labeled halal has large market potential. This is supported by research [14] which states that Indonesia has the largest Muslim population in the world.

Madura is an island whose population is steeped in Islamic teachings and its people have great potential for entrepreneurship. In line with the results of studies [15,16] which state that Bangkalan Regency as one of the regencies in Madura has culinary tourism potential with many high-tasting typical foods such as soto, satay, rujak, processed duck, topak ladhe, serpang rice and various snacks . However, the development of culinary MSMEs in Bangkalan is not yet optimal.

Based on the background description above, it can be seen that on the one hand, micro culinary businesses in Bangkalan have financial aspects, and on the other hand, there is a large culinary market potential in Bangkalan. Problems related to financial aspects faced by culinary micro businesses in Bangkalan need to be resolved immediately in order to be able to exploit the potential of the existing culinary market. Considering the many financial problems faced by culinary micro businesses in Bangkalan, it is necessary to know the priority financial problems to be addressed. One effort that can be made to overcome determining the main priority financial problems of micro-clinic businesses in Bangkalan is by analyzing the Analytical Hierarchy Process. Through this analysis, a number of financial problems for culinary micro businesses in Bangkalan

can be sorted, the problems with the most priority to be resolved.

In general, the aim of this research is to find out the main challenges faced by micro-entrepreneurs in the halal culinary sector in Bangkalan Regency, related to problems in the financial aspect, which must be prioritized for handling by policy makers in developing micro-enterprises so that they move up in class.

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2 Research method

2.1 Research stages

The research stages include implementation steps from start to finish, the steps can be seen in Fig. 1.
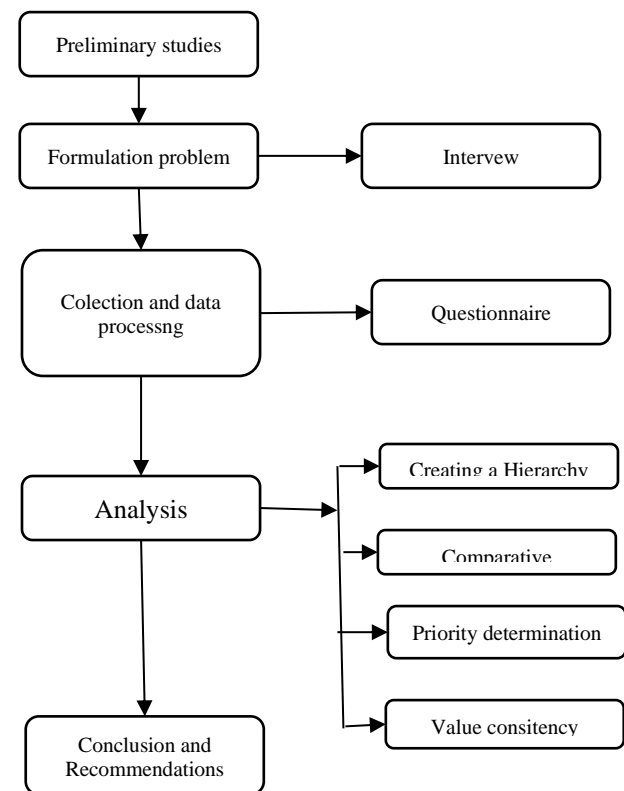

Fig. 1. Research stages.

Based on Fig. 1, the research steps can be explained in detail as follows:

2.1.1 Preliminary study

This initial stage involves two types of activities, namely literature study and field study. The literature study aims to study theoretical problem solving methods, especially in the use of the Analytical Hierarchy Process (AHP) method. Meanwhile, the field study aims to observe the implementation of the method being applied to the research object, namely halal culinary micro businesses in Bangkalan Regency.

2.1.2 Formulation of problem.

The next stage is to formulate the problems that arise in the research object and determine the research

objectives. The problems found were based on the results of analysis from field studies and data collected from interviews with halal culinary micro-entrepreneurs. The results of the problem formulation are also the objectives of the research to be carried out.

2.1.3 Data collection and data processing

In the next stage, the necessary data is collected as a basis for solving the problem that was formulated in the previous stage. After the data is collected, the data is then processed for use in the analysis stage. At the analysis stage, the data that has been collected will be evaluated using methods that have been studied by researchers in the initial stage.

2.1.4 Analysis and discussion

At this stage, an analysis and ranking of the results of the problem discussion is carried out using the Analytical Hierarchy Process (AHP) method which focuses on the average value of internal and external factors. The stages of data calculation using valid formulas for the AHP method are discussed in detail according to the steps contained in the AHP method. Data from the previous stage is used as analysis material to obtain solutions to existing problems. It is hoped that the solution found can provide a better alternative calculation in determining the priority of problems that need to be resolved by micro businesses from a financial perspective.

2.1.5 Conclusion

At this stage, the research results that have been processed using the AHP method are concluded by the researcher. This conclusion is a statement based on calculations produced through research methods.

2.1.6 Suggestions

After drawing conclusions from the research results, the researcher makes suggestions to improve the processes that have taken place at the research object in order to achieve better results in the future.

2.2 Research location and time

The research location was carried out in Bangkalan Regency which is located on Madura Island, East Java Province. This research will be carried out from June 2023 to December 2023.

2.3 Research approach

In this research, qualitative and quantitative approaches were used to achieve the research objectives. A qualitative approach is a method used to understand the meaning of a social phenomenon through collecting data from a number of individuals or groups. This method

involves a series of efforts such as asking questions, applying certain procedures, and analyzing and interpreting the collected data [17].

According to [18], this research used a case study approach to gain an in-depth understanding of the financial problems faced by micro businesses. This approach is used to address problems where the insights gained can improve practice, policy and subsequent research. A case study approach is well suited to examining the dynamic, process-focused nature of collaborative planning. According to [19], case study approaches tend to use several methods and often involve qualitative techniques such as interviews, observations, and analysis of documents and notes. Qualitative case studies are characterized by the fact that the researcher spends a significant amount of time at the research site, interacting directly with the activities and operations of the case, reflecting, and reviewing the description and meaning of what happened.

The quantitative approach of the Analytic Hierarchy Process (AHP) model is used in research to achieve research objectives. AHP is a model used for decision making which is designed to assist in selecting the best alternative from a number of alternatives evaluated based on several criteria. This process involves simple pairwise comparison assessments which are then used to determine overall priorities for ranking alternatives. AHP helps to overcome inconsistencies in assessments and improve consistency [20]. The general description of the AHP model can be seen in Fig. 2.
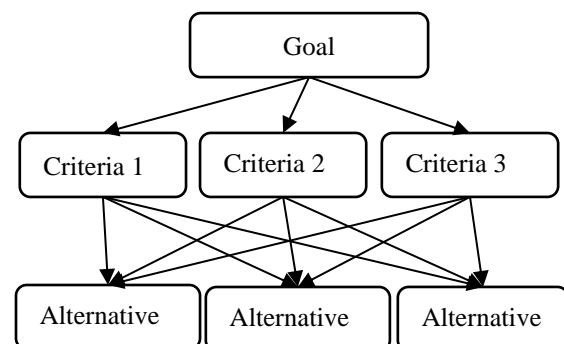
Fig. 2. Overview of the AHP model.

Based on Fig. 2, it can be explained that to use AHP or similar methods in feedback networks, one needs to create a hierarchical structure to represent the problem and use pairwise comparisons to build relationships in that structure. The assessment of pairwise comparisons in AHP is applied to pairs of homogeneous elements, and the assessment used is not only based on the author's preferences, but is also often the same as the assessment of experts. These experts represent their best understanding of the influences involved in the matter from the perspectives of various parties, as found in the literature, the parties' viewpoints expressed in the media, and where possible, through direct consultation with the parties concerned. In AHP, there are basic principles that must be understood. First, decomposition, where a complex problem is broken down into a hierarchy or cluster network consisting of sub-clusters and sus-sub

clusters. Second, comparative assessment, where pairwise comparisons are made for all elements in a cluster by looking at their parent clusters, in order to obtain local priorities. Finally, composition or synthesis, namely the local priorities of the elements in the cluster are combined with the priorities of their parent elements to produce global priorities for the entire hierarchy. In AHP / ANP, there is a consistency principle which consists of several important points. First, there may be inconsistencies when measuring preferences in pair comparisons. Second, the transitivity principle also applies, where if a1 > a2 and a2 > a3, then a1 > a3 (or preferably). Third, achieving consistency in AHP or ANP is quite difficult, so the concept of deviation from consistency was introduced, where it is recommended that the degree of inconsistency of preferences or the influence of pair comparisons not exceed 10 percent [21]. The preference scale can be seen in table 1.

Table 1. Preference scale.

Intensity of interest	Definition
1	Equally importan
2	Weak
3	Medium importance
4	More than moderat
5	Very importance
6	Strong
7	Very strong
8	Very very strong
9	Very Very important

Source: [22].

Table 2. Distribution of respondents identifying problems with financial aspects of micro businesses.

Category	Total
Bangkalan Regency Cooperatives and Micro Small Enterprises Service	1
Halal culinary micro business actors in Bangkalan	3
Benchmark halal culinary micro-entrepreneurs	3
Bank and non-bank financial institutions	2
Micro business association	1
Observer/academic in the field of Micro and Small Enterprises	2
	12

In the decision making process, table 1 shows the comparison scale between elements consisting of 9 scales representing the intensity of assessment. This scale is derived from stimulus response theory and has been validated to ensure its effectiveness. Validation is carried out through multiple applications by many people and through theoretical justification about which scales should be used in the comparison of homogeneous elements. The measurement scale used for comparison has a numerical value and is taken from the comparison scale [22]. Data will be collected by conducting a survey on respondents through structured interviews with questionnaires. The measurement scale used in the survey is Satty's scale, which aims to identify the most significant alternatives in decision making. To analyze problems in the financial aspects of halal culinary micro businesses in Bangkalan Regency, use the distribution of respondents which can be seen in

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2.4 Information collection and analysis process

There are several stages that must be carried out in analyzing information using a qualitative approach. First, prepare and process data by transcribing interviews and collecting various types of data sources. Second, read all the data to find general ideas contained in the respondents' statements. Third, analyze the written segments in more detail before interpreting them. Fourth, group the descriptions based on research objectives. Fifth, present the results of the analysis in the form of narratives and qualitative reports. Interpretation and Drawing Research Conclusions The results of interviews or interview recordings are recorded and reviewed periodically. To ensure internal validity, several strategies were carried out. First, data is taken from various sources, such as interviews, observations and documentation, so that it can be analyzed as a whole. Second, member checking was carried out, namely the informant checked the data analysis process again and provided responses regarding the results of the researcher's interpretation of the reality and meaning conveyed. Third, peer debriefing was carried out with fellow researchers to gain a deeper understanding of the phenomenon being studied. Finally, if possible, FGD is carried out on the respondent group. In case study research, there are limitations to certain activities and locations so it is hoped that the information obtained will be complete and accurate, in line with the specified time period. This research aims to provide a narrative based on information obtained from respondents to provide an understanding of complex problems in the field. In conducting the AHP model analysis, 12 respondents were included and an initial selection of the answers given was carried out. The criteria chosen to identify problems with the financial aspects of halal culinary micro businesses include:

- Internal criteria, with sub-criteria of unavailability of financial records administration, having poor records at SLIK, not having credit collateral, not having legal administration, limited business capital, and low knowledge and financial management skills.
- External criteria, with sub-criteria: limited MSE credit products, geographical barriers, limited financial institutions serving MSE credit, high interest costs for MSE credit, complicated MSE credit procedures and requirements and high MSE credit transaction costs.

There are a number of steps in calculating AHP analysis, namely:
Calculate the geometric mean from a number of respondents' questionnaire results, using the GM formula:

$$GM = \sqrt{X1 \times X2 \times X3 \times \dots \times Xn} \qquad (1)$$

Create a comparison matrix, which is then converted into a decimal number
Multiply the comparison matrix by its priority
Divide each element of the result matrix by its priority weight matrix element
Calculate the Maximum Eigenvalue (ME), using the formula:

$$ME = \frac{\text{number of matrix element}}{n} \qquad (2)$$

Calculate the Consistensy Indeks (CI), using the formula:

$$CI = ME - \frac{n}{n-1} \qquad (3)$$

Calculate the Consistensy Ratio (CR), using the formula:

$$CR = \frac{CI}{R} \qquad (4)$$

3 Results and discussion

3.1 Respondent characteristics

Based on the collection of respondent questionnaires, data was obtained regarding the characteristics of Madiun batik buyer respondents as follows in Table 3.

Table 3. Responden Characteristics

Respondent		Total	%
Gender	Male	8	66,67 %
	Female	4	33,33 %
		12	100,00 %
Age	18-25 age	0	0,00 %
	26-35 age	10	83,33 %
	36-45 age	0	0,00 %
	>45 age	2	16,67 %
		12	100,00%
Education	SMA/SMK	0	0,00 %
	Diploma	0	00,00 %
	S1	9	75,00 %
	S2-S3	3	25,00 %
		12	100,00 %
Jobs	Civil Servant	3	25,00 %
	Privat employees	2	16,67 %
	Entrepreneur	7	58,33 %
	Others	0	0,00 %
		12	100,00 %

Preparation of a hierarchical structure In order to know the priority financial problems faced by MSMEs, especially Bangkalan culinary MSMEs, MSME leaders or managers need to understand MSME financial problems which include internal and external factors that must be improved. These problems can be obtained, among other things, from the opinions of MSME players, academics, bureaucrats, professional associations and banking employees. Respondents mentioned several things which according to them were assessments to measure MSME financial problem factors. In accordance with the respondent's opinion, MSME leaders or actors are able to weigh their financial problems and see gaps that must be corrected in order to improve their financial condition. Financial problem factors will then be mentioned as determining criteria for MSME financial problems.

These criteria are internal and external criteria.
Internal Criteria [22-31]:
Financial records.
Bad records in SLIK (Financial Information Services System).
Does not have credit collateral
Does not have legal administration.
Limited business capital.
Low knowledge and financial management skills.
External Criteria [22-31]:
Limited credit products for micro entrepreneurs.
Geographical barriers.
High costs and interest on credit to micro business owners.
Complicated MSE credit procedures and requirements.

Determining the weight of criteria for MSME internal financial problems Referring to the AHP structural model, the first step taken was to determine the weight of each internal criterion by recapitulating the paired comparison matrix questionnaire data from 12 respondents. Before calculations are carried out to determine the normalized weight matrix, the results of the questionnaires of 12 respondents have been included in the matrix, so to obtain a matrix it is necessary to carry out an average measurement using the geometric mean. Next, carry out a relative assessment on all cells by dividing the value of each cell by the number in each column, so you will get the relative value of each cell. Then each factor is totaled horizontally and its priority weight is determined. The results can be seen in table 4, table 5, and table 6.

The total value is obtained from the horizontal addition of each value in each box. Meanwhile, the internal criteria eigenvector is obtained from the normalized total value.

Table 4. Matriks normalized wight factor criteria.

	Internal	External	Total	VE
Internal	0,809	0,808	1.617	0.808
External	0,191	0,192	0.383	0.191
Total	1	1	2	1.000

Table 5. Matriks normalized wight internal criteria.

	Total	VE
Recording	2,206	0,368
SLIK	0,311	0,052
Guarantee	0,542	0,090
Legality	1,421	0,237
Capital	0,585	0,097
Knowledge	0,936	0,156
Total	6	1,000

Table 6. Matriks normalized wight external citeria.

	Total	VE
Product	0,635	0,159
Geographical	0,361	0,090
Interest	0,994	0,249
Procedure	2,010	0,502
Total	4	1,000

In order to measure the extent of pairwise comparison consistency in this research, the consistency ratio (CR) measure was used. If the calculation of this ratio is less than 0.1 or 10%, it can be stated that there is consistency in assigning importance level figures. Referring to existing data and calculations that have been carried out, the overall consistency ratio (CR) value is less than 10%. The details are as follows: Financial problem factor 0.192, internal factor 0.05 and external factor 0.04. These results indicate that there is sufficient consistency in assigning levels of importance between criteria. Referring to the total per criterion, Table 7 is obtained which contains the weights of all criteria as required by the AHP theory.

Table 7. Total rank.

Factor	%	Rank	Criteria	%	Rank
Internal	80,9	1	Recording	0,368	1
			SLIK	0,052	6
			Guarantee	0,090	5
			Legality	0,237	2
			Capital	0,097	4
			Pengetahuan	0,156	3
External	19,1	2	Product	0,159	3
			Geographical	0,090	4
			Interest	0,249	2
			Procedure	0,502	1

Referring to the total per criterion, Table 7 is obtained which contains the weights of all criteria as required by the AHP theory. Referring to the research results, it can be seen that there are two aspects of financial problems for Culinary MSMEs in Bangkalan Regency, namely internal and external financial problems. Internal finance [22], such as cash management, budget planning, cost control, and efficient accounting, is an important element in running the daily operations of MSMEs. If internal financial problems are not resolved, MSMEs will find it difficult to maintain their business and obtain stable profitability [23].

Many MSMEs fail in the short or long term due to internal financial problems such as a lack of understanding of how to manage their money efficiently, over-investment in inventory, or uncontrolled spending. Fixing these problems can help MSMEs prevent failure [24] .

Internal financial problems that are not resolved can have a negative impact on external financial obligations such as loans from banks or debts to suppliers. If MSMEs are unable to pay external financial obligations, this could lead to sanctions and legal risks (24) .

By overcoming internal financial problems, MSMEs can increase their operational efficiency and profitability. This will help them grow and develop better, and become more financially independent [25].

Once internal financial problems have been resolved, MSMEs will be better prepared and can better manage external financial obligations. They will have better financial records and be able to run their business more professionally, which in turn can help them gain easier access to external funding sources [22] .

Therefore, resolving internal financial problems must be a top priority to support the growth and sustainability of culinary MSMEs in Bangkalan Regency before focus is given to external financial problems. Efforts to provide training, guidance and support regarding internal financial management can help MSMEs overcome these challenges and develop better.

Based on the results of the AHP analysis of internal factors, it can be seen that financial recording is a top priority. Financial recording is the key to the success of MSMEs in managing finances. Financial management relies on a good understanding of their revenues, costs and profitability. Without good financial records, it is difficult to identify problems and opportunities in business [26].

The second priority problem faced by Culinary MSMEs is that they do not have legal administration. Not having legal administration or legality is also a problem that needs to be addressed immediately, although it is not as important as the problem of financial recording. The absence of legality will hinder the development of MSMEs when dealing with banks, or other financial institutions and other institutions related to legality.

The third priority is internal factors, namely low knowledge and financial management skills. Low financial management skills can result in inefficient use of funds, difficulties in budget planning, and unwise financial decisions. Increasing knowledge and skills in financial management is the second priority [27-29]. Capital limitations are the fourth priority that must be resolved by MSMEs.

Limited capital is the fourth internal financial problem because capital is an important component in running a business. Lack of capital can hinder the growth and development of MSMEs [26,28,30].

The problem of not having collateral is the fifth priority that must be resolved by Culinary MSMEs. Not having credit collateral is also a significant problem, but in terms of priority, this is lower than the previous problem. Credit collateral can help MSMEs gain access to additional sources of funding [22,24].

The sixth priority is poor record keeping at SLIK. Poor recording in the Financial Information Services System (SLIK) is a problem that has an impact on external finances, and in the context of internal problem priorities, this is the lowest [22].

Meanwhile, based on the results of the AHP analysis, it can be seen that the priority external factor financial problems that must be resolved are the complexity of credit procedures and requirements for

micro and small businesses. The complexity of credit procedures and requirements for micro and small businesses is the second priority. Complicated processes and difficult requirements can prevent MSMEs from gaining access to the credit they need for growth and development [22].

The second priority is high credit fees and interest. High credit costs and interest are problems that are a top priority. High costs and high interest on credit can place a significant financial burden on MSMEs. This can affect their profitability and ability to expand their business [24,27].

The third priority is limited credit products. Limited credit products are the third external factor financial problem. This limitation prevents MSMEs from choosing credit products that suit their needs. MSMEs may require various types of credit products to meet their needs [29].

The fourth priority is geographic barriers. Geographical barriers are external factor financial problems that have the lowest priority. Although geographic barriers may affect accessibility to certain resources and markets, other issues such as high credit costs and complex credit requirements are more pressing to address [22].

By solving the problem of high credit costs and interest and streamlining credit procedures and requirements, MSMEs can overcome the main obstacles in access to external funding sources. Then, the next step is to overcome credit product limitations and consider efforts to overcome geographical barriers so that MSMEs can be more efficient and successful in developing their business. By resolving internal and external financial problems based on priorities, MSMEs will be able to manage their businesses more efficiently, reduce financial risks, and access better resources and capital. This will help them survive in a competitive business environment and develop into stronger and more sustainable businesses.

The main finding of this research is that through the application of the Analytic Hierarchy Process, it can be identified that the critical challenge faced by halal culinary micro-enterprises in Bangkalan Regency is the lack of financial records which have a negative impact on business sustainability and growth. Poor financial records can prevent business owners from accessing accurate and detailed financial information, thereby hindering effective decision making. Therefore, improving financial recording is an urgent necessity. This can be achieved through intensive training for micro business owners, as well as the implementation of financial recording applications that are simple and easy to use.

The government has a key role in addressing this challenge. Apart from providing training and support to business owners, the government can provide incentives or subsidies to micro businesses that successfully implement a good financial recording system. It is hoped that these steps will stimulate micro-entrepreneurs to prioritize improving their financial records. In this way, the government can contribute to the development of halal culinary micro-enterprises in

Bangkalan, which in turn will have a positive impact on strengthening the regional and national economy.

This research can make a major contribution to improving business sustainability by identifying and prioritizing crucial financial aspects. By focusing on the areas that most impact sustainability, business owners can take more effective action to improve their financial condition. The research carried out by previous research was only limited to identifying and investigating financial aspects that could influence the performance of micro businesses. However, this research apart from identifying also determines the priority order of micro business financial problems that must be resolved through the Analytic Hierarchy Process.

The main limitation in this research is the dynamics in financial conditions. In this context, dynamic changes in economic and market factors become an important obstacle. The applicability of research results will likely be limited due to the uncertainty that arises from these changes. The impact of market fluctuations or changes in economic policy can affect the relevance of research findings over a certain period of time. Therefore, interpretation and application of research results need to be carried out by considering the context of dynamic changes in the financial environment.

4 Conclusion

Referring to the results and discussion, it can be concluded that the financial problems of Culinary MSMEs in Bangkalam Regency that are the most priority to be resolved are internal financial problems compared to internal financial problems. Based on the results of the AHP analysis, it can be seen that the priority external factor financial problems that must be resolved are financial recording, not having legal administration, low knowledge and skills in financial management, limited capital, not having credit collateral, and poor recording at SLIK. Priority external factors are the complexity of credit procedures and requirements for micro and small businesses, high credit costs and interest, limited credit products, and geographical barriers.

Through the Analytic Hierarchy Process, it can be seen that the main challenge faced by halal culinary micro businesses in Bangkalan Regency is poor financial records which have an impact on business sustainability and growth. Therefore, improving financial records is a top priority that needs to be addressed with training, the use of applications that are simple and easy to use. The government must provide training and assistance as well as provide incentives or subsidies to micro businesses that implement a good financial recording system. Good financial records will encourage the growth of halal micro businesses in Bangkalan and will strengthen the regional and national economy.

The results of this study can be used as a reference in determining priorities for financial problems for Culinary MSMEs, especially Culinary MSMEs in Bangkalan Regency, both from internal and external

factors. These priorities are the basis used as consideration for SMEs in making decisions in resolving financial problems. Meanwhile, it is hoped that future researchers will be able to expand the number of items and aspects that will be taken into consideration in determining priorities for MSME financial problems in various fields or sectors.

The theoretical contribution of this article includes the development of a pairwise comparison model to assess the relative importance of financial aspects. The AHP method allows the assignment of consistent and rational weights for each financial aspect. The limitation of this research is that financial conditions can change dynamically. Research results may have limited applicability due to changes in economic or market factors.

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