



THE ROLE OF ACCOUNTING INFORMATION SYSTEMS IN THE UTILIZATION OF TECHNOLOGY FOR DIGITAL BOOKKEEPING IN SMES

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ABSTRACT

The purpose of writing this article is to identify the use of technology, especially in the field of accounting, understand the role of accounting information systems in micro, small and medium enterprises (MSMEs), and the application of digital bookkeeping in MSMEs. The approach carried out is a case study approach using relevant journals. The results obtained show that currently small and medium-sized enterprises (MSMEs) have digitized their activities using technology. For example, in terms of sales and payments. However, many MSME bookkeepers still use paper to record books manually. The purpose of coaching is with the hope that currently with the rapid development of science and technology, small and medium enterprises can effectively and efficiently carry out accounting in their business and build technology-based small and medium enterprises (MSMEs).

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INTRODUCTION

The advancement of technology in the current version of the Fourth Industrial Revolution is progressing rapidly, making it increasingly easier to access information in a short amount of time. Technological information is highly anticipated and facilitates companies in conducting their business activities efficiently and effectively. Technological progress has brought many changes in the digital era, and almost all business activities can now be conducted digitally. Many entrepreneurs or managers record their business transactions digitally (Rahmadi et al., 2024).

Digitization refers to the transformation of information from analog to digital form. Thus, accounting information can also be easily accessed, stored, and managed, converting paper documents into electronic documents (Rahmadi et al., 2024). This process is no longer necessary if the electronic documents are created as part of normal business operations. Digitization can also assist in the financial reporting process for companies.

SMEs are expected to play a significant role in the development of the digital economy. Unfortunately, some SMEs pay insufficient attention to financial management (Sholikudin et al., 2024).

Additionally, small and medium-sized enterprises (SMEs) currently do not fully understand the importance of good management or accounting, which aims to reduce the risk of calculation errors or incorrect presentation of information in financial reports and the potential loss of money due to unrecorded transactions (Damayanty & Murwaningsari, 2020). By creating financial reports, these reports can be made with simple accounting figures, based on the financial statements reported as performance accountability. This allows principals to assess, measure, and monitor the extent of improvement in SME performance (Hakim, 2023). Indeed, the primary goal of starting a business is to achieve economic profit. It is crucial for SME practitioners to understand digital methods such as accounting or registration to avoid calculation errors or fraud, thus ensuring the profitability of their business. Small and medium-sized enterprises need simple accounting information to make management easier (Pantielieieva et al., 2018).

The unpredictable development of the world has led to an increase in large companies involved in accounting manipulation; therefore, companies are now expected to present honest and accurate financial reports (Rahmadi et al., 2022). The benefits of implementing a company's accounting information system include facilitating the creation of financial reports, performance evaluation, financial position determination, and tax calculation (Rohmana & Hwihanus, 2023). The more profits generated, the better the management performance of the company, as the quality of financial reports can indicate the company's value. With financial reports, investors can analyze SME information (Bestar & Damayanty, 2023).

To support the development of SMEs, the government has introduced an online accounting system that can be accessed for free by SME practitioners. Another form of support is providing training and assistance to SMEs to help them develop and become drivers of national economic development (Rohmana & Hwihanus, 2023). The impact of digital accounting implementation on SME performance (Aulia, 2024). States that the implementation of a mobile accounting information system contributes to improving the performance of small businesses. With the use of this information technology, business operations become more efficient and financial reporting is well-organized. Reflecting on this introduction, the question arises: what is the role of the accounting information system in utilizing technology for digital bookkeeping in SMEs? The aim of this research is to understand the role of the accounting information system in utilizing technology for digital bookkeeping in SMEs.

METHOD

This research employs a descriptive qualitative method. Qualitative research aims to comprehensively understand phenomena such as behavior, perceptions, motivations, and actions experienced by research subjects. This approach involves describing phenomena using words and language in their specific contexts, utilizing various methods naturally. Qualitative research is based on postpositivist philosophy and focuses on studying the conditions of objects as experienced, differing from experimental methods, which involve trials. In qualitative research, the researcher acts as the primary instrument, collecting data through triangulation, conducting inductive or qualitative data analysis, and concentrating on the meanings rather than generalizations. This approach is further supported by the notion that exploring in-depth conditions at research sites necessitates qualitative research.

RESULT AND DISCUSSIONS

In today's era, the role of Micro, Small, and Medium Enterprises (MSMEs) is crucial for the economic growth of Indonesia, accounting for 99% of all business units. In 2023, there were approximately 66 million MSME operators. MSMEs contribute 61% to Indonesia's Gross Domestic Product (GDP), equivalent to IDR 9,580 trillion. They absorb around 117 million workers (97%) of the total workforce (KADIN Indonesia, 2023).

Table 1. MSME Data 2018-2023

Year	2018	2019	2020	2021	2023
Number of MSMEs (Million)	64.1	65.47	64	65.46	66
Growth (%)	-	1.98	-2.24%	2.28	1.52

Table 1 shows that MSMEs play a significant role in Indonesia, where a substantial portion of the population earns a living through MSMEs. MSME categories are generally based on the amount of capital at the time of establishment. If the capital is up to one billion rupiahs (excluding land and business premises), it is categorized as Micro Enterprise. Businesses with capital from one billion to five billion rupiahs are categorized as Small Enterprises. Businesses with capital from five billion to ten billion rupiahs are categorized as Medium Enterprises. Anything larger is categorized as Large Enterprises (KADIN Indonesia, 2023).

A significant issue has been the impact of the COVID-19 pandemic, during which many MSMEs faced bankruptcy. Many workers lost their jobs, and some MSMEs had to close completely, causing substantial losses for these businesses. According to the data presented above, the number of MSMEs decreased by -2.24% from 2019 to 2020. However, some MSMEs managed to survive the pandemic by adapting and utilizing rapid technological advancements. One way MSMEs expanded their businesses was through online sales, allowing them to operate from home using smartphones and sell on platforms designed for MSMEs or entrepreneurs who lacked physical retail space (Rahmadi et al., 2022). Nevertheless, during the COVID-19 pandemic, MSMEs faced challenges due to lockdowns imposed by nearly all countries. Lockdown refers to a system where access to and from an area is completely restricted to control the spread of a virus or disease. According to President Joko Widodo of Indonesia, a lockdown requires a region to completely close its access points (KADIN Indonesia, 2023). There are three commonly used platforms for both business owners (sellers) and consumers:

Online Business via Website

This type of online business relies on a website as a digital store. Visitors can view product information, make transactions, contact sellers, and more. Online businesses through websites are favored by many entrepreneurs due to the unique advantages they offer, such as better branding, broader marketing reach, and design freedom. An example of a successful online business via a website is Uwitan, a furniture business that uses its website as an online store for potential customers from various regions, eliminating the need to visit their showroom in Surabaya (Santoso, 2021).

Online Business on Social Media

Initially, social media was used merely as a tool for socializing, whether with old friends or family members whom one rarely meets. However, today, social media is also employed for online business. You've likely seen various accounts promoting their products in your feed. Online business on social media has become immensely popular due to its ease of initiation (Wahyudi & Rahmadi, 2023). You can use an existing personal account to start selling right away. Simply choose your best product images, write an appealing short description, list the price, and... post. Nevertheless, it is highly recommended to use a business account as it offers additional features like tracking business performance, viewing buyer demographics, and more. If potential buyers are interested, they can leave comments or send direct messages (DMs) to you. Therefore, it's not surprising that many people use social media to sell homemade or self-made products. Examples of businesses on social media include fashion, crafts, cosmetics, and food products, among others (Santoso, 2021).

Online Business on Marketplaces

Marketplaces are platforms that act as intermediaries between sellers and buyers in online transactions. In other words, they can be considered online markets where many sellers/stores offer products and services. Some well-known marketplaces in Indonesia include Tokopedia, Shopee, Bukalapak, Tiktoshop, Lazada, Zalora, and Blibli. Starting an online business on a marketplace is also quite popular because it is easy and free. You just need to choose a marketplace, register an account, list your products, and wait for buyers to make transactions (Wahyudi & Rahmadi, 2023). Additionally, marketplaces offer a variety of product categories, ranging from physical goods like clothes, electronics, and food to services like travel agencies and wedding organizers. However, one must be exceptionally patient when entering this type of online business. Why? The competition in marketplaces is very fierce with sharp price wars, especially if the products you sell are common, such as fashion items or mobile accessories. As a result, your profit margins may be very tight (Santoso, 2021).

Recent Developments in Indonesia's Digital Economy

In recent years, Indonesia's digital economy has experienced rapid growth. The use of digital technology has increased to cover nearly all corners of the country. (Asosiasi Penyelenggara Jasa Internet Indonesia, 2022) reports that in 2023, the internet penetration rate in Indonesia reached 78.19 percent. In other words, 78 out of every 100 Indonesians were using the internet in 2023. Compared to 2018, this figure represents a 13.39 percent increase over the past five years. This indicates that Information and Communication Technology (ICT) has undergone significant growth in the past five years, especially during the pandemic, and the digital economy industry holds positive growth potential moving forward (Institute for Development of Economics & Finance, 2024).



Figure 1. Internet Penetration Rate in Indonesia (2016-2023)

The potential for positive growth in the digital economy industry is evident from the projected Gross Merchandise Value (GMV) for various sectors of the digital economy. Google, Temasek, and Bain (2023) project that Indonesia's overall digital economy will grow by 8 percent in 2023 compared to the previous year, reaching an estimated USD 82 billion. This value is expected to grow to USD 109 billion by 2025. By 2030, Indonesia's digital economy is forecasted to reach between USD 210 billion and USD 360 billion (Institute for Development of Economics & Finance, 2024)

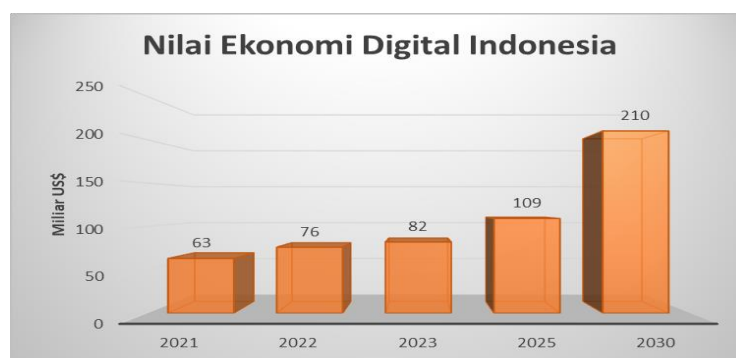


Figure 2. Digital Economy Value in Indonesia

The figures above illustrate that Indonesia's digital economy value is growing rapidly. Sector-wise, e-commerce contributes the most to the development of Indonesia's digital economy. Besides e-commerce, other sectors supporting Indonesia's digital economy include transportation & food, online travel, and online media (Wahyudi & Rahmadi, 2023). The presence of e-commerce has had a significant impact on the development of the real sector, particularly in the trade sector in Indonesia. E-commerce, which involves the buying and selling of goods and services online via the internet, has become a frequent activity for businesses and consumers. The presence of e-commerce in Indonesia is notably high, as evidenced by the number of people making online purchases in 2023, which was 178.9 million—an increase of 12.8 percent compared to 2022 (Meltwater, 2023). The Gross Merchandise Value (GMV) of Indonesian e-commerce in 2023 rose by 7 percent from the previous year to USD 62 billion. This figure is projected to increase to USD 82 billion by 2025 and USD 160 billion by 2030. The high growth potential of e-commerce in Indonesia presents broader opportunities for MSME actors to enter the digital platform ecosystem. By becoming part of the digital economy, MSME operators can leverage and maximize technology to grow their businesses. The positive impact of MSME participation in the digital economy holds great potential for the development of MSMEs in Indonesia (Institute for Development of Economics & Finance, 2024).

Online Business Accounting Tools for MSMEs

In today's fast-paced world, MSMEs (Micro, Small, and Medium Enterprises) must keep up with evolving trends, including understanding basic bookkeeping for their operations. Many applications are now available to assist MSMEs in managing data related to income and expenses, profit and loss, and supplier information. Some of these applications also facilitate the creation and direct sending of sales invoices to customers, which is much more efficient compared to handling these tasks offline. Here are some accounting applications well-suited for basic bookkeeping:

Mekari Jurnal

This cloud-based accounting software supports small and medium businesses by enabling automation of bookkeeping and financial reporting processes. The system simplifies administrative tasks and allows you to manage your business from anywhere, at any time, and on any device. As one of the top bookkeeping software options, Mekari Jurnal offers a comprehensive range of features, including user access control, accounts receivable management, activity tracking, automatic invoicing, bank reconciliation, and more. These features help businesses and practitioners enhance productivity by reducing repetitive manual tasks. Additionally, this software is certified, ensuring its security is comparable to banking applications (Rania, 2024). Mekari Jurnal offers numerous advantages for MSMEs seeking efficient and effective bookkeeping solutions. One of its key features is the automation of transaction records, which are seamlessly integrated into both business and financial reports, streamlining financial management. Users benefit from access to a chart of accounts that is systematically organized and structured, facilitating easier tracking and reporting. The software also simplifies financial journal entries by covering various aspects such as income and expenses. With Mekari Jurnal, creating invoices is straightforward thanks to pre-designed templates, and integrated payment methods enhance transaction efficiency. Additionally, the application supports expense and budget management, ensuring that financial planning remains on track. It also includes inventory management capabilities and provides valuable assistance with tax matters, making it a comprehensive tool for managing financial operations effectively.



Figure 3. Mekari Jurnal

BukuKas

BukuKas is an effective bookkeeping application that stands out as one of the best tools for sales recording and business monitoring. Widely recognized and popular among business owners and individuals, BukuKas has garnered the trust of over 250,000 MSMEs across the country for managing their financial operations. The application is noted for its user-friendly interface, which avoids monotony and is easy to navigate, and it offers a free version, making it an excellent choice for small and medium-sized businesses.

The key features of BukuKas include automatic transaction recording, which simplifies financial management by reducing manual entry. Users can monitor sales and business performance efficiently, while the application also offers free inter-bank transfers without administrative fees. Automatic financial reporting is another valuable feature, providing users with comprehensive financial insights. Additionally, BukuKas allows for automatic stock management and facilitates invoice sending and receivables collection via WhatsApp or SMS, making it a versatile tool for managing various aspects of business finances (Rania, 2024).



Figure 4. BukuKas

Paper.id

Paper.id is an online payment and invoicing application designed to facilitate business transactions and manage cash flow for companies of various sizes, from small to large. Since its launch in 2016, Paper.id has rapidly evolved and become a preferred choice for business payment platforms in Indonesia. The application offers a range of advanced features that simplify the management of digital invoices and payments.

A key advantage of Paper.id is its ability to create and manage digital invoices that can be sent through various channels, such as WhatsApp, SMS, or email, and track all billing documents via an integrated dashboard. Users can also add e-Meterai to invoices, thanks to Paper.id's partnership with PERURI, making it the first business payment platform to offer this feature. The application also allows for flexible payment term control, enabling users to set payment times for both customers and suppliers.

Key features of Paper.id include invoice management, Paperpay Out, expense tracking, invoice reminders, and a user-friendly, lightweight interface. These features help reduce the risk of recording errors, ensure compliance with payment terms, and provide banking-grade security for business transactions (Rania, 2024).

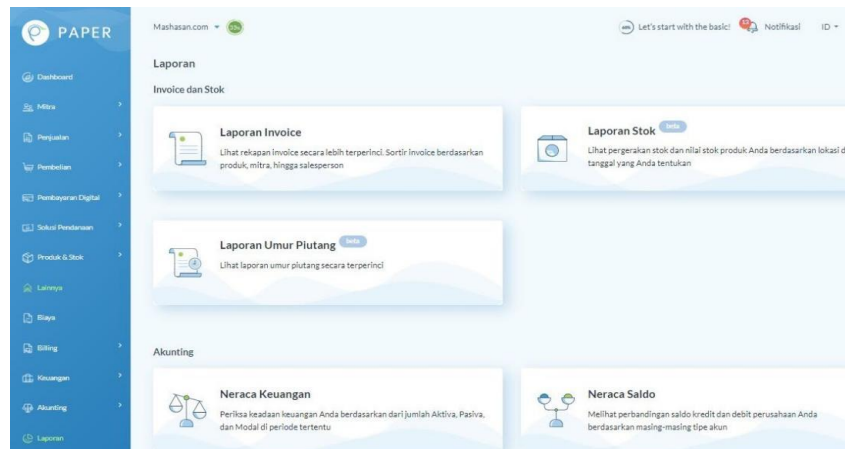


Figure 5. Paper.id

The rapid advancement of digital technology has brought significant changes across various fields, including accounting. Online bookkeeping offers numerous advantages, such as real-time transaction recording and the prevention of manual recording errors, as well as the ability to monitor and manage expenditures more effectively. However, challenges remain, such as accessibility for those less familiar with digital technology and the potential for system errors. Despite these challenges, the advanced technology available today is expected to facilitate the adoption of online bookkeeping among SMEs in Indonesia, allowing them to benefit from the practical and efficient features of digital accounting systems to expand their businesses.

CONCLUSION

Micro, Small, and Medium Enterprises (MSMEs) are crucial to Indonesia's economy, representing 99% of business units and contributing significantly to the GDP. Despite challenges during the COVID-19 pandemic, many MSMEs adapted by embracing online sales and digital tools. The growth of the digital economy and internet usage provides MSMEs with ample opportunities to expand and improve operations. Accounting applications like Mekari Jurnal, BukuKas, and Paper.id are essential for efficient financial management, offering features that simplify bookkeeping and enhance business performance. As digital technology advances, MSMEs are expected to increasingly adopt these tools to support their growth and operational efficiency.

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