



Improving Financial Performance through the Implementation of Simple Accounting Systems in MSMEs in Ciruas, Serang Regency

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Article Info	ABSTRACT
<p>Corresponding Author: Putri Wulandari E-mail: dosen02274@unpam.ac.id</p>	<p>This community service program aims to improve the financial performance of micro, small, and medium enterprises (MSMEs) in Ciruas, Serang Regency, through the application of simple accounting systems. Many MSMEs still rely on manual financial records, lack basic accounting knowledge, and do not utilize available technology. These challenges hinder their ability to monitor cash flow, calculate profits, and make strategic business decisions. The program involves direct interviews, field observations, and hands-on training sessions. Participants were introduced to a simple accounting template using spreadsheet applications that can be operated via mobile devices. The results show an increased awareness and understanding of financial management among the MSME participants. Several businesses have begun to adopt digital bookkeeping methods and now recognize the importance of transparent and accurate financial reports. This initiative demonstrates that with proper guidance and practical tools, MSMEs can enhance their financial efficiency and achieve better business sustainability.</p> <p>Keywords: Simple Accounting, Financial Management, MSMEs, Community Service, Digital Bookkeeping</p>

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) serve as a critical pillar in Indonesia's economy. They contribute significantly to employment generation, income distribution, and regional development. Despite their vital role, many MSMEs still struggle with one of the most fundamental aspects of business operations, financial management. The lack of structured accounting practices often leads to poor financial planning and inefficiencies in managing cash flow, ultimately limiting the potential for growth and sustainability.

The problem is especially evident in rural and semi-urban areas such as Ciruas, Serang Regency, where MSMEs are predominantly run by households and operate informally. According to Suyadi et al. (2018), one of the core challenges faced by MSMEs is their limited knowledge and application of accounting principles. Many business owners perceive financial

Improving Financial Performance through the Implementation of Simple Accounting Systems in MSMEs in Ciruas, Serang Regency—**Putri Wulandari, et.al**

recording as a complex and unnecessary burden, leading to minimal or even absent documentation of their business transactions.

Savitri and Saipudin (2018) emphasized that without adequate financial records, it becomes difficult for MSMEs to evaluate their performance, identify areas of inefficiency, or justify loan applications to financial institutions. This lack of accountability can hinder business decisions and diminish the trust of stakeholders. Moreover, in the absence of financial data, MSMEs face significant challenges in determining accurate product pricing, profit margins, and budget allocations.

The role of technology in simplifying accounting practices has been largely underestimated by many MSMEs. While digital tools such as spreadsheet applications or mobile-based accounting software are readily available, their adoption remains low. As noted by Andari et al. (2022), digital accounting systems can significantly enhance the accuracy and efficiency of financial reporting. However, without adequate training or support, MSMEs are unlikely to shift from manual bookkeeping methods to digital alternatives.

Harahap (2010) argued that even a simple accounting system, when properly applied, can provide substantial benefits in organizing cash flow, tracking business expenses, and improving decision-making processes. Furthermore, Mulyadi (2016) pointed out that the availability of clear financial information enables business owners to gain better control over their operations and resources. This underlines the importance of equipping MSME owners with basic financial skills that are both accessible and relevant to their daily business activities.

Community-based programs that focus on education and practical training can play an essential role in addressing these gaps. Pratiwi et al. (2024) found that targeted training and socialization efforts can significantly increase MSMEs' confidence and ability in implementing simple accounting systems. These interventions not only improve business performance but also foster a culture of accountability and transparency among entrepreneurs.

Nevertheless, challenges persist in the field. Yuliati et al. (2019) highlighted that even after training sessions, some MSMEs continue to face difficulties in applying accounting techniques due to low formal education levels and limited prior exposure. Therefore, sustained mentoring and easy-to-use accounting tools are necessary to ensure long-term adoption of sound financial practices.

In this context, the implementation of a community service program focused on promoting simple accounting practices becomes highly relevant. This initiative was specifically designed to reach MSMEs in Ciruas, Serang Regency, many of which had never been exposed to structured financial systems. The approach included interactive discussions, practical exercises, and the provision of spreadsheet templates that allowed participants to calculate their costs and profits directly through mobile devices.

The program also placed emphasis on using real business examples to demonstrate the relevance and application of accounting concepts. This hands-on methodology aimed to break the perception that accounting is only for large or formal businesses. As a result, many participants were able to relate the training content to their own operations, and some began to adopt new methods for recording and evaluating their business transactions.

Ultimately, this study seeks to examine how socialization and practical training in simple accounting systems can enhance financial performance among MSMEs. By focusing on accessibility, contextual relevance, and continuous support, this program aspires to contribute to the long-term financial resilience and sustainability of local enterprises in Indonesia.

METHODS

This community service program was conducted in Taman Ciruas Permai, located in the Ciruas subdistrict of Serang Regency, Banten Province. The activity was carried out on a scheduled day with prior coordination with local stakeholders and MSME representatives. The location was selected due to the concentration of household-based MSMEs operating in the food processing and snack production sectors, which typically lack formal accounting systems and rely heavily on manual bookkeeping or memory-based financial management.

The implementation approach combined qualitative techniques, particularly interviews and field observations, to gain insights into the financial practices of local MSME owners. Prior to the intervention, the team conducted informal interviews with selected MSME operators to understand their level of awareness regarding financial management, the tools they currently use, and the challenges they encounter in recording daily business transactions. These conversations helped shape the content and structure of the training modules.

Observation played a crucial role in assessing the operational reality of the participating MSMEs. The team visited several business premises to observe firsthand how financial transactions were recorded, whether receipts and invoices were kept, and if any financial documentation systems were in place. These site visits provided valuable context and allowed the facilitators to adapt their approach to better match the capabilities and routines of the participants.

Following the preliminary assessments, the program proceeded with the delivery of a hands-on training session focusing on simple accounting practices. The training introduced basic financial concepts such as income, expenses, and profit calculation, using real-world examples that were familiar to the participants. To ensure practicality, the session utilized a specially designed Excel-based template that allowed MSME owners to record transactions, calculate cost of goods sold, and generate a basic income statement.

Accessibility was a key priority in designing the training materials. The spreadsheet template was optimized for use on mobile phones, enabling participants to update their records anytime and anywhere without the need for a computer. This feature was particularly appreciated by participants who manage their businesses on the go and have limited access to traditional computing resources. The materials were also kept visually simple and used color-coding and formulas to reduce the risk of error.

To maximize engagement, the training incorporated interactive demonstrations. Participants were guided through each step of the process—from entering a transaction to interpreting the resulting profit and loss report. Questions and discussions were encouraged throughout the session to clarify doubts and ensure comprehension. This approach helped demystify accounting and made it more approachable for business owners with no prior background in finance.

After the training, the team conducted a follow-up evaluation by revisiting the participants a few weeks later. This follow-up included both observation and additional interviews to determine whether the accounting system had been implemented effectively. The team assessed the consistency of data entry, the completeness of the records, and whether the participants were using the insights from their reports to guide business decisions such as pricing or cost control.

RESULTS AND DISCUSSION

Based on the activities carried out, the community service team presented material on MSMEs and emphasized the importance of implementing simple accounting systems for the sustainability and growth of their businesses. The team explained the basic concept of MSMEs and their role in Indonesia's economy, highlighting how sound financial management is a key factor in business success. They also introduced the concept of simple accounting, its application, and how it can help MSMEs manage finances more efficiently.

The team conducted a hands-on session on calculating the Cost of Goods Sold (COGS) to assist MSMEs in setting accurate product prices, along with preparing income statements to determine profits or losses within a given period. An Excel-based tool was provided, which could be accessed via mobile phones, enabling MSME owners to perform financial calculations easily and at any time.



Figure 1. Explanation of the Material

The Excel file developed by the community service team was designed to simplify the calculation of the cost of goods sold (COGS) and the preparation of income statements for MSMEs. Business owners only needed to complete a transaction log consisting of ten columns, which would automatically calculate COGS and display clear profit or loss results. The integrated income statement feature allowed them to monitor financial performance periodically and make informed decisions regarding pricing, cost control, and business development strategies. Its mobile-friendly format also ensured accessibility without the need for a computer.

Following the training, many MSMEs who previously relied on manual bookkeeping began to consider adopting digital tools, particularly the Excel template provided. They recognized that using technology made transaction recording easier and faster. This aligns with Andari et al. (2022), who stated that digital-based reporting facilitates financial recordkeeping for MSMEs. Yuliati et al. (2019) also emphasized that well-organized financial statements support better decision-making and business planning.

A follow-up survey conducted in Taman Ciruas Permai revealed that several MSMEs had started implementing the simple accounting system. While some had transitioned to using Excel, others were just beginning to adopt the system. However, challenges remained, prompting the team to provide additional guidance and clarify errors to ensure effective implementation.



Figure 2. MSME Survey Activities

Overall, the implementation of the simple accounting system had a positive impact. MSME owners in Taman Ciruas Permai became more organized in managing their finances, more efficient, and more confident in making data-driven decisions. The socialization and training activities successfully enhanced their understanding of sound financial management. With the support of technology, they now find it easier to handle financial tasks and improve business performance, helping ensure long-term growth and sustainability.

CONCLUSION

This community service initiative has demonstrated that implementing a simple accounting system can significantly improve financial management among micro, small, and medium enterprises (MSMEs). The program, carried out in Taman Ciruas Permai, effectively introduced MSME owners to the fundamentals of accounting, enabling them to understand, apply, and benefit from structured financial practices. By integrating accessible technology such as Excel-based templates that can be used via mobile devices, the program empowered participants to perform essential tasks like calculating costs, tracking income and expenses, and generating income statements with greater ease and accuracy. The positive response from participants reflects a growing awareness of the importance of financial transparency and informed decision-making. Several MSMEs have transitioned from manual to digital bookkeeping, indicating a shift in mindset toward adopting more sustainable business practices. Moreover, the program addressed practical challenges through continuous mentoring, ensuring that participants could implement the new system effectively. In conclusion, the application of simple accounting, supported by digital tools and community-based education, provides a viable pathway for improving financial literacy and business sustainability among MSMEs. Such initiatives not only enhance operational efficiency but also contribute to long-term economic resilience at the local level.

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