
**IMPLEMENTATION OF ACCOUNTING
INFORMATION SYSTEMS IN
BUSINESS MICRO SMALL AND MEDIUM
ENTERPRISES
(CASE STUDY ON MSMEs UTOPIA BODYSOAP)**

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Received: April, 2025; Accepted: April, 2025; Published: June, 2025

Permalink/DOI:

Abstract

This study examines how Accounting Information Systems (AIS) are integrated into Micro, Small and Medium Enterprises (MSMEs), with a particular focus on UTOPIA Bodysoap. The findings of this study reveal that the implementation of AIS is an important first step in the digital evolution of business administration. Prior to the implementation of AIS, financial documentation relied on manual methods, which led to a number of issues including duplicate entries, data omissions, and delayed reporting, which hampered performance assessment and created challenges in securing external funding. After the implementation of a Microsoft Excel-based record-keeping system, UTOPIA Bodysoap began to experience benefits such as more organized, uniform, and easily traceable financial records. However, the current system is still incomplete, lacks integration with other business functions, and cannot automatically generate financial reports. Key challenges faced include limited digital literacy and reliance on a single employee. Thus, this study advocates investment in cloud-based solutions and human resource training, along with assistance from the government and relevant organizations to enable MSMEs to fully utilize the benefits of AIS. In this way, AIS not only improves efficiency and transparency but also enhances the management and competitiveness of MSMEs in the digital era.

Keywords: *Accounting Information System, Micro, Small and Medium Enterprises*

INTRODUCTION

Small and Medium Enterprises, often referred to as SMEs, are very important for the economic development of a country, especially in developing countries like Indonesia. SMEs are the driving force of the economy because they can create jobs, increase people's income and contribute to the gross domestic

product (GDP). However, SMEs are often behind the most important role in various challenges, where effective and efficient financial information related to the government. Because resources human and technological limitations, small and medium-sized businesses often have superior financial record-keeping systems.

The solution to overcome this challenge is to implement an Accounting Information System (AIS). AIS is a technology-based system that systematically helps collect, record, manage, and report financial data. The use of AIS is expected to improve MSME operational efficiency and quality decisions. This system not only helps you record daily transactions, but also supports the process of preparing more accurately and quickly.

MSMEs Utopia Bodysoap is one of the companies that handles the production and sale of natural soap from coffee. As a development for MSMEs, UTOPIA Bodysoap recognizes how important professional financial management is for the sustainability of its business. However, financial management, which is still done manually, can cause inefficiencies in transaction records and financial reports, and can cause errors in recording.

This case study discusses the process of implementing an accounting information system at Utopia Bodysoap MSMEs, the challenges during the process, and its impact on the operation and decision-making of business activities. By adopting a qualitative approach, the researchers will consider the implementation process of AIS in detail to provide a comprehensive picture to other MSMEs who want to implement similar systems.

The findings of this study are expected to truly contribute to MSME actors for professional financial management and provide academic references on the importance of AIS to support the management of small and medium enterprises. This study also seeks to offer strategic suggestions for MSMEs in selecting and implementing accounting information systems that suit their needs and capabilities.

LITERATURE RIVIEW

Accounting Information System

Information systems as a combination of software, hardware, or databases that collect, transform, and disseminate or transmit information within a particular company or organization. According to Hwihanus (2023), Data solutions needed by today's business owners to solve various problems are very important. This solution is designed to meet the information needs of users in small and large business environments. Accounting Information Systems, abbreviated as AIS, consist of various forms, logs, and reports designed to provide important financial data for a business. This accounting data system aims to handle financial and accounting information while producing financial reports that can be used by managers and other related parties to make decisions the right business. In addition, this system includes details about income, expenses, client data, personal information, and tax details that are relevant to each organization. Irda (2024)

states that an accounting information system is an accounting data processing system with a number of elements that work together and complement each other harmoniously, such as methods, humans, and equipment that function as an integrated unit in an agency or organization to produce useful information related to financial and management accounting. The ability of an accounting information system to succeed also depends on management involvement. Active participation of management in the creation, implementation, and utilization of accounting information systems is referred to as management involvement. By involving management at a high level, the effectiveness of the accounting information system can be increased by ensuring that the system is designed to meet the needs of the business and its users.

Micro, Small and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) each have different interpretations in various texts, institutions, and legal frameworks. As outlined in Law Number 20 of 2008 concerning MSMEs, these business entities are classified as follows:

1. **Micro businessis** a type of productive business owned by individuals or individual business entities, provided that they meet the criteria for micro businesses as stipulated in applicable laws and regulations.
2. **Small businessis** an independent economic activity carried out by individuals or business entities, which are not subsidiaries or branches of medium or large businesses, and are not affiliated directly or indirectly with either, and meet the criteria of small businesses in accordance with the provisions of the law.
3. **Medium Enterprises** includes independent economic activities carried out by individuals or business entities, which are not part of or affiliated with small or large businesses, either directly or indirectly, and meet the asset or turnover limits as stipulated in the law.

Based on Law Number 20 of 2008, Article 6, the definition of microenterprises based on financial conditions and sales results includes:

Have a maximum net worth of Rp50,000,000.00 (fifty million rupiah), excluding land and buildings where the business is located; or Annual sales results of a maximum of Rp300,000,000.00 (three hundred million rupiah).

The definition of small business includes the following criteria:

Having net assets of more than Rp50,000,000.00 (fifty million rupiah) but not exceeding Rp500,000,000.00 (five hundred million rupiah), excluding land and buildings for business premises; or Annual sales results exceeding Rp300,000,000.00 (three hundred million rupiah) but limited to a maximum of Rp2,500,000,000.00 (two billion five hundred million rupiah).

METHOD

This study uses a descriptive qualitative method. Data collection techniques include direct interviews with business owners, observations of

financial recording activities, and analysis of financial documents of UTOPIA Bodysoap MSMEs. Data were analyzed using a descriptive approach to identify patterns and practices of AIS implementation.

RESULTS AND DISCUSSION

The implementation of accounting information systems (AIS) in Micro, Small, and Medium Enterprises (MSMEs) has a strategic role in driving operational efficiency, transparency of financial reports, and more precise and data-based decision making. In the context of increasingly tight business competition and increasing complexity of business management, the implementation of AIS is no longer an option, but rather an urgent need.

The results of this study on the case study of UTOPIA Bodysoap MSMEs show that the implementation of AIS is the first step towards digital transformation in business management. Before the implementation of AIS, the financial recording system was carried out manually using notebooks, which caused various problems such as double recording, loss of transaction data, and delays in preparing monthly reports. This not only complicates the process of evaluating business performance, but also hinders access to external financing due to the lack of valid and accountable financial documentation. After adopting a simple recording system based on Microsoft Excel, UTOPIA Bodysoap began to feel the initial benefits of digitalizing the accounting process. Financial transactions are now recorded daily, arranged in a neater and more consistent reporting format, and make it easier for business owners to monitor cash in and out. However, the system used is still partial and has not been fully integrated with other business processes such as inventory management, purchasing raw materials, and recording sales. The biggest challenges faced are limited digital literacy and dependence on one person in managing financial data, which risks causing irregularities if there is a change of personnel. In addition, the current system is not yet able to produce financial analysis automatically, such as profit and loss reports, balance sheet, and cash flow, which should be important components in strategic decision making.

Therefore, we encourage UTOPIA Bodysoap and other MSMEs to invest in developing technological capacity and training human resources to be able to utilize AIS optimally. The implementation of a more structured and cloud-based AIS, for example, can provide convenience in monitoring financial positions in real time from anywhere, increase work efficiency, and accelerate the process of preparing financial reports needed for tax purposes, business cooperation, or applying for people's business credit (KUR). In addition, AIS also helps in internal control, reduces the risk of fraud, and facilitates internal and external audits more systematically. Thus, the use of AIS not only provides practical benefits, but also strengthens overall business governance. For this reason, support is needed from various parties such as local governments, financial institutions, and educational institutions to provide training, assistance, and incentives for MSMEs in adopting AIS as part of a strategy to increase competitiveness and business sustainability in the digital era.

CONCLUSION AND SUGGESTION Conclusion

Based on the discussion above, it can be concluded that the implementation of the Accounting Information System (AIS) at UTOPIA Bodysoap MSMEs has great potential in improving the efficiency and accuracy of financial records. Although currently UTOPIA Bodysoap still uses a simple and unintegrated Excel-based recording system, this step has shown initial awareness of the importance of good financial management. The use of this recording system has helped business owners understand financial conditions and make more appropriate decisions, especially in determining production and selling prices. However, limited technological knowledge and lack of integration between recording functions are still obstacles to optimizing financial management.

Suggestion

To improve the effectiveness of financial management, it is recommended that UTOPIA Bodysoap MSMEs start switching to a more integrated accounting information system. The use of a simple yet comprehensive digital-based accounting application can help connect sales, purchases, and inventory records automatically. In addition, training and mentoring for owners and employees are also important to improve digital literacy and the ability to operate the system. The government and MSMEs supporting institutions are expected to play an active role in providing education and technological facilities to encourage digital transformation in the MSMEs sector more broadly.

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