

UTILIZATION OF INFORMATION TECHNOLOGY IN MSME FINANCIAL MANAGEMENT OF KWALA SERAPUH VILLAGE COMMUNITY, LANGKAT

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Abstract: The use of information technology in MSME financial management has become a must in today's digital era. Information technology can help MSMEs in improving the efficiency and effectiveness of their financial management. This study aims to analyze the use of information technology in the financial management of MSMEs in Kwala Serapuh Village, Langkat. This research uses a survey method with 100 respondents, namely MSME actors in Kwala Serapuh Village. The results showed that the use of information technology in the financial management of MSMEs in Kwala Serapuh Village is still not optimal. This is caused by several factors, namely: 1) Lack of knowledge and skills of MSME actors in utilizing information technology, 2) Costs that are still relatively high and 3) Lack of support from the government and related parties. Based on the results of this study, it is recommended that the government and related parties can provide support to MSMEs in utilizing information technology in their financial management. Such support can be in the form of training, financial assistance, and conducive policies.

Keywords: Information Technology, Financial Management, MSMEs, Kwala Serapuh Village, Langkat.

Introduction

Micro, Small and Medium Enterprises (MSMEs) continue to grow until now they have reached 65 million MSMEs spread across Indonesia based on BPS statistical data. It was previously recorded at 61.7 million in 2016 and continued to grow to 62.9 million and 64.2 million in 2017 and 2018. The number of MSMEs that continue to grow in Indonesia does not make business actors able to maintain their business. The growth of MSMEs has experienced slow growth and some have even gone out of business due to global impacts. MSMEs have been able to maintain their existence, this was proven when the economic crisis that hit Indonesia in 1998. MSMEs can still survive compared to large-scale companies, one of which is because MSMEs are not dependent on debt abroad so that it does not have a big influence when exchange rate fluctuations occur. The average credit score from MSMEs is 13.67% per year and is dominated by National Commercial Banks (Suci, 2017). MSMEs are productive economic businesses that are able to stand alone, carried out by individuals and business entities that are not subsidiaries or branches owned, controlled or become part either directly or indirectly with small and large businesses (Mustika, 2022).

Kwala Serapuh Village, Tanjung Pura District, Langkat Regency is a village that is rich in potential, so that the community can use it for a source of income. Most villagers have income from MSMEs. Many people strive for the progress of their MSMEs, be it culinary, handicraft or

other types. MSMEs as a community business must be able to innovate in various aspects, including aspects of adequate technology to improve the effectiveness and efficiency of business processes, including financial statements (Wibawa, 2019). Based on the data traced by the author, there are still many MSMEs that manage their financial statements manually or may not record at all so that stakeholders find it difficult to know the development of their business. Every business should know the amount of operational costs, profits obtained and capital used in running the business so that stakeholders can evaluate their business capabilities and capacities that can be used for business development planning (Khabidah, 2021). There are so many weaknesses obtained when recording manually, including incorrect transactions and transactions that are inputted twice, causing the resulting financial statements to be unbalanced (Pratiwi, 2021). In making technology-based financial reports, there are many applications that can be used, one application that is easy to understand for all people is Zahir Accounting. Zahir accounting application uses Indonesian, the sequence of activities used is very similar to the sequence of making financial statements manually so that users are not so difficult to apply it. Financial statements are an important thing in business development because with healthy financial statements, the company's cash flow is also healthy so that the company can develop well. One of the objectives of preparing financial statements is to provide information regarding the financial position, performance and changes in the financial position of a company that is useful for users and economic decision makers (Ikatan Akuntansi Indonesia (IAI), 2018). In addition to companies, MSME actors need to prepare financial statements by utilizing information technology for each of their business activities.

Literature Review

Understanding Information Technology

Information technology can provide opportunities and support companies to be more competent in the era of globalization. Technology emerged as a result of the increasingly widespread globalization in organizational life, the tougher business competition and others, so companies are looking for the latest breakthroughs by utilizing technology. According to (Kadir, 2018) information technology can be grouped into 2 (two) parts, namely; software and hardware. Hardware concerns physical equipment, such as memory, printers, and keyboards. The software is related to the instructions to set the hardware to work according to the purpose of those instructions". According to (Warsita, 2018) information technology is the means and infrastructure (hardware, software, useware) systems and methods for acquiring, transmitting, processing, interpreting, storing, organizing, and using data meaningfully.

Understanding Financial Management

Financial management according to (A. Yusanti, 2020) is money management activities in everyday life carried out by individuals or groups who have the aim of obtaining financial welfare. According to (Ida & Dwinta, 2010) in (A. Yusanti, 2020) the main task of money management is the budgeting process, with the aim of ensuring that individuals are able to manage financial obligations in a timely manner using the income earned in the same period. Financial management according to (Ida & Dwinta, 2010) in (Siasale, 2019) the inside is a way of managing and controlling finances and assets owned in order to meet all the needs of life now and in the future productively. Based on several explanations, it can be concluded that financial management is a person's responsibility in managing and managing finances to meet the needs of life.

Understanding MSMEs

MSME is a trading business managed by individuals and business entities whose scope is small and micro (Ariyanto, 2021). This MSME itself can be separated again into 3 (three) parts

according to its understanding, namely; Micro Enterprises, Small Enterprises, and Medium Enterprises. According to (Peraturan Pemerintah Nomor 7, 2021), Micro Business is a productive business owned by individuals and / or individual business entities that have met the criteria for Micro Business as stipulated in this Government Regulation. Small Business is a productive business whose economy can stand alone, carried out by individuals or business entities that do not have a relationship with a company or branch of a company that is controlled, owned, or become part either directly or indirectly of Medium Enterprises or Large Enterprises that meet the criteria for Small Business as referred to in this Government Regulation. Medium Enterprises are productive businesses whose economies stand alone, carried out by individuals or business entities that do not have a relationship with a company or branch of a company that is controlled, owned or part either directly or indirectly with Small Enterprises or Large Enterprises that meet the criteria for Medium Enterprises as stipulated in this Government Regulation.

Method

This study uses quantitative data types, where respondents will be asked for their opinions about knowledge in applying financial concepts, financial skills and financial behavior by utilizing information technology owned. These variables are all relevant but represent various aspects of the understanding of MSME actors in managing finances. The population in this study is all MSME actors in Kwala Serapuh Village, Langkat Regency as many as 175 MSMEs. The sample in this study uses the quota method, where this line technique is to determine samples from populations that have certain characteristics to the desired number (quota) and are classified in several groups, namely by looking at businesses that are still active and running in Kwala Serapuh Village, Langkat Regency as many as 100 businesses. The testing criteria in this study are divided into 3 (three) business lines including micro, small and medium, in utilizing information technology and financial management of their businesses.

Result and Discussion

The Importance of Information Technology in MSME Financial Management of Kwala Village Community as Fragile, Langkat

Information technology plays an important role in the financial management of MSMEs (Micro, Small and Medium Enterprises). Here are some reasons why information technology is important for MSMEs:

1. Efficiency and Effectiveness
 - a. Information technology helps MSMEs automate financial tasks, such as recording transactions, making financial statements, and paying salaries.
 - b. This can save time and energy, so MSMEs can focus on more productive activities.
 - c. Information technology also helps MSMEs improve accuracy and timeliness in financial management.
2. Access Information
 - a. Information technology helps MSMEs get access to accurate and up-to-date financial information.
 - b. This helps MSMEs in making better financial decisions.
 - c. MSMEs can use information technology to track their financial performance, analyze trends, and identify areas for improvement.
3. Decision
 - a. Information technology helps MSMEs make better financial decisions by providing accurate data and information.

- b. With information technology, MSMEs can analyze various options and choose the most profitable option.
- c. This can help MSMEs increase profitability and achieve their financial goals.
4. Affordability
 - a. Currently, there are many affordable information technology solutions for MSMEs.
 - b. MSMEs can choose information technology solutions that suit their needs and budget.
 - c. There are many online accounting software that are free or cheap, and many e-commerce platforms are easy to use.
5. Competition:
 - a. In this digital era, MSMEs that do not use information technology will lag behind their competitors.
 - b. The use of information technology can help MSMEs improve their competitiveness and attract more customers.
 - c. By using information technology, MSMEs can provide better services to customers and improve their reputation.

The Information Technology function is used in MSME financial management

1. Transaction Recording
MSMEs can use accounting software to record their financial transactions.
2. Financial Statement Preparation
Accounting software can help MSMEs create financial statements automatically.
3. Salary Payment
MSMEs can use online platforms to pay their employees' salaries.
4. Financial Analysis
MSMEs can use financial analysis software to analyze their financial performance.
5. E-commerce
MSMEs can use e-commerce platforms to sell their products online.

Zahir Accounting: Information Technology Solutions for MSME Financial Management

Zahir Accounting is one of the popular accounting software in Indonesia that is widely used by MSMEs to manage their finances. Here are some reasons why Zahir Accounting is the right choice for MSMEs:

1. Complete Features
Zahir Accounting offers a complete range of features to help MSMEs manage their finances, such as; Recording financial transactions, Making financial statements, Inventory management, Asset management, Payroll management and Taxation.
2. Easy to Use
Zahir Accounting is designed with a user-friendly user interface making it easy to use even for people who do not have an accounting background.
3. Affordable
Zahir Accounting offers various affordable price packages for MSMEs.
4. Trusted
Zahir Accounting has been used by more than 100,000 MSMEs in Indonesia and has been proven to help them improve their financial management.
5. Good Support
Zahir Accounting provides various support services to assist MSMEs in using this software, such as; Online Help, Offline Help and Training.

Conclusion

Utilization Rate

- a. The results showed that the level of information technology utilization in MSME financial management in Kwala Serapuh Village was still low.
- b. The majority of MSMEs still use manual methods in managing their finances, such as recording finances in books and calculators.
- c. Some MSMEs that already use information technology, generally only use simple applications for financial records, such as Microsoft Excel and Google Sheets.

Benefit

The use of information technology in MSME financial management can provide several benefits, such as:

- a. Improve the efficiency and effectiveness of financial records.
- b. Improve financial accuracy and transparency.
- c. Make it easier to make financial statements.
- d. Assist in financial decision making.
- e. Increase MSME access to credit and business capital.
- f. Increase the competitiveness of MSMEs.

Obstacles

There are several obstacles in the use of information technology, such as:

- a. Lack of knowledge and skills of MSME actors in using information technology.
- b. Limited internet access in the village.
- c. High cost to purchase and use information technology.
- d. Lack of training and assistance for MSMEs in using information technology.

Improvement Strategy

To increase the use of information technology in MSME financial management, several strategies need to be carried out, such as:

- a. Improve the knowledge and skills of MSME actors in using information technology through training and mentoring.
- b. Increase internet access in villages by building internet infrastructure and providing cheap internet packages for MSMEs.
- c. Provide subsidies or assistance to MSMEs to buy and use information technology.
- d. Develop financial applications that are easy to use and in accordance with the needs of MSMEs.
- e. Increase cooperation between village governments, education and training institutions, and the business world in supporting the use of information technology in MSME financial management.

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