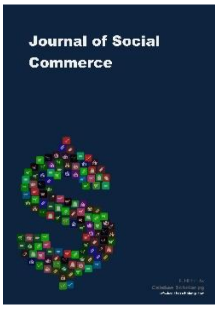

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Financial Structuring as a Pathway to Enterprise Readiness through MSMEs Financial Accounting Standards Implementation in Indonesian Microenterprises

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Abstract

The current study aims at exploring how Financial Accounting Standards of Micro, Small, and Medium Entities (SAK EMKM) may increase the effectiveness of financial management and the readiness of groundwork on institutional and digital integration among Indonesian microenterprises. The research makes use of a qualitative case study design by examining a laundry business located in Jaharun A Village, Deli Serdang Regency as the typical case of a non-use firm using no digital tools, absence of formal accounting records, or institutional connection. The search of information was conducted by conducting in-depth interviews, observation on the site, and complementary documents. Analysis of the collected data was carried out by aligning the current financial practices of the enterprise with standards of SAK EMKM. Investigations reveal that the company keeps very limited and hand-written incomes i.e. expenditure books, there is no categorization of assets, liabilities or profits, and there is also no separation between business and personal accounts. Such constraints are not only based on the lack of accounting expertise but are also strongly influenced by behavioral acceptability, resource availability and lack of institutional support. However, the findings reveal that, being implemented in doses and within a specified context, SAK EMKM may successfully restructure financial conduct and address the reinforcement of internal control, as well as development of trusting relationships with third-party stakeholders. Therefore, the SAK EMKM serves as a compliance tool, and as such, as an infrastructure link to informal and inclusion.

Introduction

Indonesia Micro, small, and medium enterprises (MSMEs) are considered to be the backbone of the economy and the most active drivers of decentralized growth and survival (Sinha et al.,

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2024; Saputra & Darmawan, 2023; Suriani et al., 2024) Their ability to absorb labor and create income-earning capability as well as to advocate equal economic involvement in the country puts them at the focal point of the national development agenda. Law No. 20 of 2008 appoints them as the tool of delivering inclusive economic services and at the same time promotes macroeconomic stability within heterogeneous demographical and geographical environments (Fukuda et al., 2017; Anarfo et al., 2019; Kammer et al., 2015). However, this untapped potential is still relatively underdeveloped, not due to the lack of entrepreneurial spirit but in response to ongoing structurally induced limits, above all in the sphere of financial planning (Shinduprinata, 2022; Aryani, 2023). A large chunk of MSMEs still has an informal system of accounting whereby these businesses are run on the basis of experience rather than regular method of accounting revenues, expenses, or even financial status.

Although there exist present-day efforts on the national level to boost the financial base of MSMEs, there exists a significant variance between the declared ambition to professionalize the operations, on the one hand, and the adoption of the professional standards of financial reporting in daily practices, on the other (Bakr & Napier, 2022; Dowa et al., 2017). The first obstacle can be considered the lack of unified financial statements that puts a vast number of enterprises beyond the reach of conventional credit, limits long-term planning, and reduces representation in the formal economy. Here, the Financial Accounting Standards of the micro, small, and medium enterprises (SAK EMKM) that were issued with the Indonesian Institute of Accountants (IAI) and implemented since January 2018 have gained paramount importance. Intended to make the reporting easier and still compatible with fundamental principles of accounting, SAK EMKM is not just a regulation tool, but rather a practical bridge allowing the shift in informal to formal economies (Ikatan Akuntansi Indonesia, 2025; Widodo & Sari, 2022).

Previous research on that matter repeatedly highlights the challenges facing micro, small, and medium-sized businesses (MSMEs) in the adoption of SAK EMKM (Setiawan et al., 2024; Hamzah & Rahmatan, 2025; Cahyafebrianti & Mennita, 2025). The barriers include low levels of accounting expertise, the absence of qualified personnel, low availability of suitable technologies, and overall ignorance about the advantages of a common financial reporting (Handayani, 2018; Karimah, 2022; Nurlita et al., 2024). As an example, Handayani (2018) revealed during the review of the operations of Farhan Cake that the financial reporting was still manual and disjointed, which increased the usage of false records and inaccurate projection. The same case was noted by Muti'ah (2021) on the micro-scale fish processing businesses because they could not distinguish between personal and business money which would reduce the ability to measure profitability, which is the strong prerequisite of any unified financial system. In a nutshell, these findings show that the technical nature of accounting standard implementation is compounded with institutional inertia whereby most owners of MSMEs consider accounting as a cumbersome formal issue instead of a strategic tool of decision-making.

Nevertheless, although SAK EMKM has such limitations, its implementation can create major opportunities to improve it and even change it (Setiawan et al., 2024; Fitria et al., 2024; Ihsan et al., 2025) Internal efficiency in financial reporting can be enhanced by using standardized financial statements, but it is also an important vehicle in opening up to the external world. As the economy is witnessing an even more digitalized and platform-based economy in which MSMEs are likely to enter e-commerce ecosystems, fintech solutions as well as online marketplaces and e-commerce globalization, financial transparency is becoming a necessity (Widianingsih et al., 2025; Jameaba, 2022). As empirical evidence shows, using payment gateway, credit scoring, or inventory platforms to obtain digital financial services requires the delivery of verifiable financial information (Nasution et al., 2023; Widodo & Sari, 2022). As a result therefore, SAK EMKM is not only being implemented as an obligation but this has formed a base that future technological and institutional connections can be made (Setiawan et al., 2024; Zulfikar et al., 2022).

This paper explores the relationship between the acquisitions of operational efficiency and accounting management with reference to the current context of a small-sized laundry business in Jaharun A Village, Deli. As much as it services only small-scale clients on an offline basis, the firm still exemplifies the need to have relevant and structured key financial records as is the case with giant commercial organizations. As empirical evidence shows, the changes in revenues and the discrepancies in the use of inventory and the lack of clarity concerning the spending are persistent issues that can be resolved by implementing the use of systematic financial documentation. However, therefore interviews along with active field observations report that the laundry stop still depends on crude hand-written inventories without key capabilities management like categorization on assets, asset depreciation, or even profit and loss. Such failures are supported by studies conducted among other areas, such as Rumah Karawo (Uno et al., 2019) and Warung Makan Bu Andi (Alfianti, 2023). In such instances, lack of formal accounting frameworks led to inefficiency in operations in addition to limited access to institutional assistance (Badulescu et al., 2021; Padachi, 2012).

Beyond a recording of certain accounting gaps in individual enterprises, the study sets its conclusions in the context of a larger discussion of how even simplest financial structuring can help micro, small, and medium enterprises (MSMEs) to be more accountable, competitive, and institutionally recognised (Mittal & Raman, 2022; Najifaturrahmi & Aisyah, 2023). The article has made use of the study by Anzani et al. (2024) arguing that local government intervention and context-specific training are crucial in achieving the target of structuring financial practices. When conceptualized in terms of frameworks, such interventions would support the shift to more sustainable MSME business models and possibly lead to more ambitious goals, such as the ability to become part of the supply chains, using platforms to conduct business, and participate in financial inclusion programs (Vásquez et al., 2021; Westman et al., 2019; Nopianti et al., 2024).

Theoretical Framework

Financial Formalization and Enterprise Readiness

Financial reporting is not just a way of maintaining regular books of account within micro, small and medium-sized enterprises (MSMEs). It was conceptualized as an essential element of financial formalization, serving to accommodate institutional models, premise the chance to attract external capital, and integrate into the modern economic ecosystems (Widodo & Sari, 2022; Nasution et al., 2023). Financial formalization can be characterized as the consistent integration of standardized accounting activities into day to day activities and consequently re-defines the evaluation of enterprises, the manner in which managerial decision are arrived at, and the functioning of the stake holders with regards to the firm. It gains increased importance in the environment where MSMEs have traditionally performed in informal sectors, as there is little transparency and the unconfirmed possibility of financial transactions (Karimah, 2022). Adherence to the set standards therefore eliminates the gap between the survival heuristics prevalent in most microbusiness and the accountability culture of scalable businesses.

This formalization pathway cannot be unconnected with the premise of enterprise capability maturity, which argues that the growth of an enterprise is best quantified by the level of sophistication in its internal system of finance, governance, and documenting than actually through the expansion of its size and income (Handayani, 2018; Pangestu et al., 2019). Financial reporting structures are also often used as the measure of maturity proxy: companies that use standardized frameworks indicate that they are ready to plan strategically, measure their performance, and interact with external entities like banks, taxation services, and e-commerce hubs (Uno et al., 2019; Muti'ah, 2021). Such capabilities do not develop easily; they usually do as a result of conscious learning, favourable incentives, and, in most cases, externally dictated rules: in the example of Indonesia SAK EMKM (Financial Accounting Standards of Micro, Small, and Medium Entities).

Preparation of comparable financial statements, therefore, is more than an internal control device, but also a showable dedication to institutional reliability (Siegel et al., 2019; Mohan et al., 2025; Westman et al., 2019) Models of economic signaling teach that standardized financial reports should act as credible signals in information-asymmetric settings in which principal actors (e.g. MSME lending or vendor onboarding) attempt to reduce uncertainty on the part of external stakeholders (Aryani, 2023; Suras et al., 2024). When done using the accepted standards, the balance sheet, income statement, and notes to the financial statements provide verifiable information on financial sustainability of a firm, its financial resources, and the competency of management. These properties make it easy to measure the credit risk of financial institutions, the delivery of data-driven scoring in fintech businesses, and the incorporation of small businesses as trustworthy suppliers in online markets.

Within this framework, even basic financial constructs—such as the accounting equation:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

These formulae are especially important in the implication of the fact that MSMEs differentiate between owner equity and retained earnings. Such distinction reinforces the internal financial planning as well as the ability of the enterprises to express a better accountable financial position in making a loan request or terms negotiation with suppliers. Moreover, the correct calculation of net income through the basic profit equation where revenues less costs leads to profit provides a logical ground on which to measure financial performance and report the results to third parties.

$$\text{Net Profit} = \text{Total Revenue} - \text{Total Expenses}$$

Disciplinary-wise, elementary accounting formulae do not serve tax compliance exclusively, they can also be used to determine operational efficiency and qualify liquidity forecast, which constitute two pillars of sustainability in dynamic markets. Compared to other financial literacy formulae, the given ones are relatively straightforward; nevertheless, they form the initial infrastructure of the financial literacy base, around which a firm may shift its decision-making process, derived by intuition, towards a data-driven approach.

It must be noted, though, that the path to financial formalization is defined by contextual barriers. Many micro, small, and medium-sized enterprises (MSMEs) in Indonesia are faced with gaps with their accounting knowledge, low access to suitable software, and exposure to intensive financial learning (Anzani et al., 2024; Nurlita et al., 2024). In this setting institutionalization of less technical standards, as in the case of SAK EMKM, is a pragmatic solution: it reduces the level of technical requirement without loss of the main principles of the financial accountability. Such a strategy is consistent with the global experiences that simple and locally modified accounting systems are focuses of featuring financial control of the informal market (Pangestu et al., 2019).

SAK EMKM as an Operational Model for Financial Structuring

To deal with some obstacles that have continuously delayed micro, small and medium enterprises (MSMEs) in applying conventional financial reporting standards, the Indonesian Institute of Accountants (IAI) proposed the Standar Akuntansi Keuangan Entitas Mikro, Kecil dan Menengah (SAK EMKM) in 2016 as an option or alternative. Adopted officially on 1 January 2018, the standard explicitly mirrors the needs of MSMEs operating environment, resources availability, and managerial resource capacities. Its main purpose is to provide an easy, cheap, and applicable framework, which at the same time fulfills the ideas of financial accountability, transparency, and comparability (Ayudhi, 2020; Karimah, 2022).

SAK EMKM consists of three major financial statements, including Statement of Financial Position, Income Statement, and Notes to the Financial Statements (Achmad et al., 2020; Hijjah et al., 2023; Risawatie & Azizah, 2021). They are each simplified in terms of scope and format and retain strategic intent. The Statement of Financial Position is focused toward the classification of the key financial components, such as cash, receivables, inventory, fixed assets, liabilities, and equity, but with no addition of further disclosures or interests that deal with derivatives or revaluation adjustments. This layout makes it such that even those MSME owners who received little formal education will be able to structure financial data in a way that understandable (Alfianti, 2023).

The SAK EMKM system works around the Income statement as a tool used in the measurement of financial performance as it apportions revenues and expenses in any given reporting period (Fachruddin et al., 2024). The statement makes it easy to check the level of profitability using a simplified formula constructed by the separation of total revenue and operating costs, which include salaries, utility expenditures, and purchase of supplies among others.

$$\text{Net Profit} = \text{Revenue} - \text{Expenses}$$

Nevertheless, in spite of its seemingly primitive nature, the framework serves two purposes, it helps to make informed organizational management decisions and satisfies the basic disclosure requirements of the external stakeholders, such as banks, cooperatives, and government agencies (Fauzi & Puspita, 2024; Aryani, 2023). These two functions take special significance in non-urban or semi-urban settings where a high proportion of MSMEs find no formal system of accounting and rely on casual notes of cash-flow.

Notes to the Financial Statements (CaLK) another element of SAK EMKM and have an explanatory role by providing statements of narrative, policy disclosures and additional comments. The presence of the CaLK allows firms to disclose material judgments including information about the key assumptions from past-orientated accounting; the methods that are used to value inventory; the depreciation policy, and revenue classification guidelines, all of which support the integrity and interpretability of the financial statements and hence the evaluation of risk and sustainability by external parties (credit, potential partners etc.) (Anzani et al., 2024; Nurlita et al., 2024).

The translation of SAK EMKM should not just be perceived as a technical guide that deals with accounting only, but it should rely on being a policy tool that will improve financial literacy and integration of the micro, small and medium enterprises (MSMEs). The thread behind the standard is to make routine observable practices, including purchases of material, labor expenses, and acquisitions of fixed assets formal, hence ushering the culture of documentation, which is also a stepping stone towards stronger financial capability building. Through the SAK EMKM framework, therefore, the process of business evolution to more advanced forms, integration into the framework of the tax system, the possibility of either drawing services of digital banks or having the right to access the marketplace ecosystem, is carried out (Widodo & Sari, 2022; Suras et al., 2024). Its documentation, deliberately paper-friendly and spreadsheet-compatible, is compatible with technology profile of the majority of MSMEs even though it allows possible migration into digital in the future.

Case studies involving various areas of MSMEs (household food production MSMEs (Handayani, 2018) and fashion cooperatives (Uno et al., 2019) prove that, besides enhancing record-keeping, SAK EMKM implementation also raises business awareness. Proprietors start sharing their businesses as an entity that is run separately as compared to household finances. Such paradigm shift is a kind of change where improvisational decision-making slowly gets replaced with accountability, budgeting, and cost-tracking.

Institutional Trust and External Engagement in MSME Financial Practice

Trust emerges as the most important form of currency in the platformized and data-driven economic systems dominated by financial technologies and data-driven governance and hence plays an important role in MSMEs (Balboa et al., 2024; Arner et al., 2022; George, 2024) Trust is a kind of relational virtue and it is also a condition to access the markets, financial services and institution support. In contrast to large companies with franchise capital, legal systems and official histories, MSMEs have to depend to a significant degree on the transparency of transactions and documentary credibility in order to prove solidness to outside stakeholders. Structured and standardized financial reports can be seen among the most trustworthy tools to this end (Nasution et al., 2023; Aryani, 2023).

Banks, government agencies, cooperatives, and, more recently, and also digital platforms have become institutional decision-makers that require reliable information to reduce the risks associated with lending, procurement, and collaboration. The use of a signaling theory, the financial statements are regarded as desirable signals that minimize the asymmetric information between micro- and small enterprises (MSMEs) and external assessors (Pangestu et al., 2019; Suras et al., 2024). As a result, MSMEs which are able to record regular income, track their expenses wisely and clarity of having assets lead to the possibility of getting loans, more attractive credit terms or acceptance to vendor systems in e-commerce market places. Devastatingly, MSMEs that are not well-documented, although successful in operations, are assumed to be opaque and risky, thus lack high-trust relationships in any economic transactions (Uno et al., 2019; Nurlita et al., 2024).

SAK EMKM framework is a strategic counteract to this trust deficit. The standard also encourages comparative formats, traceable amounts, and explanatory notes, factors that increase the possibility of external institutions to acknowledge and embrace MSMEs as responsible fitness actors. Such identity unlocks new opportunities: subsidized funding, availability in government procurement systems, access to formal distribution channels, and access to platform-based ecosystems where the algorithmic gatekeepers are based on clean data histories and marks of compliance (Anzani et al., 2024). The capacity to indentify financial statements presented in a known format to an offline environment is also an indication that one is willing to follow official norms, a condition that increases confidence in an institution.

Institutions trust does not happen in a discrete episode; it develops during a continuous process of relations. Micro, small and medium-sized enterprises (MSMEs) which initiate the aspects of structured reporting mechanisms are characterized by patterns of behavior that with time build up stability. They establish a culture of budgeting, separate their personal and business spending and begin to use data to make forecasts and control. At first performed as a compliance measure, these practices change to become competencies that encourage scalability, sustained, and innovation (Fauzi & Puspita, 2024). Since MSMEs also prove reliable by providing documented behavior, this is reflected in an increase in the intensity of interaction with the institution, on better terms, and less vigilance, a virtuous circle is created in favor of formalization and promotion. In Indonesia, this process is especially acute since national development plans are focused on digital transformation, inclusive finance, and integration of MSME into formal economic activities. In this policy environment, financial reporting rules and, specifically, SAK EMKM, cannot be described as merely technical tools but rather as relational legitimacy instruments between the actors of the informal sector and the formal institutions that govern, fund and connect the former with the latter.

The above-presented interdisciplinary framework (financial formalization as a transformation of the enterprise, SAK EMKM as a scaffold operating model, and the structured reporting as a mechanism of trust building) is the consistent basis of the present study. Financial formalization also allows the MSMEs to replace the intuitive with accountable management, but the SAK EMKM framework puts that shift into practice by means of a streamlined though believable toolset relative to the confines of small operations. Financial discipline is an instrument used to communicate trustworthiness, the creation of institutional confidence, and the opening of broader economic systems, such as financing, government procurement, and internet marketplaces to MSMEs.

Methods

This study was a qualitative case study, which aimed to investigate on-ground use of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) in setting of microenterprises. The case study approach was chosen because of its ability to support a focused analysis based on real operation conditions, especially in those questions which outline a need to explain the complex processes through in-depth analysis with its peculiarities like financial structuring at an informal level. The case study took one laundry business Stasiun laundry as unit of analysis located in Jaharun A Village Deli Serdang Regency. The particular case was selected because it more or less exemplified typical microenterprise in the sense that this enterprise was locally owned and run in that it used minimal technology, and limited interaction with standard accounting frameworks was evident. Moreover, its financial behaviour, which was use of manual recording system and informal monitoring of cash-flow was similar to the financial behaviour of majority of the rural MSMEs in Indonesia hence offering an apt location to evaluate the possibility of Reasonableness of SAK EMKM operation. The study at hand changes the onus of the question to assess whether the current financial practice features the qualities typically attributed to the readiness of the enterprise to wider economic participation, namely, its ability to participate in commercially in a digitally mediated or platform-based environment.

Stasiun Laundry was chosen using a purposive sampling technique with three well-spelled-out criteria. To begin with, the business considered needed to have existed in excess of three years and must have portrayed an obvious as well as trackable earnings flow and outlay. Second, its owner had done nothing to incorporate SAK EMKM formally but had an inclination to improve his financial documentation, and therefore, he was receptive to the analysis process. Third, the company enjoyed the services of at least one employee who helped in its running and the diversity of the financial roles in the business and even experimenting with the owner roles as well as delegated activities. A combination of these conditions made the case illustrative and generative of grounded understanding of the technical and human limits experienced in the process of adoption of financial reporting standards.

Three methods of data gathering, which are closely linked, were used in this research; they include direct observation, document or text analysis and in-depth interviews. Repeated site visit was used as the direct manner of examination very closely to the researcher, who was in a position to elaborate the recording of the transactions, the handling of the cash inflow and outflow and the nature of daily decision making. The activities observed were preparation of the receipts manually, keeping a book log and ways in which discrepancies could be reconciled when informal records were dissimilar. Such insights not only enlightened the accuracy of the financial records that existed but also the actions that led to them like when employees forgot to make entries into purchases or when daily sales were mixed together with cash personally.

A second very important data source was documentation. Access to notebooks, handwritten cashbooks, utility-payment receipts, notes of detergent and gas purchases and notes of employee-salaries were provided by the owner. The documents were maintained in chronological order of folders, although no systematic classification was provided. Raw data readings were neatly arranged in well-structured financial tabs and further reclassified to suit SAK-EMKM compatible formats. Such individual monthly expense lists, e.g., were then re-assembled into uniform categories of expenditures i.e. utility charges, manpower, consumables. This process has shown that even with all the informal natures of the originals it can still be redesigned into formal statements without employing new software and using external accounting services.

It is proposed that the present study shall critically explore the level at which simplified accounting kit, herein referred to as SAK EMKM, can not only be used as a method of compliance but also as an initial step to external digital interaction. With this purpose, the researchers assess the ability of SAK EMKM to support downstream use of financial data, such as the interactions with credit institutions, platform-based functions, and fintech scoring services. Their research makes SAK EMKM not only a compliance device but a guide to further line of action through the digital collaboration. With regard to methodology, three major methods are used in the research. The empirical data was obtained, first: an observational audit of the cash handling, documentation, and record-keeping activities of the Laundry business. Second, an owner and two support personnel were interviewed semi-structurally, and the qualitative information on the view of finances, documenting practices, or institutional knowledge was obtained. Lastly, integrated results of both linear and qualitative data have been developed through a descriptive-comparative method.

Findings indicate that although the laundry business had its transactional records as well as had built up cash-in-hand, still its accounting system was improper. The use of prices was based on what they imagined their customers desired and not based on the price structure based on calculated cost and wages were paid on a monthly basis basis without any formalised contracted wage structure in place. Such practices show an attitude that induces a biased decision-making process thus indicating the relevance of cognitive frames in explaining the use or discarding of accounting practices. Therefore, the recreated financial reports as generated in SAK EMKM templates had identified the following areas of non-compliance, which included the overlap between the business and personal assets as well as the lack of asset depreciation. Despite some components of the existing regime being in line with SAK EMKM, the audit shows that the framework still needs to be improved in order to maximise external digital connectivity. Gap analysis proved to be a useful tool according to which the researcher was able to outline particular changes that needed to be implemented in order to ensure that the operations at Stasiun Laundry would be commensurate with those of SAK EMKM without involving the introduction of any new financial infrastructure to be built upon the basis of the existing operation data only.

Results and Discussion

Laundry station is a small business engaged in washing clothes, located in Jaharun A village, Deli Serdang Regency. The shop was established by Ms. Citra in 2019 and currently has two employees who help run its operations. This research aims to encourage Mr. Sahrul to start preparing more detailed financial statements. This was done because he really wanted to understand more about the income and expenses that occurred while running the business. Based on the results of observations, interviews, and documentation on March 18, 2025, Mrs. Citra revealed that they had not made financial reports in accordance with SAK EMKM standards. During this, the financial statements made are only limited to recording expenses in the form of cash that comes in every month.

The results showed that Laundry Station has not prepared financial reports in accordance with SAK EMKM standards. The current recording is only limited to expenses and cash flows in and out, with income from buying and selling activities recorded simply (Fauzi & Entina Puspita, 2024). The financial statements of the laundry station only consist of records of cash inflows and outflows. Expenses for daily needs come from cash payments for various purposes, such as paying bills, employee salaries, and depreciation costs.

In the process of making financial statements in accordance with SAK EMKM, Laundry Stations realize how important it is to record reports to manage their business. They understand that financial statements are an important requirement for obtaining loans from banks or other institutions and understand that financial statements are an important source of data for making decisions. Thus, in this study, SAK EMKM is used as a guide for preparing financial statements.

Preparation of the Statement of Financial Position in MSMEs

According to SAK EMKM 2018, the financial statements have several sections that organize the information displayed in the statement of financial position. A company's statement of financial position can include things like cash and cash equivalents, receivables, inventory, assets, payables to suppliers, bank payables, and owner's capital.

Laundry business revenue is calculated based on the product of the selling price per kilogram of clothes and the number of kilograms of clothes served each year. During the period 2019 to 2024, there was a downward trend in clothing sales revenue even though the selling price per kilogram increased from Rp6,000 to Rp7,000 since 2021. The highest revenue was recorded in 2019 at IDR 118.46 million, but continued to decline until it reached IDR 94.27 million in 2024. This decline is mainly due to the reduction in the number of clothes sold each year, from 19,744 kg in 2019 to only 13,467 kg in 2024. This shows that the increase in selling price is unable to cover the decrease in sales volume, which has a direct impact on the decrease in total revenue.

The following is the Laundry Station business revenue data for the last six years in table 2:

Table 1. Breakdown of 2019-2024 Laundry Station Revenue

Year	Selling Price/Kg	Kg of Clothes Sold	Revenue
2019	6,000	19,744	118,464,000
2020	6,000	19,153	114,918,000
2021	7,000	15,067	105,468,020
2022	7,000	14,721	103,043,990
2023	7,000	13,545	94,812,060
2024	7,000	13,467	94,271,940

The decline in Laundry Station's profit was caused by a decrease in sales volume, intense competition, and a lack of management knowledge. To overcome these problems, it is important for Stasiun Laundry to implement better strategies in financial management and marketing.

Cost of Goods Sold (COGS) is the total direct costs incurred in the process of operating a business to produce laundry services. The COGS component is calculated based on monthly and annual costs for consumables that are essential in laundry activities. The three main components in the production cost structure of laundry services are: gas used for the drying process of clothes, detergent as the main ingredient for washing clothes, and fragrance to add service value to the laundry. With a total monthly cost burden of Rp900,000, the total annual cost burden reaches Rp10,800,000. These costs are a direct component of COGS because they are directly related to the production process of laundry services.

Table 2. Breakdown of Cost of Goods Sold for Laundry Station

Cost of Goods Sold for Laundry Station		
Expenses	**Monthly**	**Annual**
Gas	300,000.00	3,600,000.00
Detergent	300,000.00	3,600,000.00
Fragrance	300,000.00	3,600,000.00
Total Cost Expenses	**900,000.00**	**10,800,000.00**

Statement of Financial Position (Balance Sheet)

The statement of financial position (balance sheet) is prepared to provide an overview of the financial condition of MSMEs "Laundry Station" at the end of the accounting period. The balance sheet reflects the position of assets, liabilities, and owner's equity used to assess the overall financial health of the business. All of these data are used to prepare financial statements systematically and in accordance with applicable accounting principles, specifically referring to the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) listed in table 4. Over the past five years, Stasiun Laundry's total assets experienced consistent growth from IDR 234.44 million in 2020 to IDR 462.42 million in 2024. This increase was mainly driven by an increase in cash and cash equivalents and accumulated profits. Inventory of goods decreased significantly from Rp 49.2 million to only Rp 6 million, possibly reflecting the efficient use of materials or stock reduction. There are no liabilities in this report, which means the company had neither trade payables nor bank loans during the period. Equity is entirely derived from the initial capital of Rp 71.5 million and accumulated retained earnings that continue to grow each year, reflecting healthy financial performance and retained earnings as the company's main source of funding.

Table 3. Preparation of the Statement of Financial Position

STATEMENT OF FINANCIAL POSITION "LAUNDRY STATION"					
Year Period Ending December 31, 2020,2021,2022,2023,2024					
ASSETS	**2020**	**2021**	**2022**	**2023**	**2024**
Cash and Cash Equivalents	174,002,000	249,140,020	321,005,010	384,507,070	446,577,010
Current Account	-	-	-	-	-
Deposit	-	-	-	-	-
Total Cash and Cash Equivalents	174,002,000	249,140,020	321,005,010	384,507,070	446,577,010
Accounts Receivable	-	-	-	-	-
Inventory of Goods	49,200,000	38,400,000	27,600,000	16,800,000	6,000,000
Equipment	398,000	548,000	671,000	781,000	983,000
Fixed Assets	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000
Accumulated Depreciation	- 493,860	- 987,720	- 1,481,580	- 1,975,440	- 2,469,300
AMOUNT OF ASSETS	234,436,140	298,430,300	359,124,430	411,442,630	462,420,710
LIABILITIES					
Accounts Payable	-	-	-	-	-
Bank Debt	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-

EQUITY					
Capital	71,508,000	71,508,000	71,508,000	71,508,000	71,508,000
LAba (Loss) Balance	162,928,140	226,922,300	287,616,430	339,934,630	390,912,710
TOTAL EQUITY	234,436,140	298,430,300	359,124,430	411,442,630	462,420,710
TOTAL LIABILITIES AND EQUITY	234,436,140	298,430,300	359,124,430	411,442,630	462,420,710

Income Statement

An income statement is a report that shows how well a company or business can make a profit in a certain period of time, such as a month or a year. This income statement can include several accounts, such as: 1) Revenue is the increase in a company's wealth that occurs due to the sale of products in the ordinary course of business; 2) Operating Expenses are expenses made by a company to obtain goods and services that will be used in the normal course of business and are useful during a certain period. These expenses include various types of expenses, such as salaries, transportation costs, electricity, telephone costs, and others; 3) An entity shall present accounts and parts of accounts in the income statement if such presentation is necessary to understand their financial performance. The income statement includes all income and expenses recognized in a period, unless SAK EMKM regulates otherwise. SAK EMKM also regulates how to handle the impact of errors and changes in accounting policies, which should be presented as an adjustment to the previous period, not as part of profit or loss in the period in which the change occurs.

The following is an income statement for the Laundry Station MSME. In this report, there are several elements that need to be considered, namely sales, cost of goods sold, expenses, and taxes. Over the past five years, Stasiun Laundry's business revenue has experienced a downward trend, from Rp 114.92 million in 2020 to Rp 94.27 million in 2024. Although the cost of goods sold remained stable at IDR 10.8 million per year, gross profit also declined in line with the decline in revenue. Operating expenses were relatively stable overall, but experienced a slight increase, especially in salaries and electricity expenses in 2024. Net profit after tax decreased from IDR 73.44 million in 2020 to IDR 50.98 million in 2024. Although profit is still positive, the downward trend indicates challenges in maintaining sales volume or cost efficiency in the midst of operating conditions that tend to remain flat. The following is a profit and loss statement intended for Laundry Station MSMEs in table 5:

Table 4. Income Statement Preparation

INCOME STATEMENT "LAUNDRY STATION"					
Year Period Ending December 31, 2020,2021,2022,2023,2024					
INCOME	**2020**	**2021**	**2022**	**2023**	**2024**
Business income	114,918,000	105,468,020	103,043,990	94,812,060	94,271,940
Other Income					
TOTAL INCOME	114,918,000	105,468,020	103,043,990	94,812,060	94,271,940
Cost of Goods Sold	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
Gross Profit	104,118,000	94,668,020	92,243,990	84,012,060	83,471,940
Operating Expenses:					
Employee Salary Expense	12,180,000	12,180,000	13,056,000	13,200,000	13,200,000
Electricity and Water Charges	6,000,000	6,000,000	6,000,000	6,000,000	6,800,000
Depreciation Expense	493,860	493,860	493,860	493,860	493,860
Transportation Expenses	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Other Expenses	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
TOTAL LOAD	30,673,860	30,673,860	31,549,860	31,693,860	32,493,860
PROFIT/LOSS BEFORE TAX	73,444,140	63,994,160	60,694,130	52,318,200	50,978,080
INCOME TAX EXPENSE	-	-	-	-	-
NET PROFIT AFTER TAX	73,444,140	63,994,160	60,694,130	52,318,200	50,978,080

Source: Processed by Researcher

Based on additional information in Stasiun Laundry's financial statements, the data used is taken directly from Stasiun Laundry. The author then processes and adjusts the data in accordance with the principles of SAK EMKM. In the notes in the financial statements of Stasiun Laundry, it is explained that this report has been prepared in accordance with SAK EMKM. In addition, there is a summary of the accounting methods used and the basis of testing used in the preparation of these financial statements.

Notes to the Financial Statements

The financial statements of Laundry Station do not include notes to the financial statements. The notes to the financial statements are organized in the following order: 1) The statement of financial statement items is prepared in accordance with SAK-EMKM; 2) Summary of financial performance achievements for the reporting year; 3) The notes to the financial statements of the laundry station, as recommended by the researcher, which are based on the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM), include a description of the basic principles of preparing financial statements and accounting policies used for transactions.

Table 5. Notes to Financial Statements Based on SAK EMKM

NOTES TO THE FINANCIAL STATEMENTS LAUNDRY STATION 2020-2024
GENERAL UMKM Stasiun Laundry has been established since and has been running for 5 years, located on Jl. Besar Petumbukan, Tj.Siporkis, Kec. Galang, Deli Serdang Regency, North Sumatra 20585. Laundry Station is a business in the field of clothes washing and ironing services. **OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES** ***Compliance statement*** Financial statements are prepared following the guidelines of the Financial Accounting Standards for Micro, Small and Medium Enterprises. ***Basis of Preparation*** The financial statements are prepared on the historical cost basis and follow the accrual principle, with the Rupiah currency used for presentation. ***Accounts Receivable*** Trade receivables are presented at the total amount of invoices to be received. ***Supplies*** Raw material inventory costs include purchase costs and purchase transportation costs. Conversion costs include direct labor costs and overhead. Fixed overheads are allocated to conversion costs based on actual use of production facilities. The entity uses the average inventory cost formula. ***Fixed Assets*** Fixed assets are recorded in the accounting books at the purchase price when the company takes possession of them. Depreciation of fixed assets is done in a simple way, by dividing the value of the asset evenly over its useful life, and not taking into account the residual value at the end. ***Revenue and Expense Recognition*** Revenue from sales is recorded when we issue an invoice or when the goods are delivered to the customer. Meanwhile, expenses are recorded when the expenses are incurred. ***Income Tax*** Income tax follows the existing tax rules in Indonesia. **KAS** Cash and cash equivalents

ACCOUNTS RECEIVABLE
Laundry Station has no accounts receivable as sales are always made in cash.
SUPPLY
Ending inventory of Rp. 138,000,000
EQUIPMENT
Available equipment amounting to Rp. 3,381,000
FIXED ASSETS
Fixed Assets Laundry Station **Rp. 56,650,000**
ACCOUNTS PAYABLE
Laundry Station has no trade payables
Bank Debt
Laundry Station has no bank debt
PROFIT BALANCE
Balance of profit for the year Rp. 1,408,314,210
SALES REVENUE
Laundry Station Sales Rp. 512,514,010
OPERATING EXPENSES
Employee Salary Expenses Rp. 63,816,000
Electricity and water costs IDR 30,000,000
Depreciation Expense of Machinery and Equipment Rp. 2,469,300
Transportation Expenses Rp. 6,000,000
Other expenses Rp. 54,000,000
TOTAL EXPENSE Rp. 102,285,300

Based on additional information in Stasiun Laundry's financial statements, the data used was taken directly from Stasiun Laundry. The author then processes and adjusts the data in accordance with the principles of SAK EMKM (Karimah, 2022). In the notes in the financial statements of Stasiun Laundry, it is explained that this report has been prepared in accordance with SAK EMKM. In addition, there is a summary of the accounting methods used, and the basis of testing used in the preparation of these financial statements: 1) Owners still lack knowledge and understanding of how to prepare financial statements in accordance with SAK EMKM; 2) The owner has also never participated in socialization activities on related accounting standards at related institutions. This socialization activity is important to assist business actors in using SAK EMKM when preparing financial statements.

Factors that Prevent Laundy Stations from Implementing SAK EMKM

The ongoing problem of microenterprises do not embrace formal standards and the common tendency is the reductive explanations focusing on lack of knowledge, poor training or limited resources. These factors are worth consideration but they are not enough. The case study in point depicts a more scrupulous arrangement where practical habit, perception, structural exposure and emotional spending rub shoulders. The owner of Stasiun Laundry may be opposed to formalisation in general; to him, the perception of financial reporting as a tool of strategy is not included in his repertoire of operations. The records of transaction done are made on an as and when basis and accounting is interpreted as bureaucratic mandate rather than it has been an empowering exercise. No fears are raised at the compilation of a balance sheet or category of assets. Notably, it is part of a broader orientation of behaviour with informality serving as a less-organised chaos than a pragmatic, minimalistic reaction to financial requirements, whose practicalities are shaped by experiential insights into what works in reality (Aurick et al., 2017; Aryani, 2023).

Knowledge introduced a range of ways, whether it comes to the informal interaction with accounting charts or epigrammatic descriptions, often cannot be used to form the sustainable relationship between the organization of finance and business sustainability. Owners may be intellectually comfortable with the idea of recording inflow and outflow but this can be seldom transferred into automatic input in availability of loans, inventory level or price discovery. This intellectual discontinuity is not pedagogical; it is existential. To most small and medium-sized enterprises (SMEs), the business is not a scalable enterprise, but rather, a survival mechanism, or more optimistically a reliable source of livelihood. Theories or propositions that reduce this first-hand experience to ratio analysis, tax codification or profit assessment threaten to replace the impetus behind day to day operations. Examples of empirical research, like that of Pangestu et al. (2019) exhibit that formalization fails not due to the refusal of entrepreneurs to be bound in a certain way but rather due to the unidirectionality of structure to resilience, or opportunity, being shown to them by no one.

The scarcity of time and mental space is especially important too. The books might sound easy on paper, but when it comes to practicing it, when an owner has to deal with customers, keep the equipment in working order, place orders, manage payrolls, make ad-hoc decisions, maybe with store opening and dozens of other variables, the additional load to switch to an entirely different financial logic can be dis-proparatory. This kind of behavior is usually misunderstood as laziness or the problem of lack of discipline when in reality it can simply be viewed as a highly effective prioritization of momentary survival over the marginal optimization. This fact is well known: microentrepreneurs are usually in the so called scarcity trap which was revealed by Mullainathan & Shafir (2013) when mental resources are shifted to pressing activities, and leave no time to seemingly optional but crucial activities like systematic reporting. The dynamic involved is brought to life in the example of Stasiun Laundry: the journals kept by the owner were not messy and careless, but practical, produced during stolen moments between rendering service and contracting suppliers. Attempts to transform a particular system solely into complete SAK EMKM alignment in the absence of scaffolding are like requesting a bicycle rider to build a train as the bicycle rider is moving.

Besides the lack of the necessary cognitive will, the infrastructure required is currently not available. The concerned laundry station takes only money, does not have a POS system, and does not work with any inventory application, spreadsheet program, or an identical mobile or disconnected toolbox that would help adjust to cool. Handwritten receipts are used in the recording of expenses that are always prone to be lost or smudged or read incorrectly. Moreover, none of the standard templates aimed at categorizing costs exist, and respondents mention no available offline tools that would decompose SAK EMKM adjustments and neither the local language nor logic are already in use. This has more to do with a general ecosystem deficiency than the failure of the MSMEs per se as local financial institutions, cooperatives, and the educators of accounting often come up with outreach programmes that focus on the needs of the institution and not on what the affordances are within the reach of micro, small, and medium-sized enterprises. Due to this, a significant number of the SAK EMKM socialization efforts go unused due to the fact that they are not relevant enough, just not delivered at the right time, not taking the right design, or not contextually relevant. Along with practical barriers, there is an opportunity of the emergence of affective resistance regarding the voices of vulnerability of informal transparency. Financial records do not only constitute things to do with figures; as they contain disclosures. There is a tendency of income distribution in informal business cultures via extended family groups, the hiding of liabilities and performance being under-stated or overstated on a case-to-case basis. Any legislation requiring business owners to record all the costs they incur and report all the assets they possess, may seem invasive, especially when the assumed benefit is not obvious. The owner of Stasiun Laundry was not sure of any reluctance in reporting when it comes to complexity of the process but said: "being forced to describe what cannot be imagined or rather, it cannot be imagined by anyone." This psychological opposition is rarely investigated but very important. Trust as highlighted in the works by Hajli (2015) in the social commerce settings is neither a technological framework nor an institutional obligation but a cultural and emotional activity. Given that, in order to be successful, SAK EMKM should be complemented with the relational trust, people should teach people not PDFs that spread online.

Moreover, even the simplified version of SAK EMKM is an inseparable outsider without proper translation. It may be reduced to concepts like depreciation, equity or accrual, but they are all unfamiliar unless they are presented using lived-experience-based analogies. Accounting degrees are not required by the MSMEs such as Stasiun Laundry but accounting that is presented in a form of concrete transactions of the business. The practitioner must therefore sit with them and review his/her records, show a categorized copy of how it should be so and why it helps them. Ayudhi (2020) was right stating that MSME formalization has to begin with progressive practice which implies that the first step is to separate business and personal cash after which weekly expense classification should follow, and the final step is a simple income statement. Such sequencing is important to avoid ending up with another unused document despite the fact that the standard could be standardized to be user friendly. Opposition to SAK EMKM is not therefore in its form but in its abstract presentation with no opportunity of meaningful anchoring.

Bridging Financial Structuring and Enterprise Readiness in MSMEs

The problem with the perception of impediments that the micro, small, and medium-sized enterprises (MSMEs) are facing due to trying to adopt more structured financial practices is that a thorough understanding of the problem needs more than recognition of the technical limitations; it needs integration into the cultural, operational, and psychological environment in which these companies have to operate. The particular situation of a laundry business in Jaharun A Village shows that the absence of formal studies concerning the specifics of accounting is not the only reason of the observed financial behavior but the culture of informality, where the financial practice is maintained by the power of habit, social trust, and the need to survive. This tendency echoes the argument presented by Aurick et al. (2017), according to which informality in the context of MSMEs does not always mean either a lack of knowledge or indiscipline but, rather, is rational response to the institutional vacuum. In the same environments, financial reporting often serves as an internal memory aid and not an external instrument of accountability, and bookkeeping is fulfilling the role of a life story, not a strategic asset management. In turn, SAK EMKM wants to recreate this story not by imposing fixed modes of presentation but one that MSMEs will eventually master sequentially and contextually by learning this language (Ikatan Akuntansi Indonesia, 2025).

The process of shifting our personal data into codified financial statements is not just a matter of acquiring a new tool, it is a change in the epistemic culture of the micro, small and medium-sized enterprises (MSMEs). To take an example, Stasiun Laundry no longer measures its activities using unsystematic, eccentric documentation, but is dealing with a system which allows some understanding over time, taxonomy, external benchmarking. The rationalization of the inconsistent arrangements of expenditures on operation expenses, the listing of fixed properties, and the adoption of depreciation redefine the concept of value no longer as a single value of the cash inflow, but as a wider criterion including stability, scalability, and accountability. The empirical and theoretical study conducted by Karimah (2022) and Fauzi & Puspita (2024) affirms that MSMEs normally undergo cognitive and behavioural transformation with respect to being exposed to accounting reasoning customised towards their unique size and cycle. What matters therefore is not so much a pure diffusion of technical knowledge but rather the introduction of a cognitive frame based on which the firm envisages itself, on a second level, as an entity that can grow, be evaluated by the exterior world, and be subjected to systems.

The shift in the positioning of MSMEs as data carriers, decision-making bodies is quite topical in the context of an issue of trust in financial relations. Where institutional trust is infrequent in economies, standardized documentation is used as a substitute of reliability. MSMEs have no departments like corporate branding or legal entities to rely on, thus, they have to prove their legitimacy through a defined report. Aryani (2023) and Suras et al. (2024) consider that the trust in small enterprises cannot be generated only by visibility but by the traceability of financial behavior. Adherence to established frameworks i.e. SAK EMKM provides microenterprises the credibility that will enable them to transform their self-sustaining nature to a system situated one. As a result, MSME is reconceptualized as a data carrying decision making, although informal, player whose relationships with banks, suppliers, digital platforms, and cooperative networks enables higher trust economic interactions.

The concept of trust is multidimensional and cannot be reduced to simple compliance. Quite on the contrary, it is very interrelated with managerial competence. The evidence we believe shows that once the cash flows were disaggregated, and the income was rebalanced with the expenses, the owner of a small enterprise in laundry was a cogitating the long-standing traditions in pricing and inventory acceptance. This response confirms the conclusions of Gasparin et al. (2022), who speak of the emergence of financial sense-making, according to which entrepreneurs cease to simply follow the flow of capital and explore the process actively through the prism of a monetary assessment. Profitability can no longer represent a guesstimate; it can now be viewed as an empirical design based on strategic thinking, optimal prices, and effective operations. Such sense-making is unavoidable in the realm of social commerce readiness. Marketplaces like Tokopedia and Shopee are not only interested in knowing whether you exist corporately and how you can react in a situation- they ask about scalability, fulfillment, reporting functions and compatibility with algorithms. The question is that fulfilling such expectations requires not only products but also stable, measurable, and traceable operations.

It is not a mere supposition that SAK EMKM gets MSMEs ready to this kind of environment. Surveys and research studies have shown that formal systems feature minimal adherence of SAK EMKM improves the chances of enterprises to access credit and supplier confidence as well as vendor eligibility (Uno et al., 2019; Nurlita et al., 2024; Anzani et al., 2024). This is not only a financial literacy tool but an entry point into data-driven commerce infrastructures, where simply having records in structured form are the entry point. Platforms are increasingly based on credit scoring, incorporated taxation, and vendor assessment systems, and all of these systems necessitate spotless financial records. Both Stantcheva (2023) have cautioned that the enterprises that lack such histories are not merely at a disadvantage, they are effectively invisible. Only against this background, even village-based laundry business can gain: since today the financial behavior is being organized, tomorrow the basis of eligibility and admission may be created.

But the road to this preparedness is technically not the only one, it is ecological. The scale of transition to one business can be realized only with support from local infrastructure: training centers where people cooperate in education, accounting advisors, cheap financial products, and culturally specific stories about what a good MSME professional can and should look like (Widodo & Sari, 2022; Handayani, 2018). Here is where policy implications of this study will become the clearest. Any national plan to digitalize MSMEs should not commence with how it will appear on the web but how it will be financially structured. An MSME needs to understand its cost margins, its breakeven point and its liquidity cushion before it places its products in social media. Otherwise, social commerce is a thin glaze, shiny, but not environmentally sustainable (Pangestu et al., 2019).

And with standardization there is of course a danger in romanticizing. Not every MSME is going to seamlessly transform to formats of SAK EMKM and not everyone will think immediately that there is a value in doing it. The results confirm the findings of Ayudhi (2020) and Muti'ah (2021) unless the standards are implemented into the relationships of mentorship, demonstration, and trust, they tend to be left untapped. This does not weaken their potentials though. Instead it requires a relational, developmental model of adoption in which MSMEs begin by experimenting with record separation, then by adopting templates, and only after that by fully implementing SAK EMKM. In these terms, SAK EMKM is not supposed to be a switch but rather slope a step-by-step way up which the microenterprises may talk along on their way to financial maturity and visibility.

The current research study therefore highlights that relocation to digital space is not a condition that MSMEs should move to to be digitally prepared. The fact is that readiness is the result of organisational structure, as opposed to the adoption of platforms. It is as the case of the laundry operates to show that even the brick and mortar businesses could communicate institutional compatibility, financial literacy, and credibility in case their financial regimes are strenuous and transparent. Especially in Indonesia, rapid digitalization in the face of insufficient first, and informal SMEs is especially relevant to this inspection (Hajli, 2015). The possibility of integrating such firms into the digital economy is not a connectivity concern only, but also a systemic architecture concern. This is also where the SAK EMKM proves its aptitude to development, it enables the MSMEs to build said architecture intrinsically, providing them with tools that adhere to their size and way of operation.

Conclusion

This has been shown in this research that application of SAK EMKM in a grassroots enterprise level itself in this case acts like a laundry business in the rural setting does much more than provide the accounting discipline. It heralds the conceptual and business transition of uncouth participation in the economy to the availability of business preparedness. The results indicate that financial reporting is not an administrative task, a procedure of refining, however one with the capability of transforming the way MSMEs think of value, organize decisions, and explain themselves to external establishments. In this context, SAK EMKM is not just a technical instrument but a platform of identity change: microbusinesses will be able to market themselves as well-organized, credible, and scalable.

The main reason why this transition is particularly pertinent during the current economic environment is the fact that the relationship between financial distribution and digital commerce has become a lot more interwoven. Although the MSME case study is still offline, the practice of SAK EMKM enables the development of the financial traceability and internal control processes that the online virtual platform and institutional allies necessitate. In that regard, financial structuring is the key to larger inclusion in the digitally mediated economy, including social commerce, but not by directly hooking up MSMEs to the platforms, but by getting them ready so that when the opportunity comes, they can be found, funded, and make transactions in an efficient and frictionless manner. The meaning of readiness in this context is not about the presence of a website; it is about the presence of a disciplined, transparent and data-literate platform, on which digital visibility and inclusion into the market can be ethically constructed.

Of equal importance is the revelation that formalization, at least with reference to the theme of small enterprises, works best when incremental, contextual and flexible. Through this research, it has been demonstrated that it is not the case that MSMEs are inherently resistant to financial reporting standards but generally lack the organized, context-specific avenues which allow them to become friendly and beneficial. That way, the simplicity of SAK EMKM is not the constraint, but rather the strength. This is minimalist and is consistent with the real-world scenario of low-resource businesses, yet nonetheless, remains structured logical thus capable of growing overtime as the business grows in maturity. With this, it not only supports a financial coherence but also a more fundamental managerial sense that can act as a pre-experience of involvement in digital, fiscal and institutional systems.

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