

Microsoft Excel as a Digital Tool for MSMEs to Record Financial Reporting

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Abstract

Under the direction of the Ministry of Manpower, the financial reporting training for MSMEs has proceeded smoothly and met its goals. The significance of maintaining systematic financial records and the many kinds of financial reports needed for business management were better understood by the participants as a result of this exercise. Additionally, the training improved the participants' technical proficiency in creating financial reports with Microsoft Excel. Participants were able to record transactions more accurately, elegantly, and readily for analysis by practicing with the supplied Excel templates. The abilities acquired from this course can support MSMEs' future competitiveness and business goals, improve their ability to get funding, and help them manage their finances more effectively. It has been demonstrated that using Excel for digital record keeping improves the effectiveness, precision, and accountability of financial data. It is anticipated that this exercise would serve as the foundation for an MSME financial management system that is more sustainable and professional.

Keywords: MSMEs, Financial reports, Microsoft Excel

1. INTRODUCTION

MSMEs, or micro, small, and medium-sized enterprises, are among the companies that make a substantial contribution to the national economy. MSMEs have an important role in generating local revenue, creating jobs, and promoting income equality. MSMEs employ around 97% of the country's workforce and account for more than 60% of Indonesia's GDP, according to figures from the Ministry of Cooperatives and SMEs (2023). However, due mainly to inadequate managerial and administrative procedures, particularly financial management, MSMEs are also the industry most susceptible to crises and changes in the economy. At the moment, Micro, Small, and Medium-Sized Enterprises (MSMEs) continue to be the primary engine of the national economy, especially as a regional economic engine. MSMEs have made a substantial contribution, yet they nevertheless At the moment, Micro, Small, and Medium-Sized Enterprises (MSMEs) continue to be the primary engine of the national economy, especially as a regional economic engine. MSMEs continue to face a number of difficulties and complicated problems in spite of their substantial contribution (Syuhada et al., 2025).

One of the difficulties, according to Murti & Wahdana, R. (2025), is preserving financial stability and making the best choices because of a lack of resources and experience. The production of financial reports is one practical way to address this issue. A thorough summary of a company's financial performance, including income, expenses, assets, and liabilities, is given via financial reports. SMEs can discover areas for development, obtain important insights into their financial health, and make strategic decisions that promote growth and sustainability by gathering and evaluating this data. SMEs frequently run their companies with little understanding of finance, which makes it difficult for them to produce thorough reports. Training in financial report preparation aims to give SMEs the knowledge and abilities they need to enhance decision-making, accountability, and transparency.

According to research by Sugiastuti et al. (2025), although the number of MSMEs is growing annually, few of them generally know how to enhance their business performance, particularly in terms of financial performance. This suggests that MSME owners are not as conscious of how important it is to manage their company's finances. Since making money is the primary objective of MSME owners, financial management is the most important task. Financial management that is well-reported and under control must be the driving force behind income growth. In order to help MSMEs obtain funding and grow their enterprises, community empowerment through inclusive finance and financial literacy training is essential. Maintaining the survival and expansion of a corporation depends heavily on effective financial management. MSMEs can develop company strategies, assess business performance, and persuade partners or financing institutions to grant business loans by using organized financial reporting. On the ground, nevertheless, financial record-keeping is still done by hand, merely, or frequently not at all. Low financial literacy, a lack of time and energy, and an ignorance of the significance of accounting data in corporate management are some of the causes of this (Ridwan et al., 2025).

In order to solve the issue of recording and creating financial reports using Microsoft Excel, this community service project is to assist MSMEs, particularly those that are part of the independent working group (TKMP). A straightforward technological tool for effective and methodical recording is the Excel application. Furthermore, this program is adaptable, user-friendly, and customizable to meet company requirements. One of the TKMP members conducts direct training and mentorship by imparting theoretical knowledge and hands-on experience in the process of independently recording and drafting reports (Nainggolan et al., 2025).

MSMEs need to exercise rigorous control over their financial operations because they are economic entities. Financial reports from year to year can be analyzed to assess the growth and performance of MSMEs. The financial reports of MSMEs in Tanggamus Regency are now kept in ledgers, which renders them useless and inefficient due to their lengthy preparation time, rigidity, and difficulty in being readily available. Technology will help MSMEs in Tanggamus Regency create financial reports more quickly, easily, and flexibly. Gained knowledge and proficiency in creating financial reports for MSMEs in Tanggamus Regency using Microsoft Excel are among the advantages of this community service project. One of the programs included in Microsoft Office is Microsoft Excel. A popular tool for many kinds of data processing is Microsoft Excel. Because it has revolutionized the way we work, handle data, and analyze information, Microsoft Excel has become an indispensable part of our life. Additionally, Microsoft Excel lowers the possibility of mistakes and is simple to save. Participants in this training are given the Microsoft Excel application module to read aloud and give feedback first on content that is hard to grasp (Budihartanti et al, 2025).

2. METHOD

This community service project employs training as its methodology. Training is an activity that aims to enhance a person's or a group's talents or skills by providing them with both content and hands-on demonstrations. Twenty-three MSMEs from MSMEs supported by the Ministry of Manpower took part in this training exercise. Preparation, execution, and assessment of the executed implementation are the three phases of the training activity. An explanation of each step in the training exercise on the use of financial reporting for MSMEs may be found below.

1. Getting ready

The first step before starting the training exercises is the preparatory phase. Forming a team is the first step in getting ready for the activity. Following team formation and task assignment, the team goes to the partner's location to ascertain the partner's issues and come up with solutions. Additionally, relevant materials that will help participants apply the offered material are among the other preparations that are required.

2. Execution

The activity's implementation is the next phase. The presentation of financial report-related materials and the process of creating financial reports in compliance with accounting standards make up the first category of actions in this implementation activity. The next step in putting the relevant training activity into practice is creating financial reports for MSMEs using the supplied Excel.

3. Documentation

In this instance, reporting entails delivering the activity's outcomes in the form of a written report.

3. RESULT AND DISCUSSION

MSMEs supported by the Ministry of Manpower from a variety of industries, including the food industry and creative industries like charcoal manufacturing, are taking part in this activity. Since each participant can discuss their experiences and difficulties in creating their company financial reports, the training is more dynamic and applicable to a variety of MSME industries due to the participants' varied business histories. The final result of a number of procedures for gathering and compiling information about business transactions is financial reports. Financial reports are created or compiled with the intention of providing information on capital, assets, liabilities, income, and expenses incurred over a specific time period. Accounting is still not widely used by MSMEs to assist their operations.

Among the many contributing variables is the belief that accounting is unimportant and challenging. MSMEs find bookkeeping challenging because of their lack of accounting expertise, the intricacy of the accounting procedure, and the belief that financial reports are irrelevant. A lack of discipline in bookkeeping and educational background are two other disadvantages mentioned. This program focuses on using a systematic financial report format to streamline the recording and reporting process because MSMEs may find the process of creating financial reports to be somewhat time-consuming and complicated. As a result, an Excel-based financial report format featuring account components and automatically created formulas is given to participants.

By creating Excel-based financial reports, MSMEs can avoid manually compiling computations and achieve more structured and systematic financial reports by simply entering the required transaction data. Nonetheless, participants continue to receive information on financial reports and how to prepare them using general accounting standards. Additionally, the significance of documenting financial transactions is explained to the participants.



Figure 1. distribution of information about the significance of financial reports



Figure 2. Training materials in the form of books with financial reports

4. CONCLUSION

Under the direction of the Ministry of Manpower, the financial reporting training for MSMEs has proceeded smoothly and met its goals. The significance of maintaining systematic financial records and the many kinds of financial reports needed for business management were better understood by the participants as a result of this exercise. Additionally, the training improved the participants' technical proficiency in creating financial reports with Microsoft Excel. Participants were able to record transactions more accurately, elegantly, and readily for analysis by practicing with the supplied Excel templates. The abilities acquired from this course can support MSMEs' future competitiveness and business goals, improve their ability to get funding, and help them manage their finances more effectively.

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