

"Encouraging Digital Innovation in Financial Recording: Analysis of the SIAPIK Application and the Will of MSME Entrepreneurs in the Shallot Farming Sector"

Andy Chandra Pramana*¹, Sudarmiati², Wening Patmi Rahayu³

1 Universitas Negeri Malang

2 Universitas Negeri Malang

3 Universitas Negeri Malang

email: andy.chandra.2404139@students.um.ac.id , sudarmiati.fe@um.ac.id , wening.patmi.fe@um.ac.id³

*Koresponden penulis

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Abstract: *This research aims to analyze the acceptance and willingness of shallot seed entrepreneurs to use the SIAPIK application in recording digital financial reports. The SIAPIK application, developed by Bank Indonesia, aims to help MSMEs manage their finances more efficiently and transparently. This research adopts a willingness to change model, which includes indicators of attitudes, subjective norms, behavioral control, intentions, and behavior. Data was collected through interviews with six shallot seed entrepreneurs who actively run their businesses. The results of the SWOT analysis of the SIAPIK application show strengths in ease of use and the trust given by Bank Indonesia, but there are weaknesses in terms of training needs for users who are less familiar with technology. Interviews with entrepreneurs revealed positive intentions and attitudes towards the use of digital applications, although there were concerns regarding technical capabilities and the need for further training. The results of this research show that the SIAPIK application has the potential to be adopted by shallot seed entrepreneurs if accompanied by adequate education and technical support, as well as taking into account the growing digitalization opportunities among MSMEs.*

Keywords: *SIAPIK application, MSMEs, shallot seeds, digital financial records, technological innovation, SWOT analysis.*

INTRODUCTION

In the increasingly developing digital era, the use of technology in the business world is increasingly important to increase operational efficiency and effectiveness (Chawla & Joshi, 2019). One of the business sectors that has an important role in the Indonesian economy is agricultural business, especially in the processing of shallot commodities. Shallot farmers are often also involved in planting and producing shallot seeds which have a fairly large market (Wijayanto & Putra, 2022). However, even though this business has significant potential, many shallot seed business actors in Nganjuk still experience difficulties in managing and recording their financial reports systematically and professionally. Nganjuk is one of the cities that produces or is a center for shallots, the harvest of shallots from Nganjuk land can and is good for making

shallot seeds. Therefore, Nganjuk shallot seeds are very popular on the market (Pramana, Yap, Riningsih, Mahmudi & Agustina, 2024).

Based on observations, many shallot business actors, especially farmers and seed entrepreneurs in Nganjuk, still use manual methods in recording transactions and financial reports. This method not only requires a long time but also carries a high risk of recording errors which can affect business performance and development (Gupta & Jain, 2020). In this case, the application of appropriate technology, such as digital-based applications for financial recording, can be an effective solution in making it easier for entrepreneurs to manage their financial reports (Dube & Renaghan, 2021). The importance of good financial records in small and medium enterprises (SMEs) has been proven by various studies which show a positive relationship between good financial management and business success. Accurate and structured financial records can provide a clear picture of the financial health of a business, facilitate decision making, and help in planning and managing resources more effectively.

However, even though digital financial recording applications are widely available, not all entrepreneurs in Nganjuk, especially in the shallot seed business sector, are ready to switch to a digital system. Factors such as the level of technological understanding, lack of motivation, and distrust of data security are some of the reasons that can hinder the adoption of technology in their business activities. To overcome this problem, the Indonesian government, through institutions such as Bank Indonesia, has attempted to provide solutions in the form of digital applications that can help MSMEs manage their finances more efficiently (Arifianto & Kurniawan, 2020). One of the applications launched is SIAPIK (Financing and Financial Information Access Information System), a platform designed to support MSME entrepreneurs (Dewi & Irawan, 2021), including those in the agricultural sector, in recording and managing financial reports.

SIAPIK application not only makes it easy to record transactions, but also offers various features that can help MSMEs access financial services, such as loans and financing from financial institutions. SIAPIK allows entrepreneurs to create more transparent and structured financial reports, which in turn can increase the credibility of their businesses in the eyes of financial institutions, business partners, and even customers. Another important feature is tax reporting and inventory recording, which can speed up administrative processes and reduce the risk of errors that can occur in manual management (Yulianto & Pramudito, 2021). Although these applications offer many advantages, challenges remain in the adoption process of this technology. Not all entrepreneurs, especially in areas like Nganjuk, feel familiar enough with digital technology or have sufficient access to use it optimally. Some entrepreneurs may feel that this change will require a lot of time and effort to learn new applications. Apart from that, distrust in

the security of data recorded in digital systems is also a major obstacle. They worry that their financial information and transactions could be accessed by unauthorized parties or misused.

This research aims to analyze the SIAPIK application with SWOT analysis and determine the interest of shallot seed entrepreneurs in Nganjuk in making digital innovations in recording their financial reports. By understanding the factors that influence their interest, it is hoped that this research can provide strategic recommendations to increase the acceptance of digital technology among small businesses, especially in the agricultural sector .

METHOD

The type of research used in this study is qualitative research. This research aims to describe or describe phenomena that occur systematically, factually and accurately regarding the SIAPIK application and the interest of shallot seed entrepreneurs in digital innovation in recording financial reports. The population in this research is all shallot seed entrepreneurs in Nganjuk Regency. In Nganjuk, the village that is the center for shallot seeds is Mojorembun village. Mojorembun Village in Nganjuk Regency is famous as a center for producing shallot seeds. This village has an important role in the agricultural sector, especially in shallot production. One of the reasons this village has become a center for shallot seeds is because of the favorable soil and climate conditions, as well as the experience of local farmers in managing this commodity. The research sample was taken using a purposive sampling technique, namely selecting samples based on certain criteria that are relevant to the research objectives. The sample criteria are shallot seed entrepreneurs who have been operating for or involved in the business financial management process for a minimum of 5 years and already has a market and regularly makes deliveries outside Java with a large capacity of over 50 tons. There were 4 shallot seed entrepreneurs who matched the informant's criteria including Mr. Bambang, Mr. Pujo, Mr. Sugeng and Mr. Yuli. The four informants will be interviewed regarding their willingness to switch to a digital financial report recording system.

Before conducting interviews with informants, researchers conducted an analysis of the financial application, SIAPIK, which was launched by Bank of Indonesia as an institution that cares about MSMEs in Indonesia. This application analysis was carried out using SWOT analysis. In the final part, researchers will compare the willingness of potential users, namely shallot seed entrepreneurs, with the results of the SIAPIK analysis. The contribution is that this research can find out whether the SIAPIK application is suitable for use by MSMEs in the agricultural sector or not.

RESULT AND DISCUSSION

The following are the results of the SWOT analysis of the SIAPIK application:

1. Strengths

User-Friendly (Easy to Use)

SIAPIK is designed with a simple and easy to understand interface, which allows MSME entrepreneurs, including shallot seed entrepreneurs, to record transactions without requiring an in-depth accounting background.

Free and Affordable

This application is provided by Bank Indonesia for free, which is very beneficial for small entrepreneurs who have limited budgets to access commercial financial recording software.

Complete Features for Financial Recording

SIAPIK provides features that support real-time recording of financial transactions, creating profit and loss reports and balance sheets which make it easier for entrepreneurs to monitor their finances.

Support from Bank Indonesia

As an initiative from Bank Indonesia, this application has high trust from users and can be relied on to record and manage business finances.

Supports MSME Digitalization

This application supports entrepreneurs to switch to digital financial recording, which allows them to be more efficient and avoid human errors in managing financial data.

2. Weaknesses

Lack of Advanced Features

Although the app is simple, for some entrepreneurs who are larger or have more complex financial recording needs, the app's features may feel limited.

Low Level of Digital Literacy

Some entrepreneurs, especially from MSME circles, may experience difficulties in adapting to digital technology or have limitations in terms of digital literacy to make optimal use of applications.

Limited Technical Support

Even though this application was created by Bank Indonesia, technical support or customer service related to the SIAPIK application may be limited, especially in areas with unstable internet connectivity.

Focus on Simple Record-keeping

This app focuses more on simple financial record-keeping, so entrepreneurs who need more advanced analytics or features like tax planning or inventory management may find it limited.

3. Opportunities

Increasing Digitalization of MSMEs

With the growing trend of digitalization, SIAPIK can become a more popular tool for MSME entrepreneurs, including shallot seed entrepreneurs, to manage their finances efficiently and transparently.

Digital Education and Training

Bank Indonesia or other institutions can work together to provide training related to the use of the SIAPIK application, which will increase the adoption of this application among MSMEs that have not yet switched to digital financial recording.

Potential Integration with Other Financial Services

SIAPIK can expand its functionality, for example by integrating it with other banking services, such as bill payments or fund transfers, to support entrepreneurs in managing their cash flow more efficiently.

Government Programs that Support MSMEs

The existence of government programs that support MSMEs, such as financial assistance or tax incentives, can increase the interest of shallot seed entrepreneurs to use digital financial applications such as SIAPIK.

4. Threats

Competition from Other Applications

Many other financial recording applications are also available on the market, both paid and free, which could be competitors for SIAPIK in attracting users.

Technological Infrastructure Constraints

Entrepreneurs in areas with limited internet access or inadequate devices may face difficulties in accessing and using these applications optimally.

Resistance to Change

Some shallot seed entrepreneurs who are used to manual methods may experience difficulty or hesitation in switching to a digital system, especially if they feel that manual processes are more familiar or easier to manage.

Feature Limitations for Large Entrepreneurs

For entrepreneurs who are already growing and need more advanced features, the SIAPIK application may not adequately support their needs, which could lead them to switch to other, more complex applications.

SIAPIK application has many advantages, such as ease of use and free, which is very suitable for MSME entrepreneurs, including shallot seed entrepreneurs who are just starting to digitize their financial records. However, several challenges related to digital literacy and feature limitations must be overcome to expand its use. With training support and feature improvements, the SIAPIK application can become a very useful digital financial solution to help MSMEs manage their financial reports more efficiently.

According to Metselaar in Li & Zhang (2021) there are 5 dimensions that can measure a person's willingness to change or innovate, including: attitude; subjective norms; behavior control; intention; and behavior. In conducting interviews, researchers used the 5-dimensional guidelines to determine the willingness of shallot seed MSME entrepreneurs to innovate digitally in recording their financial reports. The following are the results of interviews with informants:

1. Attitude

Attitude is an evaluative inclination towards an object or a subject that has consequences for how people are face to face with the object of the attitude. Attitude indicator includes the perceived value of organizational change, emotional involvement with change understanding the consequences of the changes and emotions he feels. In the interview, Mr. Bambang said that:

"I think using digital applications for financial recording is very practical. Can make it easier for me to see the financial condition of the business at any time. I can also find out more quickly whether my business is profitable or not."

Mr Yuli said that:

"In my opinion, it would be nice if there was an application on your cellphone, but first, this needs to be mutually agreed upon because here there is an Association, if later I use it myself and others don't, I'm worried that it will be thought that I have the intention of wanting to excel on my own."

From the results of interviews and observations, it can be said that personally they are interested in using it, but to avoid unnecessary prejudice from other

entrepreneurs, it would be good if there was an appeal from the chairman of the association to require every member to use the financial report recording application.

2. Subjective norms

Subjective norms are a model of information processing social where some individual intentions can be shaped by behavior people around him. The subjective norm indicator is knowing what colleagues' attitudes toward change are. Coworker behavior what is seen will form the intention to behave the same as co-workers or vice versa. The results of the interview with Mr. Sugeng stated that:

“Several of my business colleagues have started using it, and they say this application is quite helpful. However, I'm still not completely sure, because I'm more used to manual methods. But I'm not saying I can't use the app, I definitely can. Something that is visible can definitely be learned.”

3. Behavior control

Behavioral control refers to a person's behavior towards ease or difficulty that focuses on performance behavior. Behavioral control indicators consist of external control and control self. Based on the interview with Mr. Pujo, the following information was obtained:

“I still use the old school cellphone, bro, I have an Android cellphone but it's idle, I rarely use it. That doesn't mean I don't want to develop or anything, but I'm more comfortable using my Nokia cellphone.”

The results of the interview with Mr. Yuli are as follows:

“Accounting is a science that can be learned, God willing, if it fits my logic then I can. If I'm a little different from Mr. Pujo, I still like learning, whether studying science or technology. If for Mr. Pujo it will be his children or nephews who are usually told to manage the seeds, they will definitely be there and can do it.”

4. Intention

Intention is linked to attitudes towards change. Intent includes an expression of whether the individual is resistant or has the will to keep up with changes. In accordance with the results of the interview, Mr. Sugeng said that:

“I'm still unsure, but if I was given clearer guidance or training, I might give it a try. I realize that digitalization is important, but I need time to adapt.”

5. Behavior

Behavior is a manifestation of the will to follow change (Ajzen, 2020). In accordance with the results of the interview, Mr. Sugeng said that:

"There is the dream of using it. But I haven't fully tried it. I'm ready to learn more. Maybe I will try the SIAPIK application after understanding it more deeply."

Mr. Yuli said:

"If it's a technical problem, it can be studied. If you want to use it or not, don't ask each person. Because we have an umbrella. If the community agrees that everyone should use it, then I'm ready."

CONCLUSION

The conclusions from the results of this research are discussed per indicator, namely from attitude indicators, is that the most entrepreneurs have a positive attitude towards using digital applications such as SIAPIK. They admit that this application can simplify financial recording and make the process more efficient. They also feel that this application can make it easier to monitor business financial conditions in a more regular and timely manner. However, there are concerns regarding initial adaptation, especially for entrepreneurs unfamiliar with the technology and its impact on community cohesion. From the subjective norm indicators, it can be seen that Most entrepreneurs feel a positive influence from their friends or colleagues who have already used digital recording applications. They received positive information about the benefits of digital applications, which was one of the factors driving their intention to try SIAPIK. However, there are also entrepreneurs who are still hesitant, because they feel more comfortable with the manual methods they are used to. In terms of perceived behavior control, it can be seen that most entrepreneurs feel quite confident that they can operate the SIAPIK application after trying it and seeing the simple interface. They find the app easy to use and does not require complex technology skills. Even though there are some entrepreneurs who feel unsure due to limited digital literacy, they are open to trying and learning further, especially if there is support in the form of tutorials or training.

In terms of intention, it can be concluded that entrepreneurs who have tried the SIAPIK application show a strong intention to use it regularly. They plan to switch to digitizing financial records in the near future, especially if the application proves effective and easy to use. However, there are also entrepreneurs who are still hesitant and need time to adapt, even though they realize the importance of digitalization in business management. From behavioral indicators, it can be seen that some entrepreneurs have started trying to use digital financial recording

applications such as SIAPIK, while others are still in the planning or observation stage. The desire to switch to a digital system is influenced by the benefits they feel, such as ease of tracking income and expenses, as well as the desire to increase business efficiency.

Based on the results of interviews and SWOT analysis, it can be concluded that the SIAPIK application has strengths that are very relevant to the needs of shallot seed entrepreneurs, especially in terms of ease of use and efficiency of financial recording. However, application weaknesses, such as a lack of training support for users less familiar with the technology, must be addressed to increase adoption. The opportunity to introduce this application is very large, especially with the increasing awareness of entrepreneurs regarding the benefits of digitalization. However, threats related to limited digital skills and technological infrastructure in some regions must be addressed, by providing more support and training to entrepreneurs in need.

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