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ASSISTANCE IN DEVELOPING E-COMMERCE AND SIMPLE FINANCIAL RECORDING FOR SMES IN ACEH UTARA

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Abstract

This community service program aims to enhance the capacity of Micro, Small, and Medium Enterprises (SMEs) in Keude Geudong, North Aceh, through training and mentoring in e-commerce development and simple financial recording. The background of this program is based on the low level of digital adoption and limited financial management practices among SMEs, which hinder their business growth and sustainability. The method used in this program consists of training and continuous mentoring. The training phase focuses on introducing e-commerce platforms, digital marketing strategies, and the importance of simple bookkeeping. Meanwhile, the mentoring phase is conducted to assist participants in the practical implementation of e-commerce and financial recording in their daily business activities. The results of this program show a significant improvement in participants' knowledge and skills. SMEs are able to create and manage online stores, expand their market reach through digital platforms, and apply simple financial recording practices, including documenting income and expenses. In addition, participants demonstrate increased awareness of the importance of separating personal and business finances. In conclusion, the integration of training and mentoring is effective in improving digital capabilities and financial management of SMEs. This program contributes to strengthening business performance and supports the sustainability of SMEs in the digital era.

Keywords: E-commerce; SMEs; Financial Recording; Digitalization; Financial Literacy

INTRODUCTION

Small and Medium Enterprises (SMEs) play a vital role in supporting local economic development, particularly in rural and semi-urban areas such as Keude Geudong, North Aceh. SMEs contribute significantly to employment generation and income distribution, making them a key driver of community welfare. However, many SMEs in this region still operate conventionally and face limitations in adopting digital technology and structured financial management (Tambunan, 2020).

In recent years, the rapid development of digital technology has transformed business practices globally, including in Indonesia. E-commerce has become an important tool that enables SMEs to expand their market reach beyond geographical boundaries. Through digital platforms, businesses can promote products, interact with customers, and conduct transactions more efficiently (Laudon & Traver, 2021). Nevertheless, the adoption of e-commerce among SMEs in rural areas remains relatively low. One of the main challenges faced by SMEs in Keude Geudong is the lack of digital literacy. Many business actors are not familiar with creating and managing online stores, whether through marketplaces or simple websites. This limitation reduces their ability to compete in an increasingly digital marketplace (OECD, 2021).

In addition to digital challenges, financial management is another critical issue. Most SMEs still rely on manual and unstructured financial practices, and many do not maintain proper records of their income and expenses. This condition makes it difficult for business owners to assess their financial performance accurately (Sari et al., 2022).

Proper financial recording is essential for business sustainability. Simple bookkeeping practices, such as recording daily transactions and preparing basic financial statements, can help SMEs monitor cash flow and make better financial decisions. Without adequate financial records, SMEs are more vulnerable to financial mismanagement and business failure (IFC, 2020).

The integration of e-commerce and financial recording is increasingly important in the digital era. E-commerce transactions generate data that can be utilized for financial reporting, enabling SMEs to develop more

systematic and transparent financial management practices (UNCTAD, 2021). In the context of Keude Geudong, SMEs have significant potential to grow, especially in sectors such as food products, local crafts, and small retail businesses. However, this potential has not been fully optimized due to limited access to technology and financial literacy. Therefore, there is a strong need for community-based assistance programs to address these challenges. Community service programs focusing on mentoring and training can provide practical solutions for SMEs. Through structured assistance, business actors can learn how to create e-commerce platforms, upload products, manage online transactions, and implement simple financial recording systems (World Bank, 2022).

Furthermore, empowering SMEs through digitalization and financial literacy aligns with national economic development strategies in Indonesia. The government has emphasized the importance of digital transformation for SMEs to enhance competitiveness and resilience in the post-pandemic era (Ministry of Cooperatives and SMEs, 2023). Therefore, this community service initiative aims to assist SMEs in Keude Geudong in developing e-commerce platforms and implementing simple financial recording practices. By integrating digital marketing and basic accounting skills, SMEs are expected to improve their business performance, expand their market reach, and achieve sustainable growth.

LITERATURE REVIEW

E-Commerce

E-commerce refers to the use of internet-based platforms to conduct business transactions, including product promotion, sales, and customer interaction. In the context of Micro, Small, and Medium Enterprises (SMEs), e-commerce plays a significant role in facilitating business growth and market expansion. By utilizing digital platforms such as online marketplaces and social media, SMEs can reach broader markets beyond their local areas (Laudon & Traver, 2021).

Recent studies highlight that the adoption of e-commerce has a positive impact on business development, especially in improving sales performance and operational efficiency. E-commerce allows SMEs to reduce marketing costs, increase customer engagement, and access real-time market information. However, the level of e-commerce adoption among SMEs is still influenced by digital literacy, technological infrastructure, and the readiness of business actors (OECD, 2021; UNCTAD, 2021).

Furthermore, e-commerce platforms generate digital transaction data that can be utilized for business analysis and financial recording. Therefore, e-commerce is not only a tool for marketing but also supports better business management practices (Gao et al., 2023).

Simple Financial Recording

Simple financial recording refers to basic bookkeeping activities carried out by SMEs to record financial transactions, such as income, expenses, and profit. This practice is essential for maintaining financial transparency and supporting business sustainability. However, many SMEs still lack proper financial recording systems, which affects their ability to monitor financial performance effectively (IFC, 2020).

Financial recording plays a crucial role in helping business owners understand their financial condition, manage cash flow, and make informed decisions. By maintaining systematic records, SMEs are able to evaluate their business performance and identify potential financial problems early. Previous studies indicate that SMEs that implement proper financial recording practices tend to achieve better performance and demonstrate higher levels of business sustainability compared to those without structured financial systems (Sari et al., 2022).

In addition, simple financial recording is highly suitable for micro and small enterprises because it is easy to implement and does not require advanced accounting knowledge. The use of simple bookkeeping methods, such as daily cash records and basic income-expense reports, allows SMEs to gradually improve their financial literacy. This process can also serve as an initial step toward adopting more advanced accounting systems in the future (Setyawati et al., 2023).

Furthermore, simple financial recording supports better financial discipline among SME owners, particularly in separating personal and business finances. This separation is important to ensure accurate financial analysis and to avoid misinterpretation of business performance. Therefore, the implementation of simple financial recording is not only a technical activity but also a fundamental aspect of strengthening financial management capacity in SMEs.

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Micro, Small, and Medium Enterprises (SMEs)

Micro, Small, and Medium Enterprises (SMEs) are defined as business entities with limited capital, workforce, and operational scale, but they play a crucial role in economic development. SMEs contribute significantly to job creation, poverty reduction, and local economic resilience, especially in developing countries such as Indonesia (Tambunan, 2020).

Despite their important role, SMEs often face challenges in adapting to digital transformation and implementing proper financial management. Many SMEs still rely on traditional business practices and lack access to digital tools and financial knowledge. These limitations hinder their ability to compete in the modern business environment (World Bank, 2022).

The integration of e-commerce and simple financial recording is essential for enhancing SME capacity. E-commerce helps SMEs expand their market reach, while financial recording ensures better financial control and decision-making. Therefore, strengthening both aspects is crucial to support the sustainability and growth of SMEs in the digital era (Dewi et al., 2024).

METHOD

This community service program applies a participatory and practical approach aimed at empowering Micro, Small, and Medium Enterprises (SMEs) in Keude Geudong, North Aceh. The approach emphasizes direct involvement of participants in all stages of the activity, ensuring that the knowledge and skills provided can be effectively implemented. The method used in this program is training combined with continuous mentoring, focusing on improving SMEs' capabilities in utilizing e-commerce and conducting simple financial recording.

The implementation of this program begins with a preparation stage, in which the team conducts initial observations and needs assessments of the participating SMEs. This stage aims to identify the main challenges faced by business actors, particularly in relation to digital marketing and financial management. Coordination with local stakeholders, such as village authorities and SME groups, is also carried out to ensure the smooth execution of the program. In addition, training materials and modules related to e-commerce and simple bookkeeping are prepared in accordance with the participants' needs.

Following the preparation stage, the program proceeds to the training stage. During this phase, participants are introduced to the concept and benefits of e-commerce as a tool for business development. They are guided on how to create and manage online stores using simple and accessible platforms, such as marketplaces or social media. The training also covers practical skills, including product uploading, pricing strategies, and basic digital promotion techniques. Furthermore, participants are introduced to simple financial recording, which includes recording daily income and expenses, as well as calculating profit.

After the training, the program continues with the mentoring stage, which is a crucial component of the activity. In this stage, participants receive direct assistance in implementing the knowledge they have acquired. The team supports SMEs in setting up and managing their e-commerce accounts, ensuring that each participant is able to operate their online store independently. At the same time, participants are guided in applying simple financial recording practices using easy-to-understand formats or templates. Continuous mentoring is provided to address any difficulties encountered by participants and to ensure the sustainability of the practices introduced.

The next stage is evaluation, which aims to measure the effectiveness and impact of the program. Evaluation is conducted by assessing participants' ability to use e-commerce platforms and reviewing the financial records they have prepared. Feedback is also collected through interviews or questionnaires to understand participants' experiences and identify areas for improvement. This stage allows the team to compare the conditions of SMEs before and after the implementation of the program.

Finally, the reporting stage is carried out to document the entire process and outcomes of the community service activity. The report includes a comprehensive description of the implementation, the results achieved, as well as the challenges encountered during the program. Recommendations for future activities are also provided to enhance the sustainability and scalability of similar programs.

Overall, this methodology is designed to provide practical and sustainable solutions for SMEs by integrating digital marketing through e-commerce with simple financial management practices. Through this approach, SMEs in Keude Geudong are expected to improve their business capacity, enhance their financial management skills, and achieve better business performance.

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RESULTS AND DISCUSSION

The implementation of this community service program in Keude Geudong, North Aceh, produced significant improvements in the capacity of Micro, Small, and Medium Enterprises (SMEs), particularly in the areas of e-commerce utilization and simple financial recording. The program was carried out through two main stages, namely training and mentoring, which were designed to provide both theoretical understanding and practical experience to participants.

Prior to the implementation of this program, most SMEs in Keude Geudong still relied on conventional business practices. Sales activities were primarily conducted offline, and only a few participants had experience using digital platforms for marketing or transactions. Even among those who used social media, the utilization was limited to basic promotion without structured management of online stores. Furthermore, knowledge of e-commerce platforms such as marketplaces was very limited, and most participants lacked confidence in using digital technology for business purposes.

From the financial perspective, the initial condition of SMEs indicated weak financial management practices. Most participants did not maintain proper financial records, and transactions were rarely documented systematically. Business and personal finances were often mixed, making it difficult for SMEs to determine actual profit or loss. This condition reflected low levels of financial literacy and limited awareness of the importance of bookkeeping in supporting business sustainability.

After the training phase, participants demonstrated a considerable improvement in their understanding of e-commerce and financial recording. They were able to create online store accounts, upload product information, and apply basic digital marketing strategies. The training also improved their awareness of the importance of separating personal and business finances, as well as maintaining simple financial records.

The mentoring stage played a crucial role in strengthening participants' practical skills. Through continuous assistance, participants were guided step-by-step in managing their e-commerce platforms and applying financial recording practices in their daily business activities. This hands-on approach ensured that participants not only understood the concepts but were also able to implement them consistently.

As a result of the program, SMEs began to actively utilize e-commerce platforms to promote and sell their products. Some participants reported increased customer inquiries and broader market reach through online channels. In terms of financial management, participants started to record their daily transactions more regularly and systematically. This allowed them to better monitor their cash flow and evaluate their business performance.

The comparison of conditions before and after the program clearly shows the positive impact of the community service activities, as presented in the table below:

Table 1. Comparison Before and After the Program

Aspect	Before Program	After Program
Use of E-Commerce	Mostly not using e-commerce; sales conducted offline	SMEs able to create and manage online stores
Digital Skills	Limited knowledge of digital platforms	Improved ability to use marketplaces and social media for business
Product Promotion	Conventional promotion (word of mouth)	Digital promotion through online platforms
Customer Reach	Limited to local area	Wider market reach through online channels
Financial Recording	No structured bookkeeping	Able to record income, expenses, and profit
Financial Awareness	Low awareness of financial management	Increased understanding of financial importance
Separation of Finance	Personal and business finances mixed	Start separating personal and business finances
Business Evaluation	Difficult to measure profit/loss	Able to monitor cash flow and business performance

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In addition to the observed improvements in participants' knowledge and skills, the implementation of this community service program was also documented through a series of training and mentoring activities. The documentation in the form of photographs illustrates the active involvement of SME participants during the sessions, including their participation in discussions, hands-on practice in creating e-commerce accounts, and

exercises in simple financial recording. These visual documentations serve as supporting evidence of the program implementation, highlighting the interactive learning environment and the enthusiasm of participants. The images show direct engagement between facilitators and SMEs, where participants were guided step-by-step in using digital platforms and recording financial transactions. This indicates that the training was not only theoretical but also practical and participatory in nature.

Furthermore, the documentation reflects the effectiveness of the mentoring approach, as participants were able to follow instructions, ask questions, and immediately apply the knowledge provided during the sessions. The presence of these images strengthens the validity of the program outcomes and demonstrates that the activities were conducted systematically and in accordance with the planned objectives. Overall, the results of this program indicate that the integration of training and mentoring is highly effective in improving SME capacity. The program not only enhanced participants' technical skills in using e-commerce but also strengthened their financial management practices through simple bookkeeping. These improvements contribute to better business performance and sustainability.

The success of this program highlights the importance of continuous assistance in community service activities. Training alone is not sufficient; mentoring is essential to ensure that knowledge is applied effectively in real business practices. Therefore, similar programs should be expanded to other regions to support the digital transformation and financial empowerment of SMEs in Indonesia.

CONCLUSION

Based on the implementation of the community service program in Keude Geudong, North Aceh, it can be concluded that the activities of training and mentoring in e-commerce development and simple financial recording have provided significant positive impacts on the capacity of Micro, Small, and Medium Enterprises (SMEs). Prior to the program, most SMEs operated conventionally with limited use of digital technology and without proper financial recording practices. This condition affected their ability to expand market reach and manage business finances effectively.

After the implementation of the program, SMEs demonstrated considerable improvements in both digital and financial aspects. Participants were able to create and manage e-commerce platforms, utilize digital media for product promotion, and expand their customer reach beyond local markets. In addition, SMEs began to apply simple financial recording practices, including documenting income and expenses, which enabled them to better understand their business performance and maintain financial control.

The combination of training and continuous mentoring proved to be an effective approach in ensuring the successful adoption of new knowledge and skills. Mentoring activities played a crucial role in assisting participants to implement what they had learned and to overcome practical challenges in real business situations. As a result, SMEs not only gained knowledge but were also able to apply it sustainably.

Overall, this community service program demonstrates that strengthening digital capabilities through e-commerce and improving financial management through simple bookkeeping are essential strategies to enhance SME performance and sustainability. Therefore, similar programs are recommended to be continuously implemented and expanded to other regions in order to support the digital transformation and economic empowerment of SMEs.

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