

BUILDING FINANCIAL FOUNDATIONS FOR SUSTAINABLE GROWTH: AN ACCOUNTING PERSPECTIVE ON A COMMUNITY SERVICE TRAINING FOR A WOMEN-LED SMALL MEDIUM ENTERPRISES

Kiky Srirejeki^{*1}, Sakinah Shukri², Khairurrizqo³

¹Faculty of Economics and Business, Universitas Jenderal Soedirman, Indonesia

²Management & Science University, Malaysia

³Faculty of Social and Political Science, Universitas Jenderal Soedirman, Indonesia

*Email corresponding author: kiky.srirejeki@unsoed.ac.id

Abstract

Small and medium enterprises (SMEs) are widely recognized as engines of inclusive economic growth, yet many continue to operate without basic management accounting practices, which limits their capacity to price products accurately, control costs, and sustain long-term growth. This paper reports on a community service training conducted on 15 July 2026 at Aruna Resort, Lombok, for 70 participants, centered on Nutsafir Cookies, a women-led food SME, as the focal case within a broader business sustainability program. Prior to the training, the SME lacked a systematic pricing formula and did not record cost per unit, conditions common among Indonesian micro-enterprises. The training intervention, delivered by a multidisciplinary team, addressed pricing strategy, cost control, and introductory financial reporting, while also incorporating green practice themes consistent with the conference's sustainability agenda, namely production waste management, sustainable ingredient sourcing, and environmentally friendly packaging. Adopting a qualitative, practice-based community service approach, this study does not report quantitative performance outcomes, as none were collected and no post-intervention effects have yet been observed. Instead, the discussion focuses on the accounting-based relevance of the intervention and its potential contribution to the SME's financial sustainability, scalability, and readiness for broader, including international, market participation. The paper also situates the case within the discourse on women's entrepreneurship, arguing that closing basic accounting capability gaps is a precondition for women-led SMEs to translate entrepreneurial effort into durable business growth.

Keywords: management accounting, cost control, pricing strategy, women entrepreneurship, green accounting, community service.

INTRODUCTION

Small and medium enterprises (SMEs) form the backbone of the Indonesian economy, absorbing labor and contributing significantly to household income, yet a large share of these businesses continue to operate with rudimentary or entirely absent accounting systems. Cost information, in particular, tends to be informal or intuitive rather than systematic, a pattern that has been documented across both developed and developing economies (Roffia et al., 2024). Without a structured record of cost per unit, business owners set prices based on habit, competitor observation, or rough intuition, which frequently results in underpricing, eroded margins, and an inability to plan for growth.

This challenge is especially pronounced among women-led micro-enterprises, which often combine strong entrepreneurial drive with limited formal exposure to financial management tools. Evidence from Indonesian contexts suggests that financial literacy, alongside digital literacy, has a measurable effect on the growth of women-owned SMEs, and that closing this literacy gap is one of the more direct levers available for improving business outcomes (Fauzi et al., 2020). At the same time, contemporary discourse on SME sustainability increasingly asks these businesses to adopt environmentally responsible practices, from waste management to sustainable sourcing and packaging, even though many still struggle with the basic financial reporting that would let them evaluate whether such practices are affordable (Latifah & Soewarno, 2023).

This paper reports on a community service training activity conducted on 15 July 2026 at Aruna Resort, Lombok, which brought together 70 participants around the theme of business sustainability. The training used Nutsafir Cookies, a women-led food SME, as its focal case. Two accounting-related deficiencies were identified prior to the training: the absence of a systematic pricing formula, and the lack of cost-per-unit recording. These two gaps are closely linked, since without reliable cost-per-unit figures, any pricing formula that is introduced has nothing solid to build on.

The purpose of this paper is threefold. First, it documents the design and content of the training intervention from an accounting perspective, covering pricing strategy, cost control, and introductory financial reporting. Second, it situates the intervention within the conference's sustainability theme by discussing how green practices, namely waste management, ingredient sourcing, and packaging, intersect with the SME's cost structure and reporting needs. Third, it reflects on the relevance of this type of community service intervention to the broader discourse on women's entrepreneurship and business sustainability, without overstating outcomes that have not yet been observed. As a qualitative, practice-based community service report, this paper does not present quantitative performance data; its contribution lies in articulating why the intervention matters and what it plausibly makes possible for the SME going forward.

LITERATURE REVIEW

Management accounting, unlike financial accounting, is not a legal obligation for firms but is intended to generate information that supports internal decision making (Roffia et al., 2024). Within this field, cost accounting, the process of accumulating and relating costs to specific products or activities, is one of the most discussed yet least implemented tools among SMEs. Studies conducted in different national settings converge on similar barriers: limited resources, limited knowledge and training, and a perception among owners that formal costing tools are unnecessary or too costly relative to their benefit (Roffia et al., 2024). These findings are echoed in Southeast Asian contexts, where costing, planning, and control practices are used to a degree, but strategic management accounting practices, including systematic cost-based pricing, remain underused relative to their potential to protect margins (Reyroso et al., 2023).

The absence of cost-per-unit information is a particularly consequential gap. Without it, an SME owner cannot reliably distinguish a profitable product from one that is quietly losing money, cannot evaluate the effect of an ingredient price increase on margin, and cannot set a price floor below which a sale destroys value. Establishing even a simple cost-per-unit record, covering direct materials, labor, and a reasonable allocation of overhead, is therefore a foundational step that precedes any meaningful pricing strategy.

Pricing is frequently treated by small business owners as a marketing or competitive decision, when in fact it is fundamentally an accounting decision constrained by cost structure. Cost-based approaches, most simply cost-plus pricing, calculate a selling price by adding a target margin to a verified unit cost, and case-based studies of Indonesian bakeries and similar food MSMEs have repeatedly found that owner-set prices, arrived at informally, tend to sit below the price a proper cost calculation would justify, quietly compressing the margin the business believes it is earning.

This pattern is consistent with the general finding that SMEs without a systematic costing basis tend to underprice rather than overprice, since the intuitive estimate of cost typically omits overhead and labor components that a structured calculation would capture.

The literature on women's entrepreneurship in developing economies has consistently identified financial literacy as a significant determinant of SME growth. In a study of women entrepreneurs in Palembang, Indonesia, financial literacy, together with digital literacy, was found to have a positive and significant effect on return on assets, suggesting that interventions targeting basic financial competence can plausibly translate into measurable business performance over time (Fauzi et al., 2020). This finding provides a conceptual bridge between the accounting-focused training reported in this paper and the broader international discourse on women's entrepreneurship: an accounting capacity intervention targeted at a woman-led SME is not only a technical exercise in costing and pricing, but also a contribution to closing a documented capability gap that disproportionately affects women-owned businesses in emerging economies.

Environmental accounting research on Indonesian MSMEs has found that an environmental accounting strategy contributes to sustainability performance, and that waste management functions as a mediating mechanism between that strategy and performance outcomes (Latifah & Soewarno, 2023). For food-based SMEs specifically, the most immediately relevant green practices are production waste management, sourcing of ingredients, and packaging choices, all of which have direct cost implications: reducing waste lowers the effective cost per unit, sourcing decisions affect both input cost and reputational positioning, and packaging choices trade off between unit cost and environmental footprint. This makes green practice adoption, for a small food producer, inseparable from cost accounting; a business cannot make an informed decision about switching to biodegradable packaging, for instance, without first knowing what its current packaging costs per unit and what margin it can absorb.

This community service training also sits within a broader, ongoing stream of local economic empowerment work in Banyumas Regency, of which SME-focused accounting training is one part among several complementary efforts. Alongside this SME-level work, a parallel line of research has examined village-owned enterprises (Badan Usaha Milik Desa, BUMDes) as vehicles for rural economic development, arguing that these institutions can function as more than passive conduits for government funds, and can instead become active facilitators of local economic activity through deliberate value addition (Srirejeki, 2018). That body of work has consistently pointed to two conditions as prerequisites for any such institution's sustainability. First, trust: the success and durability of a village-owned enterprise depends heavily on the relationship between village government officials, community members, and the enterprise's own managers, and where this trust is weak or unevenly distributed, the enterprise struggles to establish itself regardless of the resources behind it (Srirejeki et al., 2020a). Second, diagnosis before design: a systematic mapping of a community's existing assets and potential, following an asset-based approach rather than a needs-based one, is a necessary precursor to designing a business strategy that the community can actually sustain, since strategies built without this groundwork tend to misjudge what the local context can support (Srirejeki et al., 2020b).

The present paper extends this same underlying logic to a different unit of analysis. Where the earlier work applied it at the level of a village institution, this paper applies it at the level of an individual SME. Nonetheless, durable economic development, whether at the village or the enterprise level, requires a deliberate, foundational diagnostic step, understanding what specifically is missing or misaligned, before an intervention is designed. In this training, that diagnostic step took the form of identifying the two accounting-specific gaps described in this paper, the absence of a pricing formula and the lack of cost-per-unit recording, rather than a general assumption that the SME simply needed *more training*. The parallel to the BUMDes literature is thus not incidental, it reflects a consistent premise across this stream of work, that interventions succeed or fail based on whether they are grounded in an accurate reading of the specific gap they are meant to close.

Taken together, this literature suggests that cost control, pricing strategy, and green practice adoption are not separate concerns for an SME such as Nutsafir Cookies but are linked through the same underlying requirement: a reliable, if simple, cost accounting foundation. This is the premise on which the training intervention described in this paper was designed.

METHODS

This paper adopts a qualitative, practice-based community service reporting approach. No primary quantitative data were collected before or after the intervention, and no structured survey instrument was administered to participants or to the SME owner. This design choice reflects the nature of the activity itself, a single training session rather than a longitudinal intervention, and is consistent with community service reporting conventions, which document the design, delivery, and anticipated relevance of an intervention rather than its measured impact.

The training was conducted on 15 July 2026 at Aruna Resort, Lombok, as a single session delivered by a team of lecturers to 70 participants. Nutsafir Cookies was selected as the focal SME case for the training because of two pre-identified accounting-related conditions: the absence of a systematic pricing formula, and the lack of cost-per-unit recording. These conditions were identified through an interview with the owner.

The training content was structured around three accounting themes: pricing strategy, cost control, and introductory financial reporting, and incorporated a green practice component addressing production waste management, sustainable ingredient sourcing, and environmentally friendly packaging. Because the study reports on a single, recent intervention, no observable business outcomes are yet available, and the analysis that follows should be read as a discussion of relevance and potential impact rather than a report of measured effect. This limitation is addressed further in the concluding section.

Nutsafir Cookies, a women-led micro or small enterprise, operating under CV. Safir Indo Raya, is a well-established halal-certified snack company based in Mataram, Lombok. Founded in 2012 by Sayuk Wibawati, the company is recognized for its nutritious, grain-based cookies. It specializes in producing local delicacies made from indigenous crops, all crafted without the use of preservatives, artificial colors, or synthetic sweeteners. As with many Indonesian food MSMEs of comparable scale, the business was found to rely on informal, experience-based decision making for two accounting-related functions prior to the training.

First, the business did not maintain a systematic pricing formula. Prices for its products appeared to be set based on general market reference points and informal judgment rather than a documented calculation tying price to verified production cost. This pattern is consistent with findings from similar Indonesian food MSME case studies, in which owner-determined prices are found, upon recalculation, to sit below what a full-cost or cost-plus method would justify, meaning the business may be earning a thinner margin than it assumes.

Second, the business did not record cost per unit. Ingredient costs, labor time, packaging, and overhead such as utilities and equipment depreciation were not itemized or allocated to individual products. This is the more foundational of the two gaps, since a pricing formula introduced without reliable unit cost data would simply formalize a guess rather than correct one. The training therefore addressed cost-per-unit recording first, treating it as the prerequisite for the pricing strategy component that followed.

RESULTS AND DISCUSSION

The training began with cost-per-unit recording rather than pricing, on the reasoning that pricing decisions are only as reliable as the cost data behind them. Participants were introduced to a simple structure for itemizing direct material costs (flour, sugar, butter, and other ingredients), direct labor (time spent on production), and overhead (utilities, packaging materials, and a reasonable depreciation allocation for equipment). This mirrors the standard costing structure

taught in introductory management accounting and is consistent with what Indonesian regulatory guidance for micro and small entities envisions as an accessible starting point for financial recording (Ikatan Akuntan Indonesia, 2016).

For a business such as Nutsafir Cookies, this step matters because food production costs are prone to being underestimated when calculated informally. Ingredient wastage, small batches used for recipe testing, and the owner's own labor time are the components most often left out of an intuitive cost estimate, yet these are precisely the components that, once itemized, tend to reveal that the true cost of production is meaningfully higher than assumed.

With a cost-per-unit structure established, the training introduced cost-plus pricing as an accessible pricing method appropriate to the SME's scale. Cost-plus pricing sets the selling price by adding a target margin to the verified unit cost, and its main advantage for a business at this stage is transparency: the owner can see exactly which cost components the price is meant to cover, and can adjust the price defensibly when an ingredient cost rises. This approach is widely used in case-based studies of Indonesian bakeries and similar food MSMEs, which consistently find that the price a full-cost calculation would justify is higher than the price the owner had been charging, implying that owners frequently absorb costs they are not aware of.

It is important to note that this paper does not claim Nutsafir Cookies' prices were, in fact, below cost; no post-training cost recalculation has yet been performed for this SME specifically, and this discussion instead draws on the pattern documented for comparable food MSMEs to explain why the pricing formula introduced in the training is likely to be relevant rather than to assert a particular numerical outcome for this business.

Beyond costing and pricing, the training introduced a simplified financial reporting practice appropriate to a micro-enterprise: separating business and personal transactions, and recording income and expenses in a basic ledger format rather than relying on memory or an undocumented cash position. This is a common and well-documented starting point for micro-enterprises adopting formal financial practices, and aligns with the simplified financial accounting standard developed in Indonesia specifically for micro, small, and medium entities, which was designed to be accessible to businesses without professional accounting staff (Ikatan Akuntan Indonesia, 2016). For an SME owner, even this minimal level of reporting creates the foundation needed for later steps such as applying for formal credit, tracking seasonal cash flow patterns, or evaluating whether a new product line is actually profitable.

In alignment with the 8th International Conference on Rural Economic Development and Entrepreneurship (ICORE) conference theme, the training incorporated a green practice component covering three areas relevant to a food SME: production waste management, sustainable sourcing of ingredients, and environmentally friendly packaging. Each of these was framed not as a separate sustainability initiative but as an extension of the cost accounting work already introduced. Production waste, such as damaged or unsold batches, represents a direct cost leakage that becomes visible once cost-per-unit tracking is in place; reducing it is therefore both an environmental and a financial improvement. Sustainable ingredient sourcing was framed as a decision that needs to be evaluated against the verified cost baseline established earlier in the training, since a sourcing change that increases input cost must be weighed against its effect on the margin calculated under the new pricing formula. Packaging was addressed similarly: environmentally friendly packaging materials often carry a different unit cost than conventional options, and this difference needs to be visible in the cost-per-unit structure before an informed choice can be made.

This framing is consistent with research on environmental accounting in Indonesian MSMEs, which finds that an environmental accounting strategy affects sustainability performance partly through its effect on waste management practices, implying that a business's environmental performance and its cost control practices are not independent of one another (Latifah & Soewarno, 2023). At a larger scale, a study of publicly listed companies in ASEAN countries similarly found that concrete, measurable environmental actions, such as water management and emissions

reduction, were rewarded more consistently than administrative or compliance-oriented environmental measures (Sulthon & Srijekti, 2025). While that study concerns large listed firms rather than micro-enterprises, the underlying lesson, that tangible operational practices carry more credibility than paperwork alone, is directly transferable to a small food producer deciding where to focus its limited green practice efforts. This is also consistent with regional evidence from Banyumas Regency, where an assessment of Southeast Asian sustainable development practices found that direct replication of larger-scale initiatives was often impractical, and that localized, phased adaptation, starting with small pilot efforts, was the more realistic path for smaller economic actors in the regency (Darmawan et al., 2025). For a small business like Nutsafir Cookies, the practical implication is that green practice adoption is more likely to be sustained if it is grounded in the same cost data the business is already learning to keep for pricing purposes, rather than treated as an unrelated compliance exercise.

Although no outcome data are yet available, the accounting capabilities introduced in this training are conceptually linked to two forms of sustainability relevant to an SME's growth trajectory. The first is financial sustainability in the narrow sense: a business that knows its cost per unit and prices accordingly is less likely to erode its own margin through unnoticed underpricing, and is better positioned to absorb input cost volatility, a condition documented as a common vulnerability among SMEs without cost accounting systems (Roffia et al., 2024). The second is scalability: a business seeking to expand, whether into new domestic markets, larger retail partnerships, or export channels, requires financial records credible enough to support supplier negotiations, formal financing applications, and quality or certification requirements, none of which are attainable without at least the introductory reporting practices covered in this training.

Figure 1 summarizes the conceptual structure of the intervention discussed in this section. The two pre-training conditions that motivated the training, the four components the training itself covered, and the outcomes that are plausible but not yet observed.

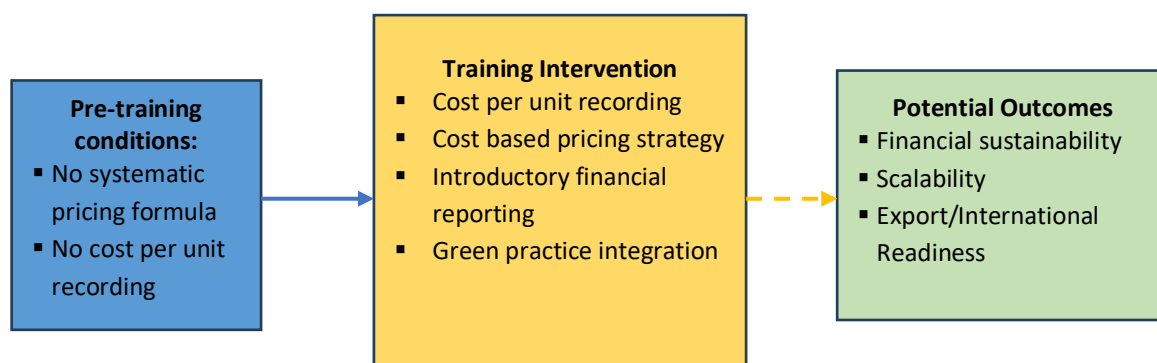


Figure 1. Conceptual framework of the community service intervention

The international dimension of this community service activity operates on two levels. Substantively, an SME with reliable cost data and basic environmentally responsible practices is somewhat better positioned, in principle, to consider export-oriented or cross-border retail opportunities that increasingly expect both cost transparency and sustainability credentials. Discursively, the intervention contributes to the broader literature on women's entrepreneurship in developing economies, which identifies financial literacy as a measurable driver of growth among women-owned SMEs (Fauzi et al., 2020). Documenting this type of intervention within an international conference proceeding adds a small but concrete case to that literature, illustrating what a financial-literacy-focused community service intervention looks like in practice for a specific woman-led food business.

This discussion should be read with an important caveat: because the training was delivered as a single session and no post-training data collection has occurred, the arguments above describe plausible mechanisms and documented patterns from comparable SMEs in the literature, not

measured effects specific to Nutsafir Cookies. Whether the SME adopts the cost-per-unit recording and pricing formula introduced in the training, and whether this translates into improved margins or informed green practice decisions, remains an open question that would require a follow-up assessment to answer.

CONCLUSION

This paper has described a community service training conducted for Nutsafir Cookies, a women-led food SME, addressing two accounting-related gaps identified prior to the intervention: the absence of a systematic pricing formula and the lack of cost-per-unit recording. The training, delivered to 70 participants at Aruna Resort, Lombok on 15 July 2026, introduced cost-per-unit recording, cost-based pricing strategy, and introductory financial reporting, and integrated these with green practice themes relevant to the ICORE conference, namely waste management, sustainable sourcing, and environmentally friendly packaging.

As a qualitative, practice-based report with no primary quantitative data and no observed post-training outcomes, this paper's contribution is conceptual and documentary rather than empirical: it explains why the accounting content of the training is relevant to the SME's sustainability and scalability, drawing on established findings from comparable SMEs and on the literature connecting financial literacy to the growth of women-owned businesses. Two recommendations follow. First, a follow-up assessment, even an informal one, should be conducted with Nutsafir Cookies some months after the training to determine whether the cost-per-unit and pricing tools introduced were adopted, and with what effect on the business's own understanding of its margins. Second, future community service programs of this type would benefit from building in a lightweight, low-cost mechanism for tracking adoption, even a simple follow-up conversation with the SME owner, so that subsequent reporting can move from documenting relevance and potential impact toward documenting actual change.

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