

Excel as a Sustainable Accounting Solution for SMEs: A Case Study of Bash Coffee Buraydah

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ARTICLE INFO	ABSTRACT
<p>Keywords: Microsoft Excel, SMEs, Cost-effectiveness, Sustainable Accounting</p>	<p>This case study looks at the use of Microsoft Excel as a long-term accounting solution for SMEs, using Bash Coffee Buraydah as an example. The study investigates how Excel's familiarity, cost-effectiveness, and customization capabilities contribute to accountants' skills and the company's long-term success. The research gives insights into how Excel improves financial data management, reduces subscription expenses, and improves efficiency and control over accounting operations using a qualitative case study technique that includes interviews and document analysis. The findings inform global SMEs about the benefits of using Excel for cost-effective and long-term accounting processes.</p>
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INTRODUCTION

In today's changing business environment, small and medium-sized firms (SMEs) are critical contributors to economic growth. However, these businesses frequently confront resource limits, necessitating the adoption of sustainable and cost-effective operational solutions. This case study investigates the use of Microsoft Excel as a more sustainable accounting solution for SMEs, concentrating on the example of Bash Coffee Buraydah, a Saudi Arabian SME. The study intends to look into how Excel has improved the accountants' skills at Bash Coffee Buraydah and contributed to the company's long-term success.

In the context of this research, "sustainability" refers to the long-term viability and effectiveness of using Microsoft Excel as an accounting solution for SMEs. It focuses on the ability of Excel to provide a cost-effective and efficient alternative to subscription-based software, contributing to the long-term success of SMEs. Sustainability, in this case, encompasses factors such as financial viability, resource efficiency, scalability, and the ability to adapt to changing business needs (Tiwari & Khan, 2020).

A technology's familiarity and accessibility have a substantial impact on its acceptance and success in a commercial setting (Rogers, 2003). Excel is commonly used in accounting and is well-known to many accountants. According to Rogers (2003), persons are more likely to adopt an invention if they believe it to be simple to use and consistent with their existing knowledge and skills. We can acquire insights into how the familiarity and accessibility of Excel contribute to its efficacy as an accounting tool by evaluating the experience of the accountant at Bash Coffee Buraydah, who has been using it for two years. This research will shed light on how SMEs can use Excel's familiarity to achieve efficient financial data management, budgeting, and analysis, while also encouraging sustainability by eliminating the need for subscription-based accounting software.

Because SMEs sometimes face budget constraints, cost-effectiveness is an important aspect in technology adoption (Graham, 1999). Accounting software that is subscription-based might impose recurrent charges that can be difficult for SMEs. SMEs can avoid these recurrent subscription expenses by using Excel, which is part of the Microsoft Office suite, improving long-term financial sustainability. This is consistent with the resource-based perspective theory, which contends that valuable and uncommon resources that are difficult to copy can provide long-term competitive advantage (Barney, 1991). SMEs can lessen their dependency on subscription-based software and

improve their long-term financial viability by encouraging the use of Excel. This study will compare Excel's cost-effectiveness and sustainability against subscription-based accounting software, revealing the economic benefits of Excel adoption for SMEs.

Excel provides a high degree of flexibility and customization, allowing accountants to adjust the software to their individual requirements. This is consistent with transaction cost economics theory, which holds that organizations attempt to reduce transaction costs by internalizing operations that may be conducted more efficiently in-house (Williamson, 1987). This study will provide insights into how SMEs can leverage Excel's customizability to meet their unique accounting requirements by examining how the accountant at Bash Coffee Buraydah has used it to streamline repetitive tasks, create personalized reports and financial models, and improve efficiency, accuracy, and control over accounting processes. Excel's customization capability improves the effectiveness of internal accounting operations, decreasing the need for external resources and boosting long-term growth.

The purpose of this study is to show the advantages of adopting Excel as a more sustainable accounting solution for SMEs. The findings will be useful for SMEs in Saudi Arabia and worldwide, allowing them to make informed decisions about their accounting processes and achieve long-term success. SMEs can achieve cost-effectiveness and productivity while also contributing to a more sustainable business ecosystem by lowering their reliance on subscription-based software by emphasizing the usage of Excel.

METHOD

This study used a qualitative case study approach to investigate the use of Microsoft Excel as a long-term accounting solution at Bash Coffee Buraydah in Saudi Arabia. The research technique included numerous phases to collect and analyze data, ensuring the findings' reliability and validity. Data was mostly gathered through semi-structured interviews with accountants who utilized Excel frequently in their accounting processes. These interviews enabled participants' experiences, perceptions, and insights about the benefits and disadvantages of using Excel as an accounting solution to be explored in depth. In addition to interviews, pertinent documents such as financial reports and records were reviewed in order to obtain further information.

The acquired material was analyzed using thematic analysis. This procedure included multiple steps: (1) Transcribing the interviews to create a textual representation of the data, (2) Coding the data by systematically labeling meaningful units of information, (3) Identifying patterns within the coded data, and (4) Developing themes that captured recurring ideas and concepts about the benefits and drawbacks of using Excel as an accounting solution. The research team identified and refined themes that captured the essence of the participants' experiences through this iterative approach, providing for a full grasp of the topic.

Triangulation was used to improve the trustworthiness of the results. The utilization of several sources or methodologies to confirm study findings is known as triangulation. In this study, it could entail cross-referencing interview data with information gleaned from document analysis or soliciting feedback from additional stakeholders such company management or external auditors. The research used triangulation to improve the validity and reliability of the data, eliminating the possibility of bias or misinterpretation.

While this research technique gives useful insights into the benefits of Excel as a long-term accounting solution for SMEs, it is critical to recognize its limits. Because it used a purposive sample technique, the participant selection process may have introduced some bias. Furthermore, relying on interviews and document analysis as primary sources of data may have limitations, such as potential recollection biases or insufficient recordkeeping. The research team attempted to address these limitations by thoroughly examining the available data and adhering to ethical issues.

RESULT AND DISCUSSION

Small and medium-sized firms (SMEs) play a critical role in generating economic growth in today's dynamic business climate. These businesses frequently confront resource limits, making it critical to implement sustainable and cost-effective solutions for their operations. Microsoft Excel, a widely used software that provides several benefits to accountants, is one such solution. This case study focuses on Bash Coffee Buraydah, a Saudi Arabian SME whose accountant has been using Excel for two years. We look at how Excel has improved accountants' skills and contributed to the company's long-term growth (Maspul *et al.*, 2022).

Furthermore, Bash Coffee Accountant makes great use of Microsoft Excel to accomplish numerous financial chores. Excel is used to keep track of daily sales activities, record and file important documents, and manage cash flow. The accountant keeps track of everyday bank activities and makes payment plans for the days ahead. All purchases and expenses are tracked in Excel, and all required paperwork is filed. The accountant also controls inventories using the first-in, first-out (FIFO) system, checks subscription consumption, and creates month-end financial statements. Excel is used to create departmental budgets, track spending, and keep track of monthly depreciation costs. In addition, the accountant uses Excel to track bank transfers in combination with contractual delivery apps, as well as to record and file tax returns for each quarterly period. The adaptability and functionality of Excel allow the Bash Accountant to handle and organize the company's financial data efficiently.

Furthermore, it can go into the unique advantages of Excel that have contributed to the accountant's skill development and the business's long-term growth. We gain insights into how Excel can empower SMEs to improve their accounting practices and drive long-term success by examining its familiarity and accessibility, cost-effectiveness, customizability, versatility, integration capabilities, training and support resources, longevity, compatibility, and collaborative features.

Familiarity and Accessibility

Rogers' (2003) diffusion of innovations theory proposes that familiarity and accessibility are important elements influencing the acceptance of an innovation. The accountant's familiarity with Excel as a commonly used accounting tool most certainly contributed to the software's ease of uptake and utilization. This is consistent with the theory's contention that people are more inclined to adopt an invention if they believe it is compatible with their existing knowledge and skills. The accountant, as an economics graduate, may have been exposed to Excel during their academic studies, boosting their familiarity with the software.

According to Barney's (1991) resource-based perspective theory, enduring competitive advantage can be obtained from precious and uncommon resources that are difficult to copy. In the case of Bash Coffee Buraydah, the accountant benefits from Excel's familiarity and accessibility. The accountant may efficiently accomplish accounting activities by leveraging their existing knowledge and skills in Excel without the requirement for extra investments in specialized accounting software. This benefits to the business's long-term growth by reducing dependency on external services and lowering the costs associated with subscription-based accounting software.

Cost-Effectiveness

The cost-effectiveness of Excel adoption at Bash Coffee Buraydah is consistent with Gupta and Sharma (2004)'s economic theory, which emphasizes the significance of cost considerations for small businesses operating in a global economy. Subscription-based accounting software usually imposes ongoing costs that can be too expensive for SMEs. By utilizing Excel, a pre-existing resource within the Microsoft Office suite, Bash Coffee Buraydah can avoid these continuing membership charges. This improves the SME's long-term financial viability by lowering the cost of accounting software and enabling for more efficient use of scarce resources.

Barney's (1991) resource-based view theory also supports the cost-effectiveness component of Excel adoption. According to this hypothesis, valuable and uncommon resources that are difficult to imitate might provide a durable competitive advantage. Bash Coffee Buraydah achieves a competitive edge by eliminating its dependency on expensive subscription-based software by using Excel as a cost-effective accounting solution. Excel's cost-effectiveness, a valuable and scarce resource, helps to the business's long-term financial sustainability and growth.

Customizability

Excel's customization features are consistent with Williamson's (1987) transaction cost economics theory. Firms, according to this theory, try to reduce transaction costs by internalizing operations that can be done more efficiently in-house. Bash Coffee Buraydah avoids the need for external resources or specialist software by adapting Excel to match their specific accounting requirements. Internalization of accounting functions improves internal process efficiency and lowers transaction costs, enabling long-term growth for the SME.

Furthermore, Excel's customisation feature is consistent with the resource-based view theory (Barney, 1991). According to this hypothesis, precious and rare resources that are difficult to imitate might provide a long-term competitive advantage. The accountant at Bash Coffee Buraydah designs a unique and bespoke accounting system by exploiting Excel's versatility and customization possibilities. This resource, which takes the shape of customized Excel templates, formulae, and macros, improves the efficiency and accuracy of accounting procedures, giving a competitive edge that competitors find difficult to imitate.

Versatility

Excel's adaptability is consistent with Teece, Pisano, and Shuen's (1997) theory of dynamic capacities. Firms with dynamic capabilities, according to this theory, may adjust and rearrange their resources and skills to respond to changes in the business environment. The accountant at Bash Coffee Buraydah can execute duties other than typical accounting operations by employing Excel's diverse features. This adaptability and utilization of Excel's features improves the firm's dynamic capacities, allowing it to create important insights from financial data and make educated decisions. Excel's adaptability promotes long-term corporate growth by enabling flexible and responsive operations in a volatile market context.

Furthermore, Stiglitz's (2000) information economics theory highlights the role of information in economic decision-making. Excel's flexibility in completing computations, data analysis, and data visualization enables the accountant to successfully generate and present financial information. This makes it easier to communicate financial insights to stakeholders, giving them the knowledge they need to make informed decisions. The capacity to convey complex financial information in a simple and straightforward manner improves the business's openness and accountability, contributing to its long-term growth.

Integration

Excel's integration capabilities are consistent with Teece's (1986) idea of complementary assets. Firms can gain a competitive edge, according to this notion, by efficiently merging their existing resources and talents with complementary assets. In the instance of Bash Coffee Buraydah, Excel's integration with other software programs and data sources serves as a complementary asset to improve accounting operations' efficiency and effectiveness. The accountant can use data from ERP or CRM systems by effortlessly importing and exporting data from diverse sources, resulting in better operational efficiency and accuracy. This integration skill becomes a valuable resource that supplements the firm's existing accounting capabilities and adds to its long-term success.

Furthermore, Katz and Shapiro's (1985) network effects theory supports the premise that the value of a product or technology improves as more consumers adopt it. Excel's popularity and compatibility with other software applications result in a network effect. Excel's usefulness as an

integrated accounting solution grows as more stakeholders within Bash Coffee Buraydah and its external partners use it for data exchange and cooperation. This network effect improves the overall efficiency and efficacy of accounting operations, hence contributing to the company's long-term growth.

Training and Support

The training and support part of Excel adoption is consistent with Becker's (1964) theory of human capital. This idea holds that investments in human capital, such as education and training, increase an individual's productivity and contribute to economic growth. The accountant at Bash Coffee Buraydah invests in their own human capital by actively participating with Excel's user community and online resources. This ongoing learning process improves the accountant's expertise in utilizing Excel as an accounting tool, resulting in enhanced productivity and efficiency in doing accounting tasks. The development of the accountant's human capital through Excel training and support contributes to the long-term expansion of Bash Coffee Buraydah by cultivating a talented and knowledgeable workforce.

Furthermore, Rogers' (2003) theory of innovation dissemination highlights the role of communication channels and social networks in distributing knowledge and aiding the acceptance of innovations. Excel's large user community and online resources serve as communication channels and social networks for the distribution of Excel expertise and best practices. The presence of tutorials, forums, and learning tools within this user community aids in the spread of Excel skills and competence. The accountant at Bash Coffee Buraydah benefits from this knowledge-sharing network by staying up to date on the latest Excel features and functionalities. This continual learning process adds to the organization's sustained adoption and effective use of Excel as an accounting tool.

Longevity and Compatibility

Excel's endurance and compatibility are consistent with Swan's (1971) idea of durable goods. This idea holds that a product's longevity and compatibility contribute to its long-term worth and economic benefits. The endurance of Excel as a widely used accounting program means that the files and data created by the accountant at Bash Coffee Buraydah remain accessible and usable for an extended length of time. Excel's backward compatibility enables the accountant to open and work with files from previous versions, ensuring continuous access to historical financial data. This Excel durability and compatibility feature contributes to the long-term viability of Bash Coffee Buraydah's accounting records, allowing the company to keep accurate and thorough financial records.

Furthermore, Katz and Shapiro's (1985) network effects theory supports the premise that compatibility increases the value of a product or technology. Excel's backward compatibility means that files and data may be easily shared and accessed by many stakeholders within the company. This compatibility promotes collaboration and efficient information transmission, allowing for strategic decisions to be made based on past financial data. Excel's long-term compatibility contributes to the long-term viability and value of accounting processes at Bash Coffee Buraydah.

Collaboration

Excel's collaboration features are consistent with Alchian and Demsetz's (1972) idea of team production. Team production, according to this approach, entails the coordinated activities of numerous individuals to attain a single goal. The accountants at Bash Coffee Buraydah can work on the same file simultaneously by employing Excel's collaboration features, facilitating cooperation and teamwork among the accounting team. This collaborative environment improves efficiency and productivity by allowing accountants to divide responsibilities, share insights, and work collaboratively on correct financial statements, audits, and other accounting chores. The collaborative characteristics of Excel allow team production, which contributes to the overall efficacy

and performance of the accounting team, hence helping the long-term success of Bash Coffee Buraydah.

Furthermore, Putnam's (2000) theory of social capital highlights the importance of social networks and relationships in attaining collective goals. The collaborative capabilities of Excel foster a social network inside the accounting team, allowing for the exchange of knowledge, insights, and skills. The ability for accountants to collaborate on the same file and track changes develops an environment of trust, cooperation, and mutual assistance. This social capital improves communication, coordination, and collaboration among accounting team members, resulting in increased accuracy, efficiency, and overall performance.

Discussion on Challenges

One potential issue that may occur in the long-term usage of Excel as an accounting solution for SMEs is the danger of errors and inconsistencies in data entry and formula computations. Despite Excel's strong formula tools, human error can still occur during data input or formula generation, resulting in mistakes in financial calculations. These inaccuracies can have serious consequences for budgeting, financial reporting, and decision-making processes. Accountants should establish stringent quality control techniques to mitigate this difficulty. This could include double-checking data entries, executing periodical reconciliations, and employing validation criteria to assure data accuracy (Korhonen et al., 2021).

Another issue that SMEs may encounter with Excel is its limited scalability and capabilities for extensive financial analysis and reporting. Accounting needs of SMEs vary as they increase in size and complexity, necessitating more sophisticated analysis and reporting capabilities. When dealing with enormous datasets, complicated financial models, and advanced analytics, Excel may approach its limits. To address this issue, SMEs should look into dedicated accounting software or enterprise resource planning (ERP) solutions that provide more powerful capabilities adapted to their growing needs (Seethamraju, 2015). These software solutions offer comprehensive reporting features, scalability, and integration capabilities to help companies streamline accounting procedures and flourish.

When using Excel for accounting, data security and confidentiality are other issues to consider. Unauthorized access, data loss, and corruption can all occur in Excel files. Accountants should employ proper data security procedures to solve this difficulty. This includes password-protecting files, limiting access to authorized individuals, and routinely backing up data to avoid data loss (Ko & Dorantes, 2006). To ensure the integrity and confidentiality of financial records, SMEs must prioritize data security.

Furthermore, Excel's dependency on human data entry and manipulation creates a time-consuming problem for accountants, especially as the volume of financial transactions grows. Manual data entry and manipulation become more labor-intensive and error-prone, threatening efficiency and production. To address this issue, SMEs could think about implementing automated accounting systems that interface with other company operations. These technologies can help to improve accuracy and productivity by streamlining data entry, automating repetitive operations, and providing real-time updates (James, 2015).

When relying entirely on Excel for accounting, integration and interoperability with other applications and systems can also be an issue. Excel integration with other software applications, such as customer relationship management (CRM) systems or inventory management software, may be problematic for SMEs. This can lead to fragmented data and inefficient workflows, which can have an impact on overall operational efficiency. To address this issue, SMEs should look at accounting software or ERP systems that provide seamless interaction with other business software solutions. This connection enables for increased cooperation and efficient data flow across many business functions (Morris, 2011).

While Excel has many benefits as an accounting solution for SMEs, it is vital to recognize the various issues that may arise in its long-term use. SMEs can leverage the benefits of Excel while mitigating potential drawbacks by implementing stringent quality control measures, considering dedicated accounting software or ERP systems for scalability, prioritizing data security, exploring automation options, and ensuring seamless integration with other software. These approaches can help SMEs achieve long-term growth and success in their accounting procedures.

CONCLUSION

The case study of Bash Coffee Buraydah demonstrates how Excel can transform accounting methods for SMEs. With two years of experience, the accountant emphasized Excel's multiple benefits, which included familiarity, accessibility, cost-effectiveness, customizability, adaptability, integration possibilities, training and support, longevity, and collaborative features. Bash Coffee Buraydah successfully managed its accounting operations by harnessing these benefits, enabling informed decision-making and contributing to long-term growth. This highlights how Excel can be a significant asset for SMEs in a variety of industries and locations, enhancing accounting operations and generating profitability. Excel's versatility and user-friendly interface make it a must-have tool for businesses all around the world. Its low cost makes it accessible to resource-constrained SMEs, providing comprehensive accounting features without requiring a large financial investment. Customizability and adaptability of the program enable SMEs to modify it to their individual accounting needs, ensuring accuracy and efficiency in financial administration. Excel's integration capabilities allow for seamless connectivity with other software applications, improving operational efficiency and easing data flow across various corporate tasks. Furthermore, its history as a widely used software, as well as an abundance of training and support resources, make it a dependable and long-term alternative for SMEs. Accounting professionals may improve teamwork, information sharing, and coordination by employing Excel's collaborative capabilities. The case study of Bash Coffee Buraydah highlights Excel's transformational potential in the accounting sector for SMEs. Excel's numerous advantages enable SMEs to improve their accounting processes, make educated decisions, and achieve long-term success. SMEs, regardless of industry or location, can use Excel's features to improve financial management and propel their company forward.

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