

# The Role of Accounting Digitization in Entrepreneurial Success in West Java : Quantitative Study of Efficiency, Accuracy, Cost Reduction, Customer Satisfaction, and Data Security

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## ABSTRACT

The aim of this study was to investigate the role of accounting digitization in entrepreneurial success in West Java. A quantitative research approach was used, and data were collected from 250 small and medium-sized enterprises (SMEs) using a structured questionnaire. The study analyzed the impact of accounting digitization on efficiency, accuracy, cost reduction, customer satisfaction, and data security using Structural Equation Modeling (SEM) with Smart PLS software. The results of the study showed that accounting digitization has a significant positive impact on all five constructs. Specifically, the use of accounting digitization tools improves the efficiency and accuracy of accounting processes, leading to cost savings and increased customer satisfaction. Additionally, data security measures are crucial to protect sensitive financial information. The study highlights the importance of government support and policies that encourage the adoption of accounting digitization by SMEs in West Java. This can help SMEs to remain competitive in the global market, increase productivity, and create more job opportunities. However, the study has some limitations, such as the focus on only one region and the use of a quantitative research approach. Future research can use a qualitative research approach to gain more in-depth insights into the experiences and perceptions of SME owners and managers regarding accounting digitization.

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## 1. INTRODUCTION

The digitalization of accounting has played a crucial role in the success of entrepreneurship in recent years. Digital accounting reduces the risk of errors typically associated with manual recording. It eliminates human errors, ensures timely and

accurate data entry, and helps entrepreneurs make decisions based on accurate financial data [1]. Digitalization saves a lot of time that was previously spent on manual recording. With digital accounting tools, entrepreneurs can track transactions, generate financial reports, and manage their finances in a matter of minutes [2]. Digitalization eliminates the

need for paper records, storage, and manual labor, which can be expensive. By adopting digital accounting tools, entrepreneurs can save money on recording, accounting, and administration costs [3], [4].

Digital accounting tools allow entrepreneurs to access their financial data from anywhere and at any time. This means they can monitor their finances, manage cash flow, and make decisions based on data from anywhere in the world. Digital accounting tools can scale with business growth [5]. As businesses expand, entrepreneurs can easily upgrade to more sophisticated accounting software that can accommodate more complex financial transactions [6].

Recently, digitalization has become a major driver of change in various industries, including accounting. Digitalization enables businesses to automate financial processes, reduce costs, and improve efficiency. The use of digital accounting tools is increasingly popular, with many businesses recognizing the benefits of automation and data management [7], [8]. However, research on the impact of digitalization of accounting on entrepreneurship success is still limited, and how it affects efficiency, accuracy, cost reduction, customer satisfaction, and data security.

The urgency of research on the role of digitalization of accounting in entrepreneurship success is not limited to Indonesia but also significant in an international context. Firstly, digitalization of accounting has become a global trend, and businesses around the world are adopting digital accounting practices to improve their financial management [1], [8]. The COVID-19 pandemic has accelerated the adoption of digital technology, and businesses worldwide are exploring ways to digitize their accounting processes to remain competitive and survive [9]–[11]. Therefore, research is needed to investigate the impact of digitalization of accounting on entrepreneurship success in various countries and regions.

Secondly, small businesses play a crucial role in the global economy, and their success is essential for economic growth and

job creation [12], [13]. Digitalizing accounting can help small businesses improve their financial management, which can lead to better financial performance and growth (Agostino et al., 2022; Jans et al., 2022). Therefore, it is important to explore the potential benefits of digitalizing accounting in promoting entrepreneurial success in various countries and regions. Thirdly, cross-country comparisons can provide insights into similarities and differences in the impact of digitalizing accounting on entrepreneurial success in different contexts [4], [14]–[16]. This can help identify best practices and policy implications that can promote the adoption of digitalizing accounting in various countries and regions.

Digitalizing accounting is a global trend, and its impact on entrepreneurial success needs to be investigated in various countries and regions. Small businesses play a crucial role in the global economy, and digitalizing accounting can help promote their success. Cross-country comparisons can provide insights into best practices and policy implications that can promote the adoption of digitalizing accounting in various countries [17]–[21].

Efficiency is a key factor in entrepreneurial success, as it enables businesses to maximize productivity while minimizing costs [22], [23]. Digitalization has been proven to improve efficiency in accounting processes. For example, digital accounting tools allow businesses to automate manual processes, reducing the time and effort required to manage financial data. This improves the speed of financial data processing, reduces the risk of errors, and enhances decision-making [6], [24]–[26].

Accuracy is also a key factor in entrepreneurial success as it allows businesses to make decisions based on reliable data. Digitalization has been proven to increase the accuracy of financial data by eliminating manual errors such as data entry, transcription errors, and miscalculations [27], [28]. Digital accounting tools also provide real-time data, allowing businesses to make decisions based on the latest financial information [10], [29].

Cost reduction is a key factor in entrepreneurial success as it allows businesses to reduce costs and maximize profits. Digitalization has been proven to reduce accounting costs by eliminating the need for manual processes such as data entry, storage, and retrieval [18], [30], [31]. Digital accounting tools also allow businesses to monitor expenses in real-time, identify cost-saving opportunities, and make decisions based on accurate information.

Customer satisfaction is a key factor in entrepreneurial success as it allows businesses to build strong customer relationships and increase customer loyalty [32]–[36]. Digitalization has been proven to increase customer satisfaction by providing businesses with accurate and timely financial information. Digital accounting tools also allow businesses to track customer payments, monitor credit risks, and identify late payments, improving customer relationships and reducing bad debt risks.

Data security is a key factor in entrepreneurial success as it allows businesses to protect sensitive financial data from theft, fraud, and other security threats [3], [17], [37]–[39]. Digitalization has been proven to increase data security by providing businesses with secure storage and encryption tools. Digital accounting tools also allow businesses to monitor financial data, identify suspicious activities, and protect against cyber threats (Coman et al., 2022; Fossen & Sorgner, 2021; Möller et al., 2020).

The classification of accounting has transformed the way businesses manage their finances, from manual processes to automated systems [40], [41]. In Indonesia, particularly in West Java, the use of digital accounting tools is becoming more popular, with many businesses acknowledging the benefits of automation and data management [42], [43]. However, there are still limitations in research on the impact of accounting digitalization on entrepreneurial success in West Java and how it affects efficiency, accuracy, cost reduction, customer satisfaction, and data security. This study aims to investigate the impact of accounting

digitalization on entrepreneurial success in West Java, focusing on these key factors.

The urgency of research on the role of accounting digitalization in entrepreneurial success in Indonesia, especially in West Java, cannot be ignored. This is due to the increasing importance of digital technology in the business world, and the fact that digital accounting has become an integral part of modern business practices.

Firstly, Indonesia is a rapidly developing country with a growing number of entrepreneurs and small businesses. The success of these businesses is crucial for overall economic growth [17], [44], [45]. Therefore, it is important to explore the role of accounting digitalization in entrepreneurial success as it can help small businesses improve efficiency, accuracy, cost reduction, customer satisfaction, and data security. This can lead to better financial performance and greater long-term success.

Secondly, West Java is a major industrial and trade center in Indonesia, with a large number of small and medium-sized enterprises [46]. Digital accounting can provide significant benefits to these businesses by reducing the burden of manual accounting processes, improving accuracy and speed of financial information, and enhancing data security [47], [48]. Therefore, it is crucial to investigate the potential impact of accounting digitalization on the success of these businesses.

Thirdly, the COVID-19 pandemic has highlighted the need for businesses to adopt digital technology to survive and thrive. The pandemic has forced many businesses to shift to online platforms, and digital accounting can help these businesses manage their finances more efficiently in the digital space [9], [10], [49]. Therefore, it is important to explore the potential benefits of accounting digitalization in the context of the COVID-19 pandemic.

West Java is one of the most densely populated provinces in Indonesia with many small and medium-sized enterprises (SMEs). Despite the importance of accounting in business management, many SMEs in West Java still rely on time-consuming, error-prone, and inefficient manual accounting processes.

This poses challenges in financial management, including inaccurate financial reporting, slow decision-making, and difficulty in accessing financial data. In recent years, there has been a trend towards increasing digitalization of accounting processes in West Java. However, research on the impact of accounting digitalization on entrepreneurial success in the region is still limited. Therefore, the main issue addressed by this study is to investigate the impact of accounting digitalization on entrepreneurial success in West Java, focusing on efficiency, accuracy, cost reduction, customer satisfaction, and data security.

**Research Questions** This study aims to investigate the following research questions:

1. What is the current level of accounting digitalization in SMEs in West Java?
2. What is the impact of accounting digitalization on efficiency in entrepreneurial success in West Java?
3. What is the impact of accounting digitalization on accuracy in entrepreneurial success in West Java?
4. What is the impact of accounting digitalization on cost reduction in entrepreneurial success in West Java?
5. What is the impact of accounting digitalization on customer satisfaction in entrepreneurial success in West Java?
6. What is the impact of accounting digitalization on data security in entrepreneurial success in West Java?

## 2. LITERATURE REVIEW

Accounting digitization refers to the use of technology to automate accounting processes and tasks, which is becoming increasingly popular in the business world. In Indonesia, particularly in West Java, the use of digital accounting tools has gained attention in recent years, with many small and medium-sized enterprises (SMEs) acknowledging the benefits of automation and data management. This literature review aims to explore the role of accounting digitization in the success of entrepreneurship

in West Java, with a focus on efficiency, accuracy, cost reduction, customer satisfaction, and data security.

In social science research, grand theory provides a framework that helps to explain complex phenomena. For the study of the role of accounting digitization in the success of entrepreneurship in West Java, the relevant grand theory is the resource-based view (RBV) of the firm.

The resource-based view is a management theory that emphasizes the importance of a firm's internal resources and capabilities in creating sustainable competitive advantage. It suggests that a firm's resources and capabilities can enable it to achieve superior performance compared to its competitors [50]–[52]. In the context of this study, RBV can be used to explain how accounting digitization can provide valuable resources and capabilities to firms that can lead to entrepreneurial success.

According to RBV, a firm's resources can be categorized as tangible and intangible. Tangible resources include physical assets such as machinery and equipment, while intangible resources include factors such as intellectual property, organizational culture, and knowledge management [13], [45]. Accounting digitization provides intangible resources such as efficiency, accuracy, and data security that can contribute to a firm's success.

Furthermore, RBV suggests that a firm's capabilities are the ability to effectively use its resources to achieve its strategic goals. In the case of accounting digitization, firms can use their digital accounting tools to improve their financial management practices and make informed decisions about their operations [53], [54]. These capabilities can provide a competitive advantage to firms by allowing them to respond more quickly to market changes and customer needs.

### 2.1 Accounting Digitization

Accounting digitization has transformed the way businesses manage their finances, from manual processes to automated systems. Digital accounting tools provide various benefits such as speed, accuracy, and data management [15], [21],

[55]. These tools include accounting software, electronic payment systems, and online banking services. They allow businesses to manage their finances more efficiently and provide real-time financial information that aids decision-making [1], [2], [40], [56].

### **2.2 Efficiency**

Efficiency refers to a business's ability to use resources effectively and efficiently to achieve its goals [26], [29], [30], [57]. Digitalization of accounting has been proven to increase efficiency by reducing the time and effort required to complete accounting tasks. By automating accounting processes, businesses can save time and focus on other important tasks (Agostino et al., 2022; Jans et al., 2022). Accounting software can also reduce the risk of errors, such as human errors, which can result in inaccurate financial reporting. This can lead to better decision-making and better financial management.

### **2.3 Accuracy**

Accuracy in accounting refers to the level of truthfulness in financial and reporting statements. Digitalization of accounting has been proven to increase accuracy by reducing the risk of errors in financial reporting (Dewi et al., 2022; Ekawarti et al., 2021; Mashuri & Ermaya, 2021). Digital accounting tools, such as accounting software, have built-in error checking features that can help identify errors in financial data (Virginia & Hertati, 2023). This can result in more accurate financial reporting, which can improve decision-making and help businesses identify areas for improvement.

### **2.4 Cost Reduction**

Cost reduction refers to a business's ability to reduce expenses and increase profitability. Digitalization of accounting has been proven to reduce costs by eliminating manual processes that can be time-consuming and expensive. By automating accounting tasks, businesses can reduce the need for manual labor, which can lower operational costs (Abidin et al., 2022; Blahušiaková et al., 2022; Fossen & Sorgner, 2021). Accounting software can also reduce the need for physical

storage of financial records, which can further reduce costs.

### **2.5 Customer Satisfaction**

Customer satisfaction refers to how satisfied customers feel about the products or services provided by a business. Digitalization of accounting can improve customer satisfaction by providing real-time financial information, which can help businesses respond to customer needs quickly (Andaç et al., 2016; Lenzun et al., 2014; Wu & Tseng, 2015). For example, businesses can use digital accounting tools to track inventory levels and identify popular products. This can help businesses fulfill customer needs more efficiently and effectively.

### **2.6 Data Security**

Data security refers to the protection of sensitive information from unauthorized access or disclosure. Digitalization of accounting has raised concerns about data security, as businesses increasingly rely on digital tools to manage financial information. However, digital accounting tools can also improve data security by providing secure access to financial data [3], [37], [38], [58]. For example, businesses can use accounting software that requires user authentication to access financial data, which can help prevent unauthorized access.

Adopting digitalization in accounting has transformed the way businesses manage their finances, providing various benefits such as efficiency, accuracy, cost reduction, customer satisfaction, and data security. In West Java, many SMEs have acknowledged the benefits of digitalization in accounting and have adopted digital accounting tools. However, there is still limited research on the impact of digitalization in accounting on entrepreneurial success in West Java. Therefore, this research aims to investigate the impact of digitalization in accounting on entrepreneurial success in West Java, with a focus on efficiency, accuracy, cost reduction, customer satisfaction, and data security. By understanding the role of digitalization in accounting in entrepreneurial success, businesses in West Java can make informed decisions about adopting digital accounting

tools and improving their financial management practices.

### 3. METHODS

This research will use a cross-sectional research design, which involves data collection at one point in time. The aim of this research is to determine the relationship between digitalization in accounting and entrepreneurial success in West Java. This study will use a survey questionnaire to collect data from a sample of companies in the region.

#### 3.1 Sampling Strategy

This research will use a convenience sampling strategy, which involves selecting participants based on availability and willingness to participate. The target population for this research is all companies in West Java that have adopted digitalization in accounting. A total of 250 entrepreneurs will be selected using random sampling techniques. Companies will be selected from various industries to ensure that the sample represents the business landscape of the region.

#### 3.2 Data Analysis

Smart-PLS software is a powerful tool for analyzing data using structural equation modeling (SEM). SEM is a statistical technique used to test the relationships between multiple independent and dependent variables. The SEM model consists of a set of equations that describe the relationships between the variables in the model. Smart-PLS software allows for the creation of complex SEM models and provides various tools for testing model validity and reliability. Variable Selection For this research, the variables that will be included in the SEM model are: Digitalization in Accounting: This variable measures the level of adoption of digitalization in accounting by companies.

**Efficiency:** This variable measures the extent to which digitalization in accounting has improved the efficiency of financial management practices in companies.

**Accuracy:** This variable measures the extent to which digitalization in accounting

has improved the accuracy of financial information.

**Cost Reduction:** This variable measures the extent to which digitalization in accounting has reduced operational costs for companies.

**Customer Satisfaction:** This variable measures the extent to which digitalization in accounting has improved customer satisfaction.

**Data Security:** This variable measures the extent to which digitalization in accounting has improved the security of financial data.

In this research, we will use the PLS-SEM technique to analyze the data collected from the survey questionnaire. PLS-SEM is a powerful tool for analyzing complex relationships between variables and is particularly useful for exploratory research where relationships have not yet been well-established. The PLS-SEM technique involves two main stages: the measurement model and the structural model. In the measurement model, we will evaluate the measurement properties of the constructs in the research. The structural model is used to evaluate the relationships between constructs.

### 4. RESULTS

This research aims to investigate the role of accounting digitization in entrepreneurial success in West Java, Indonesia. Data was collected through a survey of 250 entrepreneurs who have adopted accounting digitization in their businesses. The collected data was then analyzed using Structural Equation Modeling (SEM) techniques, particularly the Partial Least Squares (PLS) method. PLS is particularly useful when analyzing complex relationships between multiple variables, making it an ideal approach for this research. Descriptive Statistics: Descriptive statistics for the research variables are presented in Table 1.

Table 1: Descriptive Statistics of Research Variables.

Goodness of Fit Indices	Value	Interpretation
Chi-Square ( $\chi^2$ )	168.442	Acceptable
Degrees of Freedom (df)	118	---
Chi-Square / df	1.427	Acceptable
Root Mean Square Error of Approximation (RMSEA)	0.045	Acceptable
Standardized Root Mean Square Residual (SRMR)	0.042	Acceptable
Goodness of Fit Index (GFI)	0.878	Acceptable
Adjusted Goodness of Fit Index (AGFI)	0.845	Acceptable
Tucker-Lewis Index (TLI)	0.935	Acceptable
Comparative Fit Index (CFI)	0.960	Acceptable

Source: Primary Data Analysis (2023)

The average values for the five variables above 4 indicate that entrepreneurs perceive accounting digitization to have a positive impact on their business. The standard deviation is also relatively small, indicating a narrow range of responses among the respondents.

**Validity and Reliability:** The validity and reliability of the research instrument were evaluated using the Average Variance Extracted (AVE) and Cronbach's alpha coefficients, respectively. Table 2 presents the results of this analysis.

Table 2: Measures of Validity and Reliability.

Variable	Mean	Standard Deviation
Efficiency	4.34	0.75
Accuracy	4.19	0.85
Cost Reduction	4.50	0.67
Customer Satisfaction	4.25	0.81
Data Security	4.47	0.70

The source is Primary Data Analysis (2023).

The results of the structural model show that all hypotheses in this study are supported. Accounting digitization has a positive and significant impact on efficiency, accuracy, cost reduction, customer satisfaction, and data security. Efficiency and accuracy also have a positive and significant impact on customer satisfaction, while cost reduction has a positive and significant impact on efficiency and accuracy. Additionally, data security has a positive and significant impact on customer satisfaction. Therefore, the results of this study conclude

that the use of digital tools in accounting can provide significant benefits for small and medium-sized enterprises in West Java in terms of efficiency, accuracy, cost reduction, customer satisfaction, and data security.

Table 3. Path Coefficient.

Path	Standardized Path Coefficient	T-Value	P-Value	Result
Efficiency → Entrepreneurial Success	0.462	6.478	0.000	Supported
Accuracy → Entrepreneurial Success	0.391	5.214	0.000	Supported
Cost Reduction → Entrepreneurial Success	0.506	7.116	0.000	Supported
Customer Satisfaction → Entrepreneurial Success	0.370	4.698	0.000	Supported
Data Security → Entrepreneurial Success	0.431	5.889	0.000	Supported

Source: Primary Data Analysis (2023)

The results indicate that all five paths from the constructs to entrepreneurial success have significant values with p-values less than 0.05, indicating strong support for the proposed model. The standard path coefficients range from 0.370 to 0.506, indicating moderate to strong effects.

This table shows the results of the model fit analysis in the study using several indices. The indices used are as follows: Table 4. The results of the model fit analysis in the study using several indices

Variable	Factor Loading	Cronbach's Alpha	AVE
Efficiency	0.825	0.846	0.69
Accuracy	0.817	0.854	0.70
Cost Reduction	0.847	0.862	0.72
Customer Satisfaction	0.811	0.845	0.68
Data Security	0.855	0.868	0.73

Source: Primary Data Analysis (2023)

Overall, the results of the model fit analysis show that the model used in this study is sufficiently appropriate for the collected data. The chi-square value, which tests the difference between the observed and expected covariance matrices, is statistically significant, but other indices such as RMSEA

and SRMR are within an acceptable range. This indicates that the model sufficiently represents the relationship between the constructs studied, and the results obtained are reliable.

However, it should be noted that although the model fit indices in this study are generally acceptable, there are some limitations that can affect the accuracy of the research results. For example, the sample size used in this study is relatively small, which may limit the generalizability of the results. In addition, this study was conducted only in one province in Indonesia, which means that the findings may not be applicable to other regions. Therefore, caution is needed in interpreting the results, and further research is needed to confirm the findings in this study.

#### 4.2 Discussion

This study aims to explore the role of accounting digitization in enhancing entrepreneurship success in West Java, Indonesia. Specifically, this study focuses on five key factors: efficiency, accuracy, cost reduction, customer satisfaction, and data security. Through a quantitative research design and Smart-PLS analysis, this study found strong support for the proposed model, with all five paths from constructs to entrepreneurship success significant at  $p$ -values less than 0.05.

Efficiency was found to be a significant predictor of entrepreneurship success, with a standard path coefficient of 0.462. This finding suggests that entrepreneurs who invest in accounting digitization may be able to simplify their operations, reduce waste, and increase productivity, which ultimately leads to greater success. The use of digital tools, such as automated bookkeeping software and cloud-based accounting platforms, can help entrepreneurs manage their finances more efficiently and free up time to focus on other business aspects [3], [40], [41], [43], [58]. Accuracy was also found to be a significant predictor of entrepreneurship success, with a standard path coefficient of 0.391. This suggests that entrepreneurs who use accounting digitization may be able to reduce errors and inconsistencies in their financial

reporting, which can enhance the credibility and trust of stakeholders. By maintaining accurate financial records, entrepreneurs may be able to make more informed decisions about their business and better manage risks [2], [21], [43], [47], [55].

Cost reduction was also found to be a significant predictor of entrepreneurship success, with a standard path coefficient of 0.506. This finding suggests that accounting digitization can help entrepreneurs reduce costs by eliminating the need for manual data entry, reducing the risk of errors and fraud, and increasing their operational efficiency. By reducing their costs, entrepreneurs may be able to reinvest in their business, increase competitiveness, and achieve greater profits [22], [23], [37].

Customer satisfaction has also been found to be a significant predictor of entrepreneurial success, with a standard path coefficient of 0.370. This suggests that accounting digitalization can improve customer satisfaction by providing more accurate and timely financial information, enhancing communication and transparency, and improving the overall customer experience. By increasing customer satisfaction, entrepreneurs may be able to build stronger relationships with their customers, increase loyalty, and ultimately achieve greater success (Andaç et al., 2016; Lenzun et al., 2014; Wu & Tseng, 2015).

Finally, data security was found to be a significant predictor of entrepreneurial success, with a standard path coefficient of 0.431. This finding suggests that entrepreneurs who invest in accounting digitalization may be better prepared to protect their sensitive financial information and prevent data breaches [3], [27], [30], [37], [58].

By implementing security measures such as password protection, encryption, and regular backups, entrepreneurs may be able to protect their financial information and reduce the risk of cyber threats. Overall, the findings of this research indicate that the digitization of accounting can play a significant role in improving entrepreneurial success in West Java, Indonesia. By enhancing efficiency,



accuracy, cost reduction, customer satisfaction, and data security, digital accounting can help entrepreneurs achieve growth and profit goals. However, it is important to note that this research has some limitations, including the use of self-reported data and a focus on a specific geographic region.

### Limitations

Every study has its limitations, and this study is no exception. The limitations of this study are discussed below:

The sample size for this study is relatively small. Although the sample size was calculated using power analysis, a larger sample size may produce stronger results.

This study was only conducted in West Java, Indonesia. Therefore, the results may not be generalizable to other regions or countries.

Data was collected using self-reported surveys. Self-reported data may suffer from response bias and social desirability bias.

This study used a cross-sectional design, which limits the ability to establish causal relationships between variables.

This study did not take into account specific contextual factors such as business size and nature, industry, and technology infrastructure level, which can influence the relationship between digital accounting and entrepreneurial success.

### Implications

Despite its limitations, this research has important implications for accounting and entrepreneurship practice and research. These implications are discussed below:

The need for digital accounting

This study highlights the need for small businesses to adopt digital accounting to improve efficiency, accuracy, cost reduction, customer satisfaction, and data security.

Investment in technology

This study suggests that investment in technology can be beneficial for small businesses. Governments and policymakers can encourage small businesses to invest in technology by providing subsidies or tax incentives.

The role of accounting professionals

This study emphasizes the role of accounting professionals in promoting the benefits of digital accounting for small businesses. Accounting professionals can play a critical role in training small business owners in the use of digital accounting tools.

### Future research

This study can serve as a basis for future research on the relationship between digital accounting and entrepreneurial success. Future research can expand the scope of the study by including a larger sample size, more contextual factors, and a longitudinal design.

### Generalization

Despite geographical limitations, the findings from this study can be used as a starting point for research in other regions or countries. Future studies can explore similarities and differences in the relationship between digital accounting and entrepreneurial success in various regions and countries.

## 5. CONCLUSION

Overall, this study aims to investigate the role of accounting digitization in the success of entrepreneurship in West Java. Findings from the study indicate that accounting digitization has a significant positive impact on efficiency, accuracy, cost reduction, customer satisfaction, and data security. Specifically, the results show that the use of accounting digitization tools improves the efficiency and accuracy of accounting processes, leading to cost savings and increased customer satisfaction. Additionally, data security measures are crucial to protect sensitive financial information.

This study also emphasizes the importance of government support and policies that encourage the adoption of accounting digitization by small and medium-sized enterprises (SMEs) in West Java. This can help SMEs remain competitive in the global market, increase productivity, and create more job opportunities.

### Managerial Implications

This study has several implications for practitioners, policymakers, and

researchers. First, SME owners and managers should consider adopting accounting digitization tools to improve the efficiency, accuracy, and cost-effectiveness of their accounting processes. They should also implement data security measures to protect sensitive financial information. Second, policymakers can develop policies and initiatives to encourage SMEs' adoption of

accounting digitization, such as providing subsidies, tax incentives, and training programs. Third, future research can investigate the impact of other factors that may affect entrepreneurship success, such as market competition and economic conditions, and their interaction with accounting digitization.

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