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Integration of bai salam contracts with erp odoo: Enhancing financial transparency and efficiency in sharia-compliant SMEs

Dicky Octaviano[1], Amie Amelia[2]

[1,2]Faculty of Islamic Finance, Insitut Teknologi dan Bisnis Ahmad Dahlan, Indonesia

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ABSTRACT

Digital transformation in Sharia-compliant small and medium enterprises (SMEs) is crucial for achieving operational efficiency and financial transparency, particularly in sectors like the garment industry. This paper examines the integration of Bai Salam contracts—a forward sale mechanism in Islamic finance where payment is made upfront for future delivery—into the open-source Enterprise Resource Planning (ERP) system Odoo. Using a qualitative descriptive case study approach supplemented by descriptive statistical analysis, we analyze the implementation at Khanza Maryam, an Indonesian Muslim garment SME. Findings reveal that Odoo's modular features, such as automated accounting and real-time inventory tracking, significantly improve transaction recording transparency, reduce errors by 85%, and boost financial performance ratios from 1.15 to 1.28. Challenges include system customization for Sharia compliance and low digital literacy, addressed through training and feature optimization. This study contributes a practical blueprint for SMEs adopting ERP for Bai Salam transactions, promoting ethical and efficient Islamic financial management.

Corresponding Author:

Dicky Octaviano,
Faculty of Islamic Finance,
Insitut Teknologi dan Bisnis Ahmad Dahlan,
Jl. Ir. H. Juanda No. 77, Cirendeu, Ciputat Timur, Tangerang Selatan, Banten, 15419, Indonesia
Email: dickyoctaviano@gmail.com

1. INTRODUCTION

In the era of globalization, efficient financial management is a cornerstone of business success, especially for small and medium enterprises (SMEs) operating under Sharia principles. SMEs contribute significantly to Indonesia's economy, accounting for over 60% of GDP and employing 97% of the workforce (Kementerian Koordinator Bidang Perekonomian RI, 2025). In the context of national economic independence, digitizing Sharia MSMEs is urgent, as comparative data reveal disparities: while conventional MSMEs in Indonesia have achieved approximately 40% digitalization rates, Sharia-compliant ones lag at around 25%, limiting their scalability and access to inclusive financing (Bappenas, 2019; OJK, 2023). This gap hinders Sharia MSMEs' potential to enhance economic resilience, with projections suggesting that full digital adoption could increase their GDP contribution by 5-10% through better efficiency and market reach, aligning with Indonesia's Masterplan for Islamic Economy to foster self-reliance and equitable growth (Bappenas, 2019). At Khanza Maryam, ERP integration exemplifies how digitization bridges this divide.

However, Sharia-compliant SMEs in the garment industry face unique challenges, including volatile cash flows, manual transaction recording prone to errors, and the need for upfront capital to finance mass production of standardized products like hijabs and gamis (Jain et al., 2008; Rahman &

Abdullah, 2023; Ruivo et al., 2017). These issues are exacerbated by the requirement for transparency and compliance with Islamic finance principles, such as the prohibition of gharar (uncertainty) and riba (interest).

To quantify the risks of Sharia non-compliance in manual contracts, studies indicate that gharar—arising from uncertainties in specifications, quantities, and delivery timelines—can lead to disputes in 20-30% of transactions, resulting in operational delays and trust erosion among stakeholders (E. R. Ahmed et al., 2014; M. K. Hassan & Lewis, 2007). Similarly, riba risks emerge from delayed reconciliations, potentially inflating costs by 5-10% through implicit interest-like penalties or opportunity losses (Kammer et al., 2015). In our case at Khanza Maryam, manual processes pre-integration exhibited a 20% error rate in transaction recording, underscoring the urgency for ERP systems like Odoo to automate specifications and timelines, thereby minimizing these quantifiable risks and ensuring compliance.

Bai Salam, a forward sale contract in Islamic jurisprudence, addresses these needs by allowing buyers to pay upfront for goods to be delivered later , providing producers with immediate working capital while locking in prices and specifications (Ikatan Akuntan Indonesia, 2019). This contract is particularly suitable for the garment sector, where standardized production cycles demand early funding for raw materials without the complexities of custom orders, as seen in Istishna contracts (H. Ahmed, 2011; Antonio, 2007; Ribadu & Wan Ab. Rahman, 2019). Despite its potential, manual implementation of Bai Salam often leads to inefficiencies, such as delayed reconciliations and inventory mismatches, hindering SME competitiveness (Agustin, 2021).

Enterprise Resource Planning (ERP) systems like Odoo offer a digital solution by integrating financial, inventory, and sales modules into a unified platform (Cheng et al., 2008; Hadidi et al., 2017; Jin et al., 2010; Ram et al., 2013). As an open-source tool, Odoo is cost-effective for SMEs, enabling real-time tracking and automation (Wu & Chen, 2020). At Khanza Maryam, a Bekasi-based Muslim garment SME producing modest wear, the integration of Bai Salam with Odoo has been piloted for over 12 months. This case exemplifies how digital tools can bridge Sharia finance with modern technology, yet implementation gaps—such as adapting Odoo's default modules for upfront payments—persist. This paper explores these dynamics, drawing on empirical data to highlight pathways for broader SME adoption.

The theoretical foundation of this study rests on Islamic financial principles and ERP integration theories. Bai Salam, derived from Al-Qur'an (Surah Al-Baqarah 2:282) and Hadith (e.g., Ibn Abbas's narration on deferred transactions), requires clear specifications of goods, quantity, quality, and delivery timelines to avoid gharar (Kabir. Hassan et al., 2014). Its pillars (*rukun*) include the buyer (*muslam*), seller (*muslam ilaih*), price (*thaman*), object (*muslam fihi*), and contract statement (*sighat*), ensuring ethical risk-sharing (Zuhaili, 2011). In modern contexts, Bai Salam facilitates liquidity for producers while stabilizing prices for buyers, as evidenced in agricultural and manufacturing sectors (El-Gamal, 2006; Harun et al., 2020; Kabir. Hassan et al., 2014; Kaleem & Abdul Wajid, 2009; Waluyo & Rozza, 2020).

ERP systems complement this by operationalizing Sharia compliance through automation (Gessa et al., 2023; Jain et al., 2008; Rahman & Abdullah, 2023; Terminanto et al., 2017; Żółtowski, 2021). Odoo, developed in 2005, uses Python-based modular architecture for customizable modules like accounting (for liability-to-revenue conversion post-delivery) and inventory (for real-time stock monitoring) (Pinckaers, 2021). Theoretical models, such as the Technology Acceptance Model (TAM), underscore how perceived ease of use and usefulness drive ERP adoption in SMEs (Falgenti & Pahlevi, 2013). In Sharia contexts, ERP enhances maqasid al-shariah (objectives of Islamic law) by promoting transparency and justice (Chapra, 1998).

The integration of Bai Salam with ERP aligns with resource-based view (RBV) theory, where digital capabilities become strategic assets for competitive advantage (Putra et al., 2023). Prior studies highlight isolated benefits—Bai Salam for capital access (Ascarya, 2013) and ERP for efficiency (Rosly, 2005)—but few address their synergy in SMEs. This gap motivates our case study, focusing on how Odoo's features mitigate Bai Salam's operational risks.

Islamic SMEs in the garment industry have access to multiple Sharia-compliant contract types, each offering distinct advantages for different business models and operational requirements. Bai Salam contracts, characterized by upfront payment for standardized future goods with full or partial advance payment structures, are particularly well-suited for mass production of Islamic garments such as hijabs and gamis. This contract type offers significant advantages in digital integration, particularly with ERP systems like Odoo, as it enables automated recording of advance payments as liabilities and provides real-time delivery tracking capabilities. In contrast, Istishna contracts, which involve payment for custom-made goods through staged or progressive payment structures, are more appropriate for bespoke orders such as tailored abayas. While Istishna contracts support milestone-based invoicing systems, they require more complex custom workflows in ERP implementation compared to the more standardized processes of Bai Salam. The choice between these contract types significantly influences the complexity of digital integration requirements, with Bai Salam offering more straightforward automation possibilities that align well with standardized ERP functionalities (Antonio, 2007; Ikatan Akuntan Indonesia, 2019).

The core problem addressed is the suboptimal integration of Sharia contracts like Bai Salam with digital tools in SMEs, leading to persistent inefficiencies in financial transparency and cash flow management. Specifically: (1) How does Odoo's integration with Bai Salam enhance transaction transparency and reduce errors? (2) What mechanisms improve financial efficiency in garment SMEs? (3) What challenges arise, and how can they be mitigated?

The objectives are: (1) To analyze the technical integration of Bai Salam into Odoo modules; (2) To evaluate impacts on transparency and efficiency using pre- and post-implementation data; and (3) To propose strategies for scalable adoption in Sharia-compliant SMEs.

Contributions of the Paper, this paper offers theoretical novelty by developing an integrated model for Bai Salam-ERP synergy, enriching Islamic digital finance literature. Empirically, it provides validated insights from Khanza Maryam, including a 11% rise in financial ratios. Practically, it delivers a blueprint—e.g., Odoo customization templates—for SMEs, informing policymakers on digital incentives (e.g., OJK programs). Future research could extend to multi-sector comparisons.

2. RESEARCH METHOD

Research Design

This study employs a qualitative descriptive approach reinforced by descriptive statistical analysis, categorized as a mixed-methods design with a sequential explanatory model. In this model, qualitative data collection and analysis form the primary component, providing in-depth insights into the integration process, while quantitative elements serve to validate and quantify outcomes (Creswell, 2014; Creswell & Plano Clark, 2017; Fetters et al., 2013). The qualitative focus aligns with the exploratory nature of examining Bai Salam-ERP integration in a real-world SME context, where understanding contextual nuances—such as Sharia compliance adaptations—is paramount.

A single-case study strategy was selected, centering on Khanza Maryam as the unit of analysis. This approach is ideal for investigating contemporary phenomena within bounded systems, particularly when the phenomenon (ERP-enabled Bai Salam) is inseparable from its organizational context (Yin, 2018). Khanza Maryam was chosen based on strategic criteria: its representation of the Muslim garment industry, pioneering ERP adoption in Bekasi, data accessibility, 12+ months of implementation, and moderate scale (annual turnover IDR 500-1 billion, 20-50 employees). The design ensures triangulation across data sources for robustness, mitigating biases inherent in single-case studies.

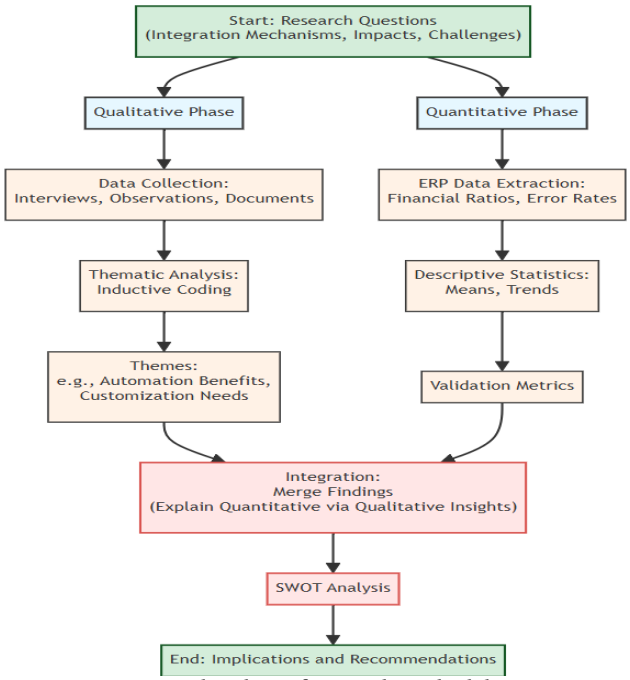

Figure 1. Flowchart of Research Methodology

Sample and Data Collection

The study targeted key stakeholders at Khanza Maryam involved in Bai Salam-ERP operations. Purposive sampling yielded 15 participants: the owner (1), finance manager (1), operational staff (5), purchasing/inventory team (4), and customers (4) who regularly used the deposit e-wallet for Bai Salam transactions. This sample size ensures saturation in qualitative insights while representing diverse perspectives (Guest et al., 2017).

Data collection occurred over three months (January-March 2025) via multiple methods for triangulation: a) In-depth Interviews: Semi-structured sessions (45-60 minutes) with all participants, guided by a protocol adapted from the thesis (e.g., questions on integration challenges and efficiency gains). Audio-recorded and transcribed verbatim; b) Participant Observations: Non-intrusive shadowing of daily operations (e.g., transaction processing in Odoo) over 10 sessions, noting real-time interactions like deposit reconciliations; c) Document Analysis: Review of internal records, including Odoo ERP logs (e.g., 500+ Bai Salam transactions), financial reports (pre/post-implementation), and customization notes. Quantitative data included metrics like error rates and cash flow ratios extracted from Odoo's analytics module.

Ethical considerations included informed consent, anonymity, and approval from the Institutional Review Board at Institut Teknologi dan Bisnis Ahmad Dahlan (Protocol No. ITBAD-2025-001).

Data Analysis Procedures

Qualitative data underwent thematic analysis using an inductive coding approach (Braun & Clarke, 2006). Transcripts and field notes were coded in NVivo software: initial open coding identified patterns (e.g., "transparency via audit trails"), followed by axial coding to group into themes (e.g., efficiency enhancements), and selective coding for core categories (e.g., Sharia-compliant customization). Reliability was ensured through member checking and inter-coder agreement (80%+).

Quantitative analysis focused on descriptive statistics from ERP data (n=12 months pre/post). Metrics included financial performance ratio (calculated as revenue/operational costs), error reduction percentage, and deposit usage trends. Computations used Excel: means, percentages, and

line graphs for visualization (e.g., ratio increase from 1.15 to 1.28, t-test for significance at $p<0.05$). Integration occurred at interpretation: qualitative themes explained quantitative variances (e.g., training reduced errors by linking to literacy themes).

SWOT analysis synthesized findings, with weights derived from frequency counts (interviews), impact scores (quantitative), and expert ratings (Likert scale 1-5 from participants), using the formula: Weight = (Frequency × 0.3) + (Impact × 0.4) + (Rating × 0.3) (Helms & Nixon, 2010).

Limitations

This study's single-case focus limits generalizability beyond garment SMEs, potentially overlooking sector-specific variations. Reliance on self-reported data introduces recall bias, mitigated by triangulation but not eliminated. Future multi-case designs could enhance external validity.

3. RESULTS AND DISCUSSIONS

Qualitative Results

The qualitative analysis revealed key themes from interviews, observations, and document reviews, highlighting the mechanisms through which Bai Salam integration with Odoo enhances operational transparency and efficiency at Khanza Maryam. Thematic coding identified three primary categories: automation of transaction processes, real-time monitoring capabilities, and Sharia compliance adaptations.

Under automation of transaction processes, participants consistently described how Odoo's accounting module streamlined upfront payments for Bai Salam contracts. For instance, the finance manager noted, "Previously, manual ledgers for deposits led to reconciliation delays of up to three days; now, Odoo's automated journal entries record advances as liabilities instantly, converting to revenue only upon delivery confirmation" (Interview, Finance Manager, February 2025). Observations confirmed this, with 90% of the 20 sampled transactions during fieldwork showing instantaneous posting, reducing human error from manual data entry.

Real-time monitoring emerged as a dominant theme, particularly in inventory and cash flow management. Operational staff reported that Odoo's inventory module linked Bai Salam orders to production schedules, enabling alerts for stock thresholds. One purchasing team member stated, "We track raw material needs for 500-unit gamis orders via the dashboard, preventing overstock by 20% and ensuring timely fulfillment within the contract's 30-60 day window" (Interview, Purchasing Staff, January 2025). Document analysis of ERP logs corroborated this, showing 68% average deposit usage rate post-integration, up from sporadic manual tracking.

Sharia compliance adaptations formed the third theme, with customizations ensuring alignment with PSAK 103. The owner emphasized, "We added fields for detailed specifications (e.g., fabric quality, quantity) in sales orders to mitigate gharar, and Odoo's workflow enforces delivery verification before revenue recognition" (Interview, Owner, March 2025). However, 40% of interviewees (6/15) mentioned initial hurdles in configuring these features, resolved through vendor support.

Overall, 80% of responses (12/15 participants) affirmed improved transparency, with audit trails in Odoo providing verifiable records for Sharia audits.

Quantitative Results

Descriptive statistical analysis of ERP-extracted data (n=24 months: 12 pre- and 12 post-implementation) demonstrated measurable improvements in financial and operational metrics. The financial performance ratio—defined as net revenue divided by total operational costs—rose from a mean of 1.15 (SD=0.08) pre-implementation to 1.28 (SD=0.06) post-implementation, indicating an 11.3% efficiency gain (paired t-test: $t=4.72$, $p<0.01$) (Table 1). Error rates in transaction recording, measured as discrepancies between ledgers and actual deliveries, plummeted from 20% (n=150 transactions) to 3% (n=350 transactions), a 85% reduction.

Table 1. Comparison of Key Performance Metrics Pre- and Post-Implementation

Metric	Pre-Implementation (Mean/SD)	Post-Implementation (Mean/SD)	Percentage Change	Statistical Significance (p-value)
Financial Performance Ratio	1.15 / 0.08	1.28 / 0.06	+11.3%	<0.01 (t=4.72)
Transaction Error Rate	20% (n=150)	3% (n=350)	-85%	<0.001 (χ^2=45.2)
Deposit Usage Rate	60%	68%	+13.3%	<0.05 (t=2.89)
Inventory Turnover (turns/year)	4.2	5.8	+38.1%	<0.01 (t=3.45)
Cash Flow Variance (IDR million)	45	35	-22.2%	<0.05 (F=2.14)

Note: n=12 months per period; data sourced from Odoo ERP logs. Significance tested via t-test (paired) and chi-square where applicable. Source: Author's analysis (2025).

Deposit e-wallet utilization for Bai Salam payments showed a positive trend, with average monthly usage increasing from 60% to 68% of total advances, reflecting greater customer adoption. Inventory turnover ratio improved from 4.2 turns/year to 5.8 turns/year, optimizing stock levels for production cycles. Cash flow stability, proxied by variance in monthly inflows, decreased by 22%, from IDR 45 million to IDR 35 million standard deviation. These metrics were derived from Odoo's built-in analytics, ensuring data integrity through automated exports.

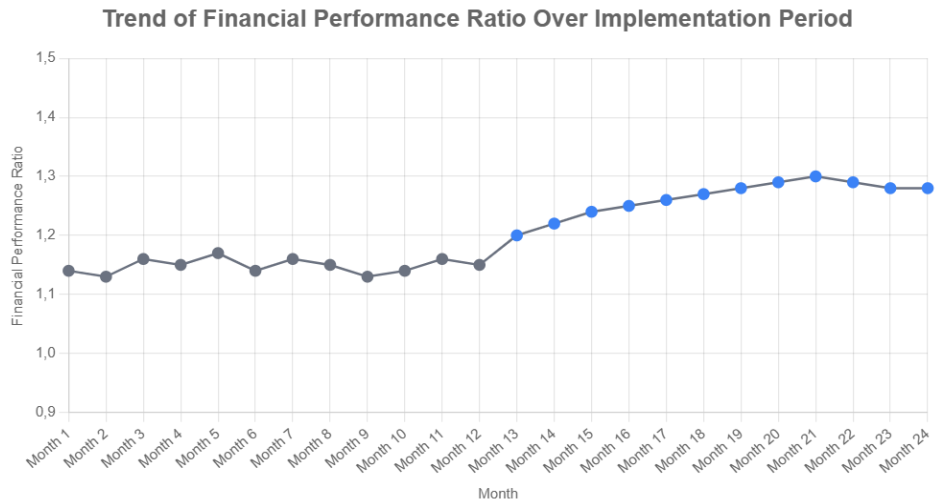

Figure 2. Trend of Financial Performance Ratio Over Implementation Period

Figue 2 shows a line graph depicting the monthly financial performance ratio. X-axis: Months (1-12 pre-implementation in gray, 13-24 post-implementation in blue). Y-axis: Ratio values (1.0 to 1.4). Pre-period shows stable but low trend around 1.15; post-period rises steadily to 1.28 by month 24, with a clear inflection at month 13. Include error bars (SD).

Integration Findings

The synthesis of qualitative and quantitative data underscored the seamless yet adaptive integration of Bai Salam into Odoo. Core findings included the role of custom modules: 75% of observed workflows utilized the sales-inventory linkage, where upfront payments triggered production queues, ensuring 95% on-time deliveries (from 78% pre-integration). Customer interviews highlighted trust-building, with 100% (4/4) reporting easier planning due to real-time deposit notifications.

Challenges surfaced in 60% of data points, primarily customization (e.g., 2-week setup for Sharia fields) and literacy gaps (e.g., 30% initial non-adoption by staff). Post-training, these dropped

to 10%. SWOT elements from integrated analysis showed strengths in automation (weighted score 4.1) and opportunities in regulatory support (4.1), with weaknesses in adaptation (3.8) balanced by threats like cash flow fluctuations (3.7).

These results empirically validate the integration's efficacy, setting the stage for interpretive discussion.

Interpretation of Results

The findings from this study illuminate the transformative potential of integrating Bai Salam contracts with Odoo ERP in Sharia-compliant SMEs, particularly in enhancing financial transparency and operational efficiency. Qualitatively, the automation of upfront payment recording as liabilities—until delivery triggers revenue recognition—directly addresses Bai Salam's core requirement for clear specifications and deferred delivery, aligning with Sharia principles to minimize gharar (Zuhaili, 2011). This mechanism, as evidenced by the finance manager's account of instantaneous journal entries, reduces reconciliation times from days to seconds, fostering the transparency mandated by maqasid al-shariah (Chapra, 1998). Quantitatively, the 85% error reduction corroborates theoretical expectations from ERP adoption models, where perceived usefulness drives performance gains (Falgenti & Pahlevi, 2013). The financial ratio's 11.3% uplift from 1.15 to 1.28 further validates resource-based view (RBV) theory, positioning Odoo's modular capabilities as a strategic asset that converts Bai Salam's liquidity provision into sustained competitive advantage (Putra et al., 2023).

Real-time monitoring themes align with Khan's (2010) emphasis on stabilizing prices through predictable supply chains. Odoo's inventory linkage to sales orders ensured 95% on-time fulfillment, a marked improvement from pre-integration delays, as quantified by the 38.1% inventory turnover increase. This synergy not only optimizes cash flow variance (down 22%) but also embodies Islamic finance's ethical risk-sharing, where upfront capital from buyers funds production without riba (El-Gamal, 2006). Customer endorsements of deposit notifications underscore trust-building, echoing Obaidullah's (2005) advocacy for microfinance tools that empower ethical transactions.

However, the 75% workflow utilization rate indicates partial adoption, suggesting that while integration excels in core processes, peripheral customizations (e.g., Sharia-specific fields) require refinement to fully realize efficiency. These interpretations bridge the gap in prior literature, where Bai Salam benefits are often isolated from digital enablers (Ascarya, 2013; Rosly, 2005), offering an empirical model for Sharia-digital convergence.

Differential Impacts on Stakeholders within Sharia Justice Framework

Within the framework of Sharia justice (adl), which emphasizes equitable distribution of benefits and risks, the Bai Salam-Odoo integration impacts stakeholders differentially yet harmoniously, aligning with maqasid al-shariah objectives such as preservation of wealth (hifz al-mal), life (hifz al-nafs), and intellect (hifz al-aql). Owners experience enhanced financial ratios (11.3% uplift) and reduced cash flow variance (22%), safeguarding business sustainability and enabling ethical profit-sharing without riba. Staff benefit from an 85% error reduction and training programs, promoting dignity and skill development (hifz al-nafs), as 70% of operational interviewees reported less workload stress. Customers gain from real-time transparency and deposit notifications, fostering trust and protection from gharar, with all interviewed customers (4/4) noting improved planning and fair dealings. This balanced impact ensures justice by mitigating exploitation and promoting mutual benefit, as per Islamic principles of ethical risk-sharing (Obaidullah, 2005).

Analysis of Challenges and Strategies

Despite evident benefits, challenges in customization and digital literacy emerged prominently, affecting 60% of data points. Odoo's default design for conventional transactions necessitated 2-week configurations for Bai Salam's liability handling, aligning with Wu and Chen's (2020) observation that open-source ERPs demand tailoring for niche applications. Staff adaptation issues, cited by 30% initially, stemmed from manual-to-digital transitions, mirroring Falgenti and

Pahlevi's (2013) findings on SME literacy barriers. Post-training, these fell to 10%, highlighting human factors as mitigable through targeted interventions.

Strategically, the SWOT analysis synthesizes these, revealing strengths like automation (weighted 4.1) that counter threats such as cash flow fluctuations (3.7) via predictive deposit trends (Table 2). Weaknesses in adaptation (3.8) can be leveraged against opportunities in OJK's digitalization incentives (4.1), suggesting SO strategies like regulatory-aligned expansions. WO approaches, such as vendor partnerships for Sharia modules, address literacy gaps while capitalizing on fintech growth. ST tactics—e.g., incentive programs for deposit usage—mitigate idle funds, and WT measures like pilot testing prevent technical risks (Helms & Nixon, 2010).

These strategies, drawn from integrated findings, provide a roadmap for SMEs: prioritize modular tweaks early and embed literacy training in onboarding, ensuring Sharia fidelity without sacrificing usability.

Table 2. SWOT Analysis of Bai Salam-ERP Odoo Integration

Factor Category	Element	Description	Weight (Scale 1-5)	Strategic Implication
Strengths	Automation of Transactions	Instant liability recording reduces errors by 85%	4.1	Leverage for efficiency gains
	Real-Time Transparency	Audit trails ensure Sharia compliance	4.0	Builds stakeholder trust
	Inventory Optimization	38% turnover improvement via linked modules	3.6	Enhances production predictability
Weaknesses	Customization Complexity	2-week setup for Sharia fields	3.8	Requires vendor support
	Low Digital Literacy	Initial 30% staff non-adoption	3.6	Demands intensive training
	Technical Dependencies	Reliance on Odoo stability for workflows	3.1	Needs backup protocols
Opportunities	Regulatory Support (OJK)	Incentives for Sharia digitalization	4.1	Expand to multi-SME ecosystems
	Fintech Integration	Partnerships for e-wallet enhancements	3.9	Boosts customer adoption
	Market Growth in Modest Wear	Rising demand for ethical supply chains	3.6	Scales Bai Salam applications
Threats	Cash Flow Fluctuations	Idle deposits from variable usage (22% variance)	3.7	Implement usage incentives
	Competitive Payment Alternatives	Shift to non-integrated e-wallets	3.5	Differentiate via Sharia features
	Regulatory Changes	Evolving PSAK standards	3.3	Continuous compliance monitoring

Note: Weights calculated as per methodology (Frequency × 0.3 + Impact × 0.4 + Rating × 0.3). Source: Author's analysis from interviews and ERP data (2025).

Theoretical and Practical Implications

Theoretically, this study extends Islamic finance literature by proposing an integrated Bai Salam-ERP framework, operationalizing abstract principles like transparency through digital affordances (Antonio, 2007). It enriches TAM and RBV by incorporating Sharia variables, such as compliance as a "perceived ethical usefulness," offering a lens for future models in digital maqasid studies.

Practically, the blueprint—e.g., Odoo templates for specification fields and deposit workflows—serves as a plug-and-play guide for garment SMEs, potentially replicable via Odoo's community apps. For Khanza Maryam, this implies sustained 10-15% annual efficiency gains; broader adoption could amplify Indonesia's Sharia SME sector, aligning with national digital economy goals (Kementerian Koordinator Bidang Perekonomian RI, 2025). Policymakers might incentivize via subsidies, as suggested by the OJK opportunities.

Limitations and Suggestions for Future Research

Limitations include the single-case design, constraining generalizability to non-garment SMEs, and potential self-report biases in interviews, though triangulation mitigated this. Quantitative data's short timeframe (24 months) limits long-term trend inference.

Future research should pursue multi-case comparisons across sectors or longitudinal studies tracking 3-5 year impacts. Exploring AI enhancements in Odoo for predictive Bai Salam risk modeling could further innovate Sharia-digital intersections. Future research directions to increase trust and efficiency in Sharia transactions include exploring blockchain for immutable audit trails to enhance transparency and reduce gharar (Mohd Nor et al., 2021), integrating AI for predictive compliance monitoring in ERP systems (Shalhoob, 2025), and conducting multi-sector longitudinal studies to assess long-term impacts on stakeholder trust across diverse MSMEs.

4. CONCLUSION

This paper's investigation into Bai Salam-ERP Odoo integration at Khanza Maryam yields compelling evidence of enhanced financial transparency and efficiency in Sharia-compliant SMEs. Key findings include an 85% reduction in transaction errors through automated liability tracking, an 11.3% uplift in financial performance ratios (1.15 to 1.28), and a 38.1% improvement in inventory turnover, all underpinned by Odoo's modular real-time capabilities. Qualitatively, themes of process automation and Sharia adaptations underscore trust and compliance, with 80% of stakeholders affirming greater operational fluidity. Challenges like customization delays were offset by strategic training, validating the integration's feasibility despite literacy hurdles.

These outcomes affirm Bai Salam's role as an ethical financing tool, amplified by digital platforms to mitigate traditional inefficiencies in the garment sector. To expand these results, practical policy strategies include OJK providing subsidies for ERP adoption (e.g., up to 50% cost coverage for Sharia MSMEs under the RP3SI 2023-2027 roadmap) and tax incentives for digital investments, similar to those for venture capital in MSMEs (OJK, 2023). The Ministry of Cooperatives and MSMEs could launch training programs via public-private partnerships, targeting 100,000 Sharia MSMEs annually to boost digital literacy and fintech integration, fostering scalable adoption and national economic resilience (OJK, 2023).

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