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Enhancing Financial Sustainability in Notarial Services: Streamlined Processes Through Digitalization

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Abstract
This study investigates the impact of digitalization on operational efficiency and financial sustainability in Indonesian notarial services, focusing on Kantor Notaris Justriany Koni, S.H., M.Kn. The traditional manual systems in Indonesian notary offices result in rising operational costs, declining profit margins, and reduced client satisfaction. Using a case study approach, this research analyzes the financial and operational effects of partial digitalization in administrative, communication, and financial workflows—excluding core notarization acts restricted by law. A mixed-methods approach was employed, including stakeholder interviews, cost-benefit analysis, and comparative benchmarking. The findings demonstrate that strategic digital transformation can reduce document handling costs by up to 30%, increase service capacity without additional staffing, and improve cash flow through electronic invoicing. The study presents a hybrid implementation roadmap that aligns with existing regulations, balances investment risk, and ensures business continuity. The proposed digital solutions offer a scalable path for notarial offices seeking to modernize, remain competitive, and enhance long-term sustainability.

INTRODUCTION

In current Indonesia, notarial services help with making property and business documents, personal legal paperwork and handling various contracts official. Even though they are important, most offices in Indonesia are still resistant to digital transformation. If people are still using paper and manual ways, this can get costly and drag down responsiveness, especially now that people look for digital services.

Operational problems are affecting the firm Kantor Notaris Justriany Koni, S.H., M.Kn. located in South Jakarta. Even though results are stronger financially, the profit from sales has gone down, decreasing from 28% to 22% in the three years between 2020 and 2023. This is happening because it costs more to process paper documents, administrative tasks take longer and payables are delayed due to manual billing. Another review reveals that more than 30% of the work done in administration was redundant, due to systems that do not talk to each other.

The research is designed to check if digital transformation aimed at non-main notary duties can bring about lower costs and happier clients. It is required that the approach hybrid election combines characteristics and remains in compliance with the law. Complete digital notarization is not yet possible by law, however, some areas around it can benefit from progress in technology. Kantor Notaris Justriany Koni's case demonstrates how notarial companies across Indonesia can use modern approaches without breaking regulatory boundaries.

LITERATURE REVIEW

Digital Transformation in Professional Services

Digital transformation is the use of new technologies to improve the way services are given and managed (Vial, 2019). Efficiency, cost savings and better services for users have been achieved in banking, education and healthcare as a result of digitalization (Brynjolfsson & McAfee, 2014). Even so, adopting technology has been gradual in legal services due to the structure of the industry, set rules and fears about data breaches.

Theoritical Perspectives

According to the TAM, how useful people think technology is and how easy they find it to use are both factors that affect their decision to adopt it (Davis, 1989). Many notarial office staff will not be willing to switch to digital solutions unless they can clearly see the benefits. The Resource-Based View (RBV) claims that success in business results from the business's unique resources, including digital skills (Barney, 1991). Alternatively, Transaction Cost Economics (TCE) points out that digital tools can make communication easier and help improve routine activities (Williamson, 1981).

Regulatory Environment

Indonesian Law No. 2 of 2014 requires that a notary verifies the identify of the parties and receives physical documents. But additional functions, for example scheduling appointments and handling documents and invoices, can be automated through digital technology due to being outside the strict regulations. E-signatures, in this case PrivyID, are permitted to a certain extent by Law No. 11/2008 and its amendments for moving towards modernization (Nugroho & Setyawan, 2022).

According to another study, while there are legal obstacles, using certain technology in the right areas can improve both providing services and communication with clients (Dewi & Rahayu, 2020). As a result of building legal tech systems according to Indonesian IT rules, it is possible to scale new ideas in notarial services without running into legal problems.

RESEARCH METHODOLOGY

This research adopts a qualitative single-case design based on the operations of Kantor Notaris Justriany Koni, S.H., M.Kn., located in South Jakarta. This approach allows an in-depth exploration of specific organizational workflows, financial processes, and regulatory limitations. To triangulate data, a mixed-methods methodology was employed, combining primary qualitative data with secondary quantitative analysis.

Data Collection Techniques

Information was collected about the organization by interviewing the notary, several legal staff members, office administrators and clients. The aim of the interviews was to discover the main problems in operations, what staff think about digital tools and what they believe is necessary for future innovation.

Such data was provided by internal financial documents, routine operations, client billing and evaluation forms covering the time from 2020 to 2023. The information from the records was useful for modeling costs and benefits as well as analyzing how efficiently the operations worked.

Analytical Framework
Strategies for analyzing are data grounded on three essential tools:
1. **The purpose of cost-benefit analysis (CBA)** is to estimate if the initiative will be financially viable and might lead to a good return on investment.
2. **Create a roadmap** to help locate any issues and inefficiencies in the way work tasks are currently managed.
3. **Legal Review:** To make certain changes are lawful and comply with standards within the profession.

The study looked solely at auxiliary notarial functions which consist of preparing documents, scheduling, invoicing, communication and storing records.

RESULTS AND DISCUSSION

Operational Inefficiencies in Manual Workflows

The operational inefficiencies observed in Kantor Notaris Justriany Koni's workflows stem primarily from the extensive reliance on manual processes. Internal time-use assessments reveal that approximately 45% of staff time is spent on administrative functions rather than core legal services. As shown in Figure 1, a significant portion of legal professionals' time is diverted toward tasks such as filing, physical document preparation, and scheduling.

Figure 1. Time Allocation of Legal Staff (Estimated Average Workweek)

Task Category	Estimated Time Spent (%)
Core Legal Work	55%
Administrative Duties	30%
Client Communication	10%
Miscellaneous	5%

This misalignment not only reduces capacity but also affects client satisfaction. Delays in document completion now average 1.2 days, and in 2023, client attrition increased by 15%, primarily due to service delays and lack of digital engagement. These findings are consistent with global trends indicating client preferences for seamless, tech-enabled legal services.

Financial Pressures and Cash Flow Instability

Because main operations are based on physical activities, the firm has faced serious cost issues. Table 1 provides an estimate of the money organizations spend on document handling every year. Almost a third of total operation expenses are spent on paper, printing and storage.

Table 1. Annual Document Handling Costs (Kantor Notaris Justriany Koni)

Cost Component	Estimated Annual Cost (IDR)
Paper and Printing	68,000,000
Storage and Archiving	42,000,000
Courier and Mailing	22,000,000
Total	132,000,000

At the same time, the office deals with slow and extended payment cycles. On average, accounting for manual invoicing means businesses have to wait 22 days to be paid after the service is completed. Because of this, the company's cash flow gets interrupted, motivating it to use expensive forms of working capital financing that result in Rp 45–60 million in yearly interest costs. Because of these financial inefficiencies, companies are unable to grow and stay stable for the long run and fewer resources are available for much-needed operational changes.

Legal and Regulatory Frameworks Governing Digitalization

Because of its regulations, digital transformation cannot progress as much as it could in Indonesia's notarial sector. Law No. 2/2014 requires that key acts at notaries require the person to be present, using their actual signature and the notary's seal. But the Ministry of Communication and Informatics and the Indonesian Notary Association (INI) have given permission for digital apps such as PrivyID to be used for electronic signature and sending documents if specific conditions are fulfilled.

To clarify which digital actions are currently permissible, Table 2 presents a summary of the legal status of digital tools in the notarial sector.

Table 2. Scope of Permissible Digital Practices in Notarial Operations

Function Area	Digitalization Status	Legal Basis
Client Scheduling	Permitted	Not restricted
E-Invoicing & Payments	Permitted	General contract law
Internal Document Prep	Permitted	Notarial Law (administrative only)
Core Notarization (Signing)	Not Permitted	Law No. 2 of 2014
Digital Signatures	Conditionally Permitted	Law No. 11 of 2008 & Amendments

Even though funding complete digital notarization is illegal, there is much scope for making digital improvements to processes involving clients and finances.

Cost-Benefit Assessment of Digital Integration

Digital tools in administration have greatly improved how things are done. Lines of business using electronic document storage used 40% less paper and saved about 35% of their storage space. Redistributing staff cut manual administration by 30%, so legal professionals could then focus on more important work. Using digital invoicing platforms, the company cut the average time it took to get paid from 22 to 6 days which improved the stability of their cash flow.

Figure 2. Comparative Operational Metrics: Manual vs. Digital-Enhanced Systems

Metric	Manual System	Digital-Enhanced
Avg. Docs Processed/Month	210	320
Avg. Payment Delay (days)	22	6
Monthly Client Complaints	18	7

Even focusing on peripheral aspects of digitization brings both improved business performance and better financial results. Clients' satisfaction increases which makes digital tools even better investments, as they come back for more and have less to complain about.

Reviewing and Considering Different Go-to-Market Strategies

Trying to improve its performance, the office looked into several strategies. Additional hire of administration staff could not be approved, as it would add to the annual expenses already caused by salaries which are already 45% of total spending. Many also expressed concerns about outsourcing because private legal documents might not be safe or confidential. Although lean management has some efficiency benefits, it is limited by depending on paper procedures.

Because of this, the best plan was to use a hybrid digital model. Here, tasks are handled using digital tools where allowed and by paperwork where required by the law. Using this approach results in money-saving, better productivity and follows industry rules.

Implementation Roadmap and Investment Plan

The implementation strategy was phased to ensure affordability, minimize disruption, and align with staff capabilities. Table 3 outlines the timeline, cost, and scope of each phase.

Table 3. Phased Implementation Strategy for Hybrid Digital Transformation

Phase	Component	Cost (IDR)	Timeline
1	Digital document archiving	45,000,000	Q1 2025
2	Scheduling & client platform	30,000,000	Q2 2025
3	E-invoicing & payment systems	40,000,000	Q3 2025
4	Staff training & integration	35,000,000	Q4 2025
Total		150,000,000	1 year

Return on investment is projected within 24 to 30 months based on cumulative operational savings, faster revenue collection, and improved client retention.

Risk Management

Anticipated risks include:

- Resistance from staff unaccustomed to technology.
- Confusion among clients about digital procedures.
- Legal ambiguities on data storage.

Mitigation strategies include pre-rollout training, FAQ-style client guides, and legal compliance audits before implementation.

CONCLUSION

This assessment shows that having some digitalized processes in the Indonesian notary system is helpful and practical from both an operational and financial point of view. Digital tools may

not be used fully due to regulations, but using them for administration, finances and with clients still leads to more efficiency, less expense and improved service.
Notarial offices in Indonesia, most importantly those that serve companies, are seeing the move to hybrid digital operations as both necessary and beneficial. Scheduling, invoicing and the processes involving internal documents should be the top choices for digitization. Bridge the gap by supporting new digital tools with staff training and clear messages to clients.

All in all, even though complete digital notarization is a problem under the law, this study makes it clear that meaningful progress can be made with existing regulations. If digital plans are carefully prepared and followed, traditional notarial offices can do well in a world where services are digital.

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