

Improving Financial Administration in Urban Perfume Point MSMEs

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ABSTRACT

MSMEs in running their business need to pay attention to a number of management aspects, one of which is financial management. The aim of this activity is to improve financial administration at Urban Perfume Point and increase the knowledge of Urban Perfume Point employees in recording business finances both conventionally and based on information technology. The method used is the transfer of knowledge and technology through outreach and training activities as well as work internships. The results of the activity show that the administration of financial management at Urban Perfume Point has experienced an improvement as shown by the orderliness of business financial records.

INTRODUCTION

The perfume business is a form of cosmetics business which is currently growing rapidly in various regions in Indonesia, one of which is Yogyakarta. One of the factors driving the development of the perfume business is changes in people's lifestyles, which increasingly pay attention to appearance. Perfume is not only produced by large-scale companies, but is also produced by many Micro Small and Medium Enterprises (MSMEs) and various aroma variants are offered to meet consumer demand. The success of a perfume business can be influenced by a number of factors such as entrepreneurial knowledge, availability of raw materials and the quality of the products offered. Apart from that, increasing consumer interest can also be done by highlighting perfume packaging design and aggressive promotions (Simanjuntak et al., 2022). Consumer purchases of perfume products can be influenced by product quality (Sagita et al., 2022), product price and consumer knowledge about perfume products (Al-Djufrie, 2021).

In general, SME business performance shows the ability and success of SMEs in achieving predetermined goals. Business performance can be measured through financial and non-financial performance such as marketing, organizational and operational performance (Nuvriasari et al., 2023). The financial performance of a company can be interpreted as good prospects, growth and development potential for the company. Financial performance information is needed to assess potential changes in economic resources that may be controlled in the future and to predict the production capacity of existing resources (Hasan et al., 2022). Measuring financial performance is an important component for the success of a business, including Urban Perfume Point MSMEs. Urban Perfume Point is one of the SMEs that operates in the cosmetics business, especially perfume, and is quite well known in Yogyakarta. The business is located on Jl. Mataram Ditch, Kledokan, Caturtunggal, Sleman Regency, DI Yogyakarta. The products offered to consumers are perfumes with various aromas using superior quality perfume seeds. Urban Perfume Point is a business engaged in the distribution and retail of fragrances or perfumes in Yogyakarta. Urban Perfume Point's vision is Education, Opinion, Moment. The mission is to educate the character of perfume and provide a shopping experience.



Figure 1. Urban Perfume Point products



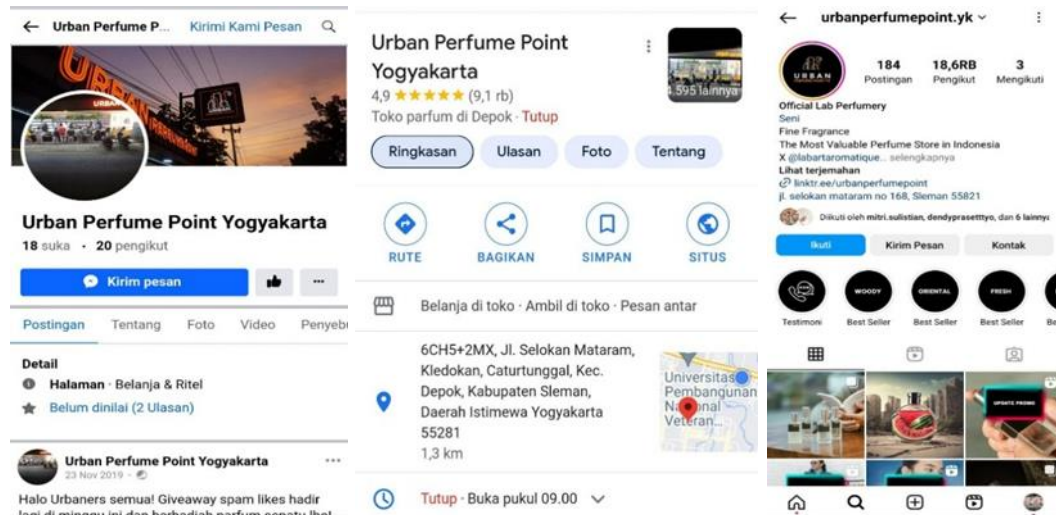
Picture 2. Business activities at Urban Perfume Point

Urban Perfume Point was founded in 2015 by Wahyu Hidayat and currently has 50 employees assigned to HR, Operations, Administration, Stockers, Cashiers, Sales Clerks and security. The types of employees employed are divided into two categories, namely part-time and full-time employees. The characteristic of this UKM is that all employees are required to wear all black and wear black polo shirts. Most of the employees at this MSMEs are students

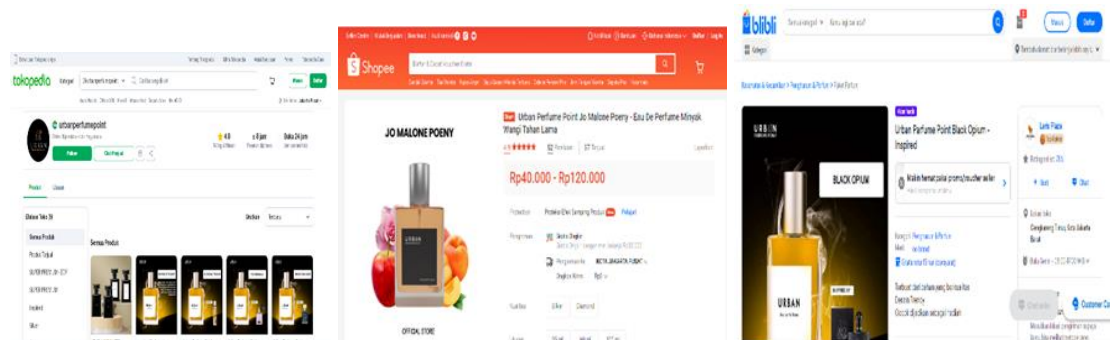


Pictures 3. Employees at Urban Perfume Point

Urban Perfume Point has an offline shop and also an online shop. Marketing its products is done online through social media such as websites, Instagram, Facebook, and also in collaboration with several well-known marketplaces such as Shopee, Lazada, Blibli, and Tokopedia. The following is an example of promotion through online media used.



Picture 4. Promotion via social media



Picture 5. Promotion through the Marketplace

In carrying out its business activities, Urban Perfume Point is quite good, this is also shown by the number of sales and the number of customers which on average increases every year. However, based on the results of observations and interviews with the Urban Perfume Point manager, it can be seen that there are still problems faced in running this business, especially in the financial sector. The problems are:

1. (1). Financial Management at Urban Perfume Point is not well managed
2. (2). Recording financial transactions is still limited to manual recording and does not utilize information technology, so that financial recording often occurs inaccurately.

To overcome a number of these problems, the activity program implemented is in the form of: (1). Providing counseling and training on preparing business financial reports, both on a manual basis and by adopting information technology. In this activity, the recording of business financial transactions was also carried out starting from the financial year 2023. Companies are very interested in the financial reports that have been prepared, because the results of these reports can be used as a tool in making further decisions for the future, and weaknesses can be identified. owned by the company (Tampubolon & Rahmadani, 2022). Financial reports are used as a basis for interpreting the financial condition and operating results of a company (Riswan & Kesuma, 2014). The main objective of implementing this activity is to improve financial administration at Urban Perfume Point, so that it is hoped that

it can improve financial management which will have an impact on improving Urban Perfume Point's financial performance. Specifically, the aim of this activity is to increase the knowledge and skills of Urban Perfume Point employees in recording business finances both conventionally and based on information technology.

IMPLEMENTATION AND METHODS

The method of implementing community service activities consists of four stages:

1) Observation and Interview

The observation method is carried out by directly observing business activities at Urban Perfume Point to identify a number of business problems faced by Urban Perfume Point. In this activity, interviews were also carried out with Urban Perfume Point managers to gather information related to business developments and activities in the fields of HR, Marketing and finance. Based on the results of the interview, it can be explained that the main problem at Urban Perfume Point is business financial management which is not well organized.

2) Counseling and Training

This method is intended to provide education to partners regarding business financial administration records so that they can be managed well. In this activity, training materials were provided for manual and technology-based financial recording. Partners who take part in the training are employees in the administration department who are responsible for recording business finances.

3) Job Internship

The activity carried out during the work internship was to improve financial administration by re-recording all financial transactions in 2023. In carrying out this activity, supervision was carried out by the Urban Perfume Point manager to monitor that the activities carried out were running well.

RESULTS AND DISCUSSION

The implementation of community service and work internships is carried out at Urban Perfume Point MSMEs which is located on Jl. Selokan Mataram, Kledokan, Caturtunggal, Sleman Regency, Special Region of Yogyakarta on 1 May 2023 - 31 May 2023. The results of the program implementation are described as follows:

1. Business Financial Management Counseling and Training

Financial management is all company activities related to efforts to obtain the necessary funding with minimal costs and on the most favorable terms, as well as efforts to use these funds as efficiently as possible (Astuti et al., 2022). The aim of financial management is to manage the funds and assets owned by the company to be used for activities that achieve the company's main goals. According to Eliza (2012) states that a company is required to prepare financial reports consisting of a balance sheet, profit

and loss report, cash flow report, equity report, and notes to financial reports.

In this activity, counseling and training on business financial management is provided using financial report data available at Urban Perfume Point. In the initial stage, employees are given an understanding of recording financial reports based on accounting standards which includes a number of stages :

- a. Input function, accounting input adequately. Accounting input is in the form of transactions, namely activities that can cause changes in funds. Data input can be done after Urban Perfume Point Yogyakarta has received financial reports for 10 days from each incoming income or order.
- b. Processing Function, accounting processes each input in order to produce quality information. The basic process is in the form of recording which consists of sales and book transfers. At this stage, Urban Perfume Point's financial reports contained in the combined balance sheet column are processed to obtain results and values in creating financial report data.
- c. Output function, accounting presents fund information according to user needs so that it can be useful in decision making.

The following is a number of documentation of activities carried out in counseling and training in business financial management administration.



Picture 6. Business Financial Management Counseling and Training



Picture 7. Example of Business Financial Management Extension Material

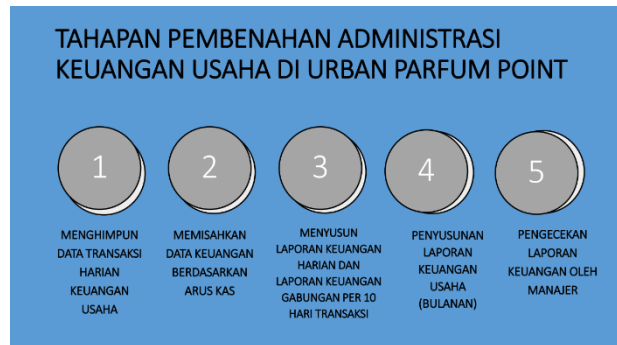
2. Improving the Administration of Business Financial Reports

Financial reports are records of a company's financial information in an accounting period that can be used to describe the company's performance (Herawati, 2019). A company's financial reports are very necessary because financial reports can provide information about cash flows and outflows. The purpose of financial reports is to provide financial information that includes changes to the elements of financial reports aimed at other parties who have an interest in assessing the company's financial performance in addition to company management (Fahmi, 2011). Improving business financial reports at Urban Perfume Point goes through the following stages:

- a. Collect all financial transaction data every month in 2023, namely from January to May 2023.
- b. Separating financial data based on cash flow, compiling financial reports aimed at improving a clear and structured financial management system. Urban Perfume Point has implemented 10-day separation of financial data and compiled financial reports to make them clearer and more structured.
- c. In collaboration with the Urban Perfume Point cashier, prepare a daily income file and a file containing a combined income report for 10 days. This makes it easier to do bookkeeping and report transaction records every 10 days.



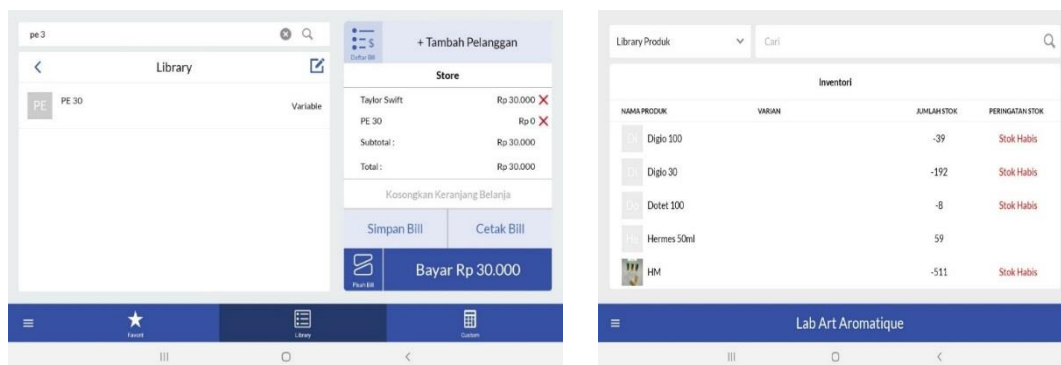
Picture 8. Improving Financial Reports



Picture 9. Financial Report Format and Improvement Flow

3. Management of Moka accounts to check transactions between shops and offices.

The MOKA application is a modern solution that can help make business financial management easier and more effective. With various advanced features and integrated data analysis capabilities, the MOKA application is able to help entrepreneurs optimize the sales process, speed up transactions, and increase overall business efficiency. The MOKA application aims to enable every business to manage operations much faster. In more detail, the aim of this application is to help small and medium businesses increase their operational efficiency and effectiveness. Apart from that, it also improves customer experience. By using cashier operational management software, businesses can manage their sales transactions more easily and quickly. In addition, it also updates stock items automatically, and tracks their sales more accurately. Not only that, the MOKA application also helps businesses in employee management and making better business decisions with data analysis reports. By improving operational efficiency and customer experience, businesses can optimize their profitability and achieve better business goals. Therefore, this application is one of the most effective software to use for cash registers.



Picture 10. Checking Transactions with the Moka Application

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of implementing community service, it can be concluded as follows:

1. Financial management is an important component that needs to be considered when running a business.
2. Good financial management will be the basis for measuring the success of financial performance achieved by MSMEs.
3. Through the business financial management counseling and training program, improving business financial administration and the use of the "Moka" financial management application is able to have a positive impact on business financial management at MSMEs Urban Perfume Point.

The recommendations given for the development of Urban Perfume Point are as follows: It is necessary to continuously update financial administration governance so that financial administration at the Urban Perfume point becomes better.

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