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ANALYSIS OF BUSINESS FINANCIAL MANAGEMENT CONCEPTS: LITERATUR STUDY

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***Abstract**: The purpose of this research is to explain how financial management is carried out in a business, both run by companies and individuals. The type of research used in this study is literature study. The data collection method is through documentation studies from books, journals, and articles as well as previous research that examines business financial management. There are two types of data processing methods: source triangulation and reduction and data presentation. The findings of the study show: (1) financial planning, which is carried out by business owners to plan their income and expenses in order to create a productive and successful system. (2) All income, expenses, and use of funds are recorded in the Financial Record Book as part of the financial recording process. (3) Financial reporting, which is done to provide information and account for the company's owners for their financial condition during the time they run their company. (4) Financial control, which is done by analyzing and evaluating all financial uses so that business owners are aware of their financial situation and can prevent overspending in every aspect of their operations.*
***Keywords:** Concept, Financial Management, Business, Management.*

Abstrak: Tujuan penelitian ini adalah untuk menjelaskan bagaimana manajemen keuangan dilakukan dalam sebuah bisnis, baik yang dijalankan oleh perusahaan maupun individu. Jenis penelitian yang dipakai dalam penelitian ini adalah studi literatur . Metode pengumpulan data melalui studi dokumentasi dari buku, jurnal, dan artikel serta penelitian terdahulu yang mengkaji manajemen keuangan bisnis. Ada dua jenis metode pengolahan data: triangulasi sumber dan reduksi serta presentasi data. Temuan studi menunjukkan: (1) perencanaan keuangan, yang dilakukan oleh pemilik usaha untuk merencanakan pendapatan dan pengeluaran mereka guna menciptakan sistem yang produktif dan sukses. (2) Semua pendapatan, pengeluaran, dan penggunaan dana dicatat dalam Buku Catatan Keuangan sebagai bagian dari proses pencatatan keuangan. (3) Pelaporan keuangan, yang dilakukan untuk memberikan informasi dan mempertanggungjawabkan pemilik perusahaan atas keadaan keuangan mereka selama mereka menjalankan perusahaan mereka. (4) Pengendalian keuangan, yang dilakukan dengan menganalisis dan mengevaluasi semua penggunaan keuangan sehingga pemilik bisnis menyadari situasi keuangan mereka dan dapat mencegah pengeluaran berlebihan di setiap aspek operasi mereka.
Kata kunci: Konsep, Pengelolaan Keuangan, Bisnis, Manajemen.

LATAR BELAKANG

Obtaining the maximum profit and ensuring the firm's existence are the two fundamental objectives of business operations. To fulfill both of these goals, the company

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must effectively manage its capital investment. As a result, effective and consistent money management is required to keep a company's operations financially stable. A small business may grow into a medium-sized or even huge enterprise by managing its finances effectively and openly, which will benefit the operation of the organization.

One of the key components of a business's development is financial management, which is done methodically to provide financial data that consumers may use to make decisions. By understanding the revenues and expenditures of the allocation in line with the set postings, management in the business world may assist business players in growing their companies and determining if the business they are involved in generates enough income (Tresna et al., 2023).

Since effective money allocation procedures inside the organization are inherently able to maximize the financial worth of the firm, financial management can also be stated as all of these activities/processes are carried out only to maximize revenue from the company by reducing expenditures. In the context of finance, financial management activities may be understood as the process of money entering and leaving the organization. They are carried out to optimize inputs and outputs while achieving efficiency and effectiveness from the company's finances.

Financial management encompasses all acquisition, funding, and management activities with multiple goals in order to accomplish the intended outcomes. These goals are broken down into six dimensions, which include general financial management, cash management, credit management, risk management, capital accumulation, and future planning. Financial management is the process of controlling the company's operating activities with the hope that all of the company's activities can run efficiently and effectively according to the previously made plan and become a link between the company and the capital market sector with the hope that the company will be able to carry out various alternative sources of funding from the capital market. Financial management also includes capital, investment, and growth decisions, as well as the prediction of potential future circumstances (Asri Kunda et al., 2023).

Financial managers are interested in figuring out how much money they can make by investing in different assets and deciding where to get the money to spend on them. Financial managers must learn about financial management in order to be able to manage all financial elements and aspects. This is because both individuals and businesses depend on structured and sound financial management to manage all financial income and expenditures.

A company's financial managers must therefore be able to plan how to raise money and use it to increase the company's value through financial management, which includes organizing, directing, evaluating, and coordinating the company's financial operations. In addition to helping the Indonesian economy, this corporate financial management technique is used as a remedy for the fact that many companies fail because they are unable to handle their funds (Dwi Astuti et al., 2022).

Based on the above background, the researcher is interested in conducting a research study with the research title "Analysis of Business Financial Management Concepts" to find out the concept of financial management in a business.

LITERATURE REVIEW

Financial Management

The science of finance examines how money is managed and how it impacts all members of an organization. It focuses on the institutions, markets, and tools that are used in the exchange of money between individuals, as well as between governments and enterprises. On the other hand, financial management is the process of acquiring, managing, and overseeing finances in order to provide the business with overall management.

Planning, execution, administration, reporting, and fund responsibility are all aspects of financial management. To get the proper revenue and be advantageous to the business, financial management must be handled properly and efficiently based on the company's or organization's programs and activities. Therefore, it can be said that money management is the process by which the financial manager of the firm manages the company's funds in order to make use of them effectively and efficiently in order to generate profits (Cempaka & Asiah, 2022).

Business

A business is any activity that a person or group of people engages in that involves commodities or services with the intention of profiting from the activities. Another way to think about business is as an activity that a person does in order to benefit from the products that he oversees. Furthermore, business is defined as an activity that is conducted to generate revenue or wealth in order to satisfy basic necessities through the effective and efficient management of resources. Thus, business may be defined as the use of products or services that are managed to generate revenue (Narti & Fatmawati, 2021).

RESEARCH METHODS

This study was carried out qualitatively with the goal of making the findings simpler for readers to understand by describing them using word descriptions in intricate sentences. The qualitative research employed in this study is a literature study, which is research performed by gathering data by reading materials. Thus, the evolution of Kuswandi's theory regarding financial management processes served as the basis for the literature analysis in this study. A documentation study, which focuses on the kind of documentation found in reading materials like books, papers, and journals, is the method used to gather data for this study. This study uses 10 previous literature related to business financial management variables with qualitative data analysis techniques. Data processing methods by gathering ideas and readings related to the study's goal, which is financial management actions (reduction), and then presenting the reduction's outcomes in a way that researchers and other readers can easily grasp. By combining and contrasting data from research findings of documentation studies from different books, papers, and journals that have been acquired, the data validity technique with source analysis is accomplished (Sugiyono, 2019).

RESULTS AND DISCUSSION

1. Research (Rahman et al., 2019) Various reports indicate that micro companies often face a number of challenges due to lack of skills and experience, even though they have received guidance from various government agencies. There is an urgent need to adopt a specific financial management strategy, which has the potential to be the key to success for their business.
2. Research (Yulia, 2019) shows that the effectiveness of financial management will be greatly influenced by the business goals set by beginners in their strategic plan documents.
3. According to research (Hasyim & Subur, 2020), financial management is one of the crucial aspects in running a micro small business that determines the success of the

business. With effective management, significant profits can be obtained, and appropriate decision-making will be realized. investigate the influence of financial literacy on the sustainability of new businesses. The development of new businesses is a crucial aspect for economic health.

4. According to research (Wise, 2021), there are various theories that explain why a large number of startups fail. One of the relevant theories in this regard is financial literacy. From the perspective of a practitioner, this study emphasizes not only the significance of financial literacy in the development of new businesses, but also the urgency to encourage more frequent financial reporting by young entrepreneurs. Furthermore, the in-depth financial literacy education of entrepreneurs shows that the rest of the group will get nothing, thus allowing for a comparison of the impact of emerging new business failures. In line with that, it would be interesting to investigate the effect of the required monthly product on the financial statements related to the failure of the new company.
5. According to research (Maur, 2019), it is important to develop a sustainable banking model that not only supports a more inclusive, environmentally friendly, and transparent financial sector, but also focuses on better services and the integration of women as a crucial element in the process. Financial literacy for women is a crucial element, but public awareness also needs to play a significant role in reducing this gap, and this publication is the first step towards this achievement.
6. The study (OECD, 2021) analyzed the key characteristics of various alternative techniques related to direct debt, including "asset-based financing", "alternative debt", "hybrid instruments", and "equity instruments".
7. The study (Somoye, 2022) analyzed the financial impact on entrepreneurial growth in Nigeria by leveraging endogenous growth frameworks. The role of finance has a very crucial significance in encouraging entrepreneurial growth and in the development of Micro, Small, and Medium Enterprises (MSMEs). There is substantial evidence in the literature indicating that entrepreneurial financing can drive significant growth in the employment and productivity sectors and, in turn, have a positive impact on economic growth.
8. The results of the study (Ajagbe et al., (2021) concluded that investment and financial decision-making have an increasingly significant role in economic growth and in the

formation of new entrepreneurial businesses. In this regard, investment and financial policy serve as vital elements of key operational resolutions in developing countries, in order to encourage investment by domestic companies, especially those engaged in the entrepreneurial technology sector. Nevertheless, social entrepreneurship has emerged as one of the most crucial issues for policymakers and practitioners who are looking for innovations in solving social problems in the United States, Europe, and other parts of the world.

9. The research (Whetyningtyas, 2022) conducted a study to evaluate the influence of ability in formulating financial statements and entrepreneurial spirit on the operational performance of Micro, Small, and Medium Enterprises (MSMEs).
10. Research (Sitorus, 2022) suggests that accounting information plays a crucial role in the decision-making process. However, many entrepreneurs lack understanding of accounting, and among them, there are those who do not realize the significance of recording and bookkeeping for the continuity of their business.

Research Discussion

The skill of managing business finances, from planning to reporting financial movements, with the goal of preserving the stability of corporate financial circumstances is known as business financial management. Additionally, it may be considered a means for entrepreneurs to keep their financial situation stable while operating their businesses so that they can be utilized as effectively and efficiently as possible to generate the most profits. According to (choiriah et al., 2022), financial management procedures in company operations are as follows:

Business Fund Planning

The practice of estimating revenue and costs that business organizations must incur is known as financial planning. A financial plan is a corporate strategy to reach the intended financial status down the road. Additionally, because financial planning is related to the company's vision, mission, and business objectives, as well as its operations, financial details, management structure, and strategies for achieving these goals, it is an activity that estimates the company's income and expenses that may have an impact on its performance.

Through the systematic and planned process of gathering and evaluating financial data, the company may fulfill its short-, medium-, and long-term business objectives.

Financial planning may be seen as the planning process required to accomplish certain financial objectives that the business want to accomplish using indications of the creation of the long-term budget. Financial planning is the process by which one or more people or organizations attempt to reach their financial objectives by creating a thorough financial plan. This creates a clear financial plan and makes financial planning easier, much like a blueprint that indicates the course of a person's financial circumstances.

By saving money, the business can better understand the direction, goal, and distribution of its capital to finance the needs of its business line. This allows the company to allocate funds appropriately in its posts, such as allocating funds for production, marketing, or distribution activities, all of which are carefully planned to avoid going over budget.

There are five phases a firm may take when creating a business financial plan. The first is to figure out how much it will cost to start a business by figuring out how much it would cost to register a legal organization, buy some basic equipment, and buy production elements. In the second step, calculate the target profit %, test the pricing model, and compare the prospective sales income with the expenses that will be incurred in order to predict the business's profits and losses. Third, there is a chance that customers may be in debt, and discrepancies in cash flow records are likely to arise when calculating business cash flow by considering the fulfillment of funds to construct the capacity needed to service customers. Fourth, make an estimate of the company's financial balance by looking at the cash flow statement results, the expenses incurred in starting the firm, and the purchases made. Fifth, estimate the payback in a method for the service sector, setting a limit based on the average working hours per week; for other businesses, calculate the size of the existing market, then look at the market share controlled to identify the sales potential, Create a range of projections based on average, worst, and best-case scenarios. Write down your assumptions and the reasons behind them, then make an effort to revise them often in light of new information and company advancements (Sanjaya et al., 2018).

Business Financial Recording

In order to give entrepreneurs a record (archive) of their financial management, financial recording is the act of documenting all types of costs, revenue, and financial use.

The process of meticulously documenting financial revenue and costs related to all corporate financial transactions is known as financial recording.

Financial recording can also be defined as the process of recording financial transactions in order to generate pertinent data for decision-making. By doing this, businesspeople can obtain a financial position that can demonstrate the quantity or makeup of the relationship between wealth and spending sources. The process of regularly collecting financial data and information, such as assets, liabilities, capital, income, and costs, as well as the amount of the purchase and delivery price of goods or services, is known as financial recording, according to Law Number 28 of 2007 concerning General Provisions on Taxation. The process is concluded by creating financial statements in the form of balance sheets and profit and loss statements for the tax year period. Financial records serve the purpose of giving management access to a company's financial data, which is crucial for decision-making and for observing the financial state of the business.

Financial records also serve the purposes of calculating profits, giving management relevant information, identifying the rights of various internal and external parties, monitoring and controlling business operations, and assisting in the accomplishment of established goals. Since the finance division is involved in the company's short- and long-term goals and will help the company create a planning budget to achieve these goals, the treasurer or finance division must accurately record cash flows and determine the cost of production. Calculating the amount of capital and debt required to create an initial balance sheet, documenting each transaction in a cash book, summarizing each account, and creating a basic financial statement are all examples of rudimentary financial recording procedures (Agung et al., 2022).

Business Financial Reporting

To the boss, financial reporting is a means of accounting for all earnings and outlays for a certain time period. Making cash books, balance sheets, and other documents serves the reporting purpose of informing stakeholders about the present state of the company's finances. After financial recording is finished, financial reporting is the phase where information is used by stakeholders in the firm and presented in a clear, comprehensive, and consistent manner.

Corporate records known as financial statements give information about a firm in monetary terms so that individuals may use it to guide their business decisions. Reports known as financial statements display a company's financial status either now or throughout a specific time period. The end product of the accounting process, financial statements are documented in a diary known as a journal after the report begins with verification of transactions. Additionally, the journals are categorized into ledgers based on their transactions on a regular basis.

The purpose of financial statements is to provide information related to financial position, performance, and changes in financial position that are useful for most users in decision-making. With financial reporting positively affecting investment efficiency, and the relationship between reporting and investment efficiency increased in bank financing and decreased incentives to minimize revenue for tax purposes.

The Financial Position (Balance Sheet) report, which details the assets, liabilities, and equity at the end of a period, and the comprehensive income statement, which displays the business's operational performance for a single period, are among the contents of the financial statements. report on equity changes, which includes details on issues influencing equity shifts; The cash flow statement displays the sources of the company's cash inflows and outflows, which are focused on its three primary activities: operations, funding, and investments. The financial statements also include disclosures, both financial and non-financial, of the reported accounts or events that could have an impact on the company's performance and financial position.

Financial reports are created by first gathering and documenting transactions in a diary. All transactions pertaining to the business's operations must be meticulously documented in a journal. Moving transactions that have been documented in the journal to accounts that match the data is the second step in producing and publishing a journal into the ledger. Third, develop and assemble balance sheets. The ledger's list of accounts is categorized into asset or passive groupings. Once the information is gathered, an adjustment log must be created for financial statements that include unrecorded transactions that do not fit within a specific time frame. Fifth, use the information from the adjustment journal to update the balance sheet and create a column balance. The sixth step is to create financial statements. Reports created on the balance sheet simply need to be nicely formatted in accordance with the guidelines or standards of financial statements.

Seventh, create a closing journal by transferring the profit and loss balance to the undivided profit account, measuring it to the ledger based on the relevant account, and inserting the nominal/temporary account statement into the profit and loss account. Eighth, create a balance sheet upon closing that includes actual accounts rather than closed nominals (Puspitaningtyas, 2017).

Business Financial Control

Financial control is a way for entrepreneurs to suppress overfunding in each line of their business activities. Financial control is carried out to compare and evaluate the planned financial planning with the actual profit which aims to obtain feedback to the company's stakeholders which needs to be done in each phase of the business to achieve success, and adjusted to the needs of the business portion because as the size of the business grows, the necessary financial control will be more complex.

By doing an internal audit of the company's current finances to ensure that there are no anomalies, financial control aims to assess and enhance the company's finances and financial system. Financial controllers must possess professional opinions and attitudes in order to enhance or improve the outcomes that have been attained. Financial control is a means of safeguarding cash inflows and outflows. In order to prevent a financial crisis, the financial control system is implemented by managing the money received from sponsors, investors, sales, and firms' subsidiaries. The money is then used and controlled for the business's operating expenses. Assessing or enhancing a company's financial condition system is one way to achieve financial control.

Decide which standards will serve as the foundation for financial control, measure the implementation of the results attained, compare the implementation or results with the standards, identify any deviations, and take corrective action if necessary to ensure that the objectives and implementation are in line with the plan. Whether or whether the idea is truly feasible must also be evaluated and reexamined. The strategy has to be adjusted if it is inaccurate or unrealistic (Sunardi et al., 2022).

CONCLUSION

The aforementioned description leads to the conclusion that financial management of all business types, whether conducted by individuals or corporations, must be done with the intention of understanding and taking care of finances so that business owners are aware of the financial health of their current enterprise. The first kind of financial management is money planning, in which managers or entrepreneurs make plans for the revenue and expenditure of company funds. This must be done in order for the firm to operate in a controlled and organized way. Secondly, by keeping a record of all expenditures, earnings, and financial use, businesses may establish a financial management history. Third, financial reporting, which is accomplished by creating balance sheets, cash books, and other documents, is done to tell stakeholders about the present state of the company's finances. In order to minimize over-budgeting at this point, the fourth step is company financial control, which is used to determine the extent of the existing financial state and if there has been a decrease or vice versa.

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