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"Human Resource Transformation and Collaborative Innovation to Build Independent and Competitive Business in the Digital Era"

FINANCIAL MANAGEMENT AND DIGITAL MARKETING AT UD.PUTRI MSMES, KERTASADA VILLAGE, SUMENEP

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ABSTRACT

UD.Putri MSMEs operating on Kertasada Village since 2007, has been producing *amplang* crackers. They face significant challenges in financial management and digital marketing. This proposes strategies to enhance financial management efficiency, including effective budgeting, accurate financial recording, and digital marketing strategies to expand market reach. The potential benefits of these strategies are substantial, leading to improved financial transparency, better decision-making, and increased market visibility. This delves into the issue using qualitative descriptive methods, with data collection techniques in observation, interviews, and literature studies. The research findings reveal that UD.Putri MSMEs struggle with managing financial reports, which are still manual, and marketing, which is not yet optimal. However, there is a growing recognition of the importance of financial management and digital marketing. The integration of these two areas is expected to boost the competitiveness and sustainability of MSMEs in the digital era, offering a promising outlook for the future of MSMEs

Keywords: Digital Marketing, Financial Management, MSMEs

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the Indonesian economy, including in Sumenep Regency, East Java. Their contribution to Gross Domestic Product (GDP) and employment is an important pillar in regional economic development. However, despite having great potential, MSMEs in Sumenep face various challenges, especially in financial management and digital marketing. Good financial management is the key to the success of a business, including MSMEs. Sound financial management skills can increase understanding and business management knowledge (Rico Firmansyah, 2024). Sound financial management will also impact business continuity (Risnaningsih, 2017, p. 42). Inefficient financial management can hinder performance and the ability to gain access to financing. In Sumenep, many MSMEs still rely on traditional financial systems and lack knowledge about modern financial management, including transaction recording, cash flow management, and budget planning. UD.Putri MSME is one of the MSMEs in Kertasada Village, Sumenep Regency. This business started operating in 2007 but stopped due to limited capital. In 2011, this business began operating again until now. This business produces amplang crackers that have 3 variations of shape. UD.Putri MSMEs consist of business owners and several members who help in the production and packaging departments. This MSME product is a home business in the owner's home. During operation, these products will be distributed to several shops in Sumenep Regency. Some of the main challenges faced by MSMEs in financial management include: Limited Access to Capital. Many MSMEs have difficulty accessing financing from formal financial institutions due to a lack of guarantees and complete administration. Lack of financial education and literacy. The lack of knowledge about financial management means that many MSMEs cannot carry out excellent and structured financial records. Lack of financial literacy also limits their ability to access financial services that require a certain level of financial knowledge (Aqida & Fitria, 2019). Minimal Use of Technology. Most MSMEs still use manual methods for financial recording, which are prone to errors.

In the digital era, traditional marketing is no longer enough to reach increasingly connected consumers via the internet. Digital marketing is an essential strategy for MSMEs to increase visibility, expand market reach, and interact directly with consumers. The main goal of digital marketing is to attract customers and enable marketers and customers to interact through electronic media to promote products or services to the market (Yasmin et al., 2015). Sumenep Regency, with its tourism potential and local products, has an excellent opportunity to utilize digital marketing. Implementing digital marketing strategies provides various benefits for MSMEs, including: Cost Effective. Digital marketing is more cost-effective than traditional marketing. Wider Reach. The internet allows MSMEs to reach consumers outside their geographic area. Proper Analysis and Measurement. With digital analytics tools, MSMEs can track the effectiveness of their marketing campaigns in real time and make necessary adjustments. Even though the benefits are great, implementing digital marketing in UD.Putri MSMEs face several obstacles: Limited Knowledge and Skills. Many MSMEs are not familiar with digital marketing tools and techniques. Inadequate Technology Infrastructure. Internet access is still limited and uneven in some areas, hampering the optimal implementation of digital marketing. Resistance to Change. Changes from traditional to digital marketing methods often face resistance from business people who feel comfortable with the old ways. This article will discuss UD's financial management and digital marketing in depth. Putri MSMEs and provide strategic recommendations for optimizing financial management and digital marketing implementation. With an in-depth understanding and the right strategy, MSMEs in Sumenep can be more competitive and sustainable in facing ever-growing market dynamics.

METHOD

The data analysis method in this article is Qualitative Descriptive Analysis. The qualitative descriptive analysis is related to UD's financial management and digital marketing of Putri MSMEs in Sumenep City. The qualitative data in this research is in the form of addresses, income, price information, and marketing strategies implemented by UD.Putri MSMEs. Data collection techniques in this research included observation, interviews, and literature study methods. The informants were four people: the business owner and three employees. Researchers collected data by making observations. Next, the researcher prepared questions to conduct interviews regarding the challenges faced in running a business, whether digitally marketing products or directly. Researchers also collect data by searching, reading, and understanding reference literature from journals, papers, and other relevant literature sources.

RESULTS

From the results of observations and interviews that I conducted, UD.Putri MSMEs still experience difficulties managing financial reports, and preparing financial reports is still not carried out regularly at UD. Putri UMKM, the preparation of financial reports is still manual, and this has been done until now. *"I entrust the products to the nearest shops and also sell online via WhatsApp,"* he said, even though UD. Putri MSMEs have also carried out marketing via WhatsApp. Their marketing has not reached many consumers because their online marketing is still limited to WhatsApp. However, MSME owners who participated in this research showed awareness of the importance of managing finances to understand the cash flow of their business. He has also realized that social media provides easy access to interact with customers, promote products and services, and build closer relationships with their audiences.

DISCUSSION

Sound financial management practices are the basis of thriving MSMEs. By setting clear financial goals, implementing effective budgeting techniques, and maintaining accurate records, UD.Putri MSMEs can control their finances, ensuring the stability and growth of their business. Setting clear financial goals, such as increasing revenue, expanding operations, or reducing debt, provides a roadmap for financial decision-making. Structured and focused financial planning can be the key to success (Rustan, 2024). UD.Putri MSMEs must make a financial or budget plan, identifying all income and expenses. Set explicit funding allocations for each aspect of the business, including employee salaries, marketing, and business development. With sound financial planning, you can control expenses, avoid waste, and manage finances more efficiently. Budgeting involves the efficient allocation of financial resources to various business activities. Effective cash flow management ensures that MSMEs have sufficient funds to meet their obligations, such as paying bills and covering operational costs. Effective budgeting and cash flow management is essential for the survival of MSMEs. Research shows that cash flow management helps MSMEs ensure the availability of funds to meet obligations such as paying bills and covering operational costs. For example, research at MSME Gabovira shows that good cash flow management can increase business sustainability, especially in crises such as the COVID-19 pandemic (Robenson et al., 2021).

Budgeting includes planning income and expenses over a certain period, while cash flow management is concerned with managing daily cash to meet operational needs. Steps in budgeting and cash flow management include: Income and Expenditure Planning. Make careful estimates of income and expenses to avoid a lack of funds. A study shows that careful planning of income and expenses can improve financial performance. This research emphasizes the importance of accurate estimates to avoid funding shortages and maintain financial stability (Laghari F. et al., 2023). Cash Flow Monitoring. Actively manage cash inflows and outflows to ensure adequate liquidity. The existence of a good balance regarding the quantity and timing between cash inflows and cash outflows in a company means that cash expenditures, both in terms of quantity and timing, will be met from cash receipts so that the company does not need to have a large cash inventory (Rahmadani et al., 2024). Debt and Receivable Management. Manage debt payments and obligations to keep them at a manageable level. Effective debt and receivable management to maintain the financial balance of a business or company. Managing debt and receivable payments carefully can prevent a business or company from liquidity problems and increase financial stability (Mungai et al., 2020). Use of Flexible Budgets. Adjust the budget if there are changes in market or operational conditions. A study from the journal Sustainability reveals that budget flexibility is very important, especially during crises such as the COVID-19 pandemic. Adjusting budgets allows companies to survive changing market conditions and face operational challenges effectively (Ramli A. et al., 2022). Use of Technology. Utilize financial software or applications to make cash flow monitoring and analysis easier. De Gruyter's journal emphasizes the importance of utilizing technology in budgeting and cash flow management. The use of financial software can make monitoring and analyzing cash flow easier, increase operational efficiency, and help make more informative decisions (Mungai et al., 2020). Maintaining accurate and up-to-date financial records is essential for tracking income, expenses, and overall financial performance. Routine financial analysis provides valuable insight into the business's health, enabling MSMEs to identify areas for improvement and make informed decisions. A study by Syamsul (2022) in the journal Finance and Business states that it is essential to implement an accurate and up-to-date financial recording system. This helps MSMEs track income and expenses effectively, essential for maintaining financial health and making informed business decisions.

Digital Marketing, empowering MSMEs in the Digital Era

In the current digital era, it has become a habit that purchasing decisions made by consumers are based on digital content (Hilmiana & Kirana, 2022). This is undoubtedly a challenge for business people in MSMEs. Therefore, here are several ways to deal with the problems faced by UD.Putri MSMEs:

1. Building a Strong Online Presence.
   Creating engaging, user-friendly content and building a presence on relevant social media platforms is crucial for UD. Putri MSMEs to reach a wider audience and showcase their offerings. An inspiring content strategy is essential in building a solid online presence (Wildfire Ridgie, 2023).
2. Professional Website.
   Create a responsive website that is easy to navigate and represents the UD Putri MSME brand. Make sure product or service information, contact information, and how to purchase are clearly listed.
3. SEO Optimization.
   Optimize your website for search engines to make it easy for potential customers to find. Use keywords relevant to your business in your content. An effective SEO strategy, using relevant keywords and quality content, significantly influences MSME business performance and online presence (Hadiana et al., 2023).

4. Active on Social Media.
   Create and manage active social media accounts like Instagram, Facebook, or LinkedIn. Use this platform to interact with customers, promote products, and build a community. Social media governance allows MSME activists to strengthen their MSME businesses (Rahmiyanti, S. et al., 2023).
5. Online Reputation.
   Manage the online reputation of UD.Putri MSMEs by responding well to customer reviews, both positive and negative. Collaborate with other MSMEs to expand your online reach. Several studies support the importance of managing MSMEs' online reputation by responding to customer reviews and collaborating with others. Research shows that responding to customer reviews, both positive and negative, can increase customer trust and loyalty. This is important for building a positive image and managing complaints effectively (Veranita M. et al., 2022).
6. E-commerce and Online Sales.
   Building an online shop or utilizing an e-commerce platform allows UD. Putri MSMEs sell their products and services directly to customers worldwide. In addition, other research confirms that using the e-commerce platform helps MSMEs expand their market reach and increase efficiency in marketing and product distribution (Purnama et al., 2021).

Synergy Integration of Financial Management and Digital Marketing

Integrating financial management and digital marketing is a strong strategy for MSME growth. By aligning financial goals with digital marketing efforts, MSMEs can optimize their online presence, generate leads, and drive sales while maintaining financial prudence.

1. Data-Driven Financial and Marketing Decision Making.
   Leveraging data analytics from digital marketing campaigns provides valuable insights into customer behavior and preferences, enabling MSMEs to make informed financial decisions and optimize marketing strategies.
2. Targeted Advertising and Budget Optimization.
   Digital marketing platforms offer targeted advertising options, enabling MSMEs to reach their ideal customer base more precisely and maximize their marketing spend's return on investment (ROI).
3. Performance Monitoring and Financial Analysis.
   Monitoring the performance of digital marketing campaigns and analyzing their financial impact routinely allows MSMEs to identify successful strategies and allocate resources effectively.

CONCLUSION

UD.Putri MSMEs in Kertasada Village, Sumenep, face significant financial management and digital marketing challenges. The main difficulties include manual financial management and limited digital marketing. However, there is awareness of the importance of improving both areas by implementing good financial management strategies, such as effective budgeting, accurate financial recording, and using technology, UD. Putri MSMEs can increase their operational efficiency and financial stability. Digital marketing also offers great opportunities to expand market reach and increase consumer interaction. MSMEs can reach more consumers by building a strong online presence through a responsive website, SEO optimization, and social media activity. Using an e-commerce platform can also help increase product sales and distribution. Integrating effective financial management and digital marketing can provide a competitive advantage for UD.Putri MSMEs. Data-based decision-making, optimizing advertising budgets, and regular performance monitoring will enable MSMEs to develop and adapt to ever-changing market dynamics. With the right strategy, MSMEs in Sumenep can increase their competitiveness and sustainability in the digital era.

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