

## **Analysis of The Role of Financial Management in Efforts to Increase Income of the SME Bunga Angrek**

**Maria Krisanti Seuk<sup>1\*</sup>, Nur Ida Iriani<sup>2</sup>, and Fendiyatmi Kusufa<sup>3</sup>**

\* Correspondence Author: [isnaseuk222@gmail.com](mailto:isnaseuk222@gmail.com)

<sup>1,2,3</sup> Management, Faculty of Economics, University of Tribhuwana Tungadewi, Malang, Indonesia

| INDEXING   | ABSTRACT   |
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| <p><b>Keywords:</b><br/>Keyword 1; Financial Management<br/>Keyword 2; SME<br/>Keyword 3; Income<br/>Keyword 4; Increase</p> | <p>To analyze the role of financial management in increasing revenue at UKM Bunga Angrek Denis, with a focus on its contribution to better financial management and its impact on increasing business revenue. Qualitative approach with data collection techniques in the form of in-depth interviews, observation, and documentation. Qualitative approach with data collection techniques in the form of in-depth interviews, observation, and documentation. The data obtained were analyzed using qualitative data analysis techniques that include three main stages, namely data condensation, data presentation, and drawing conclusions. Data condensation is done to filter relevant information, data presentation aims to organize data so that it is easy to understand, and drawing conclusions is done to obtain the meaning and implications of the data that has been analyzed. The results of the study indicate that the financial management implemented by UKM Bunga Angrek Denis is quite effective even though it is still relatively simple. Positive practices such as regular bookkeeping, good cash management, and efficient use of capital have proven to be able to encourage increased business income. However, there are still several challenges faced, especially in terms of financial planning and supervision that still need to be improved so that potential income can be maximized. In addition, improving managerial skills in the financial sector is highly recommended to support future business growth and sustainability.</p> |

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## **INTRODUCTION**

The role of management is essential in any organization, be it a corporation, a government agency, or a non-profit organization. Roles are the foundation that allows organizations to direct resources, make informed decisions, and minimize unnecessary risks. Here are some of the reasons why management roles are vital. First, setting Clear Goals Roles help organizations to set clear and measurable goals. With good planning, each team member can work with focus towards the agreed goal, reducing confusion. Second, effective Utilization of Resources Planning management allows organizations to identify and allocate resources (be they human, financial, or material) efficiently. Without careful planning, resources may be used ineffectively, and may even lead to waste.

Risk Management Planning helps organizations anticipate potential problems or obstacles that may arise in the future. By having a contingency plan in place, organizations are better prepared to deal with unexpected changes or challenges. Better Decision-Making The planning process allows managers to consider various alternatives before making a decision. This improves the quality of the decisions taken, as they are based on in-depth analysis and relevant data.

Improve Coordination and Communication With clear planning, team members can understand their roles and responsibilities in achieving organizational goals. This improves coordination between departments or work units, as well as ensures that communication within the organization runs smoothly. Organizations that have good planning tend to have better performance because they know what to achieve and how to achieve it. Planning provides a framework that allows organizations to move forward in an organized and efficient manner. Aligning Individual and Organizational Goals Effective planning aligns individual goals with organizational goals. Each team member knows how their contribution relates to the big goal they want to achieve, creating a higher sense of responsibility and commitment. Overall, the role of planning management not only helps organizations achieve long-term goals, but also serves as a tool to increase organizational competitiveness, innovation, and resilience in the face of ever-changing market dynamics.

Increasing revenue is one of the main goals in every organizational or company management effort. In a competitive and dynamic business world, strategies to increase revenue are not only essential for the sustainability of the organization, but also for achieving sustainable growth and providing added value for all stakeholders. High revenues allow companies to develop new products or services, invest in research and development, expand markets, and improve the well-being of employees and the surrounding community. Efforts to increase revenue can come from various directions, such as increasing sales volume, diversifying products or services, improving prices, or penetrating new markets. Each of these steps requires a deep understanding of the market, consumer behavior, and the ability to adapt to changing economic and industrial conditions.

Business sustainability Increased revenue is key to maintaining business survival and growth. Without a sustained increase in revenue, the company will struggle to meet operational needs, innovate, or further develop the business. Increasing Competitiveness Companies that are able to increase revenue effectively usually have higher competitiveness in the market. Stable or growing revenues allow companies to invest in quality products, marketing, and technology that make them superior to competitors.

Denis Angrek Flower is an SME engaged in agriculture or floriculture, especially in the cultivation, care, and sale of angrek flowers such as: Ankle moon. Spider angrek, shoe angrek, vanda angrek, cattle angrek, deadribium angrek, and cymbidium angrek. The basic material used is to use seedlings or superior plants because, according to them, superior plant media to maintain drainage and moisture and is very popular because it is durable, pest-free, and supports root aversion.

Denis Angrek Flower is currently experiencing a drastic decline in income because there are several factors that affect these MSMEs, namely the lack of a good management role or function. Therefore, the author or researcher can take the title from the problem entitled: "Analysis of the role of financial planning management in efforts to increase the income of Bunga Angrek Denis SMEs". And the researcher will apply several important points to SMEs such as planning, organizing, controlling and supervising by conducting this research Bunga Angrek Denis UKM will be even better and can get the desired target.

The perspective of small business management is slightly different from large-scale business management. The difference includes the following: In a large, established business, the responsibilities and duties of managers have been chosen according to the organizational structure and strategy. The role and responsibilities of a manager join a small organization when resources are scarce because it does not require a manager. The founder or owner of a small business is also a manager.

The results of the analysis will be obtained in the form of financial management functions. The findings of this study are considered relevant information and are used to regulate the financial management function in a company. Naturally, as a business, the desired outcome is to make a profit. You want to know how the business you own or are interested in is making a decision.

Based on the background of the problems that have been explained, the purpose of this study is to analyze the role of financial management in efforts to increase the income of SMEs in Denis Orchid Flower located in Bumiaji, Batu City.

## **LITERATURE REVIEW**

**Optimizing Resource Management** Increased revenue allows organizations to manage resources more efficiently. With more revenue, the company can fund various initiatives that improve operations and increase production capacity, which in turn will lead to cost efficiency and increased profit margins. **Improving Stakeholder Welfare** One of the positive impacts of increased revenue is the creation of greater benefits for stakeholders—be it employees, shareholders, or the wider community. More productive employees and more profitable companies can provide better compensation as well as development opportunities for all parties involved.

**Ability to Adapt to Economic Changes** In the midst of economic uncertainty, organizations that are able to increase their revenue will be better prepared to deal with market changes and economic fluctuations. Higher revenues create a reserve of funds that allows the organization to survive and even thrive even in less favorable conditions. **Driving Innovation and Expansion** The resources gained from increased revenue provide space for companies to invest in research and development, create innovative new products or services, and explore new market opportunities. This innovation will in turn strengthen the company's position in the market and bring in additional revenue. Overall, efforts to increase revenue are not only about boosting sales figures, but also about a holistic and sustainable strategy. With careful planning and effective implementation, a company or organization can ensure that they not only survive, but also thrive and achieve long-term success.

A company has targets and objectives in carrying out an activity operation in a business during the cycle period. The management of the organization's total activities is the most important component. When it comes to improving work requirements, working conditions, and working standards, management is seen as a reformer. Establishing the boundaries of management as an art and science to regulate, lead, motivate, and manage people and work systems to achieve a goal (Siswanto, 2007). Management also pays attention to the organizational principles that govern the division of labor. The perspective of small business management is slightly different from large-scale business management. The difference includes the following: In a large, established business, the responsibilities and duties of managers have been chosen according to the organizational structure and strategy. The role and responsibilities of a manager join a small organization when resources are scarce because it does not require a manager. The founder or owner of a small business is also a manager. To find out the productivity, a benchmark is needed, namely by having a work strategy and work motivation so that the business can make the right decisions in running its operations. (Oli et al., 2021). When a business operates or purchases products and services for the general public, or particularly customers, it generates revenue, which is an increase or increase in assets and a decrease or decrease in business liabilities. (Harnanto, 2019: 102).

## **RESEARCH METHOD**

The research method used in this study is a qualitative method, which aims to understand the phenomena experienced by the research subject, such as behavior, perception, motivation, and action, and is presented in the form of words and language. This method was chosen because it can provide an in-depth explanation of the problem being researched and prioritize data obtained directly from the source. The research was conducted at the Denis Orchid Flower UKM located on Jl. Bulukerto, Bumiaji District, Batu City, East Java, with consideration of a location that is easy to reach and relevant to the focus of the research. The main focus of this study is to analyze the role of financial management in efforts to increase the income of these SMEs. The data used consisted of primary and secondary data, which were obtained through in-depth interview, observation, and documentation techniques. Data analysis was carried out using the Miles, Huberman, and Saldana model which includes three stages, namely data condensation, data presentation, and conclusion/verification. To ensure the validity of the data, triangulation techniques, both triangulation of sources, techniques, and time, are used to increase the credibility of research results.

## **RESULT AND DISCUSSION**

### **Research Results**

#### **The Role of Management of Denis' Orchid Flower SMEs**

Management is a planning, organizing, control, placement, direction, communication and decision-making carried out by each organization with the aim of coordinating some of the resources in the company, so that a product or service will be produced efficiently. According to Supriatna and Andi (2007), management is simply oriented towards two things, namely supervising people to work and taking care of money. So management can be defined as an activity of supervising or regulating people to work and take care of managing financial administration properly. Good management can only be achieved if it is applied firmly and disciplined, so that the business carried out can run smoothly and in accordance with the expected goals. As conveyed by Mrs. Whinduh as the owner of Denis Orchid Flower UKM. Related to the management role in Denis' Orchid Flower UKM, which includes the following:

#### **Planning of Denis Orchid Flower UKM**

Consistent profits in a large or small company are certainly one of the biggest dreams for every businessman. Therefore, wise product management is very important for business continuity. Poor product management can affect business development to the maximum and if not carefully regulated, it will affect income and expenses will be confused. As conveyed by Mrs. Whinduh as the owner of the SME as follows:

"Indeed, the plan for the future is that we want to develop even more on the basis that this year the income of cattleya orchid products, deadrobium as much as 100.00 is more increased, with the hope that we can add 200,00 products for next year and increase the workforce, from there we will do more promotions to introduce our products so that income can increase" (Interview, January 07, 2025).

Based on previous research planning, Seran et al. (2023) said that budget planning is one of the important functions in management, and standard operating procedures (SOPs) are needed as guidelines in managing company finances. Although Borneo Mini Waterpark Banjarmasin has an SOP in financial planning, the SOP is not recorded in writing, but is conveyed in a meeting. This is because the income and expense cycles are not always the same every month, depending on the number of visitors. In addition,

Umami (2019) in her research on financial management management in batik MSMEs also found that financial planning plays an important role in advancing the entrepreneurial sector. Senjani (2019) revealed that although the management of BUMDES is still simple, they already have plans for future improvements. On the contrary, it was found that there is no good financial planning. Meanwhile, Aini et al (2022) concluded that financial statement data obtained from SMEs related to company performance was processed using the MYOB Accounting application.

Based on the above statement, it can be concluded that the business of Bunga Anggrek Denis in terms of financial calculation or reporting is carried out manually using expenditure and income records. Although this is done manually, financial recording goes well.

Capital itself is a fund sourced from the owner of the company. According to the opinion of Bourdieu (2018) the capital itself is basically capital that comes from the company and is embedded in the company for an indefinite period of time. Capital itself is owner equity whose name equity is a right that remains over the assets of an institution after deducting its obligations. As conveyed by Mrs. Tunik as the owner of Denis Orchid Flower UKM, which is as follows:

"At the beginning I opened this business at a price of Rp.3,000,000 and a loan at the bank. With this capital, we will then use it to develop this business as much as possible". (Interview 07 January 2025).

Based on the above statement, it can be concluded that capital in running a business is basically not only based on large capital. However, small capital can also make a business grow if the business can be run seriously.

A product is something that can be offered to the market to be considered, owned, used or consumed so that it can satisfy desires or needs. Thus, regarding the products owned by Bunga Anggrek Denis UKM as conveyed by Mrs. Whinduh as the owner of the SME as follows:

"The plan for the future is to make new products so that there is no competition because recently competition has increased a lot because there are many similar products". (Interview 09 January 2025).

Based on the above statement, it can be concluded that Denis Orchid Flower UKM uses basic materials such as orchid seeds derived from tissue cultures, seedlings, or orchid shoots; planting medium consisting of charcoal, wood powder, ferns, coconut coir, or moss sphagnum; as well as fertilizers and nutrients that include organic fertilizers, NPK fertilizers, liquid fertilizers, or growth stimulating hormones. The pot or container used can be clay, plastic, or wooden pots, depending on the type of orchid being cultivated. Water and sunlight are also important factors in supporting the optimal growth of orchids. The results of observations made by researchers on January 7 to 9, 2025 show that the business owner, Mrs. Whinduh, even though the planning she made was simple and not officially written, always planned every month regarding the materials to be purchased and estimated the expenses and income that would be obtained. On January 7, 2025, the researcher saw that Ms. Whinduh was making a simple financial plan regarding the purchase of materials to find out her expenses and income each month. Meanwhile, on January 9, 2025, Mrs. Whinduh plans what products will be made in the near future.

### **Organisation of Denis Orchid Flower UKM**

Organizational structure patterns for SMEs that are already established and developing are usually very commonly used and even become a must so that in one forum the SMEs can work together and complement each other to achieve one goal. As

conveyed by Mrs. Whitduh as the owner of the SME as follows:

"So, in this UKM there are 4 employees, I myself as a business owner, so the number is all 5 people, each of whom already has different duties and responsibilities so that each employee focuses on their duties". (Interview, January 13, 2025).

On the other hand, Mr. Iren as an employee of the Orchid Flower UKM Denis said that:

"Yes, we have an organization, actually, so we work according to our respective tasks". (Interview, January 15, 2025).

Then from the other employees' side, one of them, namely Mr. Chandra, conveyed the same opinion as Mr. Chandra, namely:

"We have an organization so the work is according to their respective duties". (interview, January 15, 2025).

Based on the above statement, it can be concluded that in running a business in an organization or company and so on, employees or labor are very necessary to be able to run effectively and efficiently as expected. Meanwhile, based on observations that were found, Denis Orchid Flower SMEs, apart from business owners, there are also several workers (employees) who have the potential to do a work of art.

Based on previous research, organization in a company is very important to ensure that the tasks, principals, and functions of each employee can run well according to their skills and responsibilities. As conveyed by Nurhaliza (2024), a clear organizational structure can support the smooth operation of the company, for example in the Borneo Mini Waterpark Banjarmasin which divides financial management responsibilities between counter treasurers and café treasurers. However, in small micro businesses as explained by Umami (2019), the existing organization tends to be simple and not well structured, so the placement of employees is often not in accordance with their expertise. On the contrary, well-structured organization can support smooth operations, as found by Senjani (2019) in BUMDes, which have a well-structured organizational system, so that they can achieve the targets that have been set. The same thing is also found in MSMEs in Purbalingga Regency which have a neat and well-structured organizational system. In addition, Aini et al (2022) also noted that a well-structured organizational system in SMEs allows operations to run smoothly.

The results of observations made by researchers from January 13, 2025 to January 15, 2025 show that at Denis Orchid Flower UKM, employees work according to their respective duties and functions without helping each other. This happens because Denis Orchid Flower UKM has a clear organizational structure, which makes every employee aware of their role in the work process. On January 13, 2025, researchers saw that the number of employees at Denis' Orchid Flower UKM was five people, plus business owners. This clear organizational structure makes it easy for employees to work in a directional and efficient manner.

### **Control of Denis Orchid Flower UKM**

The basic concept of internal control is a concept that can be applied as a reference not only for large businesses, but also for small and medium businesses in order to achieve business goals. This concept needs to be obeyed by all levels of personnel so that business goals can be achieved effectively. in an organization. It needs to identify each job, its function and where it reports into the organization. As this was conveyed by Mrs. Whitduh as the owner of the SME as follows:

"For financial control, it is the mother herself who can condition it, for example for this month that we have to spend on financing, there is already a schedule, so if later the income is less, we can already manage expenses for the benefit of which if what is still

cooled can be reduced, we just adjust it". (Interview, January 17, 2025).

Control of Denis Orchid Flower SMEs As conveyed by one of the employees, Mr. Luis, that: "I mingle with other friends if it is crowded, it will definitely blend with others, sometimes if you have a different schedule, it feels lonely". (interview, January 17, 2025) In the control system of a business, SMEs must have added value, excellence in creating goods or services, both in small and large businesses. In this case, as stated by the business owner, "for involvement, there must be an owner who also coordinates every activity and participates in the running of the activity". (interview, January 20, 2025).

Based on the above statement, it can be concluded that the control system is carried out based on procedural methods and organizational structure for the protection of company assets, as well as ensuring financial accuracy. In addition, in controlling a business, it must have a very high value of excellence so that it can attract consumers and can achieve the goals that have been set to get profits.

Based on previous research, control in a business is often directly controlled by the owner or responsible party. The same thing is also explained by Umami (2019) in Batik MSMEs, where business owners are responsible for controlling the process by designing or changing new products to stay relevant. In BUMDes, control is carried out by the village head and treasurer, who design work programs so that organizational goals are achieved, as explained by Senjani (2019). Aini et al (2022) also noted that in SMEs, effective control occurs when business owners and secretaries work together to provide innovations that motivate employees to be more enthusiastic in their work.

The results of observations made by researchers from January 17, 2025 to January 20, 2025 show that control at Denis Orchid Flower UKM was directly directed by the business owner, Mrs. Whinduh. He gave directions to employees on good and correct production methods, with the aim that the production process could run smoothly and business targets were achieved. In addition, on January 20, 2025, business owners will also provide new innovations and work motivation to employees, in order to increase their enthusiasm and performance in achieving business goals.

### **Supervision at Denis Orchid Flower UKM**

Supervision of business activities carried out by business actors, including SMEs in carrying out their activities, both small and large businesses. Supervision is carried out so that every business actor carries out their business activities properly. So that it will create healthy market conditions. As conveyed by Mrs. whinduh as the owner of the Denis Orchid Flower UKM regarding the supervision carried out as follows:

"For the supervision that is carried out, namely by paying attention to what is the main need, starting from employee performance and the quality of goods produced for sale and that is what I myself do to then direct the existing employees". (Interview, January 22, 2025).

### **Supervision of Denis Orchid Flower UKM**

Regarding monthly income, these SMEs always experience a decrease in income. As stated by business owners that:

"So this is related to it in 2022, the amount of income per month has decreased in income because buyers are quiet and many sellers sell the same product, resulting in a decrease in income. I try other alternatives to change the model and design from the old product to the new product to be able to get income according to what has been targeted at". (interview, January 22, 2025).

Based on previous research, effective supervision in business can take place

properly and smoothly if carried out directly by the responsible party. As conveyed by Umami (2019), supervision of Batik MSMEs is carried out directly by business owners, by going directly to the field to monitor the work process of employees. In addition, Senjani (2020) also mentioned that the supervision carried out in BUMDes is well structured, which affects the achievement of revenue according to the target. Not only internal supervision, but external supervision, especially in the legal aspect, also has an important role to ensure success and compliance with applicable regulations. As conveyed by the business owner, it is as follows:

"So related to the legal legality of this UKM, it has actually not registered in accordance with existing legal procedures, it's just that this UKM has registered at one of the agricultural offices in order to maintain what happens in the future". (January 23, 2025).

Based on the above statement, it can be concluded that in supervising product quality and employee performance in a business field is the most important thing to maintain the stability of the business being run. So what is needed is commitment and good cooperation.

Based on previous research, effective supervision in business can be carried out by directly involving business owners. The supervision system at Borneo Mini Waterpark Banjarmasin is directly supervised by business owners, who intervene to monitor the production system so that it runs as expected. Aini et al (2022) added that supervision in MSMEs is also carried out by business owners by seeing firsthand how employees perform, so that the operational process runs smoothly and in accordance with the desired goals.

The results of observations made by the researcher on January 20, 2025 show that supervision at the Denis Orchid Flower UKM was directly carried out by the business owner, Mrs. Whinduh, who directly monitored the business activities. Not only supervision in the business, but business owners have also taken steps to anticipate possibilities that will occur in the future. In the observation sheet recorded, on January 22, 2025, the researcher saw that supervision at the Denis Orchid Flower UKM was well maintained, although there were still some employees who did not care about their duties.

## **Discussion**

### **The Role of Management of Denis' Orchid Flower SMEs**

Based on the results of the research that has been described above, it can be explained that the role of financial management in Denis Orchid Flower SMEs is as follows:

#### **Planning**

According to Nawawi (2011:54), there are four management functions known to the public, one of which is the planning function (planning) is the process of defining organizational goals, making strategies to achieve those goals, and developing organizational work activity plans. As is the case with budget planning in Bunga Anggrek UKM Denis is one of the functions of financial management. Standard operating procedures are needed as a standard of guidelines for companies in managing their finances. Bunga Anggrek Denis UKM does not have standard operating procedures in its financial planning, therefore Bunga Anggrek Denis UKM conducts financial recording spontaneously without detail. This financial recording is to find out income and expenses every month that are never the same. Financial recording at Bunga Bunga Anggrek Denis UKM is carried out every time there is income and expenditure



because, income and expenses at Bunga Bunga Denis UKM depend on the level of the number of consumers. The recording of financial statements at Bunga Anggrek Denis UKM is in the form of a long small album book containing details of income and expenditure reports for each purchase.

With the recording of this financial statement, it will be known what the final income of the round is. However, Denis Orchid Flower UKM has not done financial recording using computers that are currently crowded, in other businesses. Denis Orchid Flower UKM prefers to do financial recording manually unlike other businesses to date.

However, as stated above, it is related to the importance of a financial reporting structure for the amount of income and expenditure that exists. However, it can be seen that Bunga Anggrek Denis UKM is still doing it manually in financial reporting or does not have standard operating procedures in its maximum financial recording. Where spontaneous financial recording without details in the Bunga Anggrek Denis UKM is carried out financial recording and financial reporting simply, namely manually such as writing in an album book to find out income and expenses and this runs quite optimally.

The definition of working capital is the amount of funds used during the accounting period intended to generate short-term income only, namely in the form of cash, inventories of goods, receivables (after deducting profit margin), and depreciation of fixed assets.

At the beginning of the establishment of Denis' Orchid Flower SME business using initial capital, namely at a price of Rp. 3,000,000 and loans at the Bank. With this capital, it is then used to develop this business as much as possible.

A product is everything that can be offered to the market to satisfy a desire or need, including physical goods, services, experiences, events, people, places, properties, organizations, information, and ideas. Likewise with Denis Orchid Flower UKM, which produces various orchid products such as moon orchids, dendrobiums, cattleya, vanda, and others, as well as flower arrangements such as bouquets, birthday flowers, standing flowers, and table flowers. In addition, this UKM also provides materials used for orchid care, including coconut coir, wood charcoal, chopped ferns, wood shavings, sphagnum moss (optional for extra moisture), pots, and fertilizer.

Subekti (2022) states "Organizing is a process of determining, grouping, and organizing various activities necessary to achieve goals, placing people in each of these activities, providing the necessary tools, establishing authority that is relatively delegated to each individual who will carry out these activities". Meanwhile, Siswanto (2007:75) stated: Organizing is the division of work that is planned to be completed by members of the work unit, the establishment of effective relationships between work between them, and the provision of a reasonable work environment and facilities so that they work efficiently.

As in the organizational activities at the Denis Orchid Flower UKM, it is very simple that the organizational activities carried out every day only work in accordance with what is the task of each member who has been directed. So, in this Denis Orchid Flower UKM there are 4 employee members and plus business owners, so there are 5 people in total.

The organizing activities at Denis Orchid Flower UKM are very simple which is carried out every day from the head of business to subordinates working according to the duties of each member who has been directed. However, the employees at Bunga Anggrek Denis UKM each do not think about each other, instead they raise their egos and are lazy to know each other highly. In the Denis Orchid Flower UKM, the organizational structure is unclear or not unstructured, so the employee members work not in accordance with the work that has been shared, sometimes they each work

irregularly, then in the payroll system at the Denis Orchid Flower UKM, there are those who are paid with large wages and there are also those who are paid with small nominal wages depending on the work of each employee. In a business, both small and large, every employee or member must help each other and be very compact to achieve a good organizational goal so that business income can increase according to what is expected.

According to Simanjuntak et al (2023) explained that: "Control is the process of observation rather than the implementation of all organizational activities to ensure that all the work that is being done runs according to the plan that has been set".

Basically, the control of Denis Orchid Flower SMEs engaged in the wood craft business has an intense coordination system between owners and employees where all the things done to run and develop their business are very simple. Denis Orchid Flower SMEs, which are micro businesses and small businesses, have a fairly good commitment and cooperation in producing product quality and controlling expenses and income manually, but this is carried out very conductively.

The control in this SME is controlled by the business owner, namely Denis Orchid Flower itself. He is always looking for ideas to build a new work and gives the idea and will then be forwarded to the employees to be able to help make a craft that has been delivered so that the work is designed as well as possible and then sold to consumers and so that it can be enjoyed.

So, in the control that exists at the Denis Orchid Flower UKM, it is based on the conditions experienced. If faced with a bad or unfriendly market situation, several new innovations will be made. Then in this case the employees will be directed to do what is needed.

Competitive advantage can come from various activities of companies such as in designing, producing, marketing, handing over, and supporting its products and is directed to support the creation of company performance that is low cost and has a difference (differentiation) from other products. Denis Orchid Flower UKM has an advantage value, namely by using wood materials that until now are still distinctive and very traditional. This SME chooses to use pine, mahogany, and teak wood and also, Denis Orchid Flower UKM chooses or recruits employees from their own hometown (region) to help provide income to meet the economic needs of the family.

### **Supervision**

Supervision is the process of observation of the implementation of all organizational activities to ensure that all the work that is being carried out runs according to the set plan

For the supervision carried out at Denis' Orchid Flower UKM, it is by paying attention to what are the main needs, starting from employee performance and the quality of goods produced to be sold to the market and that will do so that will then direct existing employees.

Good supervision will certainly produce good income. In a business, of course, there must be a revenue target About that, in 2022, the amount of monthly income at Denis Orchid Flower SMEs has decreased in revenue because there are fewer buyers and many sellers who sell the same product, resulting in a decrease in income. Therefore, business owners take the initiative to replace or change the model and design from old products to new products to be able to get income according to what has been targeted every month.

Then not only supervision inside but outside is also important, especially in the Legal section. As in the Denis Orchid Flower UKM, it is related to the law of the Denis Orchid Flower UKM has not registered in Legal Legality, however, the Denis Orchid Flower UKM has registered with one of the trade offices in order to protect what will

happen in the future.

**Table 1. Financial Position Report (NERACA)**

| <b>Asset</b>                          | <b>2022(RP)</b>    | <b>2023(RP)</b>    | <b>2024(RP)</b>    |
|---------------------------------------|--------------------|--------------------|--------------------|
| current assets                        | 225.485.062        | 284.662.653        | 269.410.745        |
| accounts receivable                   | 54.021.000         | 67.203.000         | 61.230.000         |
| inventory                             | 43.003.000         | 40.105.500         | 39.102.000         |
| <b>Total Current Assets</b>           | <b>322.509.062</b> | <b>355.971.153</b> | <b>369.742.745</b> |
| supplies                              | 12.000.100         | 9.020.230          | 8.820.230          |
| equipment                             | 19.552.000         | 17.120.300         | 16.110.000         |
| vehicles                              | 14.000.000         | 13.000.000         | 11.000.000         |
| office                                | 250.000.000        | 250.000.000        | 250.000.000        |
| depreciation                          | -7.648.100         | -6.411.570         | -3.210.300         |
| <b>Total Fixed Assets</b>             | <b>287.904.000</b> | <b>282.728.960</b> | <b>282.719.930</b> |
| <b>TOTAL ASSETS</b>                   | <b>610.413.062</b> | <b>638.700.113</b> | <b>652.462.675</b> |
| <b>LIABILITIES</b>                    |                    |                    |                    |
| accounts payable                      | 51.650.000         | 42.105.000         | 35.100.000         |
| bank loans                            | 74.500.000         | 54.000.000         | 35.100.000         |
| <b>TOTAL LIABILITIES</b>              | <b>126.150.000</b> | <b>96.105.000</b>  | <b>70.600.000</b>  |
| <b>EQUITY</b>                         |                    |                    |                    |
| capital                               | 484.263.062        | 542.595.113        | 581.862.675        |
| <b>TOTAL LIABILITIES</b>              | <b>610.413.062</b> | <b>638.700.113</b> | <b>652.462.675</b> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>610.413.062</b> | <b>638.700.113</b> | <b>652.462.675</b> |

**Table 2. Income Statement**

| <b>Income</b>            | <b>2022(RP)</b>      | <b>2023(RP)</b>      | <b>2024(RP)</b>      |
|--------------------------|----------------------|----------------------|----------------------|
| sales                    | 1.658.605.400        | 1.816.856.180        | 1.836.510.000        |
| other income             |                      |                      |                      |
| <b>TOTAL REVENUE</b>     | <b>1.658.605.400</b> | <b>1.816.856.180</b> | <b>1.836.510.000</b> |
| <b>BURDENS</b>           |                      |                      |                      |
| cost of goods sold       | 1.096.279.270        | 1.198.121.154        | 1.203.130.000        |
| salary                   | 200.390.000          | 227.460.000          | 231.900.000          |
| operational burden       | 21.400.000           | 23.200.000           | 25.500.000           |
| electricity              | 6.000.000            | 6.000.000            | 6.000.000            |
| telephone/internet       | 5.580.000            | 5.580.000            | 5.580.000            |
| <b>TOTAL BURDEN</b>      | <b>1.329.649.720</b> | <b>1.460.361.154</b> | <b>1.472.110.000</b> |
| <b>Profit before tax</b> | <b>328.955.680</b>   | <b>356.495.026</b>   | <b>364.400.000</b>   |
| income tax               | -8.293.027           | -9.084.281           | -8.032.550           |
| <b>Net profit</b>        | <b>320.662.653</b>   | <b>347.410.745</b>   | <b>356.367.450</b>   |

**Table 3. Cash Flow Statement**

| <b>Year</b>         | <b>2022 (Rp)</b> | <b>2023(Rp)</b> | <b>2024(Rp)</b> |
|---------------------|------------------|-----------------|-----------------|
| net profit          | 320.662.653      | 347.410.745     | 356.367.450     |
| withdrawals         | -72.000.000      | -78.000.000     | -96.000.000     |
| ending cash balance | 248.662.653      | 269.410.745     | 260.367.450     |

## CONCLUSION

Based on the results of research on Denis Orchid Flower SMEs, the role of financial management in increasing income includes several important aspects. In planning, these SMEs record and report finances manually to monitor income and expenses, as well as plan the products to be produced. The organization is not well structured, so the division of tasks is less clear, even though the payroll system is adjusted to the work being done.

Control and supervision are carried out directly by business owners, who also play a role in providing innovation, motivation, and officially registering businesses to maintain business sustainability and legality.

Based on the results of the research, financial management at Bunga Anggrek Denis SMEs includes manual financial and product planning, unstructured organization, and direct control and supervision by business owners. This is quite effective in increasing revenue, although there are still drawbacks. As a suggestion, SMEs should start using a digital financial recording system, clarify the division of tasks, and improve the basic understanding of financial management for more optimal business management.

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