

Financial Management Strategies and Their Impact on the Profitability of Traditional Clothing Rental MSMEs in Malang City

**Margareta Fatmawati^{1*}, Cakti Indra Gunawan², Warter Agustim³,
Fitria Setyanigrum⁴**

* Correspondence Author: fatmawatimargareta@gmail.com

^{1,2,3,4} Management, Faculty of Economics, University of Tribhuwana Tungga Dewi, Malang, Indonesia

INDEXING	ABSTRACT
Keywords: Keyword 1; Financial Management Strategy Keyword 2; Profitability Keyword 3; SWOT Analysis Keyword 4; MSMEs Keyword 5; Traditional Clothing Rental Services	There are still various problems faced by Micro, Small, and Medium Enterprises (MSMEs), particularly in the aspect of financial management that has not been implemented optimally and in a structured manner. Inadequate financial management can directly affect business profitability, especially in traditional clothing rental service MSMEs that have unstable income characteristics and are influenced by seasonal factors. This study aims to identify the financial management strategies applied and to analyze internal and external factors in an effort to increase the profitability of the Ibu Diyah Traditional Clothing Rental MSME in Malang City. This research employs a qualitative method with a descriptive approach. Data collection techniques were carried out through observation, interviews, and documentation using primary and secondary data sources. The data analysis method used is SWOT analysis, including the preparation of IFAS and EFAS matrices, the determination of SO, ST, WO, and WT strategies, and the mapping of the business position in the IE matrix. The results indicate that financial management at the Ibu Diyah Traditional Clothing Rental MSME remains simple and unstructured, as reflected in manual financial recording, the absence of periodic financial statements, and the lack of systematic financial planning and control. Based on the SWOT analysis results, strength and opportunity factors are more dominant than weakness and threat factors, indicating that the business is in a fairly good condition and has the potential to grow.

Article History

Received : 12 February 2026; Revised : 21 February 2026; Accepted : 26 February 2026

Publish : 28 February 2026

INTRODUCTION

Indonesia is a large country with a population of over 270 million people, making it a tremendous economic force, particularly in terms of global market penetration. Rohmah et al. (2024) explain that the key to maintaining the economy is strengthening the industrial sector. Furthermore, according to the Jakarta Post (2025), Indonesia's economic competitiveness has demonstrated a solid 4.95% growth rate. This indicates that Indonesia has significant potential to continue increasing productivity, encouraging investment, and strengthening MSMEs as a driver of economic growth at both the international and regional levels. Furthermore, according to Kompas.id (2025), the economic and social research institute of the Faculty of Economics and Business, University of Indonesia, is expected to grow by 4.78-4.82%.

Alfiansyah et al. (2024) believe that the global economy is also supported by the presence of MSMEs. Gunawan et al. (2021) describe MSMEs as supporting the national and regional economies. MSMEs are one of the business sectors favored to drive economic growth. Data from the Indonesian Ministry of Cooperatives and SMEs (2023) shows that this sector has absorbed more than 97% of the workforce. Therefore, the presence of MSMEs in Indonesia has a tremendous impact on the macro economy. In Indonesia's economic development, MSMEs require training to improve business skills. Micro, small, and medium enterprises (MSMEs) are actually quite numerous in various regions of Indonesia, especially in Malang City. Several sub-districts and villages around Malang City have different opportunities for development, influenced by the conditions of each region, such as mining, agriculture, plantations, and other sectors. However, not many people are aware that these businesses exist and how much they contribute to economic growth, both in their own regions and in urban areas. Therefore, it is important to list and map the locations of these businesses in the area around the city of Agustim, (2016). According to Luckieta, (2025), MSMEs have experienced a changing system and continue to grow along with technological advances in the era of globalization. One MSME whose existence is protected by the government is the MSME in the traditional clothing rental sector.

LITERATURE REVIEW

Munte & Ompusugu, (2023) describe the Strategy Financial management for MSMEs is very important for done, because it can increase performance Financial. An MSME that implements efficient financial management can ensure operational continuity and increase profitability on an ongoing basis.

Effective financial management is crucial for Micro, Small, and Medium Enterprises (MSMEs). MSMEs are the backbone of the economy in many countries, including Indonesia, and sound financial management can help MSMEs face complex challenges and strengthen their competitiveness. Good financial management encourages MSMEs to manage cash flow more efficiently. The MSME management book describes the importance of proper budget planning and monitoring of income and expenses in MSME financial management (Ni Luh et al., 2021).

Profitability is one of the financial ratios used to evaluate a company. Candra Susanto et al. (2024) state that profitability is a measure used to assess a company's efficiency in generating revenue and utilizing long-term assets for daily activities, based on specific sales, product, and share capital levels.

Common indicators used include:

1. $GPM = (\text{Gross profit}) / (\text{sales}) \times 100\%$
2. $NPM = (\text{Net profit after tax}) / (\text{sales}) \times 100\%$
3. $ROA = (\text{Net profit}) / (\text{total assets}) \times 100\%$

RESEARCH METHOD

This research was conducted at Ibu Diyah Traditional Clothes Rental, Jl. Letjend Soetoyo IV No. 59, RW 02, Lowokwaru District, Malang City.



Figure 1. Research Location

Source: Google Maps 2025

Method of collecting data

The type of research used by the author in this study is qualitative. Qualitative research is a process based research, and its meaning is emphasized by a theoretical foundation used as a guide to ensure the research focus aligns with the facts on the ground (Ramdhan, 2021:6). Qualitative research was chosen because the purpose of this study was to analyze financial management strategies to increase the profitability of traditional clothing rental MSMEs in Malang City.

The types of data researchers use to collect data for use are primary data and secondary data. The following is an explanation of primary and secondary data:

a. Data primer

Primary data is data collected or obtained directly by researchers from the field where the researcher will conduct the research (Kaharuddin, 2021). Primary data is obtained directly from the original source or directly from the subject without any intermediaries. Primary data can include opinions from individual or group subjects, observations of an object, activity, or event. Primary data is obtained from interviews and observations of traditional clothing rental MSMEs in Malang City.

b. Data seconds

Secondary data is data sourced from documents (Kaharuddin, 2021). Secondary data is obtained from books, journals, and scientific works by other researchers.

c. Sources and Respondents

The main sources of this research are the owners or managers of traditional clothing rental MSMEs in Malang City who meet the inclusion criteria or have been operating for at least 1 year.

However, by exploring the same phenomenon in traditional clothing rental MSMEs in Malang City, the sampling technique used was Ibu Diyah's traditional clothing rental business.

d. Data Analysis Methods

At this stage, the author not only collects data but also applies and groups the data. In

analyzing the data, the author uses a SWOT analysis. SWOT analysis stands for Strength, Weakness, Opportunity, and Threat, which is a systematic approach that helps evaluate internal and external factors that can affect a company's operations. Rangkuti (2015) explains that a SWOT analysis is the systematic identification of various factors to formulate an organization's strategy. This analysis is based on logic that maximizes strengths and opportunities while simultaneously minimizing weaknesses and threats.

e. SWOT Analysis Model

Noorcahyo & Ali (2025) explain that SWOT analysis, also known as (Strengths, Weaknesses, Opportunities, Threats), is a commonly used approach in strategy development, taking into account both internal and external environmental conditions. Through this analysis, a company can recognize its strengths and weaknesses (internal factors), as well as identify opportunities and threats from outside the organization. The purpose of SWOT analysis is to establish practical business goals that align with the company's reality, thus making the process of achieving these goals easier. SWOT is an abbreviation of Strength (strength), Weakness (weakness), Opportunity (opportunity), and Threat (threats), all of which are the foundation for a company's strategic decision-making.

RESULT AND DISCUSSION

A. Presentation of Research Findings

1. Financial Management Strategy

Based on observations and interviews, the financial management strategy at Ibu Diyah's Traditional Clothing Rental Business remains rudimentary and does not adhere to ideal small business financial management standards. However, the owner has implemented several basic steps in managing the business's finances. First, the owner has begun to separate personal and business finances, although not yet completely. This effort demonstrates an awareness of the need to manage cash flow more independently to avoid overlapping household needs and business operations. However, in practice, recording incoming and outgoing funds is still not done consistently, resulting in some transactions being poorly documented. Second, the financial management strategy implemented is still limited to simple record-keeping, namely recording income and expenses in a notebook without a clear format or category.

The owner has not implemented a basic bookkeeping system such as daily cash recording, profit and loss reports, or cost allocation by category, such as clothing maintenance, operational costs, and other additional expenses. This makes it difficult for the owner to accurately assess the business's financial position each month. Third, the owner lacks a long-term financial plan, either related to expanding the clothing collection, replacing damaged assets, or investing in the business. Spending decisions are usually made spontaneously based on current needs, rather than based on financial analysis or business projections.

2. Development of Ibu Diyah's Traditional Clothing Rental Business

Ibu Diyah's Traditional Clothing Rental business has shown significant growth since its inception. Initially, the collection of traditional clothing was limited, and the owner only served customers from the surrounding area. However, as public demand for traditional clothing for weddings, graduations, carnivals, and school events increased, the business became more well-known and began attracting more customers. This growth is evident in the increasing variety of traditional clothing offered, both in terms of type, size, and motif. The

owner gradually expanded the collection as capital increased from previous rentals. Furthermore, supporting equipment, such as accessories and makeup kits, has become more complete, enhancing the service value and the business's appeal. Operationally, the business has also experienced developments in rental management. Initially, the owner simply recorded rentals, but now understands the importance of managing inventory, maintaining costumes, and recording incoming and outgoing items. This helps maintain the clothing's good condition, thus extending its lifespan. The following table illustrates Ibu Diyah's traditional clothing rental business's revenue, expenses, and monthly profit for 2025:

Table 1. Data on Turnover, Expenses, and Profit of Ibu Diyah's Traditional Clothing Rental Business in 2025

No	MONTH	TURNOVER (Rp)	EXPENDITURE (Rp)	NET PROFIT (Rp)
1.	August	6.473.000	3.250.000	3.223.000
2.	September	3.626.000	2.850.000	776.000
3.	October	4.865.000	3.100.000	1.765.000
4.	November	2.487.000	2.300.000	187.000
	Total	17.451.000	11.500.000	5.951.000

Source: Mrs. Diyah (2025)

Table 2. Calculation of Gross Profit Margin (GPM), Net Profit Margin (NPM), and Return on Assets (ROA)

No	MONTH (2025)	TURNOVER (Rp)	HPP (60%)	GROSS PROFIT (Rp)	NET PROFIT (Rp)
1.	August	6.473.000	1.950.000	4.523.000	3.223.000
2.	September	3.626.000	1.710.000	1.916.000	776.000
3.	October	4.865.000	1.860.000	3.005.000	1.765.000
4.	November	2.487.000	1.380.000	1.107.000	187.000

Source: Mrs. Diyah (2025)

Calculation of Profitability of Ibu Diyah's Traditional Clothing Rental Business Basic Data:

1. Total Assets: Rp 25,000,000
2. COGS: 60% of expenses

A. August

Turnover: Rp 6,473,000

Expenses: Rp. 3,250,000

$HPP = 60\% \times 3.250.000 = 1.950.000$

Gross Profit = Turnover – COGS
 $= 6.473.000 - 1.950.000$
 $= 4.523.000$

Net Profit = Turnover - Expenses
 $= 6,473,000 - 3,250,000$
 $= Rp. 3,223,000$

b. Gross Profit Margin (GPM)

$4.523.000 / 6.473.000 \times 100\% = 69,87\%$

b. Net Profit Margin (NPM)

$3.223.000 / 6.473.000 \times 100\% = 49,79\%$

c. Return on Assets (ROA)

$3,223,25.00 / 25.000.00 \times 100\% = 12,89\%$

B. September

Turnover: Rp 3,626,000

Expenses: Rp. 2,850,000

HPP = 60% X 2.850.000 = 1.710.000

Gross Profit = 3,626,000 – 1,710,000
= 1,916,000

Net Profit = 3,626,000 – 2,850,000
= Rp. 776,000

a. Gross Profit Margin (GPM)

$1.916.000 / 3.626.000 \times 100\% = 52,82\%$

b. Net Profit Margin (NPM)

$776.000 / 3.626.000 \times 100\% = 21,40\%$

c. Return on Assets (ROA)

$100\% = 3,10\%$

C. October

Turnover: Rp 4,865,000

Expenses: Rp. 3,100,000

HPP = 60% X 3.100.000 = 1.860.000

Gross Profit = 4,865,000 – 1.860,000
= 3,005,000

Net Profit = 4,865,000 – 3,100,000
= Rp. 1,765,000

a. Gross Profit Margin (GPM)

$3.005.000 / 4.865.000 \times 100\% = 61,77\%$

b. Net Profit Margin (NPM)

$1.765.000 / 4.865.000 \times 100\% = 36,28\%$

c. Return on Assets (ROA)

$1.765.000 / 25.000.000 \times 100\% = 7,06\%$

D. November

Turnover: Rp 2,487,000

Expenses: Rp. 2,300,000

HPP = 60% X 2.300.000 = 1.380.000

Gross Profit = 2,487,000 – 1.380,000
= 1,107,000

Net Profit = 2,487,000 – 2,300,000
= Rp. 187,000

a. Gross Profit Margin (GPM)

$1.107.000 / 2.487.000 \times 100\% = 44,52\%$

b. Net Profit Margin (NPM)

$187.000 / 2.487.000 \times 100\% = 7,52\%$

c. Return on Assets (ROA)

$187.000 / 25.000.000 \times 100\% = 0,75\%$

Based on the analysis of revenue and expenses for Ibu Diyah's traditional clothing rental business from August to November 2025, it can be concluded that the business's profitability fluctuates significantly each month. The Gross Profit Margin (GPM) calculation shows that the business's ability to generate gross profit is quite good, with the highest GPM value occurring in August at 69.87%, while the lowest value occurred in November at 44.52%.

This indicates that in months with high turnover and controlled maintenance costs, the business was able to generate optimal gross profit. Conversely, declining turnover and high operational costs caused a decline in gross profit in November. Furthermore, the Net Profit Margin (NPM) calculation results indicate that the business's efficiency in generating net profit from sales remains unstable. The highest NPM occurred in August at 49.79%, while the lowest NPM occurred in November at 7.52%. This condition indicates that operational cost management significantly influences the business's net profit. Meanwhile, the Return on Assets (ROA) calculation results show that the business's asset capacity to generate net profit also fluctuates. The highest ROA value occurred in August at 12.89%, while the lowest value occurred in November at 0.75%. This indicates that the business's asset utilization is not optimal in months with low sales levels.

Overall, it can be concluded that the profitability of Ibu Diyah's traditional clothing rental business is influenced by turnover and the effectiveness of operational expense management. Therefore, a more efficient financial management strategy is needed, particularly in controlling operational costs and optimizing asset utilization, to sustainably increase business profitability.

B. Identify Internal and External Factors

A SWOT analysis is conducted to determine a business's position and formulate appropriate strategies to increase the profitability of MSMEs. Internal factors include the business's strengths and weaknesses, while external factors encompass opportunities and threats from the business environment.

A. Internal Factors

1) Strength

The strengths possessed here are the strengths that are generally possessed by traditional clothing rental business actors in running their business and these strengths have an influence on the development of traditional clothing rental businesses amidst competition and business progress, these strengths are as follows:

- a. Relatively regular cash inflow from rental activities: The business receives regular income from renting traditional clothing, thus helping to maintain the continuity of the business's cash flow even though the amount fluctuates.
- b. The operational cost structure is relatively simple: Business expenses mostly only cover maintenance, laundry, and daily operational costs, making them easier for the owner to control.
- c. Does not have long-term debt burden: The business is run without large loans, so it is not burdened by interest and installment costs that can reduce business profits.
- d. The owner is directly involved in financial management: The owner's direct involvement allows for more intensive monitoring of business income and expenses.
- e. The main asset of the business is durable: Traditional clothing as the main asset can be used repeatedly, so it can generate long-term income if cared for properly.

2) Weaknesses

Weaknesses are obstacles faced by entrepreneurs in developing and implementing their activities, which affect the desired profit achieved by Ibu Diah's traditional clothing rental business. These weaknesses include:

- a. Not having a structured financial recording system: Financial recording is still done simply and has not been documented neatly, making it difficult to analyze the business's financial performance.
- b. Separation of personal and business finances is not consistent: Combining personal and business finances has the potential to cause inaccuracies in calculating profits and cash flow.
- c. Lack of periodic financial reports: The business has not prepared profit and loss reports, balance sheets and cash flow reports on a regular basis, making it difficult to know the overall financial condition of the business.
- d. Business budget planning is not yet systematic: Business expenses have not been planned based on a monthly or annual budget, so there is a risk of wasted costs.
- e. Determination of rental prices is not yet based on cost and depreciation calculations: Rental prices are still determined based on customs or market prices, not based on accurate calculations of costs and asset values.

B. External Factors

1) Opportunity

Opportunities are conditions that support or provide opportunities for traditional clothing rental businesses to grow and develop. These opportunities are as follows:

- a. Availability of digital bookkeeping applications for MSMEs: Simple bookkeeping applications can help businesses record transactions and prepare financial reports more systematically.
- b. Government financial management training programs: The government and related institutions provide financial training for MSMEs that can improve the financial management skills of business owners.
- c. Opportunities to increase profitability through cost efficiency: With better financial record keeping, businesses can identify and reduce unnecessary costs.
- d. Government policy support for MSMEs: Policies such as capital assistance and easy access to financing open up opportunities for business development in the future.
- e. Increasing demand for traditional clothing for cultural events: Increased demand can increase business turnover and improve financial conditions if managed well.

2) Threat

In addition to the obstacles and challenges associated with the increasing development of the economy, technology, social, and cultural landscape, Ibu Diah's traditional clothing rental business also identified several developments as threats to the sustainability of her traditional clothing rental business. Some of the factors considered to be threats to the sustainability of Ibu Diah's traditional clothing rental business include:

- a. Income fluctuations due to rental seasons: Demand for traditional clothing tends to be unstable, so business income may decrease during certain periods.
- b. Increase in maintenance and laundry costs: Increases in operational costs can reduce business profits if they are not offset by adjustments to rental prices.
- c. Risk of damage or loss of clothing assets: Damage or loss of traditional clothing can

- result in significant replacement costs for the business.
- d. Increasingly tight competition between similar businesses: The presence of competitors with lower rental prices can reduce business income and profitability.
 - e. Limited accounting knowledge of business owners: Lack of understanding of accounting can hinder the implementation of a more professional financial management system.

C. Implementation of SWOT Analysis on Ibu Diyah's Traditional Clothing Rental

Table 3. IFAS Matrix for Rental of Mrs. Diyah's Traditional Clothes

Internal Factors	Weight	Rating	Score
Strength			
a. Relatively regular cash inflows from rental activities	0,12	4	0,48
b. The operating cost structure is relatively simple	0,10	3	0,30
c. Have no long-term debt burden	0,08	3	0,24
d. Owners are directly involved in financial management	0,10	3	0,30
e. The main assets of the business are durable	0,10	4	0,40
WEAKNESS			
a. Do not have a structured financial recording system	0,15	2	0,30
b. Separation of personal and business finances is not consistent	0,10	2	0,20
c. Absence of periodic financial reports	0,08	1	0,16
d. business budget planning is not yet systematic	0,09	2	0,18
e. The rental price determination is not yet based on cost and depreciation calculations.	0,08	2	0,16
Total	1.00		2.72

Source: Author (2025)

Table 4 EFAS Matrix for Mrs. Diyah's Traditional Clothing Rental

External Factors	Weight	Rating	Score
Opportunity			
a. Availability of digital bookkeeping applications for MSMEs	0,15	4	0,60
b. Financial management training program from the government	0,12	3	0,36
c. Opportunities for increased profitability through cost efficiencies	0,10	3	0,30
d. Government policy support for MSMEs	0,08	3	0,24
e. Increasing demand for traditional clothing for cultural events	0,10	4	0,40
THREAT			
a. Income fluctuations due to rental seasons	0,15	2	0,30
b. increase in maintenance and laundry costs	0,10	2	0,20
b. Risk of damage or loss of clothing assets	0,08	2	0,16
c. Increasingly tight competition between similar businesses	0,07	2	0,14
d. Limited accounting knowledge of business owners	0,05	2	0,10
Total	1.00		2.80

Source: Author (2025)

Table 6. IE Matrix

I Grow	II Grow	III Grow
IV Hold	In Hold •	WE Hold
VII Harvest	VIII Harvest	IX Harvest

Source: Author (2025)

Cell V indicates that the business is in moderate internal conditions and the external environment is moderate, so the appropriate strategy is Hold and Maintain. This involves maintaining existing business performance while simultaneously improving financial management efficiency so that the business can grow gradually and sustainably.

Hold and Maintain strategies that can be applied in financial management include:

1. Maintaining existing operational systems while improving financial records.
2. Controlling operational costs to ensure stable business profits.
3. Optimizing the utilization of traditional clothing assets to increase asset turnover.
4. Maintaining positive and stable cash flow.
5. Conduct regular financial evaluations every period

F. Results of Research Data Analysis

Based on the results of the SWOT analysis conducted on Ibu Diyah's Traditional Clothing Rental Business in Malang City, by identifying internal and external factors as described, the overall business conditions can be analyzed in order to increase profitability.

Based on internal factors, the research results show that Strengths are more dominant than Weaknesses. The main strengths of Ibu Diyah's Traditional Clothing Rental business lie in the availability of a large and diverse collection of traditional clothing, a strategic and easily accessible business location, and good and friendly service quality to customers. These factors are the main capital in maintaining business continuity and increasing consumer trust. Meanwhile, the business's weaknesses mainly come from the financial management aspect.

Based on observations and interviews, financial recording is still done manually and inconsistently, there are no regular financial reports, and there is no structured financial planning. In addition, the business owner has never participated in financial management training, so financial management is still carried out based on experience and intuition. However, these weaknesses have not completely hampered the business because they can still be overcome by the existing internal strengths. Furthermore, based on external factors, the research results show that the Opportunity position is greater than the Threat. Ibu Diyah's Traditional Clothing Rental business opportunity is supported by the high demand for traditional clothing for various activities such as cultural events, school activities, graduations, and weddings. In addition, the opportunity for collaboration with schools and agencies, as well as the development of digital technology, also presents opportunities that can be utilized for business development.

The threats faced by this business include increasing competition in the traditional clothing rental business in Malang City, the risk of damage or loss of clothing by renters, and fluctuations in income influenced by seasonal factors. However, based on the research results, these threats can still be anticipated by maintaining service quality. Based on the

results of the analysis of internal and external factors, as explained in the theoretical basis chapter, a business can be said to be in good condition if its strengths are more dominant than its weaknesses and its opportunities are greater than its threats. Thus, it can be concluded that Ibu Diah's Traditional Clothing Rental Business is in a fairly good business condition. When strategies can be implemented in a directed and sustainable manner, this traditional clothing rental business has the potential to experience more rapid development. The implementation of the right strategy will create a balance between exploiting opportunities and addressing weaknesses, so that the business not only survives competitive pressures but can also increase profitability sustainably.

The results of this study align with those of Alfiansyah et al. (2024) and Luckieta (2025), who stated that the internal strengths of MSMEs and their ability to capitalize on market opportunities play a crucial role in increasing business profitability. Furthermore, this study supports the findings of Rohmah et al. (2024) and Gunawan et al. (2021), who asserted that weaknesses in financial management are a common problem for MSMEs, but can be addressed through the implementation of appropriate financial management strategies. Therefore, this study strengthens the results of previous research and provides an empirical contribution to the MSME traditional clothing rental sector in Malang City.

CONCLUSION

Based on the results of research and discussion regarding financial management strategies to increase the profitability of MSMEs at Ibu Diah Traditional Clothing Rental in Malang City, the following conclusions can be drawn:

1. The financial management of Ibu Diah's Traditional Clothing Rental MSME is still simple and unstructured: Business financial management is still done manually with simple record keeping without a standard bookkeeping format. The business owner has not prepared periodic financial reports such as profit and loss statements, cash flow statements, or asset reports. Although there have been efforts to separate personal and business finances, the implementation has not been carried out consistently and systematically, making it difficult for owners to know the financial condition of the business accurately.
2. Business profitability is influenced by several internal and external factors: Internal factors influencing profitability include the availability of a diverse collection of traditional clothing, a strategic business location, and good service quality. However, weaknesses include inconsistent financial records, damage to some traditional clothing, and a lack of structured financial planning and control. Meanwhile, external factors affecting profitability include increased demand for traditional clothing during certain events such as school activities, cultural events, and weddings, as well as threats such as competition from similar businesses and the risk of damage or loss of clothing due to rentals.
3. A SWOT analysis shows that Ibu Diah's Traditional Clothing Rental MSME has the potential to increase profitability if supported by appropriate financial management strategies. The business's internal strengths and external opportunities can be optimally utilized through the implementation of improved financial management strategies. Strategies that can be implemented include improving financial recording systems, preparing operational budgets, utilizing digital technology in bookkeeping, and increasing the competency of business owners through financial management training.

4. Based on the SWOT analysis, the business is in a relatively good position and tends to be in an aggressive strategy (Quadrant I). This indicates that Ibu Diyah's Traditional Clothing Rental Business possesses internal strengths that can be leveraged to capture external opportunities. With the implementation of appropriate financial management strategies, this business has the potential to increase profitability and grow sustainably.
5. Improving business profitability is crucial for improving financial management strategies. Implementing regular financial record keeping, budget planning, separating personal and business finances, and utilizing digital technology for bookkeeping will help business owners control costs, improve operational efficiency, and make more informed business decisions.

ACKNOWLEDGMENT

Based on the research results and conclusions that have been described, the researcher provides several suggestions as follows:

1. Advice for MSME Owners of Ibu Diyah's Traditional Clothing Rental Business
 - a. Based on the first issue related to financial management, it is recommended that MSMEs operating in traditional clothing rental businesses begin implementing a more structured and consistent financial management system. Business owners should maintain regular financial records, separate personal and business finances, and prepare simple financial reports, such as profit and loss statements and cash flow statements. With organized financial management, business owners can understand their financial condition more accurately and use financial information as a basis for business decision-making.
 - b. Based on the second issue concerning factors influencing profitability, it is recommended that MSMEs pay more attention to controlling operational costs, particularly clothing and accessory maintenance costs, and set rental prices that align with market conditions and the quality of service provided. Furthermore, continuous improvement in service quality and maintenance of business assets is necessary to maintain customer satisfaction and loyalty. By optimally managing these factors, business profitability can be increased sustainably.
 - c. Based on the third issue concerning effective financial management strategies, it is recommended that traditional clothing rental MSMEs implement a SWOT analysis-based financial management strategy. Utilizing the business's strengths and opportunities needs to be balanced with efforts to minimize weaknesses and anticipate threats. This strategy can be realized through clear budget planning, the use of digital technology for financial recording, and improving the competency of business owners through MSME financial management training.
2. Suggestions for the Government and Related Agencies. Regional governments and agencies in charge of MSMEs are expected to be able to:
 - a. Providing ongoing financial management assistance and training to MSMEs, especially in the traditional clothing rental services sector.
 - b. Encourage the use of digital technology in financial management and marketing of MSMEs.

3. Suggestions for Further Researchers. For further researchers, it is recommended to:
 - a. Developing research by adding other variables such as marketing strategies, financial literacy, or the use of digital technology on MSME profitability.
 - b. Expanding the research object to several similar MSMEs so that the research results can be generalized more widely.

REFERENCES

Authored Book

- Kaharuddin. (2021). *Kualitatif: Ciri dan karakter sebagai metodologi*. Yogyakarta: Deepublish.
- Ramadhan, M. (2021). *Metode penelitian kualitatif*. Surabaya: Cipta Media Nusantara.
- Rangkuti, F. (2015). *SWOT analysis: Techniques for dissecting business cases*. Gramedia.
- Wiagustini, N. L. P., et al. (2021). *Manajemen keuangan UMKM*. Denpasar: Udayana University Press.

Internet Sources

- Kompas.id. (2025). Indonesian economy. Kompas.id Online Newspaper.
- Koran Jakarta. (2025, January 14). National economy projected to grow 5.2 percent in 2025. <https://koran-jakarta.com>
- Kementerian Koperasi dan Usaha Kecil dan Menengah Republik Indonesia. (2023). *Perkembangan data usaha mikro, kecil, dan menengah (UMKM) dan usaha besar tahun 2023*. <https://kemenkopukm.go.id>

Journal Articles

- Agustim, W. (2016). Empowering home industry communities to promote economic independence. *BIP's Journal of Business Perspectives*, 8(1), 19–35.
- Candra Susanto, P., Ulfah Arini, D., Yuntina, L., Panatap Soehaditama, J., & Nuraeni, N. (2024). Quantitative research concepts: Population, sample, and data analysis (A literature review). *Multidisciplinary Journal of Science*, 3(1), 1–12. <https://doi.org/10.38035/jim.v3i1.504>
- Gunawan, C. I., Solikhah, S. Q., & Yulita, Y. (2021). Model pengembangan manajemen sumber daya manusia UMKM sektor makanan dan minuman di era covid-19. *Jurnal Akuntansi, Ekonomi dan Manajemen Bisnis*, 9(2), 200-207.
- Luckieta, M. (2025). Financial management strategy and its impact on MSME profitability. *Locus Journal of Research and Community Service*, 4(3), 1279–1289. <https://doi.org/10.58344/locus.v4i3.3932>
- Munte, R., & Ompusungu, D. P. (2023). Corporate financial management strategy to improve financial performance (Financial management literature review). *ADVANCES in Social Humanities Research*, 1(2), 67–72.
- Noorcahyo, D., & Ali, H. (2025). SWOT analysis of IFAS, EFAS, and SPACE matrix in strengthening the superiority of local shoe products in the digital era at XYZ Store. *Indonesian Journal of Education and Culture*, 3(1), 31–40.
- Rohmah, M., Ismail, K., Rahmadani, R., Masitoh, G., & Ayu Pratama Putri, D. (2024). Innovation and industrial transformation in driving Indonesia's economic growth. *Jurnal Neraca: Journal of Accounting Education and Economics*, 8(1), 43–52. <https://doi.org/10.31851/neraca.v8i1.14391>

Susanto, C., et al. (2024). Analisis rasio profitabilitas dalam menilai kinerja perusahaan. *Jurnal Manajemen dan Kewirausahaan*, 12(1), 45–56.