e-Jurnal Apresiasi Ekonomi Volume 11, Nomor 3, September 2023: 528-536 ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

ANALYSIS OF SUPPLY CHAIN FINANCING IN IMPROVING COMPANY FINANCIAL FLOW (STUDY OF DEBTORS OF BANK BRI KANCA SURABAYA RAJAWALI)

Amrina Rosyita

Master of Management, Faculty of Economics and Business, Universitas Airlangga Surabaya, Indonesia
Email: amrinalol@yahoo.com

ABSTRACT

Every company that wants to achieve the goal of getting optimal profits and reducing expenses as much as possible, such as spending on product marketing costs in the form of product design, forecasting needs, material procurement, production, inventory control, storage, and distribution to distributors, it is necessary to control costs through a production and information flow management model, especially in marketing a product by modifying logistics and financial management called supply chain financing. Currently, PT Bank Rakyat Indonesia Tbk is growing rapidly with various financial services offered to customers such as supply chain financing. Customers who currently have utilized the supply chain financing service program at one of BRI Branch Offices, namely BRI Surabaya Rajawali, including PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP). The purpose of this study is to analyze the financial flow condition of PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) before and after implementing supply chain financing, and to analyze its effectiveness in improving financial flow capability. After an in-depth analysis, it is concluded that the Supply Chain Financing Account Receivable (SCF A/R) financing has been effective in EV, GK, AC, and SP companies but less effective in KU company due to internal company factors where PT Sinarmas Group transferred its project to another subsidiary which is also engaged in security services (Security) so that the Net Income of KU company decreased even though it had received Supply Chain Financing Account Receivable (SCF A/R).

Keywords: ***Supply Chain Financing, Cost Control, Optimal Profits, Expense Reduction, Financial Management***

INTRODUCTION

The advancement of the business world is intricately linked to the support provided by the financial sector. This is primarily due to the heightened competition among companies, which often leads to economic instability. To remain competitive and sustain their presence in the business realm, companies must effectively develop their operations and manage their finances. One potential avenue for development, particularly within the financial sector, is the utilization of financing facilities offered by banks, such as supply chain finance (Zaman et al., 2023). Supply chain financing, as defined by (Bank Rakyat Indonesia, 2022), encompasses a range of financial instruments, practices, and technologies aimed at optimizing the management of working capital and liquidity within the supply chain process (Mofokeng & Chinomona, 2019). This approach serves to anchor companies, supplier companies, distributors/agents, and end users involved in a single supply chain (Yusnita et al., 2022). The underlying trade transactions, which involve the exchange of goods, services, or financial assets between the anchor company and the supplier, distributor/agent, or end user, form the basis of this financing solution.

In order to attain maximum profits and minimize expenses, companies must effectively manage costs throughout various stages of their operations, including product design, demand forecasting, material procurement, production, inventory control, storage, and distribution to distributors. This can be achieved through the implementation of a production and information flow management model, particularly in the realm of product marketing. Supply chain financing, a strategic approach encompassing logistics and financial management, plays a crucial role in cost control for companies aiming to optimize their profitability and reduce expenditures (Sunardi, 2022).

One of the companies in the financial sector that provides supply chain financing is PT Bank Rakyat Indonesia Tbk. PT Bank Rakyat Indonesia Tbk is the largest government-owned bank in Indonesia, first established in Purwokerto, Central Java by Raden Bei Aria Wirjaatmadja on December 16, 1895. Currently, PT Bank Rakyat Indonesia Tbk is growing rapidly with various financial services offered to customers, such as supply chain financing. Customers who currently utilize the supply chain financing service program at one of BRI's Branch Offices, BRI Surabaya Rajawali, include PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP).

These companies need financing from PT Bank Rakyat Indonesia Tbk to help keep their business operations running because the process of paying bills from large factories that get raw material supplies from the five companies provides a due date for payment of receivables for 150 days. Therefore, companies EV, GK, KU, AC, and EI cooperate with PT Bank Rakyat Indonesia Tbk in a supply chain financing service program that can provide financing within 180 days. In its application, supply chain financing is divided into two, namely Account Payable Financing (SFC A/P)

and Account Receivable Financing (SCF A/R). Account Payable Financing (SCF A/P) is a form of financing that involves a company's accounts payable or trade payables. The company uses its debt as collateral or assets that can be used as a basis for obtaining financing from financial institutions or other parties. It should be noted that SCF A/P also has several risks and considerations to be aware of, including financing costs, potential dependence on external financing, and the impact on relationships with suppliers or creditors. But overall, Account Payable Financing (SCF A/P) can be a useful financing alternative for companies to accelerate cash flow and optimize production process management. Therefore, the decision to use SCF A/P should be based on a careful analysis of its costs, benefits, and long-term implications on the company's finances (Bank Rakyat Indonesia, 2022). Meanwhile, Account Receivable Financing (SCF A/R) is a form of financing provided to companies using accounts receivable as collateral. In SCF AR Financing, companies sell trade receivables to financial institutions or other financing companies at a discount, in which case the financial institution or financing company will pay a certain amount of cash to the company that sold the trade receivables, and then they will collect payments from the original debtor. SCF AR Financing is often used by companies that have overdue accounts receivable, but need immediate cash to finance business operations or growth. Therefore, by using SCF AR Financing, companies can convert their unmatured accounts receivable into cash that can be used immediately (Bank Rakyat Indonesia, 2022).

In accordance with this explanation, PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) with PT Bank Rakyat Indonesia Tbk establish cooperation in Supply Chain Financial Account Receivable Financing (SCF A/R) because in this case, the five companies have accounts receivable to Tjiwi Kimia Paper Mill, Tbk and PT Sinarmas Group. The Supply Chain Financial Account Receivable Financing (SCF A/R) transaction can be processed by PT Bank Rakyat Indonesia Tbk if the five companies have fulfilled the complete documents including: (1) Original or copy of sales contract or Original or copy of Purchase Order (PO)/SPK; (2) SCF Master Agreement; (3) Invoice; (4) Minutes of handover/progress of work (Similar Documents); (5) Notice of Assignment to BRI; (6) Escrow Account in the name of Seller/Seller; and (7) Letter of authorization to BRI to receive payment money and make deductions for bill payments in the specified escrow account.

The effect of Supply Chain Financing (SCF) services on the financial flow of goods distributor companies can be analyzed by looking at the company's financial flow. Financial Flow is a company's financial flow that can provide an overview of the condition of financial assets including cash flow, risk, and share capital owned. Company managers can increase company value and financial performance by increasing their financial flow so that it is expected to accelerate revenue and reduce company risk (Brigham & Daves, 2019). Financial Flow reports, balance sheet components, and income statements are used as tools to calculate certain ratios, besides that they aim to determine and measure the relationship between items in the financial statements so that changes in each item are known when comparisons are made between the current year and the previous year. The use of Financial Flow report information as a financial performance analysis tool by analyzing information about the company's financial flow receipts and expenses during a certain period (Zakaria, 2021).

Flow-fund theory was developed by Georgescu-Roegen who argued that the physical dimension of economic processes must be fully taken into account, the integration between economics, institutions, and biophysical realities culminates in a model of the productive process, thus requiring a comprehensive report on the flow of funds. Flow-Fund Theory discusses the relationship between flows and funds, in the economy referring to flows of income and expenditure. In flow-fund theory, income and expenditure flows have a direct impact on funds or wealth in the economy. When income flows exceed expenditures, individuals or firms will have surplus funds that can be invested. Conversely, if expenditure exceeds income, individuals or firms will have a fund deficit that can be addressed by using existing funds or choosing to apply for financing (Couix, 2020).

Companies as entities in the economy are never separated from financing problems, because financing has an important role in the development of the company (Maharani et al., 2022). Basically, financing is divided into 2 types, namely internal financing and external financing. Internal financing comes from retained earnings, while external sources of funds where the company has the ability to utilize sources of funds from outside the company such as bank loans (debt) and the issuance of shares or bonds owned by the company (Fakhroni et al., 2022).

Flow-fund theory is a central component of a new paradigm that provides a way to incorporate the physical dimension of economic processes into economic theory by developing an ecological economy. The conception of flow-fund theory requires specific attention because it gives rise to an analytical representation of the firm's production process. Overall, flow-fund theory provides an important framework in understanding and analyzing the relationship between revenue flows and expenditures in the corporate economy. Therefore, through this concept, economic policies can be designed to achieve stability and sustainable economic growth through the understanding of the relationship between flows and funds, as well as the ability to take into account financial aspects (Couix, 2020).

The definition of a “bank” according to Prof. G.M. Verry Stuart (Abdullah & Wahjusaputri, 2018) is an entity that aims to meet the credit needs of the community both in the form of its means of payment and funds obtained from third parties, or by exchanging chiral money. Furthermore, the definition of a bank according to A. Abdurrahman (Abdullah & Wahjusaputri, 2018) is an institution that carries out various kinds of financial services such as loans, business financing, circulating

currency, currency supervision, and as a depository for valuables.

Based on Law Number 14 of 1967, banking is divided into several types according to its function, including (Abdullah & Wahjusaputri, 2018): 1) Central Bank, namely Bank Indonesia in accordance with Law Number 13 of 1968; 2) Commercial Bank is a bank whose funds are collected from customer deposits both in the form of demand deposits and deposits, and can provide short-term credit for customers; 3) Savings Bank is a bank whose funds are collected from deposits in the form of business savings, and can provide short-term credit for customers, as well as issue securities along with interest provision; 4) Development Bank is a bank whose funds are collected from customer deposits, issues medium-term securities, and provides medium- or long-term loans in the field of development; 5) Rural Bank is a bank that accepts deposits in the form of money and in-kind (rice, corn, or other crops) with the aim of providing short-term credit in the form of money or in-kind materials in the agricultural sector.

(Bank Rakyat Indonesia, 2022) defines supply chain financing as a financing solution through the use of financial instruments, practices, and technologies to optimize the management of working capital and liquidity tied to the supply chain process to anchor companies and supplier companies, distributors/agents and end users associated in one supply chain with an underlying trade transaction, which refers to the actual transaction that occurs between two parties involved in trading activities (Andrian et al., 2023). This underlying transaction involves the exchange of goods, services or financial assets between the anchor company and the supplier, distributor/agent or end user.

The term logistics in supply chain financing is adopted as a broad concept to refer to the physical distribution of goods often mentioned in supply chain management (Lee et al., 2023). Supply Chain Management was introduced as a term for the transportation of tangible goods, aiming to approach and manage the supply chain with an integrated strategy, aligning strategic decisions among the parties involved. Supply Chain Management holds a central position in the realm of management theory to investigate the applicability in various industries (Saleheen & Habib, 2023). Meanwhile, in the financial sector, it is known as supply chain financing, where distributor companies or fund providers are expected to be able to play an optimal role in channeling funds to customers or the next supply chain, where the concept of supply chain financing is the role of banks as distributors to channel funds to customers to help improve their business. The function of delivering this value is that banks must continue to be customer-oriented, maintain the quality of their services, ensure the availability of funds needed by customers, and maintain the speed of delivery of funds to customers who have collaborated with banks. If the bank is unable to fulfill this role properly, then customer trust will be lost (Sunardi, 2022).

In its application in banking, supply chain financing is divided into two, namely Account Payable Financing (SFC A/P) and Account Receivable Financing (SCF A/R) (Bank Rakyat Indonesia, 2022). Account Payable Financing (SCF A/P) is a form of financing that involves a company's accounts payable or trade payables (Saeed & Lv, 2021). The company uses its debt as collateral or assets that can be used as a basis for obtaining financing from financial institutions or other parties (Nurjanah & Purnama, 2021). It should be noted that A/P SCF also comes with several risks and considerations, including the cost of financing, potential reliance on external financing, and the impact on relationships with suppliers or creditors. But overall, Account Payable Financing (SCF A/P) can be a useful financing alternative for companies to accelerate cash flow and optimize production process management. Therefore, the decision to use SCF A/P should be based on a careful analysis of its costs, benefits, and long-term implications on the company's finances. Meanwhile, Account Receivable Financing (SCF A/R) is a form of financing provided to companies using trade receivables as collateral. In AR Financing, companies sell trade receivables to financial institutions or other financing companies at a discount, in which case the financial institution or financing company will pay a certain amount of cash to the company that sold the trade receivables, and then they will collect the payment from the original debtor. AR Financing is often used by companies that have trade receivables that are not yet due, but require immediate cash to finance business operations or growth. Therefore, by using AR Financing, companies can convert unmatured accounts receivable into cash that can be used immediately.

Financial Flow is a company's financial flow that can provide an overview of the condition of financial assets including cash flow, risk, and share capital owned (Karas & Režňáková, 2020). Company managers can increase company value and financial performance by increasing their financial flow so that it is expected to accelerate revenue and reduce company risk (Brigham & Daves, 2019). Financial Flow reports, balance sheet components, and income statements are used as tools to calculate certain ratios, besides that they aim to determine and measure the relationship between items in the financial statements so that changes in each item are known when comparisons are made between the current year and the previous year. The use of Financial Flow report information as a financial performance analysis tool by analyzing information about the company's financial flow receipts and expenses during a certain period (Zakaria, 2021).

Effectiveness is the use of resources, facilities, and infrastructure that have been determined to produce goods or services through activities carried out, as a measure of success in achieving predetermined goals. If the results of activities are closer to the set goals, then the level of effectiveness is higher, because it shows that the company or individual has succeeded in achieving the expected results. The level of achievement in allocating resources, using the right facilities and infrastructure, and taking efficient actions. When the set goals are well achieved, this shows that the plans and strategies that have been designed have been successfully implemented, so the level of effectiveness is getting

higher because it shows that there is a match between what is planned and what is achieved (Wulandari & Simon, 2019).

Another opinion about effectiveness was expressed by (Mingkid et al., 2018), namely the measurement of how well the work is done and the extent of the results produced, whether it is equal to or exceeds expectations. When a job can be completed in accordance with the predetermined plan, both in terms of time, cost, and quality, it can be said that the work is effective.

Effectiveness can be measured by several indicators developed by Siagian (1982) (Wulandari & Simon, 2019) including the following: 1) Predetermined time standards, namely time standards that have been set in a particular context or industry can vary including work time standards, production time standards, response time standards, delivery time standards, and service time standards; 2) Work results achieved, which refer to the output or results produced from a job or activity. This includes concrete results, goal achievement, or end products produced by individuals, teams, or organizations, such as: products produced, services provided, projects completed, tasks completed, target achievement, innovation and process improvement; 3) Costs incurred, which refer to the amount of money or resources spent to finance or manage an activity, project, or operation. These costs include various aspects in a business or financial context, such as: operational costs, production costs, marketing and sales, administrative and management costs, investment costs, and overhead costs.

The purpose of this research is the financial flow condition of PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) before and after implementing supply chain financing, and the application of supply chain financing is effective in improving the financial flow capability of PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP).

The novelty of this study lies in the condition of the company's financial flow before and after the implementation of supply chain financing in several major supplier companies in Surabaya. This research uses a mixed method that combines quantitative analysis through financial statements and qualitative analysis through interviews with company managers. The focus of this research is to assess the effectiveness of supply chain financing in improving the company's financial flow capability.

RESEARCH METHODS

The rationale for choosing the type of research is the procedure for choosing the type of research that best suits the research questions, research objectives, and the existing research environment. In accordance with the research questions and research objectives, this type of research is a mix method, which is a combination of quantitative and qualitative research. Quantitative research is a type of research using data in the form of numbers, where in this study using the Financial Statements of PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) which then calculated the financial ratios to measure financial flow. Furthermore, qualitative research is a type of research that uses data in the form of interviews with the managers of the five companies to determine the effectiveness of supply chain financial financing for their companies.

This study chose the research objects, namely PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) which are suppliers to the Tjiwi Kimia Paper Factory Tbk. and PT Sinarmas Group located in Surabaya City. Furthermore, the research subjects chosen were the managerial parties of the five companies. The documents collected are the financial statements of PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) before and after obtaining supply chain financial financing. The period before getting SCF A/R is 2020, while after getting SCF A/R is 2021 - 2022.

RESULTS AND DISCUSSION

Financial Flow reports, balance sheet components, and income statements are used as tools to calculate certain ratios (Gea et al., 2022), besides that they aim to determine and measure the relationship between items in the financial statements so that changes in each item are known when comparisons are made between the current year and the previous year. The use of Financial Flow report information as a financial performance analysis tool by analyzing information about the company's cash receipts and disbursements during a certain period. In addition, another goal of Financial Flow is to provide information about the company's operational, investment and financing activities. The Financial Flow report is very important in maintaining the liquidity of the company so that it can find out whether it has a cash deficit or surplus. If there is a deficit, the company leadership can immediately take steps to overcome the deficit (Zakaria, 2021).

In accordance with the previous explanation that the condition of financial performance can be measured through the ratios in Financial Flow. The ratios used include (Brigham & Daves, 2019):

1. Days Sales Outstanding is a financial matrix used to measure the average number of days required by a company to collect payments from sales that have been made. DSO is usually calculated within a certain period. The DSO formula is (Brigham & Daves, 2019):

$$Days\ Sales\ Outstanding\ = \frac{Account\ Receivable}{Annual\ Revenue/365\ days}$$

ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

Table 1. Days Sales Outstanding

Company Name	Years	Account Receivable	Annual Revenue	Days Sales Outstanding
EV	2020	5.039.004.853	16.732.806.090	109
	2021	9.696.165.077	40.174.850.263	88
	2022	8.932.737.000	46.066.456.000	70
GK	2020	20.686.496.000	64.013.771.000	117
	2021	30.740.789.000	70.128.382.000	160
	2022	19.323.177.000	77.921.736.000	90
KU	2020	41.729.547.006	98.600.025.436	155
	2021	33.833.451.411	92.737.137.824	133
	2022	16.643.752.860	74.019.221.235	82
AC	2020	19.585.836.506	108.325.436.476	65
	2021	19.600.182.140	121.340.543.027	58
	2022	15.250.433.399	99.819.868.325	55
SP	2020	20.686.496.000	64.013.771.000	117
	2021	15.899.529.000	69.203.929.000	84
	2022	20.155.480.000	76.804.040.000	96

Source: Results of Researcher Data Processing

Based on the table above, the results obtained are as follows:

a) EV has a disbursement time of Account Receivable to Cash with a period of 70 - 109 days. This period is still below the time set by PT Bank Rakyat Indonesia, Tbk in providing Supply Chain Financing for 180 days so it can be said that EV's Days Sales Outstanding is very good.
b) GK has a disbursement time of Account Receivable to Cash with a period of 90 - 160 days. The period in 2022 is getting better and is able to meet the time set by PT Bank Rakyat Indonesia, Tbk in providing Supply Chain Financing.
c) KU has the longest Days Sales Outstanding value of 155 days in 2020 and the fastest Days Sales Outstanding of 82 days in 2022, meaning that KU has a disbursement time for Account Receivable to Cash with a period of 82 - 155 days. This period is still below the time set by PT Bank Rakyat Indonesia, Tbk in providing Supply Chain Financing for 180 days because KU received SCF A / R since 2021 so it can be said that KU's Days Sales Outstanding is getting better after getting the SCF AR facility.
d) AC has a disbursement time for Account Receivable to Cash with a period of 55 - 65 days. This period is still below the time set by PT Bank Rakyat Indonesia, Tbk in providing Supply Chain Financing.
e) SP has a disbursement time of Account Receivable to Cash with a period of 84 - 117 days. This period is still below the time set by PT Bank Rakyat Indonesia, Tbk in providing Supply Chain Financing.

2. Current Ratio is a financial ratio used to measure a company's ability to pay its short-term liabilities using current assets. This ratio provides an overview of the company's liquidity, namely the extent to which the company can convert current assets into cash to pay obligations that will mature within one year. The Current Ratio formula is:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liability}} \text{ x } 100$$

Table 2. Current Ratio

Company Name	Years	Current Assets	Current Liabilities	Current Ratio
EV	2020	9.883.611.142	4.881.462.307	202,47
	2021	20.556.089.433	8.493.904.893	242,01
	2022	21.330.834.010	8.600.611.121	248,01
GK	2020	38.879.882.000	9.642.702.000	403,21
	2021	50.328.897.000	20.700.837.000	243,12
	2022	39.091.996.000	6.127.306.000	637,99
KU	2020	46.792.547.006	43.787.318.464	106,86

	2021	40.015.778.144	42.922.719.070	93,23
	2022	19.506.485.403	19.007.616.040	102,62
	2020	32.975.529.714	22.977.100.746	143,51
AC	2021	42.641.991.611	18.045.540.239	236,30
	2022	96.120.243.360	43.495.217.299	220,99
	2020	38.879.882.000	20.647.020.000	188.30
SP	2021	47.553.447.000	24.764.892.000	192.01
	2022	50.700.749.000	26.371.393.000	192.25

Source: Results of Researcher Data Processing

Based on the table above, the results obtained are as follows:

a) EV has the highest Current Ratio value of 248.01 percent in 2022 and the lowest Current Ratio of 202.47 percent in 2020, meaning that every year EV experiences an increase in Current Ratio caused by an increase in the Current Asset value of the EV company.
b) GK has the highest Current Ratio value of 403.21 percent in 2020 and the lowest Current Ratio of 243.12 percent in 2021, meaning that GK experienced a decrease in Current Ratio caused by an increase in the current liabilities of the GK company.
c) KU has the highest Current Ratio value of 106.86 percent in 2020 and the lowest Current Ratio of 93.23 percent in 2021, meaning that every year KU experiences a decrease in Current Ratio, although in 2022 the company also experienced a significant increase in Current Ratio.
d) AC has the highest Current Ratio value of 236.30 percent in 2021 and the lowest Current Ratio of 143.51 percent in 2020, meaning that every year AC experiences an increase in Current Ratio, although in 2022 the AC company also experienced a not too significant decrease in Current Ratio.
e) SP has the lowest Current Ratio value of 188.30 percent in 2020 and the highest Current Ratio of 192.25 percent in 2022, meaning that every year SP experiences an increase in Current Ratio caused by an increase in the Current Asset value of the SP company.

3. Profit Margin is a financial ratio that measures the extent to which a company is able to generate profits from sales or revenue. This ratio provides an overview of the efficiency and profitability of the company by comparing net income with total revenue. The Profit Margin formula is:

$$\text{Profit Margin} = \frac{\text{Net Income}}{\text{Sales}} \text{ x } 100$$

Table 3. Profit Margin

Company Name	Years	Net Income	Sales	Profit Margin
	2020	281.426.683	16.732.806.090	1,68
EV	2021	1.181.584.410	40.174.850.263	2,94
	2022	872.286.270	46.066.456.000	1,89
	2020	5.264.437	64.013.771	8,22
GK	2021	5.746.178	70.128.382	8,19
	2022	8.110.500	77.921.736	10,40
	2020	5.776.883.899	98.600.025.436	5,85
KU	2021	530.398.241	92.737.137.824	0,57
	2022	976.240.769	74.019.221.235	1,32
	2020	570.142.035	108.325.436.476	0,53
AC	2021	12.887.978.782	121.340.543.027	10,62
	2022	10.746.041.983	99.819.868.325	10,77
	2020	5.264.437.000	64.013.771.000	8,22
SP	2021	9.701.475.465	69.203.929.000	14,02
	2022	10.422.937.265	76.804.040.000	13,57

Source: Results of Researcher Data Processing

Based on the table above, the results obtained are as follows:

a) EV has the highest Profit Margin value of 2.94 percent in 2021 and the lowest Profit Margin of 1.68 percent in 2020, meaning that every year EV experiences an increase in Profit Margin caused by an increase in the Net Income value of the EV company.
b) GK has the highest Profit Margin value of 10.40 percent in 2022 and the lowest Profit Margin of 8.19 percent in 2021, meaning that every year GK tends to experience an increase in Profit Margin caused by an increase in the Net Income value of the GK company.
c) KU has the highest Profit Margin value of 5.85 percent in 2020 and the lowest Profit Margin of 0.57 percent in 2021, meaning that every year KU experiences a decrease in Profit Margin, although in 2022 the KU company also experienced a not too significant increase in Profit Margin.

d) AC has the highest Profit Margin value of 10.77 percent in 2022 and the lowest Profit Margin of 0.53 percent in 2020, meaning that AC experienced a spike in Profit Margin increase.
e) SP has the highest Profit Margin value of 14.02 percent in 2021 and the lowest Profit Margin of 8.22 percent in 2020, meaning that every year SP experiences an increase in Profit Margin caused by an increase in the Net Income value of the SP company.

4. Return On Equity (ROE) is a financial ratio used to measure how effectively a company generates net profit from the equity it owns, whether derived from its own capital or contributed capital. The formula for Return On Equity is:

$$\text{Return On Equity} = \frac{\text{Net Income}}{\text{Total Equity}} \text{ x } 100$$

Table 4. Return On Equity

Company Name	Years	Net Income	Total of Equity	ROE
EV	2020	281.426.683	3.500.000.000	8,04
	2021	1.181.584.410	8.908.902.000	13,26
	2022	872.286.270	6.481.188.231	13,45
GK	2020	5.264.437	65.244.260	8,07
	2021	5.746.178	70.990.438	8,09
	2022	8.110.500	79.100.938	10,25
KU	2020	5.776.883.899	7.721.350.271	74,81
	2021	530.398.241	8.251.748.512	6,43
	2022	976.240.769	9.857.989.281	9,90
AC	2020	570.142.035	26.365.525.835	2,16
	2021	12.887.978.782	39.253.504.617	32,83
	2022	10.746.041.983	65.999.546.600	16,28
SP	2020	5.264.437.000	65.244.260.000	8,07
	2021	9.701.475.465	29.222.663.465	33,20
	2022	10.422.937.265	29.944.125.265	34,81

Source: Results of Researcher Data Processing

Based on the table above, the results obtained are as follows:

a) EV has the highest ROE value of 13.45 per cent in 2022 and the lowest Current Ratio of 8.04 per cent in 2020, showing that although EV had low liquidity at that time, the company managed to improve its financial condition in the following two years. This shows that EV was able to overcome liquidity challenges and focus on improving profitability, which is reflected in the increase in ROE.
b) GK has the highest ROE value of 10.25 percent in 2022 and the lowest ROE of 8.07 percent in 2020, meaning that every year GK experiences an increase in ROE. The upward trend in ROE indicates that GK has been increasingly effective in generating profits from its shareholders' equity each year. Such a consistent rise in ROE suggests enhanced operational efficiency, better management practices, and potentially successful strategic initiatives aimed at boosting profitability. Overall, GK's performance reflects a positive trajectory in terms of financial returns for its shareholders.
c) KU has the highest ROE value of 74.81 percent in 2020 and the lowest ROE of 6.43 percent in 2021, meaning that every year KU experiences a decrease in ROE, although in 2022 it again experienced a not too significant increase in ROE. Despite this downturn, KU's ROE experienced a moderate rebound in 2022, though the increase was not substantial enough to approach the peak levels of 2020. This pattern of decline and slight recovery highlights the volatility in KU's financial performance and suggests areas for potential strategic reassessment to stabilize and improve its profitability metrics. This overall pattern of ROE reflects a recovery and stabilization phase for AC, showcasing its resilience and capacity for financial rebound.
d) AC has the highest ROE value of 32.83 percent in 2021 and the lowest ROE of 2.16 percent in 2020, meaning that every year AC experiences an increase in ROE, although in 2022 it again experienced a not too significant decrease in ROE.
e) SP has the highest ROE value of 34.81 percent in 2022 and the lowest ROE of 8.07 percent in 2020, meaning that every year SP experiences an increase in ROE caused by an increase in the Net Income value of the SP company.

If these results are coupled with interviews with the five managers who revealed that the financial condition of the five companies before getting Supply Chain Financing Account Receivable (SCF A/R) was not good, then after getting SFC A/R it became better. Therefore, if it is associated with the Theory of Effectiveness, it is said that the application of Supply Chain Financing Account Receivable (SCF A/R) has been effective in EV companies because it has met the indicators of Standard Time below 180 days, Work Results

marked by better financial flow, and Costs incurred where it is more appropriate in managing its costs because there are no Accounts Receivable pending payment because it has been covered by the Supply Chain Financing Account Receivable (SCF A/R) financing provided by PT Bank Rakyat Indonesia, Tbk.

However, the Supply Chain Financing Account Receivable (SCF A/R) financing for the KU company is less effective because the KU company does not meet the "Work Results Achieved" indicator, namely after obtaining SCF A/R financing from PT Bank Rakyat Indonesia, Tbk, it turns out that the KU company's financial condition is not fully good due to PT Sinarmas Group as the main company that collaborates with KU transferring its project to another subsidiary which is also engaged in security services (Security) so that the Net Income of the KU company decreases even though it has received Supply Chain Financing Account Receivable (SCF A/R) financing.

CONCLUSION

The financial flow conditions of the companies PT Envira (EV), PT Global Karya Utama (GK), PT Karya Usaha Baru (KU), PT Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) before using Supply Chain Financing Account Receivable (SCF A/R) were in good condition, but after obtaining SCF A/R financing from PT. Bank Rakyat Indonesia, Tbk, the company's financial condition is getting better, except for KU which is not entirely good due to PT Sinarmas Group as the main company that collaborates with KU transferring its project to another subsidiary which is also engaged in security services (Security) so that the Net Income of the KU company decreases even though it has received Supply Chain Financing Account Receivable (SCF A/R) financing.

If it is linked to the Theory of Effectiveness, it is stated that the implementation of Supply Chain Financing Account Receivable (SCF A/R) has proven to be effective in PT Envira (EV), PT Global Karya Utama (GK), PT. Aryana Cakasana (AC), and PT Srikaya Putra Mas (SP) companies. This is evident as they have achieved the Standard Time indicators of less than 180 days, improved financial flow as a result of their work outcomes, and more appropriate cost management due to the absence of pending Accounts Receivable payments. These companies have successfully utilized the Supply Chain Financing Account Receivable (SCF A/R) financing provided by PT. Bank Rakyat Indonesia, Tbk., which has covered their outstanding payments.

SCF A/R financing has proven to be effective for EV, GK, AC, and SP companies. However, it is not as effective for KU companies due to internal factors within the company. PT Sinarmas Group diverts its projects to other subsidiaries that are involved in security services, resulting in a decrease in the net income of KU companies, despite receiving SCF A/R financing. In order to improve KU's business and financial performance, PT Bank Rakyat Indonesia, Tbk should consider providing other forms of financing in addition to SCF A/R. This will help KU to diversify its funding sources and reduce its dependence on PT Sinarmas Group.

BIBLIOGRAPHY

Abdullah, T., & Wahjusaputri, S. (2018). *Bank dan Lembaga Keuangan Edisi 2*. Jakarta: Mitra Wacana Media.

Andrian, A., Qadri, R. A., Zai, I., Jessyka, J., Astuti, E., & Michelle, M. (2023). Penerapan Sistem Manajemen Sumber Daya Perusahaan (ERP) Dalam Kinerja Manajemen Rantai Pasok (SCM) PT. Sas Majesty Wellness. *Journal of Business, Finance, and Economics (JBFE)*, *4*(1), 238–247. https://doi.org/10.52644/joeb.v12i3.244

Bank Rakyat Indonesia. (2022). *Overview Bisnis-Regional Transaction Banking*.

Brigham, E. F., & Daves, P. R. (2019). *Intermediate financial management*. Cengage Learning.

Couix, Q. (2020). Georgescu-Roegen ' s Flow-Fund Theory of Production in Retrospect. *Elsevier*, *2019*, 1–27.

Fakhroni, Z., Irwansyah, & Pattipawaej, N. C. (2022). Life cycle and external fund : perspective of trade-off theory and pecking order theory. *INOVASI: Jurnal Ekonomi, Keuangan Dan Manajemen*, *18*(Special Issue), 96–103. https://doi.org/10.29264/jinv.v18i0.11243

Gea, J. S., Butarbutar, M., & Young, I. (2022). How cash flow information determined and reported to external users in pandemic of COVID-19 era. *International Journal of Health Sciences*, *6*(S3), 431–451. https://doi.org/10.53730/ijhs.v6nS3.5172

Karas, M., & Režňáková, M. (2020). Cash flows indicators in the prediction of financial distress. *Engineering Economics*, *31*(5), 525–535. https://doi.org/10.5755/j01.ee.31.5.25202

Lee, K. L., Wong, S. Y., Alzoubi, H. M., Al Kurdi, B., Alshurideh, M. T., & El Khatib, M. (2023). Adopting smart supply chain and smart technologies to improve operational performance in manufacturing industry. *International Journal of Engineering Business Management*, *15*, 18479790231200616. https://doi.org/10.1177/18479790231200614

Maharani, D., Haris, H., Aprillia, N., Marthin, R., Flowerensia, D., Cuandra, F., & Zai, I. (2022). Pengaruh Supply Chain Management Terhadap Operasional Perusahaan Dan Kendala Procurement Sistem Erp Pada Pt Unilever Indonesia Tbk. *TRANSEKONOMIKA: Akuntansi, Bisnis Dan Keuangan*, *2*(3), 113–126. https://doi.org/10.55047/transekonomika.v2i3.133

Mingkid, G. J., Liando, D., & Lengkong, J. (2018). Efektivitas Penggunaan Dana Desa Dalam Peningkatan Pembangunan (Suatu Studi Di Desa Watutumou Dua Kecamatan Kalawat Kabupaten Minahasa Utara). *Eksekutif*, *2*(2), 1–34.

Mofokeng, T. M., & Chinomona, R. (2019). Supply chain partnership, supply chain collaboration and supply chain integration as the antecedents

of supply chain performance. *South African Journal of Business Management*, *50*(1), 1–10.

Nurjanah, I., & Purnama, D. (2021). Pertumbuhan Perusahaan, Ukuran Perusahaan, Struktur Aset, Profitabilitas Dan Pengaruhnya Terhadap Kebijakan Hutang. *Jurnal Revenue: Jurnal Ilmiah Akuntansi*, *1*(2), 260–269. https://doi.org/10.46306/rev.v1i2.35

Saeed, M. A., & Lv, X. (2021). Integration of Finance and Supply Chain: Emerging Frontier in Growing Economies. *Available at SSRN 3933459*. https://doi.org/10.2139/ssrn.3933459

Saleheen, F., & Habib, M. M. (2023). Embedding attributes towards the supply chain performance measurement. *Cleaner Logistics and Supply Chain*, *6*(November 2021), 1–12. https://doi.org/10.1016/j.clscn.2022.100090

Sunardi, N. (2022). Penerapan Konsep Green Supply Chain Financing Solusi Pebiayaan untuk Meningkatkan Financial Flow PT Gunung Slamat, Kec. Slawi, Tegal, Jawa Tengah. *Jurnal Abdi Masyarakat*, *3*(2), 85–96.

Wulandari, U., & Simon, H. J. (2019). Pengaruh Efektivitas Kerja Pegawai Terhadap Kualitas Pelayanan Publik Di Kelurahan Sidorame Barat I Kecamatan Medan Perjuangan. *Jurnal Publik Reform UNDHAR MEDAN*, *5*, 1–8.

Yusnita, R., Tanjung, S. W., & Aisyah, S. (2022). Analysis Of The Strategy For Developing Msmes Of Banana Chips Food Supply Chain. *Journal of Management, Accounting, General Finance and International Economic Issues (MARGINAL)*, *1*(4), 17–22. https://doi.org/10.55047/marginal.v1i4.247

Zakaria, B. (2021). Analisis Laporan Arus Kas Sebagai Alat Ukur Efektivitas Kinerja Keuangan Perusahaan Daerah Airminum (Pdam) Kota Ternate. *JUPEK: Jurnal Pendidikan Dan Ekonomi*, *3*(1), 1–16.

Zaman, S. I., Khan, S. A., & Kusi-Sarpong, S. (2023). Investigating the relationship between supply chain finance and supply chain collaborative factors. *Benchmarking: An International Journal*. https://doi.org/10.1108/BIJ-05-2022-0295