

Analysis of financial management by small businesses in facing business competition in the city of Makassar

Dr. Rustan

(Lecturer Faculty of Economics, Muhammadiyah University Makassar)

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Abstract: This qualitative research employed a phenomenological approach. The results of the study indicate that Professional financial management for small business operators includes thorough budget planning, the separation of personal and business finances, meticulous transaction recording, and cash flow management to maintain liquidity. Cost efficiency, reinvestment of profits for development, and wise utilisation of external funding sources are important strategies to scale up the business. Support from financial technology such as recording applications, digital payments, and fintech helps to enhance efficiency and access to capital. All these steps need to be complemented by regular financial evaluations so that business operators can quickly adjust their strategies in response to market changes and drive sustainable growth, while also building strong competitiveness amidst dynamic business competition.

Keywords: management, Financial, Competition, businesses, policy

CHAPTER I. INTRODUCTION

The growth of urban economies in Indonesia, including Makassar, encourages the development of micro, small, and medium enterprises (MSMEs) as a primary support for livelihoods and employment absorption. In Makassar, the socio-economic dynamics and infrastructure development make the city a centre for trade, tourism, and services with intense competition. Small business operators—ranging from street vendors, traditional eateries, crafts enterprises, to small-scale retail shops—play a strategic role in providing goods and services for the local community while strengthening the regional economic ecosystem. However, behind this important role, many small business operators face financial management challenges that affect their resilience and competitiveness in the market which is becoming increasingly strict.

Financial management issues in small businesses are often structural and practical in nature. Many business owners have not implemented systematic financial record-keeping, there is often a lack of clarity between personal and business finances, and cash flow planning is weak. As a result, business decisions such as pricing, inventory management, and expansion strategies are often made based solely on intuition rather than accurate financial data. In the context of competition in Makassar— which involves local players, modern retail networks, and digital platforms such as e-commerce and online motorcycle taxi services— a lack of managerial capacity in financial management can lead to thin margins, tight liquidity, and ultimately, business closures.

External factors also add to the competitive pressures. Easy access for consumers to various product options, changing shopping preferences (including a shift to online shopping), and raw material price volatility demand quick responses and adaptive financial strategies. On the other hand, opportunities such as the increasing flow of tourists, local government programs for MSME development, and access to financial technology provide room for small business actors to improve their financial practices. However, to take advantage of these opportunities, an understanding of working capital management, the use of simple bookkeeping, the management of micro-business credit, and the ability to design realistic budgets in line with local business cycles is required.

Studies on the financial management of small business actors in Makassar are important because their implications affect not only the sustainability of individual businesses but also local economic stability and community well-

being. Financially healthy small businesses can maintain employment, contribute to regional income through taxes and economic circulation, and evolve into more productive medium-sized enterprises. Furthermore, understanding financial management patterns will assist public policy makers, microfinance institutions, and MSME support organisations in designing appropriate interventions—such as financial literacy training programmes, access to capital based on business needs, and facilitating simple digital record-keeping systems.

This research focuses on analysing the financial management practices commonly employed by small business operators in Makassar, the challenges they face, and the strategies used to respond to competition. Areas of interest include the level of financial recording, budget planning, inventory control, management of receivables and payables, and the use of digital financial services. Additionally, the role of external factors such as competition from modern retail and digital platforms, access to formal and informal financing, and support from local government and non-governmental organisations will also be analysed.

An analytical approach to this issue is expected to answer several important questions: what are the effective financial management patterns to enhance the competitiveness of small businesses in Makassar? What financial strategies are most relevant for maintaining liquidity amidst fluctuations in demand? What form of support is most impactful—training, fiscal incentives, access to credit, or simple recording technology? Answers to these questions will provide practical recommendations for business actors, policymakers, and stakeholders involved in the development of micro, small, and medium enterprises at the municipal level.

Methodologically, this research will combine a literature review related to financial management of MSMEs, field surveys of small business actors in several business centres in Makassar, and case study analysis. The results are expected to be not only descriptive but also provide practical solutions that are easy to adopt by entrepreneurs with limited resources. Thus, this paper aims to make a tangible contribution to efforts to strengthen the resilience and competitiveness of small businesses in Makassar City through improved financial management that is simple yet effective.

B. Problem Formulation

1. How is financial management carried out by small business actors to improve their business?
2. What are the strengths and weaknesses experienced by small business actors in the city of Makassar?
3. What are the professional financial management strategies that can enhance their business?

CHAPTER II. LITERATURE REVIEW

A. Financial Management

Management or administration is a combination of science and art that consists of a series of processes involving planning, organising, directing, leading, and controlling the use of available organisational resources to achieve predetermined objectives, thus benefiting humanity.

According to Purba et al, financial management is the planning, organising, directing and controlling of financial activities such as the acquisition and utilisation of business funds. Literally, finance (financial management) comes from the word management, which means to manage, and finance, which refers to matters related to money such as financing, investment and capital.

Financial management is a process of organising financial activities within an organisation, which includes planning, analysis and control of financial activities. Essentially, financial management is about realising the set objectives, meaning effective and efficient management is required. The measure of management effectiveness is the extent to which the company can achieve the established targets, while the assessment of the efficiency of a financial management can be seen from the company's ability to optimise income or output and expenditure or input.

The purpose of financial management is to achieve efficiency and effectiveness in finance. Efficient financial management can be seen from the ability to maximise inputs or outputs, in finance this means income and

expenditure. Effective financial management refers to the extent to which a company can achieve its targeted objectives. The proper implementation of all programmes and the appropriate use of finances will lead to effective and efficient financial management. Additionally, the objective of financial management in sales is to maximise profits from the business being undertaken and to ensure that the income generated can be used and managed effectively and efficiently.

The benefits of financial management are as follows:

- a. It allows the assessment of the company's financial performance.
- b. It enables the identification and differentiation of the company's assets and the owner's assets.
- c. It provides insight into the funds' position, both sources and uses.
- d. It facilitates the creation of accurate budgets.
- e. It allows for tax calculations.
- f. It enables the tracking of cash flow over a specific period.

Financial analysis is the financial foundation that can provide an overview of the company's financial health both currently and in the past, thus can be used for decision-making by company managers in financial management including:

- a. **Planning** Planning is the activity of setting organisational goals and choosing the best way to achieve those goals. One of the planning activities in finance is formulating annual and long-term financial objectives, as well as the financial budget. Budgeting is the process that helps to implement effective planning and control functions. The budget is a plan created by the company expressed in monetary terms. The budget serves as a tool for achieving the company's goals, which is to generate profit.
- b. **Recording** Recording is the activity of documenting financial transactions that have occurred through chronological and systematic writing as a marker that a transaction has taken place. The preparation of records begins with gathering documents that support the occurrence of the transaction, such as: receipts, invoices, and others, which are then summarised into a journal and subsequently posted into the ledger.
- c. **Reporting** Reporting is the next step after posting to the ledger and subsidiary ledgers. Entries in the ledger and subsidiary ledgers will be closed at the end of the month and moved to the financial statement summary as the basis for preparing financial reports. Types of financial reports include cash flow statements, profit and loss statements, and balance sheets.
- d. **Control** Control is the process of measuring and evaluating the actual performance of each part of the company, allowing for improvements if necessary to ensure that control is implemented to guarantee that the company can achieve its set objectives. The types of control include preliminary control, ongoing control, and feedback control.

B. Financial Statement Analysis

Financial statement analysis is a process aimed at helping to analyse or evaluate a company's financial condition, as well as its past and future operational results. To make financial statements more meaningful and understandable for various parties, financial statement analysis needs to be conducted. The results of the financial statement analysis will also provide information about the weaknesses and strengths possessed by the company. With the identification of these weaknesses and strengths, the performance of the management over time can be illustrated. According to Hery, financial statement analysis is a method that assists decision-makers in understanding the strengths and weaknesses of a company through the information obtained from financial statements. Financial statement analysis can help management identify existing deficiencies or weaknesses and then make rational decisions to improve the company's performance in order to achieve its objectives.

According to Sujarweni, financial statement analysis is a process aimed at helping to analyse or evaluate the financial condition of a company, the results of the company's past and future operations, while the purpose of financial statement analysis is to assess the performance achieved by the company over time and to estimate the company's performance in the future. Financial statement analysis can also observe the growth of financial performance from year to year.

According to Wardiyah, financial statement analysis involves careful selection of data from financial reports, aimed at predicting the financial health of a company. This is done by examining trends in financial data, comparing financial data across the company, and analysing key financial ratios.

According to Dimas Adiel Nurindra, financial statement analysis is a tool used to evaluate a company's performance using financial ratios. From this analysis, the level of success achieved by the company in the financial sector can be determined. Financial statement analysis can also help companies identify financial problems they are experiencing. Financial statement analysis can complement the financial information already available in the financial reports.

According to Siboro, financial statement analysis is a process that is useful for examining past and present financial data with the aim of evaluating performance and estimating risks and potential in the future. According to Jefri Tumelap, there are four methods of analysing a company's financial statements:

1. Liquidity Ratio A liquid company has sufficient cash or has an asset that can be quickly sold for cash to pay short-term debts. This ratio is obtained by comparing current assets and current liabilities.
2. Solvency Ratio The ability of the company or shareholders to provide protection in the event of liquidation when its obligations become due. The solvency ratio consists of total debt divided by total assets, total debt divided by total shareholder equity, and long-term debt divided by total shareholder equity.
3. Profitability Ratio The profitability ratio consists of net income divided by sales, income before tax divided by sales, net income divided by total assets, and net income divided by total shareholders' equity.
4. Growth Ratio The growth ratio consists of the growth rate shown by sales and the growth rate shown by profit.

According to Sujarweni, there are four types of financial statement analysis used, including:

1. Horizontal analysis is an analysis that compares financial statements over several years to determine their development.
2. Vertical analysis is where financial statements are analysed for only one period or time, by comparing one account with another within the financial statements, thus only revealing the financial condition or operational results at that moment.
3. External analysis is an analysis conducted by parties that cannot obtain detailed financial report data regarding a company's finances.
4. Internal analysis is an analysis conducted by parties that can obtain detailed financial data regarding a company's finances.

According to Wardiyah, the analysis of financial statements is conducted for the following purposes:

1. To understand changes in the company's financial position over a certain period, including assets, liabilities, and equity as well as the results achieved over several periods.
2. To identify the weaknesses and strengths of the company.
3. To determine the necessary improvement steps for the future concerning the current financial position.
4. To assess or evaluate management performance for the future, whether there is a need for renewal or not, based on perceived success or failure.

C. Business Competition

The business competition strategy is a plan that outlines the company's expectations of the impact of various activities or business competition programs on the demand for its products or product lines in specific target markets. The business competition strategy is the competitive mindset that will be used by the business unit to achieve its competition goals.

This strategy contains specific strategies for target markets, positioning, business competition mix, and the scale of business competition expenditure. Generally, successful companies are those that implement a consumer-oriented business competition concept, as these companies are able to dominate the market in the long term. In the view of the business competition concept, the company's goals are achieved through customer satisfaction. Customer satisfaction is obtained when the needs and wants of consumers are met through integrated business competition activities. Thus, there are 4 (four) main elements in the concept of business competition, namely 1) orientation

towards the needs and wants of consumers, 2) consumer satisfaction, 3) integrated business competition activities, 4) company objectives.

Every company implements a business competition strategy to achieve the expected goals. There are 3 (three) stages that companies go through to establish a business competition strategy, namely (1) selecting the target consumers, (2) identifying consumer desires, and (3) determining the business competition mix. There are several definitions of business competition strategy, namely:

a. a comprehensive plan in the field of business competition that provides guidance on the activities to be undertaken to achieve the business competition objectives of a company. In other words, a business competition strategy is a series of goals or objectives, policies, and rules that provide direction to a company's business competition efforts over time, at each level and reference as well as its allocation, especially in response to the company facing the ever-changing environment and competitive conditions.

b. The basis of actions that guide a company's business competition activities in conditions of competition and an ever-changing environment, in order to achieve the desired goals. Competitive business strategies focus on seeking and providing superior value to customers, as well as having a distinct value to develop the business. Competitive business strategies also aim to increase sales, as sales are the spearhead of the strategies implemented in a company.

c. A fundamental tool planned to achieve the company's objectives by developing competitive advantages through target markets and business competition programmes to achieve those goals. Competitive business strategies should be based on an analysis of the company's environment and internal factors through an analysis of the company's strengths and weaknesses, as well as an analysis of the opportunities and threats the company will face from its environment.

In addition, the strategies that have been implemented must be reassessed to determine if they are still suitable for the current conditions. The environmental factors analysed in the formulation of business competition strategies include market conditions or competition, technological developments, economic conditions, government regulations and policies, socio-cultural conditions, and political conditions. Each of these factors can create opportunities or barriers for the business competition of a company's products. Particularly in the field of business competition, external or environmental factors are those that cannot be controlled by company leadership. In contrast, internal factors in business competition are those that can be controlled by company leadership in general and business competition leadership in particular, which consist of product, price, distribution, promotion, and service.

In other words, competitive business strategy is an integrated plan that serves as a basis for actions directing competitive business activities towards the target market by developing competitive business programmes to achieve business competition objectives. To successfully implement the competitive business strategy, two very important and interrelated elements are required: (1) the targeted market, and (2) the business competition mix implemented to reach that target market.

The determination of competition strategies in business must be based on an analysis of the external and internal environment of the company. Each environmental factor can create opportunities or threats to the business competition of a company's product, which includes: market conditions, competition, technology, economy, socio-culture, and laws and regulations. Meanwhile, the internal factors of the company indicate the presence of strengths or weaknesses, including finance, production, personnel, and especially in the area of business competition, which consists of product, price, promotion, location, people, process, and physical evidence

CHAPTER III. RESEARCH METHODOLOGY

Qualitative research using a phenomenological approach

CHAPTER IV DISCUSSION

A. Financial Management of Small Business Actors in Enhancing

Their Business Financial management is one of the most important aspects of the success of small businesses. Well-managed finances not only ensure smooth operations but also provide a foundation for strategic decision-making, profit enhancement, and business development. For small business actors, the ability to manage capital, regulate cash flow, and optimally utilise financial resources is key to ensuring that their business can grow sustainably amid increasing competition.

1. Sound Financial Planning

The first step in effective financial management is to create a clear financial plan. This planning includes the preparation of a income and expenditure budget, cash flow projections, and calculations of working capital needs. Small business operators often get trapped in daily workflows without creating short-term or long-term plans, making it difficult to anticipate funding needs during sales declines or increases in raw material prices. With sound planning, business operators can allocate funds appropriately for operations, product development, promotion, and business savings.

2. Separation of Personal and Business Finances

One common mistake often made by small business owners is mixing personal finances with business finances. This practice makes tracking profits, losses, and business progress unclear. This separation can be achieved by opening a dedicated bank account for the business, recording all transactions separately, and setting a salary or wage for oneself as the owner. This simple step can help business owners monitor the financial health of their business and minimise capital leaks.

3. Neat Financial Record Keeping Good

Financial record keeping helps business operators understand their financial position accurately. Neat financial records include sales data, production costs, operational expenditures, receivables, and payables. Nowadays, recording can be done not only manually through cash books but also using simple accounting applications that are easy to operate. With consistent record keeping, business operators can evaluate business performance each period and make decisions based on data, not just estimates.

4. Cash Flow Management

Healthy cash flow is an important indicator of business sustainability. Even with high turnover, a business can face obstacles if cash flow is negative due to bad debts, uncontrolled expenses, or unplanned raw material purchases. Business operators need to manage the timing of customer payment receipts, oversee payment schedules to suppliers, and prepare reserve funds for urgent needs. The principle of "money coming in must be faster than money going out" serves as a fundamental guideline to maintain liquidity.

5. Cost Control

Cost efficiency is one of the strategies to increase profits. Small business owners need to periodically evaluate operational costs, identify waste, and seek more economical alternatives without compromising quality. For example, collaborating with suppliers to obtain better prices, rearranging production schedules for greater efficiency, or utilising low-cost yet effective digital promotions. Proper cost control will increase profit margins, which can ultimately be used for business

6. Utilisation of Profits for Business Development

Many small business owners use all their profits for personal needs, making it difficult to grow. It is advisable to set aside a portion of profits for expansion capital, product innovation, or promotional activities. With a consistent reinvestment strategy, the scale of the business can gradually increase. For example, adding production equipment to increase capacity, expanding business locations, or developing new product variants that align with

market trends. expansion.

7. Access and Utilisation of Financing Sources

In developing a business, sometimes internal capital is insufficient. Small business operators need to understand and utilise external financing sources such as bank loans, people's business credit (KUR), cooperatives, or micro-financial institutions. However, this financing must be managed wisely by considering the ability to repay installments and projecting the profits from the funds obtained. The use of loan capital for productive activities such as purchasing machinery or increasing production capacity will provide positive long-term impacts.

8. Utilisation of Financial Technology (Fintech)

In the digital era, small business operators can leverage financial technology to facilitate business management. Digital payment applications, e-wallets, and online accounting platforms help monitor income and expenses in real time. Additionally, fintech also offers quick financing access with simpler requirements compared to conventional banks. The use of this technology not only enhances efficiency but also expands market reach through modern payment systems.

9. Periodic Evaluation and Analysis

Financial management does not stop at recording and controlling but must be complemented by periodic evaluations. Analysis of financial reports each month or quarter will reveal sales trends, cost burdens, and profit margins. This data can serve as a basis for making strategic decisions such as changing marketing strategies, reducing underperforming products, or adding variants with high potential. Consistent evaluation makes business actors more responsive to market changes.

B. The advantages and disadvantages experienced by small business actors in the city of Makassar

Small businesses in Makassar play an important role in driving the local economy. This sector serves as the main source of livelihood for many people, creates job opportunities, and enriches the diversity of local products and services. However, small business actors not only have potential and advantages but also face various limitations that affect their competitiveness and business sustainability.

1. Advantages of Small Business Operators in Makassar City

a. High Flexibility in Operations

One of the main advantages of small businesses is their flexibility in adapting to market changes. Small business owners can quickly change sales strategies, adjust prices, or modify products according to consumer needs. For instance, traditional food traders in Makassar can swiftly change their menu or flavours in line with culinary trends that are popular among the public.

b. Proximity to Consumers

Small business operators generally have close relationships with customers, especially in community environments or local markets. This direct interaction allows them to understand preferences, provide personal service, and build customer loyalty. For example, traditional cake sellers in local markets often remember their regular orders, creating an emotional bond that strengthens purchasing power.

c. Relatively Low Operational Costs

Compared to large companies, many small businesses in Makassar operate with lower fixed costs. They take advantage of simple business locations, employ family labour, and use local raw materials. This enables them to sell products at competitive prices even though profit margins are not very large.

d. Ability to Utilise Local Resources

Small business actors in Makassar often utilise local potential, whether raw materials, labour, or local culture, resulting in their products having distinctive characteristics. For example, the handicraft industry or typical Makassar cuisine such as coto, pisang epe, and various traditional cakes have a unique appeal that is difficult for outsiders to replicate.

e. Contribution to the Local Economy

The presence of small businesses not only benefits their owners but also has an economic impact on the surrounding environment. They absorb the workforce, increase the circulation of money in the local market, and encourage economic activities in supporting sectors such as transportation, packaging services, and raw material suppliers.

2. Weaknesses of Small Business Actors in Makassar City

a. Limited Capital and Access to Finance

Limited capital is a classic issue faced by many small business actors. Most rely on personal funds or loans from relatives and do not yet have optimal access to banking or official financing institutions. The credit application process, which requires collateral and has complicated administration, often becomes a hurdle for those without formal assets.

b. Poor Financial Management

Many small businesses have not implemented good financial record-keeping, making it difficult to monitor cash flow, profits, and losses accurately. Personal and business finances are often mixed, causing difficulties in business planning and decision-making. This situation makes them vulnerable to experiencing liquidity problems.

c. Limitations of Human Resources (HR)

The quality of HR, both in terms of management and technical skills, often presents a challenge. Small business owners in Makassar generally manage their businesses independently or involve family members who lack formal training in management, marketing, or technology. This can limit the business's ability to grow optimally.

d. Increasingly Tight Competition

The emergence of modern retail, franchise stores, and e-commerce platforms has intensified competition for small businesses. Consumers now have more choices with varied prices and quality. Small business owners who are unable to keep up with trends and innovations risk losing customers. Liquidity problems when sales decline.

f. Minimal Utilisation of Technology

Despite the increasing trend of digitalisation, some small businesses in Makassar still rely on conventional sales methods. Limited knowledge and skills in using social media, online sales applications, and digital payment systems restrict their market reach to local areas.

g. Dependence on Seasonal or Specific Market Conditions

Many small businesses, particularly those in the culinary and handicraft sectors, experience fluctuations in demand according to seasons, specific events, or temporary trends. Without a strategy for product or market diversification, business income becomes unstable.

C. Professional financial management strategies to enhance their business.

Professional financial management is the main foundation for the sustainability and development of businesses, whether small, medium or large scale. Well-managed finances enable business actors to control cash flow, maximise profits, and minimise the risk of bankruptcy. For small business owners, professional financial management strategies become increasingly important as limited capital and resources mean that every financial decision must be accurate and measurable.

In the midst of increasingly intense business competition, professional financial management is no longer just about recording income and expenses, but includes strategic planning, control, and decision-making based on accurate data. Here are some strategies that can be applied.

1. Separating Personal and Business Finances

The first step towards professional financial management is to separate personal and business finances. Many small business owners mix the two, making it difficult to ascertain net profit, assess financial health, or create capital plans. By opening a dedicated business bank account, setting a salary for the owner, and organising transaction records separately, business owners can gain a clear picture of their business's financial condition.

2. Preparing the Budget and Financial Plan

Budget planning serves as the foundation for effective financial control. The budget includes revenue projections, allocations for operational costs, capital expenditures, and emergency fund reserves. By preparing a budget, business operators can avoid unnecessary spending, ensure the availability of funds for essential needs, and assess whether revenue targets are realistic. This financial plan should be updated periodically in line with business developments and market conditions.

3. Conducting Routine and Accurate Financial Recording

Financial recording is the backbone of professional financial management. Every transaction, whether income or expenditure, must be recorded in detail. Good recording facilitates profit-loss analysis, cost control, and business strategy evaluation. Currently, entrepreneurs can utilise accounting software or simple yet effective financial recording applications, thereby minimising errors and simplifying the preparation of financial reports.

4. Managing Cash Flow Wisely

Healthy cash flow ensures that a business operates smoothly. Wise cash flow management includes speeding up collections from customers, delaying payments to suppliers within reasonable limits, and setting aside reserve funds for unexpected needs. Business operators must also be able to predict periods of declining sales and prepare strategies to maintain liquidity, such as offering promotions to attract buyers or expanding markets.

5. Controlling Operational Costs

Professional strategies in finance include consistent cost control. Business operators need to identify unproductive expenditures and seek more efficient alternatives without compromising product or service quality. For example, choosing suppliers with more competitive prices, utilising technology to reduce promotional costs, or restructuring the production process to be more resource-efficient.

6. Reinvesting Profits for Business Development

Net profits should not be entirely spent on personal needs. A portion of the profits should be allocated back into the business (reinvestment) to expand production capacity, improve product quality, or conduct broader promotions. Appropriate reinvestment can strengthen the business's position in the market and increase revenue in the long term.

7. Utilising Funding Sources Appropriately

Professional financial management involves the wise utilisation of funding sources. Business actors can leverage loans from banks, cooperatives, or microfinance institutions for business expansion, but must ensure that the funds obtained are used for productive purposes. Before taking a loan, it is important to calculate the ability to repay instalments and the potential profits from the additional capital.

8. Increasing Financial Literacy

Professionalism in financial management cannot be achieved without adequate understanding of financial concepts. Business actors need to enhance their financial literacy through training, seminars, reading books, or taking online courses. Understanding budgeting, investment, taxation, and risk management will help business actors make more informed financial decisions.

9. Utilising Financial Technology (Fintech)

Financial technology or fintech can assist business actors in managing finances more quickly and efficiently. Digital payment applications, online accounting platforms, and internet-based banking services facilitate transaction tracking and shorten administrative processes. In addition, fintech also offers financing products with more flexible terms compared to conventional financial institutions.

10. Conducting Periodic Financial Evaluations

Professional financial management requires routine evaluations of financial reports. Analysis of income statements, balance sheets, and cash flows on a monthly or quarterly basis will reveal the current financial condition and help business actors assess the effectiveness of strategies that have been implemented. This evaluation also serves as a basis for anticipating risks, correcting mistakes, and formulating new and more effective strategies.

CONCLUSION

Professional financial management for small business operators includes thorough budget planning, the separation of personal and business finances, meticulous transaction recording, and cash flow management to maintain liquidity. Cost efficiency, reinvestment of profits for development, and wise utilisation of external funding sources are important strategies to scale up the business. Support from financial technology such as recording applications, digital payments, and fintech helps to enhance efficiency and access to capital. All these steps need to be complemented by regular financial evaluations so that business operators can quickly adjust their strategies in response to market changes and drive sustainable growth, while also building strong competitiveness amidst dynamic business competition.

Small businesses in Makassar have various advantages such as high flexibility in adapting to the market, closeness to consumers, low operating costs, utilisation of local resources, and a significant contribution to the regional economy. However, they also face several weaknesses, including limited capital and access to financing, less professional financial management, limited human resources, fierce competition with modern retail and e-commerce, minimal utilisation of technology, and dependence on certain seasonal or market conditions.

Professional financial management is the key to business success, especially for small business owners who have limited capital and resources. Strategies include separating personal and business finances, developing a measurable budget, routinely and accurately recording transactions, and wisely managing cash flow. Additionally, it is important to control operational costs, reinvest profits, utilise funding sources effectively, and enhance financial literacy. The use of financial technology (fintech) and regular financial evaluations are also strategic steps to maintain liquidity, increase profits, and support sustainable business growth.

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