



## Effective Financial Management Strategies for Toy Stores in WTC Batanghari, Jambi City

Fani Putri Agustini<sup>1\*</sup>, Alisyah Pitri<sup>2</sup>, Al Munip<sup>3</sup>, Wargo<sup>4</sup>

<sup>1</sup>Institut Islam Al-Mujaddid Sabak, Tanjung Jabung Timur, Indonesia

<sup>2</sup>Institut Islam Al-Mujaddid Sabak, Tanjung Jabung Timur, Indonesia

<sup>3</sup>Institut Islam Al-Mujaddid Sabak, Tanjung Jabung Timur, Indonesia

<sup>4</sup>Institut Islam Al-Mujaddid Sabak, Tanjung Jabung Timur, Indonesia

\*Correspondent Author: [faniputriagustini95@gmail.com](mailto:faniputriagustini95@gmail.com)

### Article Info:

Article history: Accepted, 12/10/2024, | Revision, 24/11/2024, | Published, 30/12/2024, | Vol (2), Issue (2), (Dec, 2024)  
e-ISSN 2988-0246 | p-ISSN 2988-6732 | doi: <https://doi.org/10.61233/zijen.v2i2.27>

### Abstract:

This study focuses on the discussion of effective financial management for the Time Toys Toy Store WTC Batanghari which aims to describe how to effectively manage finances for the Time Toys Toy Store. In this study, the author uses an interview method to respondents with a triangulation technique, namely a combination of Observation, Interview and Documentation to obtain accurate data. The data used in this study is primary data, namely data sourced directly from business actors. Meanwhile, the secondary data is documentation and supporting evidence in research on effective financial management at Time Toys Toy Store. Based on the results of the analysis of the concept of effective financial management for Time Toys Toy Store, it can be concluded that effective financial management can be done with the company managing its budget better. By managing the budget carefully, companies can ensure that their expenses are on track and do not exceed the available financial resources.

### Keywords:

*Financial Management, Effective, Toys.*



© 2024 The Author(s).

This article is licensed under a [Creative Commons Attribution 4.0 International License \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).

## INTRODUCTION

Good financial management is essential for the long-term success of a toy store business. Effective and efficient financial management can help toy store businesses achieve their financial goals and maximize business value (Aalbers et al., 2017). In this article, we will discuss the importance of effective financial management for toy store businesses to identify financial resources, manage risks, and conduct good financial analysis. Financial management involves the overall management of financial resources. The goal of financial management is to maximize the business value of a toy store by generating positive cash flow and minimizing financial costs (Moynihan & Andrews, 2010). In carrying out this goal, financial management must consider factors such as time, risk, and capital costs.

The importance of financial management for a toy store business can be seen from several aspects; First, good financial management can help toy store businesses manage their budgets better. Second, managing the budget carefully, can ensure that its expenditures are in accordance with the plan and do not exceed the available financial resources. This can help toy businesses avoid unpaid

debts and increase investor confidence in the toy business's ability to generate stable cash flow. Third, good financial management can help toy businesses identify available financial resources (Rasmussen et al., 2003). Financial management also involves risk management. Risk is the possibility of loss or failure in achieving financial goals. Toy store businesses must be able to manage risks carefully to minimize their negative impact on business value (Aditya & Naomi, 2017).

In an increasingly complex and changing business era, effective and efficient financial management is becoming increasingly important for toy store businesses (Foster, 2017). Toy store businesses must be able to navigate the rapidly changing business environment and maintain business continuity by generating stable cash flow and maximizing business value. In order to achieve long-term financial goals, toy store businesses must carefully manage their financial resources, identify available financial resources, manage risks, and conduct sound financial analysis (Pradana et al., 2024). The biggest challenge in financial management is how to properly manage the financial resources of a business while considering the interests of all parties involved, including shareholders, creditors, and employees. Poor financial management can have a detrimental impact on a toy store business, such as an inability to pay debts or large financial losses. Therefore, good financial management is the key to the long-term success of a toy store business (Astuti, et al., 2022).

Effective and efficient financial management involves three main functions: Planning finances, controlling expenses, and making financial-related decisions. Financial planning involves developing long-term financial goals for a business and developing a plan to achieve them. Financial control involves budget management, risk management, and cost control. Meanwhile, financial decision-making involves choosing the right investment project, choosing the right funding source, and choosing the right financial strategy (Marince, 2017).

## **METHOD**

In this study, qualitative research methods can be used to research effective financial management for toy store businesses through several methods such as in-depth interviews, case studies, document analysis, and participant observation (Miles & Huberman, 1994). By using this method, researchers can gain an in-depth and contextual understanding of the views, experiences, and practices of financial management in the toy store business. The data obtained from qualitative research methods can provide in-depth insights into the importance of financial management for toy store businesses and their impact on the financial performance of toy store businesses. The selection of the right research method must be adjusted to the research objectives, available data sources, and the context of the research to be conducted.

## **RESULTS AND DISCUSSION**

Financial Management can be interpreted as the process of planning, controlling, and making financial decisions carried out by toy businesses to manage their financial resources effectively and efficiently (Barr & McClellan, 2018; Moynihan & Andrews, 2010). The function of financial management includes three main aspects, namely financial planning, financial control, and financial decision-making. Financial planning is the process of developing long-term financial goals for a

business and developing a plan to achieve them.

In financial planning, toy businesses need to consider available financial resources, such as revenue, fees, investments, and cash flow (McKinney, 2015). Financial control involves budget management, risk management, and cost control. The goal is to ensure that toy businesses can follow a predetermined financial plan, reduce financial risk, and improve financial performance (Hong, 2021). The toy store business must monitor its financial performance regularly and take action to improve its financial performance in case of any discrepancy with the financial plan. Financial decision-making involves choosing the right investment project, selecting the right funding source, and choosing the right financial strategy.

A company's investment decisions should be based on a careful analysis of the project, including the risks and potential return on investment (Saskia et al., 2024). Choosing the right funding source is important for toy businesses in obtaining the necessary funds to finance their investment projects or day-to-day operations. Financial strategies should consider factors such as risk, return, and liquidity to ensure the right balance between risk and return (Prasetyo & Mais, 2019). Overall, financial management is a very important area for toy store businesses in managing their finances. This makes it possible to maximize business value and minimize financial risks, so that it can survive and thrive in an increasingly competitive market (Sujai, et al, 2022).

The purpose of financial management is to increase the value of the business and reduce financial risks (Barr & McClellan, 2018). In addition, financial management goals also involve non-financial aspects such as improving relationships with customers, improving business reputation, and maintaining employee welfare. A triple bottom line approach that combines economic, social, and environmental aspects is also part of the financial management goals to achieve sustainable growth and provide benefits to all stakeholders.

The scope of financial management includes several key areas, including:

1. Cash flow management involves the management of cash receipts and expenditures.
2. Asset management involves the management of inventory, equipment, and equipment.
3. Debt management involving the management of bank loans, bonds, or other debts, and
4. Investment management involves making decisions regarding investments in stocks or other corporate bonds.

In addition, the scope of financial management also includes financial risk management which involves identifying, analyzing, and managing financial risks, as well as developing strategies to reduce risks or transfer risks to other parties through insurance or other financial contracts (Mulyanti, 2017).

**Benefits of Studying Financial Management** Financial management is a discipline that studies how to effectively and efficiently manage the finances of a business, organization, or individual. Financial management has a key role in maintaining financial stability and increasing business value (McKinney, 2015). Some of the benefits that can be obtained from learning financial management include: Understanding capital expenditures: One of the important aspects of financial management is capital expenditure or investment in fixed assets. Studying financial management,

one can understand how to effectively manage capital expenditures to avoid wasting funds. Financial management also addresses investment decision-making in capital expenditures, including measuring the expected rate of return and managing the associated risks. Capital financing strategies: Financial management also discusses capital financing strategies, both through debt and equity, as well as managing the financial risks associated with capital financing.

In this case, financial management helps businesses achieve long-term financial goals by choosing the right source of funds and optimizing the business capital structure. Managing financial risks: Financial management involves managing financial risks such as credit risk, market risk, and liquidity risk. The role of financial management is to identify, evaluate, and address the financial risks faced by businesses (Gurbuz, 2023). Managing operating cash: financial management also helps manage operating cash or operating cash flow. Operational cash is money that is used to pay for operational costs such as salaries, rent, and the purchase of raw materials. By understanding financial management, one can manage operating cash effectively to optimize the use of operational cash and generate greater profits (Nugroho, 2017).

Financial management has a very important role in managing the financial aspects of the business. Some of the relationships between financial management and business that need to be considered include cost management, tax planning, investment decision-making, management of relationships with stakeholders, and the influence of financial decisions on the performance and value of the toy store's business (Li & Akintoye, 2003). By managing costs effectively, toy businesses can reduce unnecessary costs and increase profits. By planning taxes wisely, toy businesses can reduce taxes to be paid and increase profits. With the right investment decision-making, businesses can avoid unnecessary losses and optimize investment returns. By managing good relationships with stakeholders, businesses can build a good reputation and maintain business sustainability (Vázquez-Cano & Sevillano García, 2015). And with a good understanding of the relationship between financial decisions and business performance and value, businesses can make the right financial decisions to improve business performance and performance in the long term.

Therefore, a good understanding of financial management is indispensable for toy store business leaders to make the right decisions and achieve business financial goals. Financial management has a very important role in managing the financial aspects of the business, and a good understanding of techniques and strategies in financial management is indispensable in the operation of a toy store business (Amram, 2009; Boriyevich, 2024; Jackson, 2002).

There is a picture of the Time Toys Toy Store presented:



Figure 1. Time Toys Toy Store WTC Batanghari

This toy store has several branches in Jambi City, the first branch in the Batanghari WTC Mall, the second branch in the Mayang area, the third branch in Kota Baru and the fourth branch in the Simpang Rimbo area.

## CONCLUSION

Financial management has a very important role for toy store businesses in managing financial aspects. With effective cost management, prudent tax planning, sound investment decision-making, good stakeholder relationship management, and a good understanding of the relationship between financial decisions and business performance and value, businesses can achieve financial goals and improve business performance and value in the long term. A good understanding of techniques and strategies in financial management is indispensable for business leaders to make the right decisions. Therefore, financial management has a crucial role in business operations and should not be ignored.

## REFERENCES

- Aditya, O., & Naomi, P. (2017). Penerapan manajemen risiko perusahaan dan nilai perusahaan di sektor konstruksi dan properti. *Esensi: Jurnal Bisnis Dan Manajemen*, 7(2), 167-180.
- Astuti, R., Kartawinata, B. R., Nurhayati, E., Tuhuteru, J., Mulatsih, L. S., Mulyani, A. & Indriani, J. D. (2022). Manajemen keuangan perusahaan. Hal 53.
- Marince, Y. (2017). Ruang Lingkup Manajemen Keuangan. Hal 97.
- Muhammad Sujai, S. E., MM, M. S., Cahyadi, N., S ST, M. M., Asmawati, M. S., ST, I. A.S., ... & Ani Mekaniwati, S. E. (2022). Manajemen Keuangan. CV Rey Media Grafika. Hal 33.
- Mulyanti, D. (2017). Manajemen keuangan perusahaan. *Akurat| Jurnal Ilmiah Akuntansi FE UNIBBA*, 8(2), 62-71. Hal 67.
- Nugroho, D. A. (2017). Pengantar Manajemen untuk Organisasi Bisnis, Publik dan Nirlaba. Universitas Brwijaya Press. Hal 20.
- Aalbers, M. B., Loon, J. Van, & Fernandez, R. (2017). The financialization of a social housing provider. *International Journal of Urban and Regional Research*, 41(4), 572–587.
- Amram, J. Y. (2009). *The Contribution Of Emotional And Spiritual Intelligences To Effective Business Leadership*.
- Barr, M. J., & McClellan, G. S. (2018). *Budgets and financial management in higher education*. John Wiley & Sons.
- Boriyevich, H. E. (2024). Government regulation of small business and improvement of business environment development. *European journal of business startups and open society*, 4(5), 330–336.
- Foster, T. A. (2017). *Budget planning, budget control, business age, and financial performance in small businesses*. Walden University.
- Gurbuz, M. C. (2023). Global supply chains risks and COVID-19: Supply chain structure as a mitigating strategy for small and medium-sized enterprises. *Journal of Business Research*, 155. <https://doi.org/10.1016/j.jbusres.2022.113407>
- Hong, H. J. (2021). ‘My Sport Won’t Pay the Bills Forever’: High-Performance Athletes’ Need for Financial Literacy and Self-Management. *Journal of Risk and Financial Management*, 14(7). <https://doi.org/10.3390/jrfm14070324>
- Jackson, Paul. (2002). *Business development in Asia and Africa : the role of government agencies*. Palgrave.
- Li, B., & Akintoye, A. (2003). An overview of public-private partnership. *Public-private Partnerships: Managing Risks and Opportunities*, 1–30.
- McKinney, J. B. (2015). *Effective financial management in public and nonprofit agencies*.
- Abidin, Z. (2024). Effective Classroom Management as a Quick Solution to Improve Student Participation and Motivation in the Learning Process . *Zabags International Journal of Education*, 2(2), 75–88. <https://doi.org/10.61233/zijed.v2i2.22>
- Khalid, M. Y., Abidin, Z., & Rochbani, I. T. N. (2024). The Digital Economy: Opportunities and Difficulties Isamic Economy’s Future. *Zabags International Journal of Economy*, 2(2), 106–111. <https://doi.org/10.61233/zijec.v2i2.85>
- Abidin, Z. (2020). Educational Management of Pesantren in Digital Era 4.0. *Jurnal Pendidikan Agama Islam*, 17(2), 203–216
- Kurniawan, K., Marwendi, R. O., & Abidin, Z. (2023). Legal Counseling Regarding The Formation of Village Regulations in East Tanjung Jabung District. *Zabags International Journal Of Engagement*, 1(2), 62-66.

- Abidin, Z. (2024). Innovative Community Service Programs with Local Participation to Build Independent Villages. *Zabags International Journal of Engagement*, 2(1), 29–38. <https://doi.org/10.61233/zijen.v2i1.17>
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative Data Analysis*. An Expanded Sourcebook-Sage Publications, Inc.
- Moynihan, D. P., & Andrews, M. (2010). Budgets and financial management. *Public Management and Performance: Research Directions*, 60–88.
- Pradana, H. K., Febriansyah, F., Husairi, R., & Pilisia, A. E. (2024). Financial Literacy and Investment Socialization for Generation Z. *Zabags International Journal of Engagement*, 2(1), 16–21.
- Prasetyo, A., & Mais, R. G. (2019). Budget Analysis, Employee Competence an Classification of Standard Account Charts in Realizing Reliability Financial Statements on Marine and Fisheries Ministry. *Indonesian Journal of Business, Accounting and Management*, 2(01), 17–28.
- Rasmussen, N. H., Eichorn, C. J., Barak, C. S., & Prince, T. (2003). *Process improvement for effective budgeting and financial reporting*. John Wiley & Sons.
- Saskia, S., Sarda, S., & Masrullah, M. (2024). Factors In The Aspect Of Regional Financial Management Regarding The Budget Over Remains (Silpa) At The Gowa District Education Service. *International Journal of Economic Research and Financial Accounting*, 2(4).
- Vázquez-Cano, E., & Sevillano García, M. L. (2015). Analysis of risks in a Learning Management System: A case study in the Spanish National University of Distance Education (UNED). *Journal of New Approaches in Educational Research*, 4(1), 62–68.