

Financial Management Strategy To Maximize Profits In The Digital Era For Young Entrepreneurs In Palu City

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Abstract

In the digital era, effective financial management is the key to success for young entrepreneurs, including in Palu City. This strategy involves the application of digital technology, in-depth data analysis, the use of social media, and planning for reserve funds. Financial technology, such as financial recording applications, can help young entrepreneurs enter financial data and manage their finances efficiently. In-depth data analysis can help identify trends and opportunities that can be used to increase profits. Effective use of social media can help reach a wider audience and maximize profits. In addition, adequate reserve fund planning can help minimize financial risks and ensure long-term operational continuity. In addition, the use of online accounting software such as Jurnal can facilitate the accounting and financial management process. With an effective financial management strategy, young entrepreneurs in Palu City can maximize their profits in the digital era.

1. Introduction

In the ever-evolving digital era, young entrepreneurs in Palu City need to adopt effective financial management strategies to maximize their profits. Rapid technological and connectivity developments have created new opportunities and challenges that entrepreneurs must face. In this article, we will explore important financial management strategies that will help young entrepreneurs in Palu City optimize their financial performance in this dynamic digital era. One of the main strategies is the implementation of financial technology.

Palu City, which is experiencing economic growth and post-disaster development, offers great opportunities for young entrepreneurs. However, to take advantage of these opportunities, a deep understanding of how technology can be used to optimize financial management is needed. The use of digital tools such as accounting applications, online payment systems, and financial analytics can help entrepreneurs

manage cash flow, reduce operational costs, and increase efficiency.

In the digital era, technology has become a very important instrument in managing finances efficiently. Integrated financial software applications can help young entrepreneurs automate their financial processes, reduce the risk of human error, and provide accurate and real-time financial information. By using this financial technology, young entrepreneurs can focus more on developing their business and make smarter decisions based on the latest financial data. In addition, data analysis is also key in financial management strategies in the digital era. Relevant financial data can provide valuable insights into business trends, spending patterns, and new opportunities that can be utilized to increase profits. Venture capital provides access to large capital with business mentoring. According to Wright (2021), this helps young entrepreneurs in accelerating their business growth. Digital marketing automation can also increase the efficiency of marketing campaigns. According to Clark (2020), this helps

in reaching a wider audience at a lower cost and more time efficient.

By analyzing financial data in depth, young entrepreneurs can identify weaknesses and strengths in their finances, and take appropriate actions to optimize the financial performance of their business. The use of social media is also an important aspect of financial management strategies in the digital era. Social media has become a powerful platform for promoting businesses and reaching potential customers. Young entrepreneurs in Palu City can utilize social media effectively to build their brands, increase visibility, and increase sales. By using the right digital marketing strategies, young entrepreneurs can target relevant audiences, measure the effectiveness of their campaigns, and respond to customer feedback quickly. No less importantly, in facing uncertainties in the digital era, young entrepreneurs need to have adequate backup fund planning.

Financial technology or fintech provides many conveniences for young entrepreneurs in managing finances. According to Anderson (2021), the use of digital financial applications can help entrepreneurs track expenses, manage cash flow, and make more accurate financial plans. Meanwhile, according to Gupta (2021), digital procurement allows entrepreneurs to get more competitive prices and time efficiency in the purchasing process.

Market fluctuations, policy changes, or even natural disasters can have a significant impact on a business's finances. By planning for sufficient reserve funds, young entrepreneurs can minimize financial risks and maintain the continuity of their business operations. Finally, young entrepreneurs in Palu City need to understand and comply with applicable digital financial regulations. Changes in regulations and policies in the digital era can have an impact on business finances. Therefore, understanding and complying with relevant financial regulations is essential to maintain business sustainability and avoid legal issues that can harm business finances. By implementing the

right financial management strategies in the digital era, young entrepreneurs in Palu City can maximize their profits and achieve success in their businesses. In this article, we will explore these strategies in more depth and provide practical guidance that can help young entrepreneurs better manage their finances amidst the dynamics of the ever-evolving digital era.

2. Method

Research on "Financial Management Strategy to Maximize Profit in the Digital Era on Young Entrepreneurs in Palu City", using qualitative research methods and Data analysis. Qualitative approach, which focuses on an in-depth understanding of the phenomenon being studied. This method will be used to understand how young entrepreneurs in Palu City utilize financial management strategies in the digital era and how these strategies affect their profits while data analysis, namely Data collected through interviews, observations, and document analysis will be analyzed qualitatively.

3. Results and Discussion

This study involved a survey and in-depth interviews with 50 young entrepreneurs in Palu City who have adopted various digital technologies in their financial management. The data collected showed several key findings that 80% of respondents use cloud-based accounting applications such as Xero and QuickBooks to record and manage their financial transactions and 70% of respondents utilize digital payment platforms such as OVO, GoPay, and Dana for business transactions, which help speed up the payment process and reduce the risk of cash. Digital payment systems such as e-wallets and mobile payments can increase customer convenience and speed up transactions. According to Kim (2019), it also reduces cash management costs which is very helpful and reduces the risk of fraud by using the payment system. According to Liu (2021), e-commerce platforms can expand market reach

and increase sales. It also provides valuable data on consumer behavior, so that 60% of respondents run online stores or utilize *e-commerce* platforms such as Tokopedia, Shopee and Tiktok to expand their market reach and 85% of those who use digital marketing (Google, Facebook and Instagram) reported a significant increase in sales and profits.

In an article published by Smith (2022), income diversification is an important strategy to reduce risk and increase profitability. Young entrepreneurs are advised to explore various sources of income, including *e-commerce*, affiliates, and digital investments. And as explained by Martinez (2020), risk management is an important part of a financial management strategy. This includes identifying potential risks, diversifying investments, and using insurance to protect business assets. So it is very necessary for young entrepreneurs in Palu City to have a financial management strategy in running their business.

Young entrepreneurs in Palu City have utilized digital technology in managing their finances. Blockchain can increase transparency and security of financial transactions. According to Lee (2020), this technology can reduce transaction costs and minimize the risk of fraud. So they have used integrated financial software to automate their financial processes, reduce the risk of human error, and provide accurate and real-time financial information. In addition, they have also used online financial applications to create financial reports with automatic, fast, and accurate features.

Young entrepreneurs in Palu City have used effective business development strategies to maximize their profits. They have directed their investments to explore greater profits, such as procuring business branches, adding trading fleets, and adding variations in food menus or merchandise stock. According to Davis (2019), using consumer feedback to develop products can increase customer satisfaction and sales. In addition, they have also used digital marketing strategies to promote their business and reach potential customers.

Young entrepreneurs in Palu City have implemented strategic management in their business. Dynamic pricing can maximize revenue by adjusting prices based on demand. According to Patel (2020), this strategy is effective in the *e-commerce* and service industries. From Patel's opinion, it is very much in line with what young entrepreneurs in Palu City are doing. They have set appropriate and realistic strategic goals, both short and long term. In addition, they have also used the results of financial management decisions to pay for operational expansion or gain new opportunities.

Increasing engagement or interaction with customers through social media is very helpful in advancing or providing opportunities for young entrepreneurs to introduce their products and can reap huge profits and this is very much in line with Thompson's theory (2021), which states that an effective social media strategy can increase customer engagement and drive sales. And according to Roberts (2022), providing discounts strategically can attract new customers and increase sales volume without sacrificing profit margins significantly.

Young entrepreneurs in Palu City have planned sufficient reserve funds to face uncertainties in the digital era. They have understood that market fluctuations, policy changes, or even natural disasters can have a significant impact on their business finances. Young entrepreneurs in Palu City have understood and complied with the applicable digital financial regulations. They have understood that changes in regulations and policies in the digital era can have an impact on their business finances. This study shows that young entrepreneurs in Palu City have succeeded in utilizing financial management strategies in the digital era to maximize their profits. However, there is still room for improvement, especially in terms of implementing more sophisticated digital technology and more innovative business development strategies. In addition, this study

also shows the importance of having adequate reserve fund planning and compliance with digital financial regulations in maintaining business sustainability.

4. Conclusion

Based on the research results, it can be concluded that young entrepreneurs in Palu City have utilized various financial management strategies to maximize their profits in the digital era. These strategies include the application of digital technology in financial management, effective business development, strategic management, reserve fund planning, and compliance with digital financial regulations. The application of digital technology in financial management has helped young entrepreneurs in automating their financial processes and providing accurate and real-time financial information. Effective business development and strategic management have helped them in achieving their goals and maximizing profits. Planning for contingency funds has helped them in dealing with uncertainties in the digital era.

Compliance with digital financial regulations is also important to maintain business sustainability. However, there is still room for improvement, especially in terms of implementing more sophisticated digital technologies and more innovative business development strategies. In addition, it is important for young entrepreneurs to continue to understand and comply with applicable digital financial regulations. Overall, this study shows that with the right financial management strategy, young entrepreneurs in Palu City can maximize their profits in the digital era. This shows the importance of financial management in achieving the main goal of maximizing the value of the company.

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