

How Micro Scale Culinary Business Doing Financial Management?

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ABSTRACT

Culinary is always an interesting thing for everyone to talk about. Therefore, it is not surprising that the culinary business is increasingly diverse, not only in terms of menu variants, but also in terms of presentation, price and experience of enjoying it. Along with the strengthening of the existence of tourist villages in Indonesia, the culinary business is also increasingly developing, from micro to large scale. Karangsalam Village, an area located in Baturraden, Banyumas Regency, is one that has been designated as a tourist village. As a tourist village, Karangsalam Village has natural beauty which is very suitable for business development, especially culinary businesses. The fact that the culinary business continues to develop over time is certainly something that needs further research. Like business in general, of course the culinary business requires good management methods. In particular, financial management is an important thing to highlight, because it is no longer a secret that finances are often the main factor considered in developing a business. It is known that the culinary business in Karangsalam Village is still on a micro scale, with very simple financial records and traditional financial management.

KEYWORDS – culinary business, micro-scale business, financial recording, financial management, tourism village

1. INTRODUCTION

Indonesia is a country consisting of thousands of islands, spread from Sabang to Merauke. The Indonesian archipelago is located between the Asian Continent and the Australian Continent, as well as between the Indian Ocean and the Pacific Ocean. Therefore, Indonesia's territory is in a cross-country position, which has an important meaning in relation to climate and economy. [1] One sector that can bring in large foreign exchange for the country is the tourism sector. The importance of the tourism sector in the economy is also recognized by academics, social institutions and the government. [2]

Karangsalam Village is one of the many villages designated by the government as a tourist village. Located on the slopes of Mount Slamet, Banyumas Regency, Central Java Province. Karangsalam Village, Baturraden has been a tourist village for several years, to be precise in 2019 because of its diverse natural potential. Karangsalam Village won seventh place in the 2019 Archipelago Tourism Village Competition for the advanced tourism village category organized by the Directorate General of Village Community Development and Empowerment of the Ministry of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia in Yogyakarta. [3]

One of the basic needs of tourists or visitors is eating and/or drinking. [4] Therefore, it is not surprising that the culinary business never dies. In fact, nowadays it is so easy to find culinary delights in every tourist spot. Also included in Karangsalam Village, Baturraden as a tourist village of course provides a variety of interesting culinary choices at various price ranges, accompanied by natural views that fascinate visitors.

The results of a preliminary survey conducted found that there were more than 30 culinary businesses in Karangsalam Village, Baturraden. The culinary businesses there are all on a micro scale, although some of these culinary businesses are owned by people outside Karangsalam Village, Baturraden and are not managed by empowering local residents. In fact, some of the existing culinary businesses were not established on their own land, but rented annually, however, the continuity of the culinary business in Karangsalam Village, Baturraden can be said to be quite promising. On average, culinary businesses in Karangsalam Village, Baturraden were established in 2019, which is when the Covid-19 pandemic broke out and the Indonesian government

implemented the Community Activity Restrictions (PPKM) policy.

The Covid-19 pandemic has been declared over and the PPKM policy has been officially revoked by the Indonesian government as of December 30, 2022. People no longer need to worry about traveling and enjoying culinary delights in many places. Tourist attractions are starting to grow and become busy with tourist visits, including culinary delights in Karangsalam Village, Baturraden. Culinary business entrepreneurs never seem to stop improving facilities, and currently several places are even equipped with meeting rooms and accommodation.

The ability of micro-scale culinary businesses to manage finances is an interesting thing to explore, because it is no longer a secret that micro businesses are subject to many limitations. Through a personal approach to each existing culinary business manager, this research aims to find out in general how financial recording and management is carried out in culinary businesses in Karangsalam Village, Baturraden.

2. LITERATURE REVIEW

2.1 Culinary Business

The culinary business is the creative economy sector that is most widely run by Indonesian people. The culinary business is not only relatively easy to run but is also felt to provide quite large profits for business people. [5] As long as you pursue it well, the culinary business will quickly return on investment, because culinary is a basic human need that is consumed every day. Meanwhile, the motivation at the end is that the culinary business is not only to satisfy stomach needs but also to pamper the audience with various kinds of dishes served with the experience gained while being served. [6]

2.2 Financial Recording

Money can be understood as 1) a legal medium of exchange or standard for measuring value (unit of account), issued by the government of a country in the form of paper, gold, silver, or other metal printed with certain shapes and images, or 2) property; wealth. [7] Based on the understanding that has been given about money, it can be concluded that money is very important, especially in a business context. Businesses need to know their money circulation, how much money is in and how much is going out, so that at least at a glance business people can estimate what the business prospects are. Although it doesn't necessarily mean that the income of money is greater than the expenditure, it means that the business being run is definitely profitable.

2.3 Financial Management

Money must be managed well by the business owner because without good management it is certain that the business being run will fall apart. It is no longer a secret that efforts that are not properly planned in financial terms will not last. Financial Management is the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. [8]

Financial management is mainly concerned with the effective funds management in the business. One scope of financial management is financial management and accounting. Accounting records include the financial information of the business concerns, hence this is the relationship between financial management and accounting. [9] In essence, accounting helps financial managers to make business decisions.

3. METHODS

The research population is culinary business owners in Karangsalam Village, Baturraden. The research sample was determined using the purposive sampling method. The main criterion used in determining the sample is that tourism business owners are willing to be used as research samples.

Data collection was carried out using triangulation techniques. Triangulation of data collection techniques is aimed at testing the credibility of the data by checking data against the same source with different techniques. For example, data obtained from interviews will be checked with observation, documentation, or questionnaires. [10]

4. RESULTS AND DISCUSSION

4.1 Description of Business Actor

The results of research conducted directly on culinary business people in Karangsalam Village, Baturraden are shown in Table 1.

Table 1. Description of Business Actor

Criteria	Sum	Total
Sex:		
• Male	7	70%
• Female	3	30%
Land ownership states:		
• Private	5	50%
• Rent	5	50%
Education background:		
• Undergraduate	3	30%
• Others	7	70%
Revenue per year:		
• ≤ 100million IDR	2	20
• > 100million IDR	8	80

The data in Table 1 above describes that there are 7 business managers (70%) men and the remaining 3 people (30%) are women. The status of land ownership for business is balanced between private ownership and rental, namely 5 people each (50%). The educational background of business managers is 3 people (30%) with bachelor's degrees and 7 people (70%) with non-graduate degrees. The annual income of 2 people (20%) stated it was below 100 million IDR, while 8 people (80%) stated it was above 100 million IDR.

4.2 Financial Management in Small-Scale Culinary Business

The results of identifying and reviewing questionnaire answers and interviews with culinary business managers in Karangsalam Village, Baturraden are shown in several pictures in this section. There are 3 pictures displayed, each of which is Fig. 1 which shows the financial recording system, Fig. 2 which shows the frequency of financial recording, and Fig. 3 which shows the financial management methods used by small-scale culinary businesses in Karangsalam Village, Baturraden.

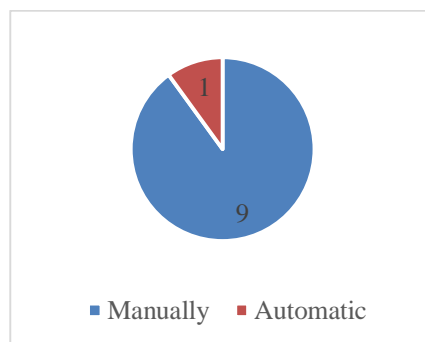


Figure 1. Recording system of small-scale culinary business

Fig. 1 shows that 9 people (90%) carry out financial recording manually, while there is only 1 person (10%) who carries out financial recording automatically, or using a system. Furthermore, the interview results provide evidence that business actors have carried out financial records, especially for cash in and cash out transactions.

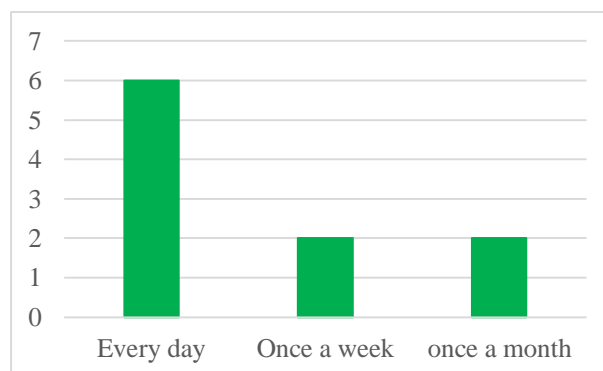


Figure 2. Frequency of financial recording

Fig. 2 shows that not all culinary business actors are uniform in carrying out financial records. 6 people stated that they recorded every day, 2 people recorded once a week, and 2 other people recorded once a month. Meanwhile, when it was confirmed, business people who kept records every day gave their opinions to avoid forgetting because there are relatively many financial transactions in their culinary business every day, especially on weekends or holidays. Meanwhile, business people who do not record every day express the opinion that financial transactions in their culinary business are relatively small, only increasing on weekends or holidays.

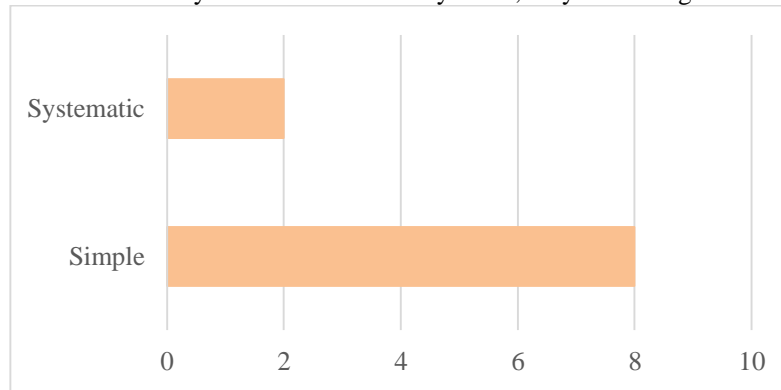


Figure 3. How to manage finance

Fig. 3 shows how business people manage their finances. 8 people stated that they managed their business simply, while 2 other people managed it systematically. This means that 8 business actors have indeed carried out financial records, but the use of the information they produce is only limited to knowing profits and losses and paying employee salaries. Meanwhile, 2 other people have used the information produced not only to find out profits and losses and payment of employee salaries but also as a form of responsibility to other parties. The purpose of having the responsibility to other parties is the role of other parties (investors) who need information about business developments.

5. CONCLUSION

This research provides evidence that the micro-scale culinary business actors used as research samples have kept financial records. Financial recording is mostly done manually as long as it can still be the basis for business actors to determine profits and losses and pay employee salaries. Financial management is simple because most business actors do not need to be accountable to other parties.

Financial information is important in business management. The unavailability of financial information will make it difficult for business actors to make decisions. The choice of method for recording and managing finances will depend on the needs felt by each business actor.

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