



Analysis of Utilization of Online Financial Applications as Financial Management Media

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Abstract: The rapid development of technology is currently affecting various sectors of life and also industry in the world, especially in Indonesia. This situation makes all people try to make good use of technology and start switching to various types of digital media. Many changes were made, from initially using conventional methods and then switching to the use of digital media, for example is the use of financial management media. There are so many applications or websites that are made to make it easier for a person or business owner to manage finances, two of which are the Monefy application as a personal finance manager, and the BukuKas application as a personal or business financial manager. In this study, an analysis of the influence of these two applications on online financial management was carried out through direct observation of the application and looking at user reviews and opinions regarding this application, as well as a literature study of various references related to the use of online financial applications and financial management media. This research was conducted aiming to find out how the use of online financial applications as a financial management medium for individuals or businesses. From this research, it is evident that online financial applications such as Monefy and BukuKas are very useful in managing personal and business finances because they can manage income, expenses, investments, accounts payable and financial statements.

Keywords: Online Financial Applications, Utilization, Financial Management

INTRODUCTION

Currently, the development of technology is very fast and has an impact on various sectors and industries such as in education, marketing, and also on finance. This development finally encouraged business owners to create applications either web-based, desktop, or mobile. One of the uses of information technology in the financial sector is the development of online financial management applications. There are so many online financial applications currently available for a fee or even free that can help record financial management easily. That application was created and sought so that the public can easily use and understand how it works and the use of the features provided to record and manage their finances properly and quickly so that finances are well controlled.

If explored more deeply, surely, there will be many possibilities and circumstances that there are still many people who have businesses especially UMKMs who have not been able to manage their finances so that they cannot be controlled and managed properly. This will

causes problems that their financial will be uncontrolled and unnoticed and will give impact to a bigger problems such as a lack of funding or the worst situation is that the business will easily go bankrupt or collapse. In addition, there are still businesses or business activities that still use conventional method of managing and recording financial, like using notebooks or paper which is difficult to manage if the records are increasing so that the losses and profits of business cannot be seen properly. In fact, good and optimal financial management is very important in a businesses and becomes the foundation for business development [1].

Apart from the changing times, the conditions experienced by the world when faced with the Pandemic Covid from 2019, forced various parties to use technology more often and began to shift various online activities, especially in financial activities. This is also one of the reasons every business today to have to start implementing digitization in various parts of the business. There are lots of online financial applications that are available for free and can be used by anyone today, ranging from desktop-based applications, android, and even websites that have various features according to user needs. Based on the explanation above, author finally decided to conduct a research entitled "Analysis of Utilization of Online Financial Applications as Financial Management Media".

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Financial Management

Management can be defined as the organization's purpose in achieving organizational goals efficiently and effectively directed at information, physical, financial, and human as organizational resources from a series of activities such as controlling, leadership, organizing, and planning in decision making [2]. Financial management has a broader understanding, which does not prioritize activities to obtain funds only, but also prioritizes activities to obtain and use these funds and the management of the funds [1]. Financial management is an art that carried out by someone in financial management so that it is useful, effective, and efficient in achieving company goals so that the individual can prosper [3]. Storing, searching for, controlling, managing, checking, budgeting, and planning of financial can also be interpreted as activities in financial management. This definition relates to financial management activities, namely the form of allocating and managing existing funds as efficiently as possible after the funds are obtained [4].

In its implementation, to maintain financial health in an organization, an action called financial management is usually carried out. So it is necessary to identify the principles of good financial management to build a good financial management organization. In that case, there are several principles that must be the attention of an organization [5], namely:

- a. Consistency
In an organization, time to time, financial systems and policies must be consistent. This does not mean that if there is a change in the organization, the financial system is not allowed to be adjusted. Manipulation in financial management is one sign that financial management does not apply consistent approach.
- b. Accountability
The purpose of this principle is an explanation of how the use of authority, equipment, and funds provided by third parties is in accordance with legal and moral obligations attached to organizations, groups, or even individuals. In this case, it is necessary to provide an explanation given by an organization regarding what they have achieved and how to use resources which is a proof of responsibility to the beneficiaries or stakeholders.
- c. Transparency
On this principle, an organization should be more open to stakeholders, regarding the information it provides about its plans and activities, as well as about its work. These include the preparation of reports that are on time, complete, accurate, and easily accessible to beneficiaries or stakeholders.
- d. Viability
To ensure that the organization's finances are maintained, it is necessary to make adjustments to the funds received from the operational and strategic expenditures of the



organization. This viability can be referred to as a measure of the sustainability and financial security of an organization.

e. Integrity

Good integrity must be possessed by individuals involved in carrying out operational activities in an organization. Apart from individuals, it is also important to pay attention to financial record and report whose integrity must also be properly maintained by ensuring the accuracy and completeness of financial record.

f. Stewardship

From the funds obtained by an organization, there needs to be good management with guarantees that the use of funds is appropriate to achieve organizational goals. In practice, things that organizations can do to manage finances well are: create a control system and financial system that fits the organization, identify financial risks, and be careful in strategic planning.

g. Accounting Standards

The accounting and financial systems used by the organization must comply with generally accepted accounting principles and standards. This means that every accountant around the world can understand the system the organization uses.

Online Financial Application

A financial application is an application created to make it easier for users to manage and record finances that can be mobile, web, or desktop based. Today, there are many financial applications are equipped with fully automatic features so that they can be used easily by users. In addition, many financial applications circulating on the internet provide financial reports that can be printed within a certain time. The following are some of the function of financial applications [1]:

1. Speed up work.

The process of making reports which is fairly long and impractical because the work must be done in stages is one of the reasons for the formation of financial applications. The application can be process financial reports on one process and greatly shortens the time.

2. More accurate.

The accuracy contained in financial applications is very high because it surely uses various formulas and logic that are automatically programmed, so that it is almost impossible for errors to be calculated from the system itself.

3. Transparent.

In the financial application, the details of the report data will be more visible in detail and minimize fraud and errors in its manufacture.

4. Safe.

The high security used in making financial applications will certainly protect an organization's financial statements as well, so the possibility of data leakage will be minimal.

5. Flexible.

Financial applications that are flexible, that is, they can be used anytime and anywhere, especially those that are web-based so that they can be accessed using different devices.

METHODS

The research method used in this study is a quantitative semi-descriptive method. Where the aim of this research is to explain a phenomenon or event that exists by using numbers to describe or reflect the characteristics of something and assess the nature of the conditions that appear. The purpose of this study is to describe the characteristics of things as they are, namely to explain the use of online financial applications as a medium for managing finances. The data collection method used in this research is the method of observation and the method of literature study. Observation method by examining quantitative semi-descriptive data and information related to research on certain websites or

applications and for literature study method by looking for reference sources as well as literature or theory related to the topic or problem being researched.

RESULT AND DISCUSSION

The use of financial management applications is not only made for business owners, but also made to be used by individuals if they want to manage their finances related to personal income and expenses in order to track their finances. In this study, author conducted an analysis of a mobile-based application that can be used by business owners in managing their finances with one application, namely BukuKas. In addition, to see the use of financial applications for individuals, author conducted an analysis of an application, namely Monefy. This is done to find out how to use online financial applications as a medium for managing business or personal finances.

BukuKas is an online financial application that can be used to record the results of sales and income along with its advantages and disadvantages based on mobile, besides that it can also record accounts payable digitally [6]. Some of the target users of this application according to bukukas.co.id are [6]:

1. Personal and family.
This application is useful in avoiding waste by recording personal or family financial details related to income and expenditure allocation.
2. Organization and communities.
In order for the operation of an organization and community to remain stable, it is necessary to record incoming funds which of course from various sources with detailed and transparent details.
3. Freelancers and professional workers.
The erratic income of this target group certainly needs to be recorded properly to find out the progress of weekly, monthly, or yearly income.
4. Reseller, drop-shipper, and online shop.
The multi-book feature provided by this application will be very useful for this group because there are so many of these groups who sell their goods in various e-commerce, so it is necessary to record it to find out which e-commerce is the most profitable.
5. Usaha Mikro, Kecil, dan Menengah (UMKM).
The features provided in this application help UMKM actors to be able to make detailed records of income and expenses related to their sales.

Some of the main features contained in this application are: financial reports, income record, expenses record, account payable, multi-book (recording transactions from more than one business), and digital business cards (which are used for digital promotions to customers).

According to data from the Ministry of Communication and Information, from total of around 60 million UMKMs in 2021 in Indonesia, there are only around 9,4 million UMKMs that have gone online or entered the digital realm and use online financial applications [1]. The BukuKas application has been used by various UMKM industries including credit counters, electronics, F&B, and fashion. Of the various UMKMs, many young businessmen are technology literate and use digital systems as a sales medium such as social media other than through offline sales. As of November 2022, this application has been downloaded more than 5 million times with a rating of 4.2 out of 5 and there are 84,810 reviews, most of which are positive reviews from users. A review by a user named Regha Artha who gave a 5 rating for this application on Play Store said that the BukuKas application was "A simple cash flow app. The interface was good and simple, tried it but unfortunately, it's not what I'm looking for since I need inter-account transaction and some other more complicated features. However, if you're looking for simple cash flow app then you can definitely use this!". In addition, in April 2020, this application claimed that they had served more than 250,000 UMKMs who had recorded their transactions on this application [7]. The BukuKas financial application, if traced, is very helpful for UMKM actors in recording all transactions in

detail, monitoring cash flow, monitoring business performance, and planning business finances so that the business can grow rapidly [1].

Monefy is a personal finance application that makes it easy to manage money. This application allows users to easily view all expenses in one month, one day, one year, or at certain intervals so that users can find out where the money is spent. The interface of this application is very simple but interesting by using several icons as the type of expenditure category that the user can choose. According to Obed Nugroho, "I need simple, easy, intuitive application that can be backed up in cloud storage, I have a crush on Monefy, because it has colorful pictures. Nice and cleaning design" [8]. The application, which has been downloaded more than 5 million times, in November 2022 achieved a rating of 4,6 out of 5 with 176,015 reviews with the majority of reviews given by users were positive reviews. Some of the advantages of Monefy [8], namely:

1. Personal and family.
2. Design that makes it easy for users to record incoming and outgoing entries quickly
3. There are many categories that have been provided by the application
4. The currencies used is various and can be changed to rupiah or other currency types, while many external applications do not support rupiah currency
5. The budget can be continued for the next month
6. Payment of cash and credit card accounts can be separated
7. Can sync with Dropbox
8. There are free and paid types of use in the application, so new users can try using the free one first
9. Display can use a pie chart or list.

One of the users of this application named Amit Potdar gave this application a 5 rating on the Play Store with the review "Friendly UI, simple and quick entries make it first choice, I have been using pro version for years now and it has become integral part of my monthly budgeting. Worth investing on pro. Kudos to the developer. One request to the team is please add option to add images (photos of invoice clicked from phone to the expense) it will be great addition to what this app is capable of."

CONCLUSIONS

Personal financial management does not aim to seek profit, but aims to assist someone in monitoring and optimizing their personal finances in order to achieve efficiency and effectiveness of any funds obtained to meet their daily needs. In addition, good personal financial management occurs if there is a surplus or excess difference between the realization and the budget which is then allocated to savings. The stages of personal financial management consist of budgeting, realization, and calculating the difference between budget and realization which is then used as feedback for success in managing personal finances. Personal financial management will become easier and more accurate with the use of mobile applications.

Recording online financial reports on UMKMs can be done easily through a mobile-based application with the stages of installing the program, then creating a database has been created, the business owned. If the database has been created, the business owner can process financial data by inputting product data, sales input, purchase input to expenditure inputs that occur during a certain period of time, so that data processing will be automatically carried out by the application. This easy way of working saves a business owner much more time in managing financial records.

Based in the explanation above, it can be concluded that online financial applications have proven to be very useful in managing personal finances such as the Monefy application, or for UMKMs or other business owners such as the BukuKas application. The application is useful because it can manage income, expenses, investments, account payable and financial reports. In addition, it is also more effective and efficient in terms of financial management time by using the online financial application.

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