SME BIZBUDGET

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ABSTRACT

Entrepreneurs are having trouble controlling their funds due to the unstable economy recently. In Malaysia, several initiatives have been created to support small and medium-sized businesses. Nonetheless, more must be done to increase the programs' efficacy. This is a result of small and medium-sized business (SME) owners failing to keep organised accounting records, hire auditors, and update their records of purchases and sales transactions. Financial position analysis, benchmarking, ratio kinds, and firm performance for improvement are not covered by most financial management programs, which primarily concentrate on calculation completion. As a result, the contingency theory-based "SME BIZBUDGET" application was released to support small and medium-sized businesses in Malaysia. This financial management tool is easy to use and contains information on future financial planning for SMEs. By matching variables that are examined as internal factors and external factors relevant to organisational efficiency, contingency theory components are incorporated into the application. The anticipated outcomes are that this program will assist SMEs in maintaining consistent financial records and comprehending everyday expenditures. As a result, this study would help SME owners generate more revenue through organised financial management, which aligns with the objectives of the Shared Prosperity Vision 2030.

KEYWORDS: *Contingency Theory, Financial Management, Small and Medium Enterprises (SMEs)*

PROBLEM AND OBJECTIVES

The implementation of the SME BIZBUDGET application was introduced due to several issues. The first issue is the lack of software that can help SMEs accurately record their financial cash flows. The various challenges that SME owners must overcome to survive and grow in the long term can also lower their company's performance (Bakhtiari et al., 2020; Gherhes et al., 2021). The second issue is the absence of accurate data and justification to determine the level of business performance. A research study conducted by Ishak et al. (2012) found that SMEs do not keep organised accounting records, update their sales transaction data, or use audit services. There are still many SMEs that use budgets for planning, sometimes rarely and sometimes not at all. Organisational performance will be greatly affected by these factors because competitive business tactics rely heavily on planning. Planning techniques are very important, as they will further improve organisational performance. The SME BIZBUDGET app was created with the intention of assisting SMEs in understanding everyday spending and maintaining consistent financial records. Furthermore, this application can boost the number of strong, successful, and resilient business owners who are able to handle today's problems and obstacles. Furthermore, by using this application, SME owners may practice organized financial management in accordance with the objectives of the Shared Prosperity Vision 2030, thereby increasing their income.

DESIGN DESCRIPTION

The SME BIZBUDGET application contains three sections, namely business information, financial statements and financial ratios.

VISUALS

Figure 1: SMEs complete business information

Figure 1 shows that SME entrepreneurs must record business information such as company name, type of business, registration number, name of company owner, company telephone number, business address, and business email.

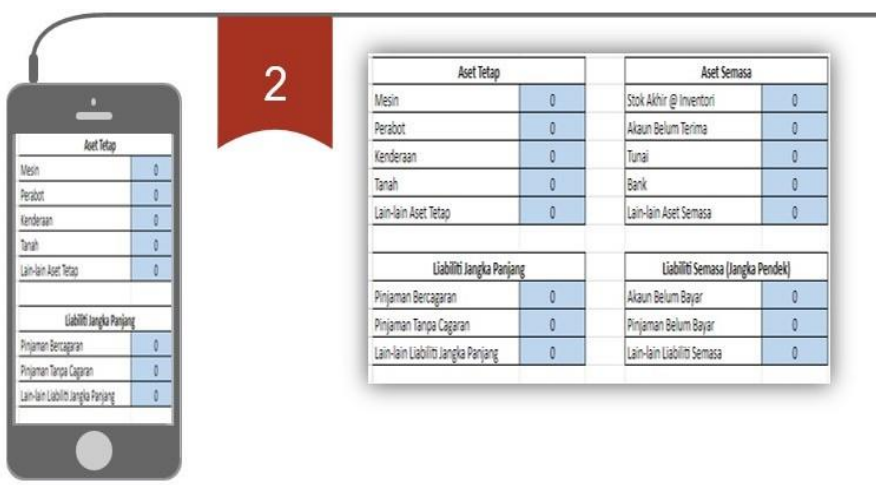

Figure 2: SMEs fill in information according to monthly count amount (RM)

As seen in Figure 2, SME owners will complete the data based on the monthly count (RM) such as vehicles, furniture, machinery, and other fixed assets.

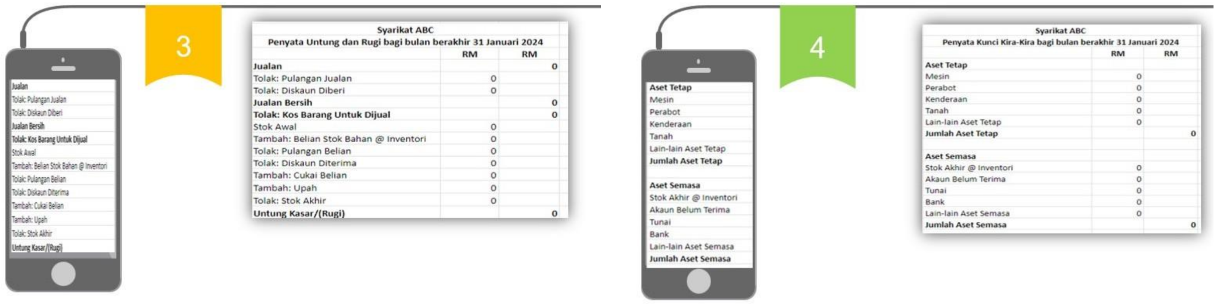

Figure 3: SME BIZBUDGET generates Profit and Loss Statement

Figure 3 shows SME BIZBUDGET generating a profit and Loss Statement and Balance Sheet based on the information that has been recorded.

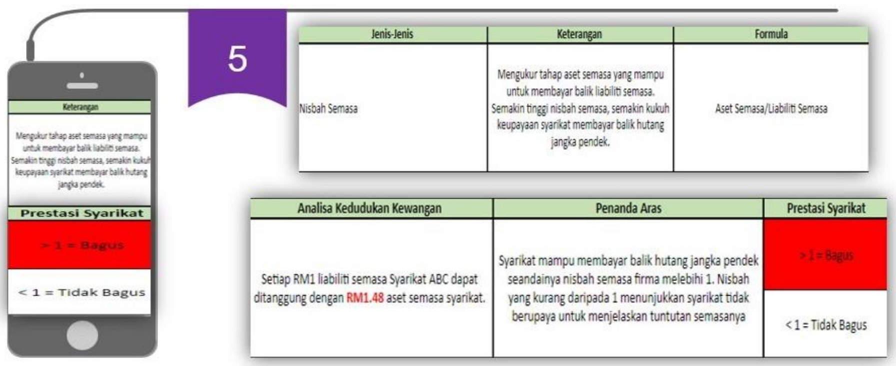

Figure 4: SME BIZBUDGET generates Company Financial Ratios

Explanations will be provided in Figure 4, such as types of ratios and analysis descriptions of the company's financial position and performance, whether in good or bad condition.

NOVELTY AND UNIQUENESS

The SME BIZBUDGET app is special since it employs both English and Malay as its multilingual language. Furthermore, a firm performance analysis may be prepared instantly using this application, which is available for free download on the Google Play Store. In fact, there is no expense involved, and SMEs may benefit greatly from being able to record their cash flow instantly, anywhere, and without delay.

BENEFITS TO MANKIND

SMEs, particularly in the business sector, benefit from this application. This program generates financial performance analysis for SMEs in an easy-to-use, portable, efficient, and transparent manner. This application focuses on the 3 principles, which are (1) understanding the concept of recording financial cash flow, (2) getting a full grasp of the parts of financial management contingency theory, and (3) improving the methodical planning of business continuity.

COMMERCIAL POTENTIAL

SME BIZBUDGET has strong commercial potential as an Application-as-a-Service (AaaS) solution tailored for SMEs. With a vast market of SMEs across Malaysia, this app provides an essential tool for efficient financial management. Its accessibility, combined with the widespread adoption of smartphones and internet connectivity ensures a seamless user experience. By offering instant financial performance analysis and cash flow tracking at no cost, SME BIZBUDGET stands out as a valuable, scalable solution.

CONCLUSION

SMEs may gradually enhance their self-management accounting system practices by using the SME BIZBUDGET application. SME survival can be aided by systematic reporting on strategy, firm size, organisational structure, and external considerations. The effectiveness of an organization's internal control framework may also be ensured by SMEs using this application to master internal elements, like audit quality. Therefore, they can compete on a global scale, SMEs may enhance their problem-solving abilities to better manage their businesses in the future.

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