

Delivering Value Creation Through Integrated Finance Improvement Initiatives, Vision, and Core Values Internalization: A Case Study of SME Business Coaching

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ABSTRACT

SMEs have a significant contribution to the stability and development of the Indonesian economy but are not balanced by the productivity of the SMEs themselves. This problem can be solved if Business Coaching is carried out with accurate business analysis or strategy. This paper discusses a business coaching program for one of the potential SMEs that runs a contractor, interior design, and special furniture business. Business coaching focuses on three main areas, namely, financial, organizational, and human resources aspects. Business Coaching for CV Jati Indah Abadi is qualitative case study research. The business analysis used is Business Model Canvas, PESTEL, Porter's Five Forces, Segmenting Targeting and Positioning, Marketing Mix, VRIO, SWOT and TOWS, and Pareto Analysis. Based on the results of the analysis, CV Jati Indah Abadi has not implemented a financial planning system, budgeting, recording, monitoring, and evaluation of financial performance. Therefore, the author provides training on cash management, the use of project budgets, and transaction recording applications for preparing financial reports. The vision and values are also determined, so that it is expected to motivate and increase employee loyalty, including encouraging SME owners to further optimize their business potential by continuing to make improvements and implement best practices.

Keywords: Business Coaching;
Competitive Improvement; Human
Resources; Organization; SMEs

INTRODUCTION

The economic activities of Indonesian society rely on the various products and services produced by Small and Medium-sized Enterprises (SMEs) ([Suwandi, 2024](#)). SMEs form a large part of the economy and are regarded as the drivers of socio-economic development in all countries. In OECD countries, over 95% of all enterprises fall into the SME category, while over 50% of private sector employment is supplied by SMEs ([Lukács, 2005](#)). Although most enterprises in all countries are SMEs ([Özdemir et al., 2007](#)), interest in micro, small, and medium-sized companies among both practitioners and academics is relatively recent. The importance of SMEs in the economy has been widely recognized since the 1980s when the focus shifted from large corporations to smaller-sized enterprises. Since then, these economic units have been regarded as the core of developmental macro and socioeconomic policies on both national and international levels.

In Indonesia, SMEs contribute significantly to the national economy, with over 64 million SME units representing 99.99% of the total, compared to 5,500 large enterprises, which account for only 0.01%. Additionally, SMEs play a crucial role in job creation, contributing 97% of employment. ([Sasongko, 2020](#)).

However, despite the high number of SMEs and their significant contribution to the economy, specifically in employment absorption, their productivity does not match their economic impact. According to data from [Sasongko \(2020\)](#), SMEs contribute only 61.07% to GDP, even though they represent 99.99% of the total number of businesses. In contrast, large enterprises, which make up just 0.01% of the total, contribute 38.93% to GDP.

The development of SMEs is still far from expectations and requires more conducive, coordinated, and integrated policies. ([Setyobudi, 2007](#)). Therefore, the Indonesian government pays special attention to the development and empowerment of SMEs as a key pillar and driver of the national economy. Given the importance of SMEs' role and existence, their empowerment is one of the top 10 national priorities for achieving 'Making Indonesia 4.0,' as stated by the Ministry of Industry.

According to Bank Indonesia and the Indonesian Banking Development Institute, SMEs face both internal and external issues. Internal issues include capital limitations, human resource/organizational challenges, legal/business legitimacy, and financial accountability. External issues encompass business climate conditions, infrastructure, and access. Other frequent challenges faced by SMEs include the low quality of human resources, reflected in underdeveloped entrepreneurial behavior, weak succession planning, and deficiencies in creativity, discipline, work ethic, and professionalism. ([Hartono & Hartomo, 2016](#)). These issues contribute to the difficulties SMEs encounter in developing and competing effectively.

The main issues faced by SMEs are believed to be resolvable through business coaching combined with accurate and strategic business analysis. It is hoped that this approach will enable SMEs to grow, transform, and adapt to the modern era. Business coaching is a strategic step to provide more effective support to SMEs ([Lukács, 2005](#)). Business transformation is essential for SMEs to tackle intense competition and uncertain economic conditions. Activities that are still manual, traditional, and conventional should be replaced with modern, technology-based, and creative approaches. It will be detrimental to the nation if these vast numbers of MSMEs are unable to compete and adapt to current and future market circumstances. The ultimate goal of this initiative is to

improve the competitiveness of SMEs, transforming them to the next level.

This paper aims to showcase one SME located in Kabupaten Tangerang with strong potential for further growth: CV Jati Indah Abadi, founded by Mr. Supratman in 1990. He started the business as a contractor for various building construction projects. Since the early 2000s, he has expanded the revenue stream by providing interior design services and custom furniture products, creating an end-to-end service.

CV Jati Indah Abadi is located in Karawaci, Tangerang, a strategic location surrounded by numerous housing developments and large developers. CV Jati Indah Abadi also has many loyal customers, both corporate and retail. Surprisingly, CV Jati Indah Abadi has never executed specific marketing activities such as promotion, participating in open tenders, or directly approaching new customers. The growth of customers has been dominantly driven by word-of-mouth marketing, with recommendations from satisfied customers in their networks.

However, despite the strong business prospects, like many typical SMEs, CV Jati Indah Abadi has not implemented proper financial management practices in terms of managing cash flow, project budgeting, and accounting. Daily transactions were still handled through the founder's personal bank account, the founder did not fully understand the actual profits realized from each project, and there was a lack of clarity regarding the overall financial performance of the business. This paper aims to contribute to the literature by presenting a case study of SME business coaching to emphasize the real financial management problems faced by SMEs.

In addition to the financial management issues, the founder has aspirations regarding organizational and human resource management. There were frequent minor and major cases of unethical and inappropriate behavior from employees, which often disrupted the standard of service quality set by the founder for delivery to customers. This paper seeks to document the milestones in CV Jati Indah Abadi's business process transformation, specifically in the areas of financial management, organizational structure, and human resource management.

LITERATURE REVIEW

Good financial management is one of the keys to a successful business. In effective financial management, recording transactions or business activities is fundamental ([Sululing et al., 2018](#)). Without accurate financial records, business actors may be "blind," which can lead to a loss of direction in running their businesses. Despite the importance of proper accounting records, many MSMEs in Indonesia still struggle to prepare financial reports that align with financial accounting standards.

Financial management includes cash flow management. According to [Block and Hirt \(2005\)](#), cash management is the supervision of the most liquid real asset investment in the form of cash owned by the company. [Brigham and Houston \(2004\)](#) state, "The purpose of cash management is to minimize the amount of cash that the company must have to carry out normal business activities."

Another aspect of financial management is budgeting. A budget serves as a management control tool to achieve company goals. The formal management control process includes (1) Strategic Planning, (2) Budget preparation, (3) Implementation, and (4) Performance evaluation ([Anthony & Govindarajan, 2005](#)). Budget control involves controlling activities through a budget ([Supriyono, 2004](#)). A budget can function as an

effective control tool if linked with planning and control. Good planning without effective control results in wasted funds and time. According to [Supriyono \(2004\)](#), a budget is a detailed plan for the acquisition and use of financial and other resources over a specified period. When properly prepared, a budget facilitates the assessment of efficiency for each material. Cost control through budgeting involves comparing the budget with actual results, which can be reviewed in terms of material quantity and price ([Subramaniam & Ashkanasy, 2001](#)).

In addition to financial management, management, and organization are closely interrelated. [George \(2020\)](#) defines management as a process or framework that involves guiding or directing a group toward organizational goals. A fundamental requirement for building an organization is its vision. Vision is the achievable dream of what an organization wants to do and where it wants to go ([Sihab et al., 2012](#)). [Kunde \(2000\)](#) emphasizes the importance of vision, mission, and values for companies: "For the future business, the values behind the product are therefore becoming a more important aspect for gaining a competitive advantage in market competition. Mission and vision will however remain empty words if the company is not united around a set of values—the corporate religion. Corporate religion is the set of values that unites the organization around a mission and vision."

[Nanus \(2001\)](#) describes a vision as "a realistic, credible, attractive future for your organization." A well-defined vision provides a roadmap for the organization's direction and objectives, highlighting targets and potential opportunities. A vision that aligns with organizational needs can enhance employee commitment, foster enthusiasm, provide purpose, and establish standards that bridge the organization's present and future. According to [Mathis \(2000\)](#), vision functions as a strategy. Vision as a competency development strategy (Vision-Based Competency Development) embodies an idealism that is realistic and achievable. The mission serves as a guide within this vision framework, while values form the behavioral foundation for individuals and the organization in pursuing their mission and goals. Values embedded in the organization promote commitment. Moreover, organizational management depends on human resources, the primary instrument in running a business organization.

Effective organizational management involves cultivating a culture that supports the realization of the vision. [Robbins \(2015\)](#) defines organizational culture as a system of shared beliefs and meanings among members that distinguishes one organization from others. [Kreitner and Kinicki \(2005\)](#) describe organizational culture as an implicitly accepted set of assumptions that shape how a group perceives, thinks, and reacts to its environment.

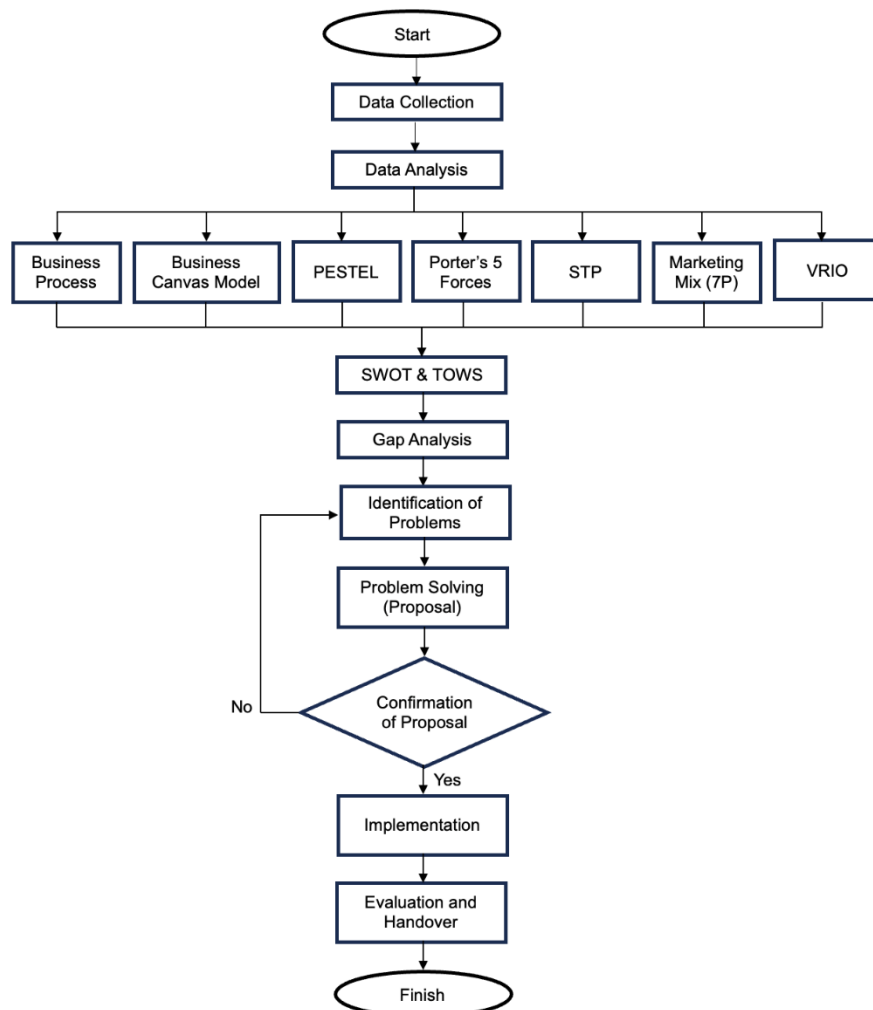
[Gibson et al. \(2010\)](#) refer to organizational culture as a "personality" that influences how individuals behave within an organization. [Kast and Rosenzweig \(2011\)](#) define organizational culture as a system of shared values and beliefs that interact with a company's people, structure, and control systems to produce behavioral norms.

RESEARCH METHOD

This study employed a mixed research method that combined qualitative research with a case study approach. The case study focused on a local SME, CV Jati Indah Abadi, which specializes in contracting, custom furniture, and interior design. The findings were implemented through a business coaching process. Both primary and secondary data were collected via in-depth interviews with the founder, observations of business processes and models, and internal business records. The research was organized into

four key steps: (1) conducting internal and external analyses of the company, including its business processes, Business Model Canvas (BMC), PESTEL analysis, Porter's Five Forces, STP, the Marketing Mix, and VRIO; (2) performing SWOT and TOWS analyses along with gap analysis; (3) identifying problems and developing solutions; and (4) implementing the findings. The stages of the business coaching process are illustrated in [Figure 1](#).

Figure 1. Business Coaching Process



After obtaining the required information and data, the information is analyzed to identify each problem and find a solution. According to [Malhotra \(2010\)](#), there are three general steps to analyzing qualitative data. The first step is data reduction, where data is selected and summarized to highlight key findings from the research. The selected data primarily consists of interviews with MSME owners and insights gained from field observations. The second step, data display, involves transforming the condensed data into visual representations, such as diagrams, tables, and graphs. This visualization is intended to reveal patterns and relationships within the data. Visual interpretations include various analyses, such as the BMC, PESTEL analysis, Porter's Five Forces, segmentation analysis, targeting, positioning, marketing mix analysis, VRIO analysis, and the SWOT-TOWS matrix. The final step is conclusion drawing and verification, where conclusions are formulated based on discussions and analyses of the data, using GAP analysis and Pareto analysis as guiding tools. These conclusions serve as crucial information for

Business Coaching, leading to the development of a proposed business model.

RESULTS

Business Model Canvas (BMC)

BMC is a development of a business model concept that can be explained in one canvas sheet so that the basis of thinking or how an organization creates, distributes, and captures values from a business can be described simply (Osterwalder & Pigneur, 2010). This business model will help everyone to understand the direction and goals of a business which will also have an impact on strategic planning so as not to lose out in competition and thus be able to survive in the business environment. Business-Model Canvas consists of nine blocks, namely Value Proposition, Consumer Segment, Channels, Consumer relationship, revenue Streams, Key Activities, Key Resources, Key Partnership, and Cost Structure.

Based on the mapping analysis using the BMC, gaps were identified at CV Jati Indah Abadi that can still be improved. The company is overly focused on project execution, while its internal processes lack activities related to financial and employee management. Additionally, there is a gap in the Channel aspect. CV Jati Indah Abadi has the potential to grow further by optimizing marketing activities to expand its market share and acquire new customers.

Before optimizing marketing to drive business growth, CV Jati Indah Abadi must first understand its current financial position. Without this understanding, the SME owner will struggle to evaluate past and current performance and set measurable targets for future growth. In addition, employees, as the driving force behind CV Jati Indah Abadi's business, need to be strengthened and developed. To achieve business targets, employees must understand the SME owner's expectations. Therefore, the owner must communicate these targets effectively to employees, and CV Jati Indah Abadi needs to improve its financial, organizational, and human resource management.

[Table 1](#) below represents the BMC model of CV Jati Indah Abadi.

Table 1. BMC Model of CV Jati Indah Abadi

Key Partner	Key Activities	Value Proposition	Customer Relationship	Customer Segment
<ul style="list-style-type: none"> Supplier Freelancer 	<ul style="list-style-type: none"> Prepare project plan Create project design Create interior design Create furniture design Project/production execution Project/production supervision 	<ul style="list-style-type: none"> Have complete services for all building work, namely building contractor services, interior design, and furniture Provide a six-month warranty for work results Customized products & free design consultation 	<ul style="list-style-type: none"> Direct contact (WA and telephone) WoM/refere nce Flexible negotiation 	<ul style="list-style-type: none"> B2C: Individual s living in housing B2B: Compani es engaged in property developer s, restauran ts, hotels, education

		<ul style="list-style-type: none"> • Good quality work results and services (in accordance with initial specifications/design and on time) • Competitive prices for various types of consumer segments 		<ul style="list-style-type: none"> • Geographic: Jakarta, Tangerang City, Tangerang Regency, Bogor and Tasikmalaya
	Key Resource		Channels	
	<ul style="list-style-type: none"> • Standard materials • Assets (workshops for design, equipment, vehicles, computers) • Human resources who have creativity and certain skills 		<ul style="list-style-type: none"> • Offline/Physical Office • WhatsApp 	

PESTEL Analysis

According to the PESTEL analysis, the SME owner needs to increase market awareness of CV Jati Indah Abadi's services to enhance market demand, thereby minimizing the risk posed by unfavorable economic conditions. To expand market potential, CV Jati Indah Abadi can utilize digital marketing through websites and social media platforms like Instagram, Twitter, and YouTube, which significantly influence consumer behavior in Indonesia. According to [Lok et al. \(2024\)](#), social media serves as an effective advertising medium, allowing targeted ads to reach a wide audience.

However, before leveraging digital marketing to boost market potential, CV Jati Indah Abadi must use technological advancements to improve its financial management by adopting financial applications suited to the company's needs.

Porter's Five Forces Analysis

The Five Forces Model of Competition analysis was developed by Michael Porter to analyze the competitive conditions of a business unit. By knowing these conditions, the potential for both attractiveness and threats faced by a business unit can be identified. The five competitive elements in Porter's five forces are competition between existing competitors, the threat of new players, the threat of substitute products, buyer bargaining power, and supplier bargaining power ([John et al., 2014](#)).

Figure 2. Porter's Five Force Analysis Diagram



From Porter's Five Force analysis diagram in [Figure 2](#), CV Jati Indah Abadi must be vigilant regarding competitors who use modern technology and both offline and online sales channels to acquire new customers. While the threat of product substitution is low, CV Jati Indah Abadi must continue innovating to offer unique products and services that enhance its value proposition. This will help the company acquire new customers without relying solely on word-of-mouth marketing. To address these challenges, the SME owner must focus on employees as the key drivers of the business. Strengthening the organization and developing employees is crucial for business success. To create harmony that supports business goals, employees must understand and align with the owner's targets and expectations.

Segmentation, Targeting, and Positioning Analysis

CV Jati Indah Abadi has clear segmentation and targets: B2B companies in the property sector, ranging from small to large, and B2C customers, such as homeowners seeking construction or renovation services. The company positions itself as a one-stop solution provider for interior design, construction, and customized interior products, offering timely service and competitive prices. However, the company could expand its geographical reach beyond Jakarta and Java by utilizing offline and online sales channels, such as a website for company information and marketing.

Marketing Mix Analysis

The marketing mix analysis reveals supporting and inhibiting factors that require improvement. Supporting factors include customizable products, a strategic office location in a developing area, and competitive pricing. However, promotion is lacking, relying solely on word-of-mouth and references. It is crucial to expand promotional efforts by creating a company profile, and a website, and utilizing social media. The company also needs to hire additional employees for the marketing department.

With strategic resources and strong customer loyalty, CV Jati Indah Abadi has the potential for continued growth. However, before actively promoting the business, the company must first improve its financial management. Understanding the current financial position is essential for evaluating performance and setting measurable business goals.

VRIO Analysis

VRIO is a method for analyzing the potential of a business based on the value, rarity, imitability, and organization of its resources ([Barney & Hesterly, 2019](#)). The human resource skills at CV Jati Indah Abadi, both from the owner, who is skilled in building design and creative interior work, and the employees, who are proficient with engineering equipment, are valuable and rare, but not yet fully utilized. The SME owner can capitalize on this by offering training or certification to increase competitive advantage. However, a gap was identified during the interview: there is no prospective successor with engineering skills if the owner decides to retire.

CV Jati Indah Abadi's strong reputation, particularly among loyal customers, is valuable and rare but underutilized. The company's market network is valuable and rare, helping it sell custom products to large companies, but does not possess imitability because each SME has its own unique network. The equipment and long-standing supplier relationships are valuable and rare, contributing to business continuity. Overall, the VRIO analysis of CV Jati Indah Abadi can be seen in [Table 2](#).

Table 2. VRIO Analysis

	Valuable	Rareness	Costly to Imitate	Exploited by Organization	Competitive Implication
HR Skills	Yes	Yes	Yes	No	Unused competitive advantage
Reputation	Yes	Yes	Yes	No	Unused competitive advantage
Network	Yes	Yes	No	No	Temporary
Supplier	Yes	Yes	No	No	Temporary
Equipment	Yes	Yes	No	No	Temporary

SWOT Analysis

SWOT analysis is used to analyze the internal conditions of a business unit. SWOT analysis is a measurement tool to analyze internal conditions in the form of strengths and weaknesses of a business unit, as well as external conditions in the form of opportunities and threats of a business unit ([John et al., 2014](#)). The following is a SWOT analysis of CV Jati Indah Abadi which is made based on the results of the analysis of the Business Canvas Model, PESTEL, Porter's Five Forces, STP (segmentation, targeting, positioning), Marketing Mix, and VRIO shown in [Table 3](#).

Table 3. SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none">Has a complete product for housing needs, namely building contractor services, interior design, and custom furniture	<ul style="list-style-type: none">There is no Budget Plan system for each projectBusiness financial management bank accounts are mixed with personal accounts

<ul style="list-style-type: none"> Competitive prices in various consumer segments Flexible payment terms Strategic location surrounded by many developers Good relations with suppliers Already has a good reputation as seen from the high level of WoM Has extensive experience in handling various types of consumers 	<ul style="list-style-type: none"> MSMEs do not know the actual profit for each project because there is no adequate recording system There are no marketing activities that are consistently carried out using available promotional channels (both offline and online). There are no values held by MSME owners as guidelines, which causes various problems related to employee behavior There is no clear business development and employee development plan
Opportunity	Threat
<ul style="list-style-type: none"> Ongoing development and in the future will be even more massive along with the government's plan to build national housing, especially for the lower middle segment in the Tangerang Regency area There are still many untapped markets, especially in the B2B market The WFH trend that makes people upgrade their homes to make it more comfortable to live at home Most customers are satisfied and willing to provide references 	<ul style="list-style-type: none"> Increasingly tight competition, especially in the current pandemic era, they are willing to slash prices to get projects The possibility of default or irregular payments from consumers in the pandemic era, which can cause cash flow to be irregular and ultimately result in losses

TOWS Analysis

After conducting a SWOT analysis, the next step is to analyze using the TOWS matrix to develop the strategies needed by CV Jati Indah Abadi by looking at internal and external conditions based on the SWOT analysis. There are four types of strategies that can be developed, namely SO (Strengths-Opportunities) strategy, ST (Strengths-Threats) strategy, WO (Weakness-Opportunities) strategy, and WT (Weakness-Threats) strategy. The description of the TOWS matrix can be seen in [Table 4](#).

Table 4. TOWS Analysis

	Strengths	Weaknesses
	<ol style="list-style-type: none"> Having complete products for housing needs, namely building contractor services, interior design, and custom furniture Competitive prices Flexible terms of payment A quite strategic location Good relations with suppliers 	<ol style="list-style-type: none"> There is no Budget Plan system for each project Business financial management bank accounts are mixed with personal accounts MSMEs do not know the actual profit for each project because there is no adequate recording system

	6. Already has a good reputation as seen from the high level of WoM 7. Having extensive experience in handling various types of consumers	4. There are no marketing activities that are consistently carried out using available promotional channels (both offline and online) 5. There are no values held by MSME owners, that are internalized to employees so various problems arise concerning employee behavior 6. There is no clear business and employee development plan
Opportunities	SO Strategy	WO Strategy
1. Ongoing and future development will be even more massive along with the government's plan to build national housing, especially for the lower middle segment 2. There are still many untapped markets, especially in the B2B market 3. The WFH trend that makes people upgrade their homes to make them more comfortable living at home 4. Most customers are satisfied and willing to provide references	1. Maintain competitive prices and payment flexibility by improving the quality of financial management to maximize all opportunities and maintain business growth (O1, S2, S3) 2. Increase marketing activities to maximize all existing opportunities by strengthening the organization by internalizing the vision and values (O2, S4, S6)	1. Improve fundamental aspects such as financial and organizational management methods, in preparation for facing big opportunities (O1, W1, W2, W3, W5, W6) 2. Formulate organizational values that must be adhered to by all employees so that all internal stakeholders are ready to capture all opportunities (O1, O2, W5, W6) 3. Increase marketing activities through the use of online promotion channels (O2, O3, O4, W4)
Threats	ST Strategy	WT Strategy
1. Increasingly tight competition, especially in the current pandemic era, they are willing to slash prices to get projects 2. The possibility of default or irregular payments from consumers in the pandemic era, which can cause cash flow to	1. Maintain competitive pricing and payment flexibility by improving the quality of financial management through the implementation of project budgeting and recording applications (T1, T2, S2, S3); 2. Increase marketing activities through the	1. Increase the reliability of financial information by improving the financial management system to obtain funding facilities from third parties (T2, W1, W2, W3); 2. Increase marketing activities through the use of online promotion channels (T1, W4).

be irregular and ultimately result in losses	use of online promotion channels (S6, T1, S5).	
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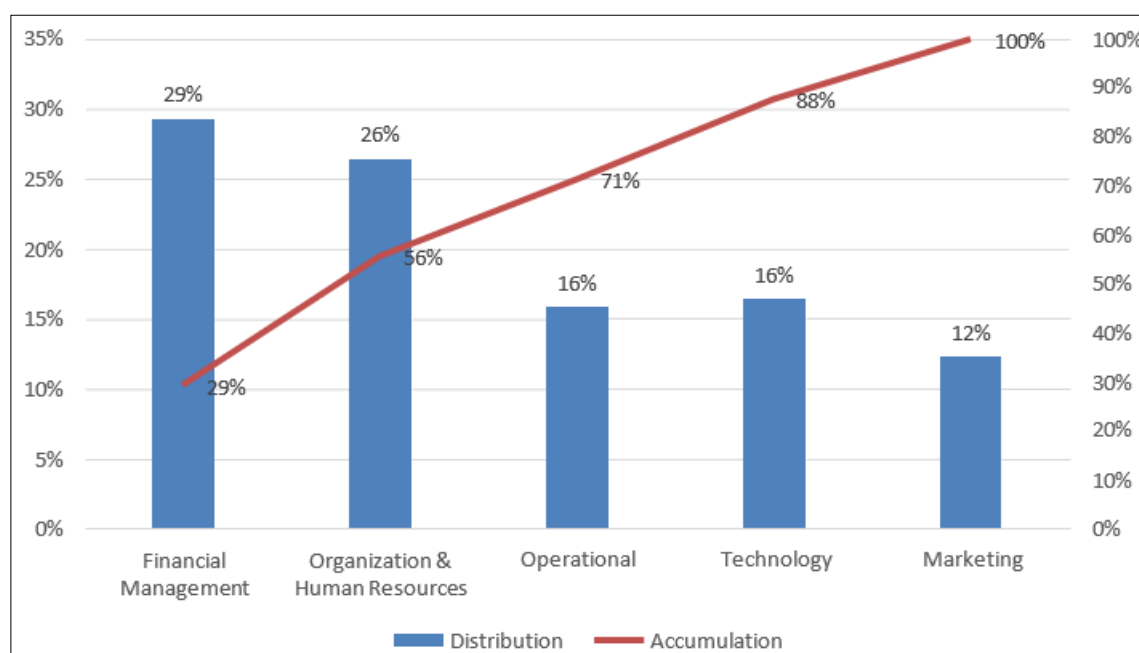
Gap Analysis

The gap analysis in [Table 5](#) compares the current condition of the company to the ideal state to identify areas for improvement. By recognizing these gaps, problems can be identified and solutions developed to ensure that the business coaching process addresses the company's specific needs.

Table 5. Gap Analysis

Tools	Current Conditions	Ideal Conditions	Gap	Codification
BMC	There is no budget usage yet	CV Jati Indah Abadi applies budgeting to every project	There is a need for awareness of the importance of having good financial planning.	Implementation of a budgeting system
	There is no report on cost realization for the cost structure	CV Jati Indah Abadi knows the realization of costs and profits for each project	There is a need for awareness of the importance of having a good recording process.	Implementation of the recording system
	Not yet actively conducting marketing activities	Actively carry out marketing activities both online and offline	The need for additional human resources for all marketing activities	Recruitment of employees who are experts in marketing
SWOT	Cash management is still mixed using personal accounts	Business management using special accounts	There is a need for awareness of the importance of using special accounts	Implementation of budget system and use of special accounts
	There is no Budget Plan system for each project	CV Jati Indah Abadi applies budgeting to every project	The need for optimal financial planning	Implementation of a budgeting system
	There is no organizational vision and values that employees must uphold.	There is an internalized organizational vision and values	There are often problems with employees related to the principles/values they adhere to.	Formulation of vision and values that are internalized to employees

Figure 3. Gap Analysis of CV Jati Indah Abadi



According to CV Jati Indah Abadi's gap analysis as shown in [Figure 3](#), the biggest gap, and challenge, is the need for the company to improve the quality of its financial management practices. The gap is related to cash flow management, project budgeting, and accounting. Some conditions that require improvement include daily transactions still being conducted through the founder's personal bank account, the founder's lack of clarity regarding the realization of expected profits for each project, and an unclear understanding of the business's overall financial performance. Frequent instances of unethical and inappropriate behavior by employees also make organizational and human resources aspects the second biggest gap to address.

PARETO Analysis

Pareto analysis is conducted to see the priority scale and level of urgency of the problems that arise. The results of the Pareto analysis are then followed up with problem-solving based on the order of priority scale and level of urgency. The calculation of this Pareto analysis uses weighting on existing problems with the following calculations:

Value : scale of 1 - 10 the greater the value the more important

Weight : scale of 1 - 10 the greater the weight the more difficult

Contribution : value x weight

Distribution : $(\text{contribution} / \text{total contribution}) \times 100\%$

Pareto analysis of CV Jati Indah Abadi is presented in [Table 6](#).

Table 6. PARETO Analysis

No	Indicator	Value	Weight	Contribution	Distribution	Cumulative
1	Financial Management	10	10	100	29%	29%
2	Organization & HR	9	10	90	26%	56%
3	Operational	6	9	54	16%	71%
4	Technology	7	8	56	16%	88%
5	Marketing	6	7	42	12%	100%
Total				342	100%	

DISCUSSION

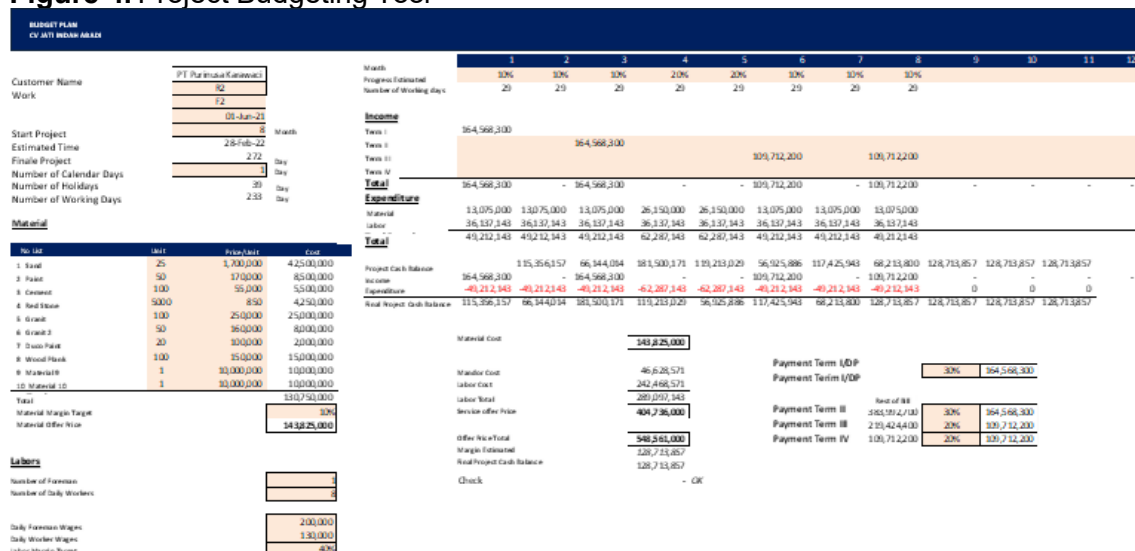
Troubleshooting Recommendations

Based on the results of the Pareto analysis, the implementation of Business Coaching is proposed to focus on two main problems, namely financial management and organizational culture.

Improvement of Financial Management Practices

The use of a dedicated bank account for business is critical for managing working capital at sustainable levels. It also enables the business owner to continuously ensure and control the company's financial health and liquidity. Although CV Jati Indah Abadi already has a specific business bank account, the founder was still using his personal account for operational payments and retail customer billing. After several in-depth discussions, the founder committed to using the business account for all transactions. Beyond using a dedicated bank account, it is crucial to integrate project budgeting and an accounting system as part of the initiatives derived from the business coaching process.

Figure 4. Project Budgeting Tool



A project budgeting tool has been developed to guide the company in planning project execution, illustrating projected cash flow for each project, assisting with pricing strategies, and ensuring the realization of expected margins. Before implementing the project budgeting tool, the founder only made rough estimates of expected margins without detailed calculations or projections. As shown in Figure 4, the founder now inputs several business assumptions, such as start date, completion time, list of required materials, labor numbers, month-to-month progress estimates, and expected margins. This tool allows the founder to obtain exact numbers for expected margins and cash flow positions for each project. The tool is applicable to all types of services for both corporate and retail customers.

An accounting system is also compulsory for improving financial management practices. Prior to the Business Coaching implementation, CV Jati Indah Abadi used a traditional financial recording system, manually documenting transactions, and only recording basic expenses like materials and labor costs. Additional project costs, such as minor repairs, incidents, or labor entertainment expenses, were often not recorded.

CV Jati Indah Abadi has now implemented an accounting system developed by the Accounting Development Center, Faculty of Business and Economics, Universitas Indonesia. Research suggests that user involvement in developing and implementing information systems positively affects the effectiveness of accounting information systems ([Anjani et al., 2021](#)). The company is now able to produce financial statements such as the Statement of Financial Position, Income Statement, and Statement of Cash Flow, enabling it to achieve a stronger financial position. Nevertheless, the company needs to consistently apply these initiatives and create standard operating procedures to strengthen internal control.

Vision and Values Internalization

The founder has formulated CV Jati Indah Abadi's vision: "To become one of the biggest and most respected contractors, custom furniture, and interior design service providers in Kota Tangerang." This vision is expected to motivate employees and inspire loyalty. The founder has also established core values represented by the acronym JATI: J for *Jujur* (honest), A for *Amanah* (trustworthy), T for *Tanggung jawab* (responsible), and I for *Iman* (faithful to God). However, the founder must translate this vision into concrete business actions to demonstrate that it is more than just a statement. The founder must also frequently internalize these values with employees through two-way communication and personal engagement.

Vision and values are fundamental to a company, including SMEs, as they shape how an organization operates. Vision describes what SMEs aim to become in the future, while values dictate how employees should behave within the organization. Both elements profoundly influence how the company functions.

Before the Business Coaching process, CV Jati Indah Abadi lacked a clear vision and values, which may have contributed to various integrity issues among employees. Employees' actions often fell short of expectations, disrupting project completion and opportunities for new projects. Through several in-depth interviews, the founder realized the importance of establishing and internalizing a vision and values.

The company's vision is built on its core values, reflecting what is important to CV Jati Indah Abadi—whether it be ethics, customer satisfaction, product quality, or market leadership. As [Sihab et al. \(2012\)](#) suggest, product quality significantly influences purchasing decisions. The formulation of the vision also forces the SME owner to articulate clear organizational goals. Every organization, regardless of size or profit orientation, must have goals. These goals unify all elements of the organization in working toward a shared purpose.

Business Model Development Proposal

The gap analysis between actual and ideal conditions, along with the results of the Pareto analysis at CV Jati Indah Abadi, has identified two key areas for improvement that will be addressed in this Business Coaching program. This coaching initiative aims to enhance the business model and streamline the business processes of CV Jati Indah Abadi, ensuring that these improvements are sustainable over time.

The proposed solutions are categorized into three areas. First, the "Black" category represents the existing business model of CV Jati Indah Abadi, encompassing the practices that the company has already implemented. Second, the "Red" category indicates the specific enhancements to the business model that will be introduced during the Business Coaching process. These improvements include allocating a budget for

each project to improve financial tracking and implementing better quality controls in record-keeping. Additionally, there will be a focus on formulating and embedding core organizational values to strengthen company culture and align employee actions with these values.

Finally, the "Blue" category highlights areas that have not yet been addressed but are recommended as future steps to support CV Jati Indah Abadi's growth and development. These suggestions include establishing a formal employee recruitment process and expanding the company's market reach through online channels. Further recommendations involve automating administrative and production systems to improve operational efficiency and focusing on employee development, particularly in technology skills, to enhance the effectiveness of business processes. By incorporating these improvements, CV Jati Indah Abadi can create a more resilient business model and position itself for sustainable growth.

[Table 7](#) below draws the BMC proposal.

Table 7. BMC Proposal

Key Partner	Key Activities	Value Proposition	Customer Relationship	Customer Segment
<ul style="list-style-type: none"> • Supplier • Freelancer 	<ul style="list-style-type: none"> • Prepare project plan • Create project design • Create interior design • Create furniture design • Project/production execution • Project/production supervision • Create a budget for each project • Record all transactions • Internalize the organization's vision and values • Employee Development 	<ul style="list-style-type: none"> • Have complete services for all building work, namely building contractor services, interior design, and including furniture • Provide a six-month warranty for work results • Customized products & free design consultation • Good quality work results and services (in accordance with initial specifications/design and on time) • Competitive prices for various types of consumer segments 	<ul style="list-style-type: none"> • Direct contact (WA and phone) • WoM/reference • 6-month guarantee of work quality • Flexible negotiation 	<ul style="list-style-type: none"> • B2C: Individuals living in housing • B2B: Companies engaged in property developers, restaurants, hotels, education • Geographic: Jakarta, Tangerang City, Tangerang Regency, Bogor and Tasikmalaya
	Key Resource		Channels	
	<ul style="list-style-type: none"> • Standard materials 		<ul style="list-style-type: none"> • Offline/Physical Office 	

	<ul style="list-style-type: none"> • Assets (workshops for design, equipment, vehicles, computers) • Human resources who have creativity and certain skills • Recruitment of new employees for administration and marketing • Latest technology-based administration system 	<ul style="list-style-type: none"> • Whatsapp • Online/Digital 	
Cost Structure		Revenue Stream	
<ul style="list-style-type: none"> • Fixed cost: permanent employee salary, depreciation, equipment maintenance, employee consumption of electricity, internet and water • Variable cost: raw materials, casual worker salary 		<ul style="list-style-type: none"> • Contractor Projects • Custom Furniture Sales & Interior Design Services 	

CONCLUSION

Based on the analysis, CV Jati Indah Abadi currently lacks a structured financial planning system, budgeting, recording, monitoring, and evaluation of financial performance. As a response, training was provided to improve cash management practices, the use of project budgets, and the adoption of transaction recording applications for more organized financial reporting. Additionally, the vision and values of the business were established, aiming to foster employee motivation and loyalty. These foundational improvements are expected to encourage SME owners to maximize their business potential by implementing best practices.

Implementing small changes, such as shifting from using personal bank accounts to dedicated business accounts, can significantly enhance financial management. Such steps create more opportunities for improvement and make further initiatives more feasible. Basic initiatives like project budgeting and a systematic accounting process are crucial starting points for companies like CV Jati Indah Abadi. Additionally, embedding core values and a shared vision provides a strong foundation that supports sustained growth.

This case study of CV Jati Indah Abadi highlights that establishing the basics is essential for SMEs in Indonesia, reinforcing that "getting the basics right" is a critical need for sustainable growth in similar small businesses.

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