

Implementation of Cash Management System in Increasing Efficiency and Transparency of Cash Management in Manufacturing Industry: Case Study of PT Cahaya Sejati Metal as a User of Kopra by Mandiri

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Abstract

When facilitating transparent cash management, deploying the Cash Management System (CMS) is practical and efficient. Through a qualitative descriptive case study approach, this research seeks to understand the function that CMS Kopra by Mandiri plays in the management of cash at PT Cahaya Sejati Metal. The data for this study comes from a review of the relevant literature, interviews, and observations. Even though the change from authorization that was previously dependent on hardware to approval that is based on smartphone applications creates obstacles, the findings provide evidence that CMS has the potential to improve the effectiveness and transparency of cash management. It is necessary to provide user training, technical support, and security assurances to fulfill the requirements for a successful transition.

Keywords: Cash Management System, Cash Management Efficiency, Financial Transparency, Manufacturing Industry, Kopra by Mandiri



INTRODUCTION

The manufacturing industry in Indonesia has contributed an average of 19.91% to Indonesia's total manufacturing GDP (Waluyo & Sari, 2024). However, as the industry develops rapidly, companies in this sector face various challenges, including fluctuations in raw material prices, changes in international trade policies, and increasing labor costs (Pratama & Jakaria, 2024). In this context, effective cash management becomes crucial to ensure smooth operations and business continuity. Therefore, companies in this sector require efficient financial management and strategic decision-making (Simanjuntak, Silaban, Sitepu, Tarigan, & Novita, 2023).

Manual cash management often faces problems such as human error, delays in processing transactions, and lack of transparency. One of the manufacturing companies, PT Cahaya Sejati Metal, faces challenges; this is reflected in the difficulty in matching financial reports and delays in payments to suppliers, which can harm business relationships and the company's reputation. To overcome these problems, banking has transformed digital interactions to meet customers' needs. Manufacturing companies use digital technology to redesign their organizational structures, business processes, business models, and strategic thinking as part of the digital transformation process. This transformation also includes closer stakeholder relationships to create added value and improve the company's competitiveness (Halimy, Liu, & Tawheed, 2023).

One of the state-owned banks, PT Bank Mandiri Tbk, launched a digital innovation for the wholesale segment in October 2021. Namely, the Cash Management System (CMS) is called Kopra by Mandiri. As a Digital Super Platform, Kopra provides various financial services that allow customers to access multiple needs in an integrated manner, aiming to support business sustainability. Kopra has succeeded in sustaining transactions' frequency and valueably, with 95% of Bank Mandiri's business clients recorded as platform users. As of December 2023, Kopra has 182,000 users, with a transaction value reaching IDR 19,100 trillion and more than 1 billion wholesale transactions processed (Bank Mandiri, 2024).

PT Cahaya Sejati Metal is a manufacturing company that has used the digital Cash Management System service from Bank Mandiri as its financial management platform for nine years. With a large transaction volume from the supplier and customer side, PT Cahaya Sejati Metal requires a system that can process and monitor transactions in real-time. Cash Management System (CMS) helps companies manage cash flow more effectively, monitor financial transactions, and plan better.

Implementing a digital system such as the Cash Management System (CMS) is the right solution to increase efficiency and transparency in cash management. Various studies in several institutions support this digital system—implementing the cash management system (CMS) at the Sleman Regency Industry and Trade Service. The study results show that this digital service can reduce the use of cash in regional spending transactions. With the CMS, the potential for misappropriation in financial management, especially in regional spending, can be minimized. This system ensures that regional financial management becomes more accountable and transparent (Anindita & Santoso, 2022). In addition, other research found that the transformation of financial management at PTNBH Institut Teknologi Sepuluh November through the Cash

Management System provided more benefits than before using the system, including greater convenience and security (Omas Annisa, Fahimah, & Oktaviani, 2022).

In the property industry studied by (Natalia, 2024) Shows that implementing CMS increases corporate responsibility and transparency in financial management. This system can detect all financial transactions, accelerate the bookkeeping process, and provide detailed evidence of implementation. Thus, Perum Perumnas financial employees can complete payments without having to come and queue at the Bank.

Although CMS has been implemented in various sectors, few studies evaluate its impact, specifically in the manufacturing industry. This industry is highly complex due to factors such as long supply chains and the need for coordination between departments and business partners (European & Harrison, 2018). This requires an efficient financial management system to ensure smooth operations and economic success. In this context, the Cash Management System plays a vital role. This study aims to provide insight into how CMS can help address challenges in the manufacturing industry, offering practical solutions for other companies in similar situations. The findings of this study are expected to expand the existing literature and provide guidance for manufacturing companies considering the use of CMS, as well as help them make more strategic decisions based on the experience of PT Cahaya Sejati Metal.

LITERATURE REVIEW

Digital Service Quality

The banking industry has undergone a significant transformation in the last ten years, driven by the rapid advancement of digital technology. Innovations such as digital wallets, mobile payments, peer-to-peer lending platforms, and other disruptive innovations have changed how banking businesses operate. These changes have also affected traditional banking business models and reduced reliance on branch-based banking services (Bohlin, Shaikh, & Hanafizadeh, 2018).

To improve customer service and satisfaction, banking has adopted an Electronic Business System (E-Business) to use information and communication technology by organizations, individuals, or related parties to run and manage core business processes. The goal is to create mutual benefits, such as increased security, flexibility, integration, optimization, efficiency, productivity, and profits (Panjaitan, 2019). This implementation impacts the volume of digital banking transactions, which increased to around 1,845.37 million transactions in July 2024, an increase of 30.50 percent year-on-year compared to April 2024 and an increase of 56.7 percent year-on-year received from Bank Indonesia (Ibrahim, 2024).

Digitalizing traditional banking operations is more than just automation; it can also represent a fundamental shift in how financial institutions engage customers, manage processes, and deliver value (Naimi-Sadigh, Asgari, & Rabiei, 2022). One of the differences between one company and another similar company is the quality of the service provided, where the quality of the service is assessed from the comparison between the service expected by the customer and the service received by the customer (Stiglingh, 2014). According to Sood (in Saroso et al., 2019). There are three dimensions of service quality, namely: quality of design, which is the characteristics of a

product or service influenced by the designer who determines the quality features in it; quality of conformance, which is the extent to which the product or service conforms to the specifications set by the designer; and quality of performance, which is the quality of the performance of the product or service. Usability is measured through its function under known conditions so that the level of usability and durability of the product will contribute to the good or bad image of the product or service.

Cash Management System (CMS)

Banking must continue to innovate digitally, especially in payment systems, to support industrial operational activities, one of which is through the Cash Management System (CMS). According to PMK No. 183/PMK.05/2019 Cash Management System (CMS) is an application and information system that provides balance information, transfers between accounts, payments of state revenues and utilities, and other facilities for carrying out banking transactions in real-time online.

Kopra Cash Management is an internet-based cash management service for corporate customers that provides various features to support your financial transactions, including mobile tokens, financial dashboards, and transaction overviews, with a user-friendly interface to ensure comfort and convenience (Bank Mandiri, 2024.).

Corporate Cash Flow Management

Effective cash management is essential to maintaining financial stability and achieving long-term success in today's challenging business world. Cash is a valuable resource that affects a company's liquidity, continuity, and performance. Therefore, good cash management is an essential need for every company (Ningsih, Suwandi, Rusmadiana, Dewi, & Hasanah, 2024). According to John Maynard Keynes, as quoted by Sugiyanto (2017) companies hold cash for three main reasons: transaction, precautionary, and speculative motives.

Transaction motive refers to the provision of cash by the company to pay for various business needs, both routine and unexpected. The precautionary motive aims to maintain cash balances to meet unexpected urgent needs. The amount of cash balances kept as precautions depends on the accuracy of cash planning; the more accurate it is, the smaller the balance needed. This cash balance is usually reflected in the minimum balance in cash planning. Meanwhile, the speculative motive aims to profit by investing cash in highly liquid short-term investments, such as buying and selling securities.

Cash management is a system that involves planning, managing, and monitoring cash flow to support company activities (Sopandi & Khusna, 2021). The primary purpose of cash management is to ensure the availability of cash to meet the organization's needs and maximize the benefits of available cash. To increase profits, management must control cash turnover because this is crucial to support the company's daily operations. Therefore, effective cash management is needed so that the company can achieve optimal profits (Dwi Hartanty & Rajagukguk, 2024). Efficiency is utilizing resources to ensure optimum output from the inputs used. Efficiency involves a combination of what is commonly referred to as the 4Ms (men, materials, machines, and money).

It concerns how a business organization conducts activities that generate cash (Alayemi & Salaudeen, 2020).

To achieve optimal cash management, companies or organizations need to do several things, namely: 1) Ensure accurate and timely cash flow and cash balance estimates, especially to meet short-term cash needs; 2) Plan cash expenditures carefully so that all payment obligations can be made on time, not too early or too late.

METHOD

The author uses a qualitative descriptive research method to describe the phenomenon being studied in depth and accurately. The qualitative descriptive approach allows researchers to explore situations naturally, without interventions that change or affect existing reality (Abdullah, Saleh, Rasyid, & Witro, 2023). Qualitative research also aims to understand the experiences of research subjects, which can be various things experienced by research subjects, such as behavior, perceptions, motivations, actions, and so on, which are described in full using words to describe conditions as they are (Safitriani, Abdurahman, Setiawan, & Abdullah, 2023).

Data were collected through field research at PT Cahaya Sejati Metal, an electrical equipment manufacturing company, using interviews, observations, and literature studies. The interpretation analysis and conclusion-drawing technique involve understanding the meaning of data obtained from the Cash Management System (CMS) implementation research by identifying patterns and linking them to relevant theories. In this case, key findings, such as increased efficiency and transparency of cash management, are summarized to conclude. These conclusions are followed by practical recommendations for companies to maximize the benefits of CMS and guidelines for further development in the system used. Results systematically, without making broader conclusions.

ANALYSIS AND DISCUSSION

The Beginning of CMS Implementation at PT Cahaya Sejati Metal

Before 2015, when companies had not yet adopted a cash management system (CMS), they usually managed their finances manually or using a simple system. Here are some common ways that companies might use to manage their finances before adopting a CMS:

1. Manual Payment and Receipt System

Financial management at PT Cahaya Sejati Metal uses checks or giro bills that are cashed into cash and stored in a safe. However, storing this cash causes various problems, such as the risk of loss, miscalculation, leaders being unable to monitor it in real time, and the potential for fraud.

2. Lack of Centralized Control

Without a CMS system, companies typically lack centralized control to monitor cash flow in real-time. Financial decision-making is slower because the information must be gathered from multiple sources.

3. Manual tax payments

Tax payments are made manually, usually by depositing taxes into a bank designated by the government or through a payment system provided by the tax authority. This process often involves queuing at the bank and physically filling out forms.

Implementation of CMS at PT Cahaya Sejati Metal

Referring to Presidential Instruction (Inpres) Number 10 of 2016 concerning Action to Prevent and Eradicating Corruption in 2016 and 2017, it can be a recommendation for the industry to start implementing a non-cash financial management system to minimize these risks and reduce fraud.

Since 2015, PT Cahaya Sejati Metal has become a corporate customer of Bank Mandiri. It began implementing financial management by integrating the Cash Management System (CMS), which aims to create autonomy in financial management independently, transparently, and accountable. Based on the data analysis conducted, the results of the interview are as follows:

Table 1. CMS Implementation Interview Results

Informant	Coverage	Transaction	Profit	Constraint	Suggestion
Maker	Routine Payment of Operational Costs	Non-Cash	CMS speeds up the process of paying operational costs, such as salaries, utilities, and other routine expenses, reducing the time required to complete transactions.	Staff accustomed to hard tokens may have difficulty switching from remote (hard token) to smartphone (soft token), so intensive training is needed to understand the features and benefits.	Staff accustomed to hard tokens may have difficulty switching from remote (hard token) to smartphone (soft token), so intensive training is needed to understand the features and benefits.
Maker	Tax Payment	Non-Cash	<ul style="list-style-type: none"> Assist companies in complying with applicable tax regulations Proses pembayaran pajak menjadi lebih cepat dan terotomatisasi 	If the system experiences disruption or technical errors, it can cause delays in tax payments, resulting in fines or sanctions.	If tax regulations change, the CMS must be updated to remain compliant with the latest regulations, which can add complexity and cost.

Maker	Transfer	Non-Cash	Time Efficiency: Faster cash management processes with automation	Staff who are used to using hard tokens need time to adapt to soft tokens. Lack of skills in new technology can slow down the process and require special training	Conduct training in stages with authorization simulations using smartphones (soft tokens) so that staff become accustomed to and understand the process and its benefits.
Approval	Authorization	Non-Cash	Strict access and authorization restrictions can reduce the risk of fraud and abuse of authority, as any payments that require approval will be easier to monitor	Extended Time for Approval and lack of understanding of each transaction (human error)	Understanding of checkers and approvals to improve system understanding
Stakeholders	Oversee and provide strategic direction	Financial statements	Increased accuracy of financial reports and ease of auditing	If the system experiences technical disruptions or downtime, this can hamper the cash management process and pose risks to the company, which stakeholders must monitor	Support training initiatives for staff using the CMS to ensure all parties can utilize the system effectively

Source: Primary data processed, 2024

Financial Management Informants in this study include financial staff, the Director, and the Commissioner of PT Cahaya Sejati Metal. The study results indicate that the company's financial management uses non-cash transactions rather than cash. Hence, Mandiri's use increases

efficiency in managing the company's cash inflow and outflow. Meanwhile, a summary of interviews with the Bank, namely Bank Mandiri, can be seen in the table below:

Table 2 Interview Results with the Bank

Informan	Background	Constraint	Suggestion
Bank Mandiri	Corporate Customer Cash Management Efficiency	Regarding technical issues, customer service is often the customer's primary hope	<ul style="list-style-type: none"> Increasing response speed and extending customer service hours can reduce downtime, improve user experience, and add value for corporate customers. When making transactions, customers are advised to ensure that the internet connection is strong enough.

Source: Primary data processed, 2024

The following informant is the bank, which is the product maker. It should be noted that the Kopra by Mandiri product is intended for the company's benefit, so it is intended explicitly for non-individual customers. Given that it has been explained in the interview that the product aims to improve more transparent and efficient cash management. From the results of the interview above, the researcher concluded that the benefits of using and obstacles to implementing the Cash Management System at PT Cahaya Sejati Metal are as follows:

Benefits of Using CMS Through Kopra by Mandiri

Based on the results of interviews and observations, the Cash Management System (CMS) service from the bank allows institutions or companies to manage banking transactions online and in real-time for 24 hours. Through Kopra by Mandiri, this system offers various benefits that make the work of financial staff easier, including:

1. Monitor transaction mutations and account balances. This feature can be downloaded anytime and anywhere without coming to the bank. Thus reducing the use of paper (paperless), and transactions will be recorded completely in the system;
2. Company transactions are more efficient, saving costs and time spent going to the bank.
3. Improved Supplier and Customer Relationships. Timely Payments. With better cash management, companies can ensure supplier payments are made on time, improving relationships and trust. Flexibility in CMS Payments also allows companies to offer more payment options to customers, improving customer satisfaction.
4. Fund transfer transactions or payments to recipient accounts at the same bank or between different banks can be made in real-time 24 hours, both individually and in bulk;
5. Payment of tax, electricity, and telephone subscriptions can be done online and on time. Of course, this will reduce the possibility of fines due to late bill payments.

6. CMS increases transparency through a tiered authorization system, where multiple levels must approve each transaction before processing. This prevents abuse of authority and ensures that only valid transactions are executed. Authorization can also be done from anywhere, even without an authorized official in the office.
7. With access to real-time financial reports and analysis, stakeholders can make more informed and strategic decisions, supporting company growth.

Obstacles to Using CMS Through Kopra by Mandiri

In the process of implementing CMS Kopra by Mandiri, based on the interview results, there were several obstacles faced as follows:

1. Dependence on Internet Connection
Real-Time Access Requires a Stable Connection. One of the main constraints is the dependence on a strong and stable internet connection. Real-time transactions and authorizations require uninterrupted access. The network can be hampered or even fail if the network is unstable.
2. Lack of User Understanding and Skills
Users used to hard tokens may have difficulty adapting to soft tokens. This requires an intensive training program to introduce the features and how to use them.

CONCLUSION

Cash management transformation at PT Cahaya Sejati Metal through the Cash Management System (Kopra by Mandiri) aims to improve efficiency, transparency, and control. Interview results show that using Kopra has strengthened the efficiency and transparency of the company's cash management, providing tangible benefits such as ease and security of transactions. However, the transition from previously hardware-based to application-based authorization on smartphones presents challenges that need to be addressed so that the transition process runs smoothly. Mitigation strategies, such as improving user training, adequate technical support, and security assurance, are essential to achieving efficiency and transparency goals without disrupting operations.

The limitation of this research is that the interviews conducted were not optimal due to time constraints owned by the bank and the research object of the company in the manufacturing industry, so the interview results were still lacking. Considering that the Kopra by Mandiri product is a product whose data is confidential to the bank, the secondary data sources related to the product are also limited, so product information depends on the primary data sources from this interview. For further research, more in-depth interviews can be conducted with informants with more detailed questions on several company objects in the manufacturing industry.

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