

Analysis Of Company Performance Through Financial Aspect And Innovation Capacity At Super Afifah Palu Tofu Factory

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Abstract: *This study aims to analyze the performance of the Tofu Super Afifah Palu Company based on the Financial Aspects and Innovation Capability. This study uses primary and secondary data, with data collection techniques through observation, interviews and documentation. The results of this study indicate that the Company's financial liquidity ratio can be ascertained to be very liquid and is included in the very healthy criteria (94.4% in 2018 and 172.22% in 2019 for the current ratio while for the quick ratio it is 66.40% in 2018 and 127.78% in 2019). Furthermore, the results of the solvency ratio analysis also increased from 2018 to 2019. Both in terms of the Debt to Asset Ratio and the Debt Equity Ratio. However, despite experiencing an increase in the Debt Equity Ratio, the company must pay attention and maximize it again so that in the future it can get an assessment or be included in the healthy criteria. Meanwhile, the company's profitability ratios get very healthy criteria, it can be seen from the results of the ratio calculations which show positive performance from year to year. Meanwhile, the results of the analysis of the aspects of the company's innovation capability were carried out quite well, especially the factors of technology use, interaction with outsiders, new product development and production and operation capabilities that impact on company performance. However, the company is expected to maximize the performance of human resources, marketing capabilities, as well as aspects of research and development.*

Keywords: *Company Performance, Financial Aspect, Innovation Capability*

1. Introduction

Company performance in general is a benchmark for the level of success and development of the company. Company performance is the result of many individual decisions that are made continuously by management. Therefore, to assess the company's performance, it is necessary to involve all aspects that exist within a company. Based on Bastian (2001) that performance is a picture of the level of achievement of the implementation of an activity or program or policy in realizing the goals, objectives, mission, and vision of the organization contained in the formulation of a strategic scheme (strategic planning) of an organization or company. The company's success in running its business is measured through performance

because performance is seen as a concept that is used to measure how far the company's market performance has been achieved by the products it produces. So far, a company's performance is measured using traditional performance measures that only focus on the financial sector. Performance measurement that only focuses on financial measures will cause companies to only focus on short-term profits and tend to ignore the company's survival in the long term. Therefore, based on this, this study will analyze company performance based on financial aspects and aspects of innovation capability.

Financial aspects that can be used to analyze company performance are through the components of financial

reports. Kasmir (2012) revealed that ratio analysis describes a relationship or balance between a certain amount and another amount that is very useful for management for planning and evaluating company performance. The financial ratios that are often used to analyze company performance are the Liquidity Ratio, Solvency Ratio, and Profitability Ratio. Apart from the financial aspect, company performance can also be analyzed through Innovation Capability. Romijn and Albaladejo (2009) state that Innovation Capability is the ability of an organization to develop and modify its products and technologies or to create new products and technologies. Aspects of Innovation Capability used in analyzing company performance are internal factors and external factors of the company. Rahab (2009) states that there are seven supporting factors in building a company's Innovation Capability, namely human resource capabilities, use of technology, interaction with outsiders, marketing capabilities, new product development, production, and operations capabilities, and research and development.

Based on the results of initial observations that Super Afifah Tofu Company is located at Jalan Jati Number 81, Nunu Village, Tatanga District, Palu City. This company is one of the tofu companies that has developed every year. However, based on Mr. Safran Rinaldi's narrative as the owner of the company, the issue of formaldehyde arose in February 2005, since then Afifah's Tofu product had dropped drastically by up to 50%, fortunately, it only lasted one month. After this issue, production has increased every year according to the company's management commitment to safe product quality without preservatives, which is marked by the

release of laboratory test results from the Palu City POM Center. Super Afifah Tofu Company has made a positive contribution to the environment. As a result of the tofu business, it has been able to support/employ + 50 workers. Production of tofu is a routine work that is continuous and there are requests every month. Referring to the description of financial data obtained in the initial observation activities, it is known that the total revenue of Super Afifah Tofu Company in 2018 is Rp. 8,059,950,000, and in 2019 Rp. 8,263,632,500. So based on these data it can be said that the revenue of Super Afifah Tofu Company has increased every year. When referring to the results of these initial observations, it cannot be proven that the performance of Super Afifah Tofu Company is good or bad. So it is necessary to do further analysis to determine the overall performance of the company.

Performance is a general term used to indicate some or all of the actions or activities of an organization in a period (Mulyadi, 2007). Performance is a description of the level of achievement of the implementation of a policy activity/program in realizing the goals, objectives, mission, and vision of the organization contained in the formulation of an organization's strategic planning (Wibowo, 2010: 7). Performance appraisal is a benchmark for company management to see whether the performance of a company is good from a financial or non-financial perspective. Management evaluates to improve the company's operational activities within a certain period. According to Munawir (2010: 31) "there are several objectives of evaluating company performance including to determine liquidity, solvency level, level of profitability, and to find out how far the company's activities are in

maintaining and running its business so that it remains stable". Based on the theory above, it can be said that an assessment of company performance through financial aspects and innovation capabilities can provide an overall picture of the company's condition. Performance measurement will produce data, and the data that has been analyzed will provide useful information for increasing the knowledge of managers in making management decisions or actions to improve organizational performance.

Kasmir (2012) revealed that ratio analysis describes a relationship or balance between a certain amount and another amount that is very useful for management for planning and evaluating company performance. Based on the results of research conducted by Alhakim (2019) shows that company performance based on financial aspects is measured by providing a poor financial picture because this assessment is only done through

Return On Equity (ROE), Return On Investment (ROI), Current Ratio (CR), Cash Ratio. So based on these results it is necessary to conduct further research using more complex financial ratios to assess company performance.

Apart from the financial aspect, the performance of Tofu Super Afifah company will be analyzed through the aspect of innovation capability. The aspect of innovation capability in this study is seen from seven factors, namely: human resource capabilities, use of technology, interactions with outsiders, marketing capabilities, new product development, production and operations capabilities, and research and development. So that with these two aspects, the results of this study can provide an overview of the performance of Tofu Super Afifah Palu company. Based on its purpose, the framework of this research can be described as shown in Figure 1:

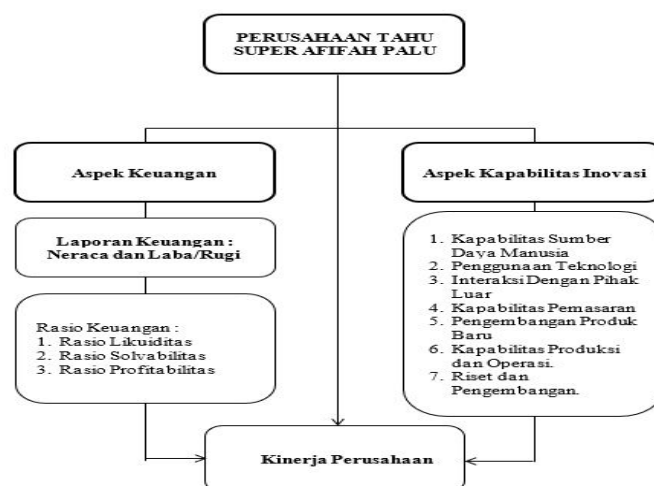


Image 1
Research Concept Framework

2. Research Method

This research is a descriptive qualitative with analytical methods. This

research was conducted at Super Afifah Tofu Company located at Jalan Jati Number 81, Nunu Village, Tatanga

District, Palu City, Central Sulawesi Province. This study uses financial report documents consisting of balance sheets and profit/loss reports for 2018-2019. Furthermore, in the research interview stage, the informants came from internal companies, namely the owner of the company, the head of a production, and Super Afifah Tofu company, Super Afifah Tofu. The data analysis method used in this research is financial ratio analysis

Further in measuring the capability of innovation, this research uses the

descriptive analysis method. Descriptive analysis is an attempt made to describe the financial statement data of the company Tahu Super Afifah, which is presented in tabular form based on each component of the financial statements. Sekaran and Bougie (2016) state that in the analysis of descriptive qualitative data there are 3 stages of analysis, namely: induction analysis, classification deduction analysis, and verification which include 3 things, namely data reduction, data display, and concluding).

3. Results And Discussion

a. Financial Aspect of Super Afifah's Tofu Company

Table 1 Calculation results of Liquidity and Solvency ratios

| No | Rasio Keuangan | Tahun | Nilai Rasio | Conclusion |
|----|---------------------|-------|-------------|------------|
| 1 | Current Ratio | 2018 | 94.40% | Good |
| | | 2019 | 172.22% | Very Good |
| 2 | Quick Rasio | 2018 | 66.40% | Enough |
| | | 2019 | 127.78% | Very Good |
| 3 | Debt to Asset Ratio | 2018 | 35.81% | Good |
| | | 2019 | 41.76% | Very Good |
| 4 | Debt Equity Ratio | 2018 | 55.79% | Not good |
| | | 2019 | 71.71% | Enough |

Source: financial data processed by the author, 2020

Based on the results of the analysis of the financial aspects as in table 1, it can be said that the level of liquidity and solvency has increased from year to year. Super Afifah Palu Tofu Company in terms Current Ratio in 2018 was 94.40% with a healthy assessment and experienced an increase in 2019 of 172.22% to be very healthy. While the results of the performance analysis through the Quick Ratio in 2018 amounted to 66.40% with a fairly healthy assessment and increased in 2019 to 127.78% with very healthy criteria. So, it

can be ascertained that the performance of Super Afifah Palu Tofu Company in 2018 and 2019 was very liquid. Furthermore, the results of the solvency ratio analysis in 2018 and 2019 have also increased. Both are seen from the Debt to Asset Ratio and Debt Equity Ratio. However, even though there has been an increase in the Debt Equity Ratio, the company must pay attention to it and maximize it because it only reached 55.79% in 2018 and 71.71% in 2019 with fairly healthy assessment criteria. Meanwhile, the Debt Assets Ratio in 2018 was 35.81% with a

healthy assessment and increased in 2019 to 41.76% with very healthy criteria.

Table 2. Profitability Ratio Calculation Results

| No | Financial Ratio | Year | Value Ratio | Conclusion |
|----|-------------------------|------|-------------|------------|
| 1 | Return on Asset (ROA) | 2018 | 19,43% | Very Good |
| | | 2019 | 12,68% | Very Good |
| 2 | Net Profit Margin (NPM) | 2018 | 5,38% | Very Good |
| | | 2019 | 4,04% | Very Good |

Source: financial data processed by the author, 2020

Referring to the Return on Asset (ROA) Assessment Criteria and the Net Profit Margin (NPM) assessment criteria, the data in table 4.5 above shows that the performance of Super Afifah Palu Tofu Company in 2018 for ROA assessment was 19.43% while for NPM it was 5.38% and in 2019 for the ROA assessment of 12.68% while the NPM is 4.04% so that the two assessment criteria are in the very healthy category. Based on the results of financial data analysis at Super Afifah Palu Tofu Company for the 2018 and 2019 financial years through balance reports and profit/loss reports, it can be concluded that the company's performance of Super Afifah Palu Tofu Company is classified as very good and healthy. Because the financial aspect shows an increase in the value of company assets and the company always earns profits every year.

b. Innovation Capability Aspect of Super Afifah Tofu Company

Based on the results of interviews with the three key informants, namely Mr. Safran Rinaldi the owner of the Super Afifah Palu Tofu Company, Hasanuddin as an Employee of the Super Afifah Palu Tofu Company, and Ayu Pertiwi as the Super Afifah Palu

Tofu Consumer, the research results for 7 indicators of innovation capability will be explained as follows:

1) Human Resources Capability

Super Afifah Palu Tofu Company maintains the capabilities and abilities of its human resources such as by participating in training and skill development for employees. It is known that the number of employees working at Super Afifah Palu Tofu Company is 42 people, consisting of Supervisors, Assistant Supervisors, Cashiers, and the Product Production Department. The following shows some of the results of interviews with key informants related to human resource capabilities:

“Yes, it's mandatory, all members must have the skills, that's a requirement. How can the company progress if there are no skills? I think any job requires skill and technical ability in the job.” (SR, 4)

"Yeah, without the skills you can't do that. So, we

teach him how to wash the donkey like this, then how after that he is carried away by his friend, [Oh] he can handle the mill, keep holding on until he later [what's his name] is the one who prints.” (H, 52).

The results of the statement above illustrate that there is a standard setting for the ability or skill of employees in the process of making and marketing Afifah's Super Tofu products. This is in line with Baldwin (1999) who states that high workforce skills are an important factor for innovation. The existence of adequate ability or skill can certainly be a factor in the success of a company in achieving its goals. Capabilities or skills can be trained through Training and Employee Capacity Development. This is in line with Siyamtinah and Rahmani's research (2015) which states that the training program is the main method used to improve workforce skills. However, the company does not have a set time for training, especially internal training. The company focuses more on skill training, or the ability of employees involved in the production process and product development.

Based on this, it can be concluded that the company pays attention to the development of employee skills or abilities through internal training and external training. However, companies need to maximize the development of employee training in other fields, for example, employee training in finance.

2) Technology use

Super Afifah Tofu Company innovates by using certain techniques related to production and operation processes, one of which is the utilization of Tofu production technology. The presence of technology can facilitate the production process, this is in line with the information statement as follows:

“Right now, however, it can be said that almost 60% already means mechanization. as well as lifting/transferring, for example, from boiling and soaking to grinding, it is already a transportation technology called a conveyor. Well, that can also be because it helps a lot without it we work half to death. It's just technology. To move it, we use 4 types of technology.” (SR, 35)

Based on the above, it can be concluded that the Super Afifah Tofu company has made good use of technology. This can be illustrated from the interview results above where the use of technology is the right choice for a company to achieve its goals. This is in line with the research of Siyamtinah and Rahmani (2015) which states that the role of technology that is so important in a company has implications for the need to develop a technology strategy within the company. Likewise, Burgelman, et al., (2001) stated that technology is an important resource in organizations that needs to be managed properly

because technology is a fundamental business function.

3) Interaction with outsiders

Interactions and communications made by Super Afifah Tofu Company with outsiders have been said to be quite good. This can be seen from how the company always prioritizes customer or partner satisfaction by giving them the flexibility to provide input or suggestions related to tofu services and production results. Rahab (2009) explains that innovation will emerge if there is intensive interaction and communication between the company and its environment. This is in line with the results of interviews with key informants, namely.

"Yes, buying raw materials like those from the west coast. I said just plant as much as you can, I'm ready to buy at market prices with one note that it has to be of good quality, don't sell soybeans that have been around for a long time, then sell them in a heap." (H, 22).

A company can certainly establish a good cooperative relationship with its partners. Super Afifah Tofu Company cooperates with various partners as a form of effort in developing the company. This is reflected in the statement above. The results of the interviews illustrate that there is a close relationship between the company and its partners, especially raw material partners. The company's 2019 financial statements show an increase in sales of the company's

products. Increased sales require the company to be able to meet the demand for Tofu production. So that the company can certainly meet the needs of raw materials through the existence of good cooperation with distributors.

4) Marketing Capabilities

Super Afifah Tofu Company is said to be successful in terms of marketing. This is due to product development innovations that are carried out and also services that prioritize consumers. In line with that, Rahab (2009) explained that product or service innovation will not mean much if it does not achieve commercial success. This is in line with the results of interviews with key informants, namely:

"Yes, the service is friendly, that's why we feel at home. It is important if we see good service, good quality tofu which makes us subscribe." (AP, 18).

The statement above illustrates that the company sees the success of product marketing with a sense of customer satisfaction and increased product sales, this is in line with the statement of the informant as follows:

"Yes, repeated orders show that consumers like our products, no complaints. What I see in terms of increased sales. So, as I said before, product quality can affect consumer satisfaction." (SR, 47).

Based on this, it can be concluded that the company views marketing success only by increasing sales and focusing on loyal consumers. Approach to new consumers is only done with a mouth-to-mouth approach. The company has carried out business development innovations by doing good marketing, but the company can consider maximizing marketing capabilities through customer surveys, marketing through print media, and online media.

5) New product development

Product development is one of the concerns of the management of Afifah Super Tofu Company. Where they are constantly trying to create new variants of the year's production process, so consumers don't get bored or bored. To achieve new product success, companies must always respond to changing consumer needs and the movements of their competitors (Rahab, 2009). Company Tofu Company Super Afifah realizes the importance of developing a product, this can be known through an interview process with key informants namely.

"So here we are developing Yellow Silk Tofu, Silk Tofu, Balado Tofu, Grilled Chicken Flavored Yellow Tofu, Fried Chicken Flavored Yellow Tofu, TAKISU Cheese Milk Tofu which we have developed 7 products and we are already marketing them. And there is also an outlet called Afifah Store, you can have a look there." (SR,).

"Yeah, we're bound to get bored if that goes on and on. Well, here we can choose a lot. Like I sometimes buy chicken-flavored yellow tofu, tomorrow I'll try another flavor." (Ayu Pertiwi, Super Afifah Tofu Consumer).

The statement above illustrates that the Super Afifah Tofu Company has developed Tofu products. The company realizes that the existence of new product development is a company innovation to eliminate the feeling of boredom on the part of consumers. There is strong evidence that launching new products to the market can create a competitive advantage (Siyamtinah and Rahmani, 2015).

6) Production and operations capabilities

At the Super Afifah Tahu company, all efforts are made so that the company continues to experience development. Likewise with the production process and operations carried out. The company has implemented service quality standards in all its tofu manufacturing processes. This is in line with the results of interviews with key informants, namely.

"Yes, Alhamdulillah, there was even a level of sales revolution before we innovated, so here we apply the name quality control group." (Safran Rinaldi, Owner of Super Afifah Tofu Company).

"Yes, it has a good impact on the speed of the production process, and the quality of tofu, the impact is big. That's why there is no progress without innovation, that's why there isn't a day without innovations, so we don't get tired of always innovating." (Safran Rinaldi, Owner of Super Afifah Tofu Company).

Based on the statement above, it can be concluded that innovation has a major impact on the production capability and operations of Afifah Super Tofu company. In the process of production and operations, the company pays more attention. This is because the company cares about the quality of the tofu products it produces. Rahab (2009) explains that the ability of an organization to increase efficiency and effectiveness in its production/operations process includes: material efficiency, quality control, and scheduling planning in the production process

In maximizing the production process of quality tofu, the company develops company resources through the development of employee skills and the use of good technology to assist the production process of tofu products. So that the company makes efficient use of materials, and supervises the production process to standardize the product it wants to produce.

7) Research and Development

In the company's organizational structure, Super

Afifah Tofu Company does not have a special research and development division. So that in developing tofu products, it is entrusted to the assistant supervisor and the production department. Likewise, the research conducted was limited to the tools or equipment used for tofu production. This is in line with Rahab's research (2009) which explains that based on research observations of SMEs, in general, SMEs do not have a research and development division. Even so, the management continues to provide flexibility to several employees who are trusted to carry out innovation, research, and development of processed tofu products. This is in line with the results of interviews with key informants, namely.

"Innovation in equipment, we do research. Yes, for example, it is possible to use a steam boiler. maybe I can claim for the tofu factory, maybe we are the most modern for tofu management throughout Indonesia, I think." (Safran Rinaldi, Owner of Super Afifah Tofu Company).

"Yes, there is from the Health Service, we have BPOM and we have received awards several times from Primamutu, from the licensing it was 3 times. before getting an award, right from the licensing, the waste, to the employees how to handle the employees right, that's all." (Safran Rinaldi,

Owner of Super Afifah Tofu Company)

Research and development can be a theoretical and empirical support for a product to be marketed, but at the SME level it is very rare to find a special division related to research and development. Super Afifah Tofu Company basically does not conduct formal research, but to give confidence to consumers regarding the products being marketed the company registers the product through the Food and Drug Supervisory Agency (BPOM).

BPOM is a government agency that provides supervision for food-drug products circulating in Indonesia. The existence of validation from the government through BPOM illustrates that the products produced by the company can be consumed.

4. Conclusion

- a. The results of financial data analysis at Super Afifah Palu Tofu Company in 2018-2019 through the Balance Sheet Report and Profit/Loss Report, it can be concluded that the company's performance as a whole is very good and healthy. This is indicated by an increase in the value of the company's assets and the company always earns profits every year. Referring to the performance evaluation criteria through profitability ratios, it shows that the performance of Afifah Palu Super Tofu Company in 2018 and 2019 is in the very healthy category with the results of

calculating the ratio for ROA of 12.68% in 2019 while NPM is 4.04% in 2019. The level of financial liquidity of Super Tofu Company Afifah Palu can be ascertained to be very healthy with an assessment of 94.4% in 2018 and 172.22% in 2019 for the current ratio while the quick ratio is 66.40% in 2018 and 127.78% in 2019). Likewise with the results of the solvency ratio analysis which shows that the performance of Super Afifah Palu Tofu Company in 2018-2019 is measured through the Debt to Asset Ratio in 2018 of 35.81% and 2019 of 41.76% and the Debt Equity Ratio of 2018 55.79% and 2019 71.71%.

- b. The results of the descriptive analysis of innovation capabilities seen from the 7 factors proposed by Rahab (2009) have been carried out well. Especially in the use of technology which has an impact on increasing the amount of production as well as time and freelance labor efficiency, interacting with external parties the existence of cooperative relationships with customers and work partners, production and operational capabilities increase the effectiveness and efficiency in the production process, and carry out new product development. However, there are factors that need to be maximized, such as HR capabilities, marketing capabilities, and it is important to build communication with consumers through customer survey research so that companies can plan products that are more attractive to consumers..

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