

FINANCIAL STRATEGY FOR A NEW ERA OF BUSINESS SUSTAINABILITY

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Abstract

Facing this new era, business people need to adopt business strategies that are sustainable, innovative and responsive to change. By integrating sustainable business principles, utilizing digital technology, collaborating, and focusing on employee development and understanding markets and customers, they will be able to better face challenges and achieve sustainability in their business. Managing business finances is a crucial challenge for every organization, regardless of scale or industry. In this dynamic era, where changes in technology and the business environment can occur rapidly, the right financial strategy is the foundation of sustainability. By implementing these strategies effectively, businesses can achieve sustainable success and build a strong financial foundation for future growth. The literature study approach was used to conduct the research. A survey of the literature was conducted to gather data and information about financial strategies for the new era of business sustainability. This research discusses business sustainability and new descriptions, financial strategies for business sustainability, factors that influence financial strategies for business sustainability, important issues in implementing financial strategies for business sustainability.

Keywords: Financial strategy, new era, business sustainability.

INTRODUCTION

The development of the times and increasingly complex demands have changed the business landscape significantly. Facing this new era requires a sustainable business strategy so that it can remain competitive and develop

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amidst rapid change. In this article, we will explain several important strategies that can be implemented to achieve sustainability in business (Hacioglu & Aksoy, 2021). Sustainable business is not just about making financial profits, but also paying attention to social and environmental impacts.

Innovation is the key to remaining relevant in this new era. It is necessary to continue to develop products and services that are attractive and in line with market needs. Identifying consumer trends and needs, and adapting quickly, will help businesses stay competitive and meet customer expectations. Digital technology has changed the way businesses operate. By leveraging digital technology such as e-commerce, social media, or data analytics to improve operational efficiency, expand market reach, and better understand customer behavior. The use of this technology can also help in managing inventory, speeding up the sales process, and improving customer experience. You can also strengthen your position by collaborating and building business networks. Collaboration with local business partners can open new opportunities, expand market reach and increase competitiveness. Together, we can support each other and overcome the challenges faced in facing the new era (Darmasetiawan & Santoso, 2022). Skilled and trained employees are a valuable asset to a business. Can invest time and resources in employee training and development. This will help improve service quality, innovation and operational efficiency. Apart from that, providing career development opportunities will also motivate employees to give their best.

A good understanding of the market and competitors is the key to success. Business people need to keep up with industry trends, market analysis, and study the steps taken by competitors. Thus, business people can make the right decisions and take strategic steps to remain competitive. Customers are a valuable asset for every business. Businesspeople need to build strong relationships with customers through good service, effective communication, and responsiveness to customer feedback. Understanding customer needs and expectations, and providing the right solutions, will help retain existing customers and gain new customers (Pardiman et al, 2022).

Facing this new era, business people need to adopt business strategies that are sustainable, innovative and responsive to change. By integrating sustainable business principles, utilizing digital technology, collaborating, and focusing on employee development and understanding markets and customers, they will be able to face challenges better and achieve sustainability in their business (Ilhan, 2021).

Managing business finances is a crucial challenge for every organization, regardless of scale or industry. In this dynamic era, where changes in technology and the business environment can occur rapidly, the right financial strategy is the foundation of sustainability. This article will discuss some of the best strategies that can help companies manage their finances effectively, ensuring stability and continued growth. The first step in managing business finances effectively is setting clear financial goals. Companies need to have a deep understanding of their short-term and long-term goals. This includes setting revenue targets, controlling costs, and allocating funds for investment or expansion. With clear goals, companies can direct resources in the right direction and measure their financial performance systematically (Jasiyah & Sujana, 2024).

It is important to adopt an integrated financial management system that can provide proper visibility over all aspects of a company's finances. This system should include real-time reporting, cash monitoring, and cost analysis to provide a comprehensive view. By relying on modern technology, companies can reduce the potential for human error and increase operational efficiency. In managing business finances, investment diversification is an important strategy. By allocating funds to various investment instruments, companies can reduce risks and increase the chances of stable returns. Furthermore, recognizing, assessing, and mitigating possible risks that could have an impact on a company's finances are all important components of good risk management.

Khan et al (2021) stated that an effective financial management strategy involves regular evaluation of financial performance. Companies need to conduct regular reviews of their financial reports, analyze trends, and adjust their strategies as needed. Flexibility in responding to market changes and economic policies will allow companies to remain resilient and adaptive amidst ever-changing business dynamics. By combining these strategies, companies can manage their finances wisely, creating a strong foundation for long-term growth and resilience.

In an increasingly complex and rapidly changing era, business sustainability has become a key focus for companies around the world. Businesses that want to survive in the long term must think about a sustainability strategy that includes economic, environmental and social aspects. This article will discuss the importance of business sustainability and provide an in-depth look at strategies that can help companies ensure their sustainability in today's competitive market (Ukko et al, 2019).

RESEARCH METHOD

Because the research data are produced in the form of words or descriptions, a qualitative approach is taken while using library research or literature study, which is a research method where researchers rely on varied publications to collect research data. Research conducted in a library or through literature is referred to as literary research or library research. Studies that were comparable to or connected to the research used in this investigation were used.

The process of gathering data for this study involves looking for and creating sources from a variety of sources, such as books, journals, and previously completed research. After deciding a topic to study, the researcher searches for reading resources in books or journals that include discussions and theories related to the subject. The purpose of this study is to identify the financial methods that apply to the new era of sustainable business practices

RESULT AND DISCUSSION

Business Sustainability and New Era Description

Sustainable business practices are a crucial subject that must be taken into account. According to Pottag (2022), sustainable business is specifically defined as a corporate strategy that demonstrates a commitment to conducting operations in an ethical and environmentally responsible manner while producing sustainable profitability. In order to assure responsible, ethical, and sustainable success, sustainable business involves managing and coordinating environmental, social, and financial problems.

Social and environmental issues are frequently viewed in conventional business cultures as being in opposition to financial objectives. Depleting non-renewable natural resources, for instance, is not a sustainable approach. However, the least expensive short-term solution is to continue using fossil fuels since commercial alternatives typically need infrastructure expenditure. Similarly, spending money on socially conscious operations may not seem like a good idea at first, but in the long run, it will pay off in better public relations, recruiting, and branding.

Sustainable company uses strategic resource management to address and prevent environmental, social, and economic issues. The goal of this strategy is to make the company more visible to the public. Businesses get

goodwill from stakeholders, workers, and the community in exchange. Sustainable enterprises can not only address these issues but also boost savings and enhance an organization's long-term financial stability (Liu, 2018).

Reducing resource expenditures can undoubtedly boost a company's earnings. Similarly, a firm can enhance its reputation with the public, its workforce, and its bottom line by implementing sustainability programs. It is recommended that businesses disclose their sustainability objectives and advancements on a regular basis. This openness makes it easier for outsiders to comprehend how companies support a sustainable global economy. These progress updates also contribute to the preservation of stakeholder trust.

Organizations can remain true to their commitment to important business interests like efficiency and shareholder value by setting and achieving sustainable business goals and objectives. Other corporate movements that strive to cut waste in manufacturing and business processes have adopted sustainable business. The goal of this sustainable business concept is to increase output and quality. By boosting productivity and controlling expenses, sustainability also contributes to the development of more robust supply chains (Dyllick & Muff, 2016).

According to Kutay & Tektufekci (2016), business economic production is an important factor in a country's economic growth. In business, efficient and effective production can increase a company's profitability and competitiveness. For example, by implementing new and innovative technologies, companies can increase productivity and reduce production costs. Apart from that, companies must also consider environmental factors in their production processes to create a sustainable business.

In the current era of globalization and modernization, sustainable production has become very important in business. Sustainable production is a concept that combines economic growth with environmental protection, so as to create a balance between economic profits and environmental sustainability (Lacy & Hayward, 2011).

Financial Strategy for Business Sustainability

The strategy for managing business finances must include careful financial planning. This includes creating a realistic budget and planning expenses and income wisely. By carrying out good financial planning, business owners can avoid unpleasant surprises and minimize the risk of bankruptcy (Karaboga et al, 2021). Apart from that, income diversification is also an effective strategy in managing business finances. By having diverse sources of

income, businesses become more stable and able to survive market changes or unexpected economic situations.

No less important is continuous monitoring and evaluation of business financial performance. By monitoring regularly, business owners can identify areas that need improvement or adjustments. This allows them to take appropriate action proactively to maintain the financial health of their business. In conclusion, an effective strategy in managing business finances is the key to achieving sustainable success. By understanding the importance of financial management, planning wisely, diversifying income, and conducting regular monitoring, business owners can ensure that their business remains strong and thrives in the long term.

Managing finances is a key element in maintaining and growing a business. With a good understanding of how to manage financial aspects, a business can avoid liquidity problems, increase profitability, and achieve sustainable growth (Gleißner et al, 2022).

One important strategy is to create and stick to a realistic budget. By having a clear financial plan, businesses can allocate resources wisely, identify potential areas for savings, and avoid unnecessary expenses. Additionally, monitoring cash flow regularly is also important. By understanding cash inflows and outflows, business owners can take appropriate action to maintain financial stability. Diversifying income is also a wise strategy. Relying on just one source of income can increase financial risk. By having multiple sources of income, businesses can reduce the potential impact of market fluctuations or changes in economic conditions (Teh & Corbitt, 2015).

Additionally, investments in technology and innovation can help increase efficiency and productivity, which in turn can result in long-term cost savings and increase business competitiveness. Last, but not least, is prioritizing debt payments and building emergency fund reserves. By managing debt wisely and having sufficient cash reserves, businesses can reduce financial stress and avoid the risk of bankruptcy in unforeseen situations.

By implementing these strategies effectively, businesses can achieve sustainable success and build a strong financial foundation for future growth. Careful budget preparation is one of the key tactics in firm financial management. Companies can reduce costs, eliminate waste, and improve the effectiveness of their financial use by creating a realistic budget (Karisson, 2019). In addition, financial risk management is crucial for shielding the business from unforeseen circumstances and market swings that could impair cash flow.

A company's financial performance must be continuously observed and assessed as part of effective financial management. This enables the identification of areas in need of improvement and the implementation of suitable measures to enhance overall financial performance. Businesses may expand and develop sustainably, as well as survive in a competitive market, by putting good financial management techniques into practice. For the long-term viability of the business, this is a crucial step (Mursalin & Utama, 2024).

Maximizing the wellbeing of the business entity—defined as its present value in relation to its possibilities for the future—is the goal of business sustainability. A business that will maintain operations while completing ongoing projects, agreements, and activities is what is meant by the idea of business continuity. Because bankruptcy is linked to the occurrence of costs, both direct and indirect, it is crucial for management and business entity actors to predict the business continuity of a business entity in order to prepare for the likelihood of probable bankruptcy.

The following are several strategies that can help companies achieve business sustainability according to research by Jasiyah & Sujana (2024):

1. **Integration of Sustainability in Core Business:**
Companies must integrate sustainability principles into every aspect of their operations, including strategic planning, supply chain management, and product development.
2. **Reduction of Environmental Footprint:** Reducing energy consumption, waste and carbon emissions is an important step in achieving environmental sustainability. Investments in environmentally friendly technologies, such as renewable energy, can help achieve this goal.
3. **Product and Service Innovation:**
Companies can create products and services that are more sustainable, both in terms of the raw materials used and in the way the products are used and recycled.
4. **Engagement with Stakeholders:**
Communicating and collaborating with stakeholders such as consumers, local communities and NGOs can help companies understand and address relevant sustainability issues.
5. **Invest in Social Responsibility:**
Investing in corporate social responsibility programs, such as education, health, and local community empowerment, can help create a positive impact in society.
6. **Sustainability Reporting:**

Companies must transparently report their sustainability initiatives to stakeholders. This reporting can help build trust and support the company's image.

Factors that Influence Financial Strategy for Business Sustainability

Success is indeed the main goal for every business, but sustainability is the key to maintaining long-term existence and growth. Therefore, it is important for you as a business owner to not only focus on achieving momentary success, but also prioritize steps that support sustainability.

The concept of business continuity assumes that a business will remain in business in the future. Business actors will always try to achieve their business goals and increase the value of their business. According to Omeri (2014) business sustainability is the stability of business conditions, namely business stability which includes additional actions to protect business continuity and business expansion, continuation and business approach. One of the factors that influence Business Sustainability is innovation, innovation according to Hanaysha et al (2022). is the tendency to get involved in new ideas, novelty, experimentation and creative processes that can produce products, services or technological processes, according to Lüdeke-Freund, F. (2014) innovation is an effort to bring new ideas into implementation, characterized by major changes in the long term, the scope is quite general with quite large changes in implementation, so innovation is the renewal of ideas and the creation of new ideas through a creative process and implemented with a change, the research results of Msomi & Olarewaju (2021) found that there is a positive influence between innovation and sustainability business, where innovation is needed so that the business can survive and develop, and research by Godwin-Opara (2016) shows that the sustainability of culinary businesses can be maintained if creative entrepreneurs can continue to grow creativity through innovation that will enable the business to continue to exist.

Company image is a factor that cannot be ignored in developing business relationships. A good image creates trust and is able to create positive consumer perceptions towards partnering and fostering profitable business collaboration. Likewise, performance related to corporate social and environmental responsibility is an important index and is able to improve the company's reputation or image. Company morals are an important thing that can destroy or build a company, apart from being a form of company responsibility to society which then results in praise for the success of company management, which can then save the company's business. A positive image of the company will encourage the growth and development of the business

being started, for this reason, a better image of the company will provide guarantees for the sustainability of the business they build in the future.

According to Danso et al (2019) there are a number of important factors that have a significant impact on business sustainability, including:

1. Value Offered

Business sustainability and growth are closely related to the value provided to clients or customers. Demonstrating this value early in the relationship not only ensures future loyalty, but also has the potential to increase leads through word-of-mouth referrals.

2. Customer Satisfaction

Business sustainability is substantially closely related to the level of client satisfaction. This process involves several key elements, including providing an exceptional experience, continuous innovation in products or services, and effective customer service management.

3. Focus on Customers

A business that achieves long-term success can be identified by its dedication to continuously serving and solving customer problems. This is the main key to achieving sustainable growth and success.

4. Knowledge of Customer Needs

Loyal customers create a stable income base which is the main driver for business sustainability. Meanwhile, new customers bring growth potential through customer base expansion. Careful analysis of customer needs is at the heart of a successful business strategy.

5. Openness to New Ideas

An inclusive business structure plays a role in creating a conducive foundation for innovation. By building a culture that encourages the exchange of thoughts and ideas, businesses pave the way for positive change as an important foundation for sustainability.

6. Financial Management

Wise financial management is an important foundation for business sustainability. The accuracy of financial reports allows businesses to identify trends, measure performance and design informed development strategies. While thorough business analysis helps in decision making, identifying efficiency opportunities, and managing financial risks.

7. Adaptation, Collaboration and Innovation

Business sustainability requires the ability to adapt to a dynamic environment. While innovation allows businesses to stay relevant and competitive in a rapidly changing market. Meanwhile collaboration,

whether in the form of industry partnerships or customer relationships, opens the door to shared knowledge and resource experiences.

Through the implementation of the various aspects above, business people have formed the resilience that is so necessary to navigate the changing dynamics of the market. In this way, the business will not only be able to survive, but will also be able to continue to develop and take steps towards long-term success.

Important Issues in Implementing Financial Strategies for Business Sustainability

Amid increasing concerns about climate change and environmental issues, global companies are increasingly realizing the importance of integrating sustainable financial practices into their business strategies. According to Klettner et al (2014), sustainable finance not only includes environmental considerations, but also social aspects and corporate governance. By focusing on a balance between short-term profits and long-term growth, companies can utilize sustainable finance as a practical approach to improving their business performance.

One of the main benefits of using sustainable finance is its ability to create long-term value for a company. By adopting sustainable investment strategies, companies can reduce risk, increase operational efficiency, and strengthen their reputation with consumers and other stakeholders. In addition, an emphasis on transparency in sustainable financial reporting can help strengthen investor confidence and increase companies' access to sustainable capital (Engert & Baumgartner (2016).

However, to implement sustainable finance effectively, companies must prioritize the integration of environmental, social and corporate governance aspects into their overall business value. This involves increasing awareness about the impact of company activities on the environment and surrounding communities. Therefore, companies need to adopt policies that focus on reducing carbon footprints, efficient waste management, and protecting human rights and social justice.

Additionally, it is important for companies to ensure that their financial management incorporates environmental and social risk considerations in their investment analysis. By considering risks related to climate change, legal uncertainty, and other social issues, companies can reduce possible negative impacts that could affect their financial performance. In addition, adopting sustainable financial practices can also help companies meet increasingly

stringent regulatory requirements regarding environmental and social issues (Enríquez-Díaz et al, 2021).

In conclusion, the role of sustainable finance in improving business performance cannot be underestimated. By adopting this practical approach, companies can create sustainable long-term value, reduce risk and strengthen their reputation in the global marketplace. However, the success of implementing sustainable finance depends on the company's awareness and commitment to integrating sustainable principles into all their business values. In this way, companies can play a significant role in driving sustainable economic growth and providing a positive impact on society and the environment as a whole.

CONCLUSION

Facing a new era, business people need to adopt business strategies that are sustainable, innovative and responsive to change. By integrating sustainable business principles, utilizing digital technology, collaborating, and focusing on employee development and understanding markets and customers, they will be able to better face challenges and achieve sustainability in their business.

Managing business finances is a crucial challenge for every organization, regardless of scale or industry. In this dynamic era, where changes in technology and the business environment can occur rapidly, the right financial strategy is the foundation of sustainability.

By implementing these strategies effectively, businesses can achieve sustainable success and build a strong financial foundation for future growth. Careful budget preparation is one of the key tactics in firm financial management. Companies can control costs, avoid waste, and improve the efficiency of spending cash by developing a realistic budget.

Important factors that have a significant impact on business sustainability are:

1. Value Offered
2. Customer Satisfaction
3. Focus on Customers
4. Knowledge of Customer Needs
5. Openness to New Ideas
6. Financial Management
7. Adaptation, Collaboration and Innovation

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