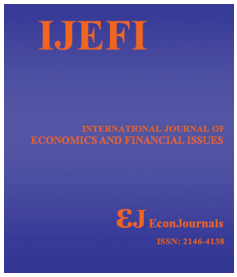

International Journal of Economics and Financial Issues

ISSN: 2146-4138

available at http: www.econjournals.com

International Journal of Economics and Financial Issues, 2020, 10(5), 211-219.

Business Process Life Cycle Affects Company Financial Performance: Micro, Small, and Medium Business Enterprises During The Covid-19 Period

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Received: 01 July 2020 **Accepted:** 01 September 2020 **DOI:** https://doi.org/10.32479/ijefi.10516

ABSTRACT

The business process life cycle is a collection of structured work activities that are interconnected to solve a problem that results in an output (product/output) or service that achieves goals and supports the achievement of strategic goals and objectives of an organization's financial performance. Business processes aim to achieve financial performance that is effective, efficient and increases the productivity of an organization. The life cycle of micro, small and medium enterprises aims to survive post-Covid-19 in order to increase the productivity performance of the organization's financial performance. To achieve this goal, an organization needs a good business process to support the organization's financial performance and business ventures in designing activities to produce new products in order to develop management techniques so that they can survive the midst of the global Covid-19 crisis. The product life cycle that can identify opportunities for environmental improvement is an important part of an organization that aims to minimize total costs, low prices and production results, improve the financial performance of micro, small, and medium business processes. Techniques in producing using financial and non-financial information, to improve the company's financial performance, and to contribute to the sustainability of business processes aim to provide physical information on material and energy use, as well as monetary information on costs, revenues and savings related to the company's financial performance. This research was carried out on micro, small and medium enterprises in Indonesia. This research method is descriptive and verification methods, the analysis tool is structural equation modeling (SEM, Lisrel). The results showed that the business process life cycle had an effect on the financial performance of the Covid-19 small, and medium enterprises business companies.

Keywords: Business Process Life Cycle, Corporate Financial Performance, Micro, Small and Medium Enterprises, Covid-19 Period
JEL Classifications: E3, G2

1. INTRODUCTION

Micro, small and medium enterprises are the sector most vulnerable to the impact of the corona virus pandemic. Hertati and Safkaur (2020) this sector can no longer be a buffer for the economy like during the 1998 and 2008 economic and financial crises. When Indonesia experienced the 1998 monetary crisis, micro, small and medium enterprises became a buffer for the national economy. Absorb labor, and move the economy (Clemente, 2020). Then Hertati, et al. (2020) stated that during the global financial crisis, micro, small and medium enterprises remained strong to support the economy. The results of the study concluded that the Covid-19 outbreak was concerning in the financial crisis and affected the financial sector of micro, small and medium enterprises (Hertati et al., 2020). Many micro, small and medium enterprises never got access to finance from the financial sector, the government. controlling the distribution chain of Covid-19 so as not to have an impact on the economy Strategies to strengthen micro, small and medium enterprises that can be done, such as digitizing sales or marketing, digitizing payments, and transferring SME businesses difficult financing, slow distribution, difficulty in raw materials, and slightly hampered production (Ohlson, 1980).

Chan (2013) states that the success of a business process in a company is the employee who will carry out the business process.

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Braz et al. (2011) In carrying out a good business process, reliable employees are needed so that the business process can be carried out properly. In order for a company to want a good business process life cycle, human resources and personnel must be able to recruit employees who are Brewer, (2001) and Bourne, et al. (2000) and Brintrup, et al. (2015) state that like humans, the products of micro, small and medium enterprises also have a life cycle. Old products will be displaced by consumer demand for new things modern goods, further increase sales at launch. Therefore, every company needs to know the different stages of the product life cycle and understand that all the products they sell have an age limit. The majority of companies will invest in new product development in order to ensure that business processes continue to grow.

The phenomenon states that the business process of the Covid-19 period that occurred in early 2020 experienced a collapse, as disclosed by Santoso (2020), as Chairman of the OJK Board of Commissioners to change the mindset and behavior of business as usual into creative actions in order to get breakthroughs (from a policy aspect and to monitor policy implementation so that micro, small and medium enterprises continue to grow healthily amid the Corona outbreak that hits all over the world so that financial performance small and medium micro business companies can support the economy which is in an uncertain situation due to the devastation of Covid-19.

This is done so that OJK contribution in handling the economic aspects of the era of adaptation to new habits becomes more effective, efforts to move the economy are said to be able to take advantage of placement of state funds as stipulated in PMK No.70/2020. For the implementation of providing working capital credit to drive the real sector and especially MSMEs, OJK refers to PMK No.71/2020 concerning procedures for government guarantees through the guarantee business entity designated in the framework of implementing the economic recovery program national.

The OJK is currently preparing various possibilities to issue a further relaxation policy regarding the restructuring period, the minimum credit limit, and support for the economic sector which will leverage the return of economic growth. OJK has issued various policies starting with the relaxation of credit restructuring. As of June 29, 2020, the overall realization of credit restructuring in the banking sector was recorded at IDR740.79 trillion for 6.56 million debtors for micro, small and medium enterprises and non-micro, small and medium enterprises. The restructuring realization for MSMEs amounted to IDR317.29 trillion for 5.29 million debtors and IDR423.5 trillion for non- micro, small, and medium enterprises for 1.27 million debtors.

Research by Gomes et al. (2004) found that the life cycle of business processes produced by micro, small and medium enterprises can help improve the company's financial performance because of instructions from managers who are responsible for the company's finances and try to make efforts to reduce expenses. Research by Gopal and Thakkar (2012) and Flynn (2010) found that by implementing a company's business process life cycle can be done with cost savings so that financial performance increases. Likewise with Gopal and Thakkar et al. (2012) who found that the application of business processes can increase profit growth through the use of information on reducing annual production costs. Meanwhile, Hertati and Syafarudin (2018) stated that apart from reducing costs, the business process is useless, it can also be used to demonstrate the potential for investment in raw materials that are useful to generate significant financial benefits through avoiding useless costs.

The company business process lifecycle is already part of an important decision-making tool in most companies in the developed world (Price and Sun 2017). The results of research by Rajesh et al. (2011) and Hertati et al. (2020) state that the main motivation for developing a business process life cycle is to provide a basis for improving the company's financial performance. Corporate finance generated by micro, small and medium enterprise accounting, especially cost information that is not value added, can help management control costs so as to produce cost savings which in turn will improve financial performance (Padachi, 2006).

The global business environment with high competition puts pressure on company management to increase productivity. Various management tools have been used to address these challenges. One of the financial performance tools (Syafarudin and Hertati, 2020). Ozturk et al. (2015) suggested that applying a business process life cycle approach is expected to aggregate company activities into strategic actions in relevant activities to understand cost behavior and potential sources of differentiation which can be an effective tool for optimizing resource use. Some researchers have developed such research as Brintrup, et al. (2016) to explain why business processes can be an important financial managerial tool.

Innovation in general is an important aspect of many businesses that can play a role in gaining business excellence (Yang et al., 2017). Business excellence can only be achieved by continuous improvement. The application of continuous improvement can be done by implementing a business strategy so that financial performance increases (Yang, 2014). Value chains are relationships with business processes that can meet targets of cost reduction, increase market efficiency, improve customer service, and ultimately improve financial and competitive position for organizations participating in value chain relationships. The research results show that companies that put more emphasis on business models based on innovation have experienced higher operating and sales growth rates (Zhao, 2011). Roodman (2009a) found that for manufacturing organizations, process innovation plays an important role in improving competitive advantage as a key factor in the successful implementation of business processes. This is supported by the results of research on the application of business processes to be part of the determinants of organizational success through innovation (Roodman, 2009a).

Research conducted by (Yang et al., 2017) concluded that after the application of business processes in the company, management is able to increase competitive advantage so that the company is

able to create competitive value for customers in order to improve the company's financial performance. Business processes are used with various purposes, namely to understand the behavior of the costs and the sources of differentiation (Zhao et al., 2011; Thompson et al., 1996) investigated the life cycle of business processes using various types of variations in order to improve financial performance. company including the life cycle of micro, small and medium enterprises.

Business processes provide a useful set of perspectives for companies to achieve a company competitive position (Ozturk, 2001). Yang et al. (2017) argue that there are two benefits that can be the objectives in implementing business processes, namely how to accept various products (product differentiation) and create cost leadership. Companies that implement business processes have an impact on the company's financial profit in two ways (Yu et al., 2008). First, activity efficiency will have an impact on the company cost structure. Second, with a mix of activities that apply business processes will provide a high level of satisfaction for consumers (Yu et al., 2008).

2. LITERATURE REVIEW

Jensen, (1986) company owners and company management are the principals and agents, while management is the person who is authorized by the owner to run the company called the agent. Eljelly (2004) defines an agency relationship as a contract, in which one or more people (employer or principal) employ another person (agent) to perform a number of services and delegate the authority to make decisions to the agent. The principal provides facilities and funds for company operations, the agent is obliged to manage the company with the aim of increasing the prosperity of the company owners (Edwards and Barron, 1994). The theory that underlies the company business processes that are used so far. The main principle of this theory states that there is a working relationship between the party giving the authority (principal), namely the investor, and the party receiving the authority (agency), namely the manager.

The legitimacy given by the community to the company, and at the same time something that the company needs. Legitimacy is the potential benefits, opportunities and resources needed in order to maintain the company going concern. Folan (2005) states that companies need to maintain the values adopted by the surrounding community. This has led to a positive perception of investors, because the investment will be a going concern for companies that have going concern prospects, with a policy of paying attention to the surrounding community.

Legitimacy Theory explains that the organization will continuously operate in accordance with the boundaries and values accepted by the community around the company in an effort to gain legitimacy (Choi et al., 2005). The process of gaining legitimacy is related to the social contract made by the company and various parties in the community. The company's performance is not only measured by the profit generated by the company, but other performance measures related to various interested parties. To gain legitimacy, the company has an incentive to carry out the social activities expected by the community around the company operational activities.

2.1. Business Process Life Cycle

Yu et al. (2008) explain that business processes are procedures and policies of people in the organization that are used to create value for stakeholders (customers, shareholders, vendors to name a few). argued that a business process is a set of relationships, coordinated, and structured activities and tasks performed by a person or by a computer or machine, and help achieve predetermined organizational goals. In line with this, Stair and Rost et al. (2017) explain that a business process is a set of coordinated and related activities that take one or more types of input and create outputs that have value to customers from that process (Ozturk, 2001). defines a business process as a coordinated and standardized flow of activities carried out by people or machines, which can cross functional or departmental boundaries to achieve business goals that create value for internal or external customers. In line with this Ozturk (2006) a business process is a series of tasks that are interconnected and involve data, organizational units, and logical time sequences. Then Said et al. (2003) say that a business process is a collection of activities and workflows in an organization that create value. In line with this, Said (2013) explains that the functions that exist in business processes are:

1. Production and manufacturing cycle includes assembling products, checking quality, generating bills for materials.
2. Marketing and sales cycle includes customer determination, making customers aware of products, selling products
3. The accounting and financial cycle includes payment of creditors for purchases, making financial statements, managing cash accounts
4. The Human Resource Cycle includes recruiting employees, evaluating employee performance, enrolling employees in a benefit plan/pension fund
5. The income cycle, in which goods and services are sold for cash or receivables
6. The expenditure cycle, where the company buys inventory for resale or raw materials to be used in producing the next product to issue cash or payment in the future.

2.2. Financial Performance of Covid-19 Micro, Small, and Medium Enterprises Business Companies

Gepp et al. (2008) stated that financial performance is an indicator that is often used to measure the success of a company. Fiss, (2007) states that measuring the financial performance of Rost and Ehrmann (2017) states that financial analysis is a business analysis that uses financial statements to analyze the performance and financial position of a company to assess financial position and performance, and to assess financial performance in the future. future (to come). The use of financial analysis as a measure of performance achievement, some of which still use contemporary financial performance indicators such as economic value added (EVA) and market value added as well as measurement of profitability in the form of ratios such as return on investment (ROI), return on assets (ROA) and return on equity (ROE) is still relevant to use because it is simpler, more comprehensive, and can be used by all companies (Wang et al., 2008).

Ratios cannot describe good management, but can create better managers because they can help show this. - matters that require further research in developing corporate strategy in the future (Roodman 2009b). Ratios cannot describe good management, but they can create better managers because they can help show things that require further research in developing corporate strategy in the future (Gronum et al., 2017).

Other researchers such as Hertati, et al. (2019) relate it to economic performance. Economic performance is more general in nature and financial performance is included in it, however in various studies there has been a separation (Gonenc and Scholtens, 2017). Then Ozturk (2001) states that economic performance is more often associated with market-based measures with measures that are often used in the form of market portfolios, annual returns, stock prices, market returns, stock market responses, price-earning ratios, and so on. other.

Financial performance is linked to accounting-based measures, namely in the form of profitability of various sizes (Franco et al., 2012). Both accounting-based and market-based measures have their respective advantages and disadvantages as performance measures. However, market-based measures can only be used in public companies where the value of the company is measured by the value of its shares (Ozturk et al., 2009).

Salazar et al. (2015) argue that accounting-based financial performance is a better predictor of measuring the success of environmental and social management, including its disclosure. Roodman et al. (2008) stated that the company's financial performance is ultimately reflected in the profit generated. ROI, ROA and ROE are the most commonly used measures of profitability. ROI and ROA are often used interchangeably because they refer to the same thing, namely the ratio of profits to assets owned.

1. Liquidity Ratio: To measure the company ability to pay its debts, it can be seen in the company financial performance assessment used.
2. Leverage Ratio: To measure the extent to which the company's assets are financed with debt, it can be seen in the measurement of the company's financial performance appraisal used.
3. Activity Ratio: To measure how effective the company is in using its funding sources. can be seen in the measurement of the company financial performance appraisal used.
4. Profitability Ratios: The final results of a number of policies and decisions that have been taken by company management can be seen in the measurement of the company financial performance appraisal. Used.

2.3. Business Process Life Cycle on the Financial Performance of Covid-19 Micro, Small, and Medium Enterprises Business Companies

Lazaridis, (2007) states that the success of a company's financial performance can be measured in the business process life cycle in order to improve organizational structure and culture and increase customer and company business value. In line with this, Rhou (2016 stated that the company's financial performance is supported by business processes.

While Roodman (2008) argues that currently one of the things that will continue to influence the development of financial performance is business processes. 1998) states that the factors that need to be considered by the central organization when planning, implementing financial performance, one of which is the business process.This is supported by the research of Saaty et al. (1998) which found that 11 important factors for the success of financial performance are: teamwork and composition; changing management programs and culture, support for planning management and business vision, business processes, reengineering with minimum customization; project management; performance monitoring and evaluation; effective communication; financial performance and proper business processes and IT systems. Estampe et al. (2013) stated that business process factors were found to be pe important for the success of financial performance and composition; business programs and processes, re-engineering with minimum customization; project management; performance monitoring and evaluation; effective communication; software development; testing and problem solving, appropriate business and financial performance. (Christopher, 1998) Research Hypothesis:

H1: The Effect of the Business Process Life Cycle on the Financial Performance of Covid-1 Micro, Small, And Medium Enterprises Business Companies

Next research conducted by Rafuse (1996) found that the production process, customer service can improve business performance and implications for financial performance. Finance and accounting, information processing and other processes can improve financial performance. In line with this, the results of a study conducted by Roodman (2008) indicate that most cases in all areas of business processes are integrated into unique financial performance. Meanwhile, a study conducted by Panwala (2009) found that the design of financial performance again can be influenced by business processes.

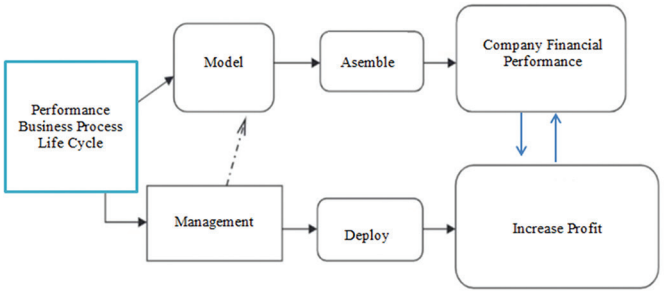

Image: 2020 Research Framework.

3. METHODOLOGY

The review instrument was built using previous studies. The characteristics of the variable hypothesis were designed using SEM-Lisrel with five answers from 1 to 5. The measurement items

of the current study consisted of two business process life cycle variables on the financial performance of micro, small and medium enterprises business companies during the Covid-19 period.

The population contained in this study amounted to 250 regional work units and set precision or a significance level of 0.05 (Fox, 2016). The research data was collected by using a questionnaire via google box directly and sending letters to micro, small and medium enterprises as many as 850 questionnaires. After sending the google box to micro, small and medium enterprises in Indonesia.

The process of selecting micro, small and medium enterprises in Indonesia is very important for data collection for researchers, investigating product sales and the financial performance of MSME business companies in the Covid-19 period to respond. Overall, the data collection process has been taken for 3 months and this research was conducted independently. (Fox, 2016, 2016). states that to measure reliability in SEM variance) composite reliability (internal consistency reliability) and variance extract measure (measure of variant extract) can be used. To determine the minimum sample required if the population is known, can use the Slovin formula with the assumption that the tolerable sampling error rate is 5%. (Fox, 2016). To calculate this relationship, the following formula is used:

$$r = \frac{n\sum xy - \sum x.\sum y}{\sqrt{n\left(\sum x^2\right) - \left(\sum x\right)^2}.\sqrt{n\left(\sum y^2\right) - \left(\sum y\right)^2}}$$

Information: r = correlation coefficient x = Business process life cycle variable y = variable financial performance of micro, small and medium enterprises in the Covid-19 period n = Number of Respondents To determine the effect of business process life cycle variables, the covid-19 coefficient of determination (r^2) is used to determine the financial performance of micro, small and medium enterprises business companies.

4. DATA ANALYSIS

The validity test was conducted which was used to determine the feasibility of the items in the questionnaire to determine the variables and the reliability test to measure the reliability of the object being measured. Data analysis was carried out by descriptive analysis and verification. Descriptive analysis was carried out with balanced categorization using quartile ranges (Fox, 2016, 2016). The verification analysis used to test the hypothesis in this study is to use the structural component of the modeling equation (SEM, Lisrel) or variance based known as SEM Lisrel (Arellano and Bond, 1991) Descriptive Analysis of Authorization, Planning, Supervision, Allocation, Distribution, Stability of the statement. -the statement submitted on the questionnaire. Based on the calculation of the percentage score for the craftsmen's answer, the results are as shown in the following table (Tables 1-6):

Testing carried out in the inner model in assessing the model with PLS begins by looking at R2 for each dependent latent variable. Changes in the value of R2 can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect. The AVE results show that the indicators owned by each variable can measure the variable in question. Discriminative validity is to compare the square root of average variance extracted (AVE) value of each construct with the correlation between constructs and other constructs in the model. Where the AVE value must be> 0.50. This can be seen from the significance value of 0.026. Therefore the hypothesis for a direct effect in this variable is accepted. The level of significance ($p < 0.05$) at a level below 0.05 indicates that the business process

Table 1: Test results. results of square roots of AVE

No.	Dimension	Square roots of AVE
1.	Production Cycle	0.829
2.	The Marketing and Sales Cycle The	0.749
3.	Accounting and Financial Cycle	0.612
4.	Human Resource Cycle	0.752
5.	Income cycle	0.601
6	Discharge cycle	0.851

Source: Uji. Square roots of AVE results, 2020

Table 2: Test results composite reliability

No.	Dimension	Composite reliability	Cronbach alpha
1.	Liquidity Ratio	0.846	0.852
2.	Leverage Ratio	0.820	0.836
3.	Activity Ratio	0.860	0.841
4.	Profitability Ratio	0.821	0.852

Source: Composite Reliability Test, 2020

Table 3: Goodness of fit test results on the inner model measured using R square

No.	Model	R square
1.	Business process life cycle	0.126

Source: Goodness of fit test on the inner model is measured using R square, 2020

Table 4: Q square test results

No.	Model	Q square
1.	Detect Financial Fraud	0.432

Source: Q square test results. SPSS data processing, 2020

Table 5: Direct effect testing results

No.	Direct influence	Koefisien	Signifikansi	Information
1.	The financial performance of micro, small, and medium enterprises in the Covid-19 period	−0.408	0.026	Received

Source: Results of direct effect testing SPSS data processing, 2020

Table 6: Goodness of fit (GOF) results in the final model

No.	Criteria	Value limit	Result	Conclusion
1.	2-Chi square, Significance probability	p-value≥0,050 atau=0,000	0,000	Fit
2.	GFI	> 0,90	0,734	Fit
3.	AGFI	> 0,60	0,647	Fit
4.	CFI	> 0,92	0,953	Fit
5.	TLI atau NFI	> 0,81	0,771	Fit
6.	RMR	≤ 0,20	0,081	Fit
7.	RMSEA	≤ 0,06	0,056	Fit

Source: Data processed in 2020

life cycle affects the financial performance of micro, small and medium enterprises in the Covid-19 period.

The reliability test was carried out by using the Cronbach alpha test using SPSS. A construct is said to be reliable if it gives a cronbach alpha value > 0.60. Structural Equation Model (SEM) with Partial Least Square (PLS) method using warp PLS 5.0 software. This method was first coined by Wold as a general method for estimating the path model using a latent construct with multiple indicators. PLS is an indeterminacy factor in a powerful analysis method because it does not assume that the data must be measured at a certain scale and a small number of samples (Arellano and Bond, 1991).) such as χ^2, GFI, AGFI, CFI, TLI or NFI, RMR, and RMSEA, so that the financial performance model of the Covid-19 MSME business company has met the criteria for a good measurement model (fit) and can be used as a manifest for the formation of a full model . The results of the Goodness of Fit suitability test for the final model of the financial performance of micro, small and medium enterprises business business companies in the Covid-19 period obtained results such as in the recapitulation of the results of Dimensions and Detection Indicators of financial performance in micro, small and medium enterprises in the Covid-19 period.

In SEM analysis, an indicator is said to have good validity if it has a loading factor value greater than 0.70. While the loading factor of 0.50 to 0.60 can still be maintained for models that are still in the development stage (Fox, 2016). Evaluation of the construct reliability value is measured by composite reliability. Each construct is said to be reliable if it has composite reliability greater than 0.70 and AVE greater than 0.50 (Arellano and Bond, 1991). The final model of the CFA decline in the financial performance of the Covid-19 UMKM business companies that was formed had met several Goodness of Fit (GOF) statistical criteria such as χ^2, GFI, AGFI, CFI, TLI or NFI, RMR, and RMSEA, so that the financial performance measurement model Covid-19 MSME business companies meet the criteria for a good measurement model (fit) and can be used as a manifest for the formation of a full model. The results of the Goodness of Fit suitability test in the final model of financial performance for micro, small and medium enterprises business enterprises in the Covid-19 period are shown in the table.

5. DISCUSSION

Manita et al. (2018) stated that the success of a company solely depends on maximizing the welfare of the leadership (stockholders) is no longer relevant, because the existence of a corporate entity is basically a contract between the company and various other parties (Maqbool, 2018). Megginson (1994) and Chenhall, (2005) state that a group of people who are in a company cannot run and maintain their operations as a going concern." This group includes shareholders and investors, employees, customers and suppliers, as well as public stakeholders, namely management and consumer, where the company is bound by laws and regulations as well as on taxes and other obligations. The second group is secondary stakeholders, namely "a group of people who influence or are influenced by the company but are not very important for the company survival.

Nuss, (2016) explains that in developing the reach of company stakeholders, it is not only financial stakeholders such as investors and creditors but also non-financial stakeholders such as suppliers, customers, regulators, environmental groups, and the mass media. Ohlson, (1980) developed a model for identifying stakeholders based on the level of power (power), legitimacy (legitimacy) and interests (urgency). Al-Fattah, (2013b) states that managers must focus their attention on stakeholders based on these three things, but the order does not have to be the same for every company. For example, companies that are prone to labor problems should pay more attention to workers or employees. Meanwhile Altman, (1968) states that companies that process natural resources or whose activities have an impact on the surrounding environment must pay more attention to consumer customers where the company processes products and designs and introduces these products to the public to be interested (Altman and Eberhart, 1994).

The study results concluded that the application of the business process life cycle can improve the integrity of financial statements (Lazaridis, 2007). Researchers suggest holding a turnover of the audit team every three years and with high ethics applying GAAP to improve financial reporting transparency. The results of a study conducted by Hertati et al. (2020) related to the life cycle of business processes concluded that corporate, economic, social, cultural, legal and regulatory can be considered. One of the causes of the economic crisis is weak governance in the form of insecure segregation of functions within the company (Lee and Park 2010).

The life cycle of business processes in a company will have an impact on the financial performance of company policies such as leverage, dividends, compensation and others. The manager (agent) will try to align with the principal objective, namely shareholder prosperity. In determining dividend and debt policies, inevitably it must be admitted that agency conflicts will also arise. Opportunistic behavior of agents has the potential to direct policies that are only beneficial for themselves. However, this can be minimized if the company implements business processes (Lee et al., 2013). By reducing opportunities for managers to behave deviantly and enriching themselves, it is expected that the company value will increase, which is marked by an increase in share prices and the prosperity of shareholders.

Abdulkadir et al. (2017) stated that effective business processes are expected to improve the company financial performance. The benefits of implementing a business process can be seen from the company stock price that investors are willing to pay. Business processes can provide high protection for investors (Denis, 2010) and can increase dividend payments (Choy et al., 2011). The application of business processes will have an impact on high protection of investors, thereby reducing information asymmetry to a lower level (Hertati et al., 2019). The application of business processes is also considered to reduce the risk of failure of the company's business (Saaty, 1996). Research by Megginson et al. (1994) proves that business processes are one of the factors that can explain the market value of a company.

6. CONCLUSION

This research focuses on how business processes, companies can control product costs that may previously have been difficult to control because they were hidden in overhead costs. The financial performance of micro, small and medium enterprises in the Covid-19 period allows product prices to be identified, measured and allocated appropriately to related processes or products, making it easier for managers to control and save costs. With cost control based on the information provided by the business process, cost efficiency can be achieved so as to improve the company's financial performance in order to support the economy in the midst of the Covid19 pandemic. Organizations that use the financial performance of micro, small and medium enterprises in the Covid-19 period will design activities in producing cheap products that are of interest to the public and develop management techniques that do not endanger consumers. This allows the organization to use a product life cycle system that can identify opportunities for product improvement aimed at providing physical information on material and energy use so that products do not become obsolete, as well as monetary information on costs, income, and savings associated with consumers. in order to improve the financial performance of micro, small and medium enterprises in the Covid-19 period.

7. ACKNOWLEDGMENTS

This research was conducted by sending goole forms to micro, small and medium enterprises. We thank friends who have taken the time to fill out our very useful questionnaire form to complete this research in the Covid-19 season even though they are not busy with all the interpretations/conclusions of this paper.

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