

TABLE OF CONTENT

PREFACE.....	iv
TABLE OF CONTENT	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF EQUATIONS	xii
LIST OF APPENDIXES	xiii
LIST OF ABBREVIATION.....	xiv
ABSTRACT	xv
CHAPTER I BACKGROUND	1
1.1. Background.....	1
1.2. Research Gap	3
1.3. Research Questions.....	4
1.4. Research Purpose.....	4
1.5. Scope of Research	4
1.6. Benefits of Research	5
1.7. Thesis Structure	5
CHAPTER II LITERATURE STUDY	7
2.1. Literature Review	7
2.1.1. Access to Fund Relation with Company Growth and Financial Performance	7
2.1.2. Cash Conversion Cycle Relation to Profitability of The Company	7
2.1.3. Profitability in Company Performance Measurement.....	8
2.1.4. Bank Requirement for Funding and Loan.....	9
2.1.5. Fintech Lending Financing for SME.....	12
2.1.6. Fintech Requirement for Financing	13
2.1.7. Mechanism of Fintech Lending in Invoice Financing Product.....	14
2.1.8. Comparison Between Bank Loan and Fintech Lending Product	15
2.2. Research Framework	16
CHAPTER III RESEARCH METHODS.....	18

3.1. Research Design	18
3.2. Research Instrument	19
3.3. Data Collection	20
3.3.1. Primary Data	20
3.3.2. Secondary Data	20
3.4. Data Analysis.....	21
3.4.1. Cash Conversion Cycle, Current Ratio and Profitability Ratio Calculation	21
A. Cash Conversion Cycle, Current Ratio and Profitability Ratio Calculation for Period Before Using Invoice Financing	21
B. Cash Conversion Cycle, Current Ratio and Profitability Ratio Calculation for Period After Using Invoice Financing	21
C. Comparing Cash Conversion Cycle and Analysing The Differences Between Before and After Using Invoice Financing Using Wilcoxon Signed Ranked Test	21
D. Determine CCC Factors Affected by Using Invoice Financing	22
E. Determine Financial Ratio Factors Affected by Using Invoice Financing	22
3.4.2. Credit Scoring	22
A. Determining Factors Which Affects Credit Scoring on Banks	22
B. Determining Factors Which Affects Credit Scoring on Fintech/Leasing/P2P Lending	22
3.4.3. Company Stakeholders Interview	23
A. Determining Invoice and Invoice Receivers Criteria, Providing Information Regarding Effect of Using Invoice Financing to Company Strategy and Decisions	23
B. Determine Profitability Factor Which Affected by Invoice Financing	23
3.5. Data Analysis and Summary	23
3.6. Conclusion	23
3.7. Suggestion	23
3.8. Case Profile.....	24
CHAPTER IV RESULTS AND DISCUSSION	25
4.1. Data Description	25
4.1.1. Bank Credit Scoring	25
A. Process Understanding	25
B. Early Data for Analysis	27

C. Scoring Aspects	28
D. Result of The Process	29
E. Subjectivity in The Process	30
F. Calculation Process Under Standing	30
4.1.2. Invoice Financing Credit Scoring Process	31
A. Process Understanding	32
B. Early Data for Analysis	33
C. Result of The Process	34
D. Scoring Aspects	35
E. Subjectivity in The Process	36
F. Calculation Process Under Standing	37
4.1.3. Company Change of Strategy and Policy	37
A. Background of Invoice Financing Usage	37
B. Invoice Financing Scheme.....	39
C. Change of Policy and Strategy	39
D. Invoice Financing Effect	39
4.1.4. Invoice Receivers and Invoice Criteria	40
A. Invoice Receivers Criteria	41
B. Invoice Criteria	42
4.2. CCC Calculation and Non-Parametric Test.....	43
4.2.1. CCC Calculation	43
4.2.2. CCC Wilcoxon Test	46
4.3. Data Analysis and Discussion	53
4.3.1. Invoice Financing Scheme and Costs	53
4.3.2. Invoice Financing Effect on Cash Conversion Cycle	56
4.3.3. Leasing, Fintech, or P2P Lending Credit Scoring Process	61
4.3.4. Bank Credit Scoring Process.....	68
4.3.5. Company Performance Over The Years	82
4.3.6. Invoice Parameters	86
CHAPTER V CONCLUSION AND SUGGESTION	90
5.1. Conclusion	90
5.2. Suggestion	92
5.2.1. For The Company	92
5.2.2. For Further Research.....	93

5.3. Limitations	94
REFERENCE	95
APPENDIX	103

LIST OF TABLES

Table 4.1 Bank Credit Scoring Interview Informant Detail.....	25
Table 4.2 Bank Interview Result on Credit Scoring Process Understanding	26
Table 4.3 Bank Interview Result on Credit Scoring Data Analysis.....	27
Table 4.4 Bank Interview Result on Credit Scoring Aspects	28
Table 4.5 Bank Interview Result on Credit Scoring Result	29
Table 4.6 Bank Interview Result on Credit Scoring Subjectivity	30
Table 4.7 Bank Interview Result on Credit Scoring Calculation.....	31
Table 4.8 Invoice Financing Credit Scoring Interview Informant Detail	31
Table 4.9 Invoice Financing Provider Result on Credit Scoring Process Understanding	32
Table 4.9 Invoice Financing Provider Result on Credit Scoring Process Understanding (Cont.).....	33
Table 4.10 Invoice Financing Provider Result on Credit Scoring Early Data Analysis.....	34
Table 4.11 Invoice Financing Provider Result on Credit Scoring Result.....	35
Table 4.12 Invoice Financing Provider Result on Credit Scoring Aspects	36
Table 4.13 Invoice Financing Provider Result on Credit Scoring Subjectivity	36
Table 4.14 Invoice Financing Provider Interview Result on Credit Scoring Calculation	37
Table 4.15 Company Change of Strategy and Policy Interview Informant Detail	37
Table 4.16 Invoice Receivers and Invoice Criteria Interview Informant Detail...	40
Table 4.17 Sample of Monthly Revenue and COGS	44
Table 4.18 DSO, DPO, and CCC Calculation Result	45
Table 4.18 DSO, DPO, and CCC Calculation Result (Cont.).....	46
Table 4.19 Wilcoxon Signed Ranked Test Result on Company XYZ DSO.....	47
Table 4.20 DSO Ranks Before and After Invoice Financing Usage	47
Table 4.21 Wilcoxon Signed Ranked Test Result on Company XYZ DPO.....	49
Table 4.22 DPO Ranks Before and After Invoice Financing Usage	50
Table 4.23 Wilcoxon Signed Ranked Test Result on Company XYZ CCC.....	51
Table 4.24 CCC Ranks Before and After Invoice Financing Usage	52
Table 4.25 Company XYZ Expedited Invoice and Expenses on Invoice Financing in 2021-2022	56
Table 4.26 Company XYZ Financial Performance per Years in Comparison	84
Table 4.27 Average Ratio from Company XYZ Enlisted in Indonesia Stock Exchange	85

LIST OF FIGURES

Figure 3.1 Research Design	18
Figure 3.1 Research Design (Cont.).....	19
Figure 4.1 Days of Sales Outstanding Movement in Comparison.....	46
Figure 4.2 Company XYZ DSO Related-Samples Wilcoxon Signed Rank Test .	47
Figure 4.3 Continuous Field Information DSO Before Invoice Financing Usage	48
Figure 4.4 Continuous Field Information DSO After Invoice Financing Usage ..	48
Figure 4.5 Days of Payables Outstanding Movement in Comparison	48
Figure 4.6 Company XYZ DPO Related-Samples Wilcoxon Signed Rank Test .	49
Figure 4.7 Continuous Field Information DPO Before Invoice Financing.....	50
Figure 4.8 Continuous Field Information DPO After Invoice Financing	50
Figure 4.9 CCC Movement in Comparison	51
Figure 4.10 Company XYZ CCC Related-Samples Wilcoxon Signed Rank	52
Figure 4.11 Continuous Field Information CCC Before Invoice Financing Usage	52
Figure 4.12 Continuous Field Information CCC After Invoice Financing Usage	53
Figure 4.13 Flow Chart of Fintech Credit Scoring Process	63
Figure 4.13 Flow Chart of Fintech Credit Scoring Process (Cont.).....	64
Figure 4.14 Flow Chart of Leasing Credit Scoring Process.....	65
Figure 4.14 Flow Chart of Leasing Credit Scoring Process (Cont.)	66
Figure 4.15 Flow Chart of Bank A Credit Scoring Process	69
Figure 4.15 Flow Chart of Bank A Credit Scoring Process (Cont.)	70
Figure 4.16 Flow Chart of Bank B Credit Scoring Process	72
Figure 4.16 Flow Chart of Bank B Credit Scoring Process (Cont.).....	73
Figure 4.17 Flow Chart of Bank C Credit Scoring Process	77
Figure 4.17 Flow Chart of Bank C Credit Scoring Process (Cont.).....	78
Figure 4.18 NPM, GPM, Operating Profit Margin, ROA, ROE, EBITDA Margin Ration Movement in Comparison	83
Figure 4.19 CR, DSR, Total Current Asset Turnover and Fixed Asset Turnover Ratio Movement in Comparison	84

LIST OF EQUATIONS

Equation 4.1 Days of Sales Outstanding Equation	44
Equation 4.2 Days of Payables Outstanding Equation.....	44
Equation 4.3 Cash Conversion Cycle Equation	44
Equation 4.4 Adjusted Cash Conversion Cycle Equation.....	45

LIST OF APPENDIXES

APPENDIX 1. Company XYZ Monthly Revenue, COGS, AP Average and AR Average	103
APPENDIX 2. Company XYZ Balance sheet and PnL.....	105
APPENDIX 3. Bank Credit Scoring Interview Questions.....	106
APPENDIX 4. Invoice Financing (Leasing and Fintech) Credit Scoring Interview Questions.....	108
APPENDIX 5. Company XYZ Change of Strategy and Policy Interview Questions.....	110
APPENDIX 6. Invoice Receivers and Invoice Criteria Interview Questions.....	111
APPENDIX 7. Bank Credit Scoring Interview Results	112
APPENDIX 8. Invoice Financing (Leasing and Fintech) Credit Scoring Interview Results	136
APPENDIX 9. Company XYZ Change of Strategy and Policy Interview Results	150
APPENDIX 10. Invoice Receivers and Invoice Criteria Interview Results	154