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Improving Company Performance Using Financial Planning Approach Toward Fragrance Companies: A Case Study of Saja

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Abstract

The perfume industry has experienced significant shifts towards using natural oils and synthetic components, driven by changing customer preferences and increased awareness of natural products. Saja, a perfume company established in 2022, aims to capitalize on this growing trend by offering natural products. Despite its potential, the company faces financial challenges due to a lack of strategic financial planning. An analysis of Saja's financial performance from late 2023 to mid-2024 revealed inconsistent income and fluctuating cash flow, as identified through financial ratios and DuPont analysis. These issues highlight the company's low financial performance. To address these challenges, Saja plans to enhance its financial planning by optimizing budget allocations, increasing production cost efficiency, and expanding product and market segments to boost income and reduce expenses. The sustainability of this strategy was assessed using three economic and risk scenarios: realistic, optimistic, and pessimistic. The feasibility of the proposed strategy was measured through the Payback Period (PP) in future and present value, Internal Rate of Return (IRR), and Net Present Value (NPV). Results indicate that the proposed financial strategy is acceptable and feasible, suggesting that its implementation would improve Saja's financial performance.

Keywords: Fragrance industry, Sustainable of Natural Market, Company Performance, Financial Planning, Financial Feasibility

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A. INTRODUCTION

Fragrances are unique and complex combinations of natural and synthetic ingredients that provide distinctive aromas (IFRA Report, 2019). Fragrances are integral to perfumes, cosmetics, personal care, and household cleaning products. According to the 2019 IFRA Report, perfumes have the highest purchasing power, accounting for 88% of the fragrance product category. Historically, the perfume industry has evolved from using single floral fragrances to incorporating various synthetic scents and a combination of natural and synthetic oils (Schwarcz, 2017; Singh et al., 2021). Recent trends involve mixing multiple oils to create new scents. While synthetic oils are easier and cheaper to produce, natural oils offer more complexity and benefits, albeit at a higher cost. The growth rate (CAGR 2024-2029) for synthetic oils is projected at 4.97%, while the natural market in Indonesia is expected to grow at 5.83%, particularly in the cosmetics sector.

Natural oils, such as essential oils, are gaining popularity in modern fragrances and skincare products due to their beneficial properties and firm scent profiles (Sharmeen et al., 2021). However, companies focusing on natural products face challenges in educating consumers and introducing quality essential oil products. Strategic planning models are essential for business growth and performance evaluation in this dynamic industry (Yan et al., 2019).

Saja, established in 2022, is committed to providing value through essential oils and targeting the natural market. However, the company's financial data from Q4 2023 to Q1 2024 indicates inconsistent sales, slow revenue growth, and cash flow problems. These challenges stem from insufficient financial planning to support business capabilities and strategies. To address these issues, Saja must analyze its financial performance to identify factors affecting it and implement strategies to improve it. This analysis will consider historical data, customer feedback, and the need for product differentiation and brand expansion. The goal is to create a comprehensive financial plan to enhance Saja's market presence and overall performance.

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B. RESEARCH METHODS

The research begins with a business situation analysis, collecting data to assess the internal and external environment. Primary data is gathered through consensus and discussions with Saja's internal stakeholders, while secondary data is obtained from industry reports, journals, and books relevant to the topic. This provides a comprehensive view of the market and industry conditions. The company then defines assumptions to explore business issues from a financial perspective by analyzing financial statements, including financial ratios and DuPont analysis. A fishbone diagram is used for root cause analysis to identify financial issues. This data is crucial for understanding the company's financial condition and identifying factors affecting performance from 2023 to 2024.

Based on internal and external analysis, the researcher gains insights to construct financial strategies and evaluate the company's financial activities. Alternative strategies are formulated using TOWS analysis and selected based on internal and external activities.

Financial planning involves key components like cash planning and profit planning (Gitman & Zutter, 2014). Cash planning assesses the cash budget through the company's cash inflows and outflows, defining how cash will be used for financing business activities. Profit planning includes pro forma calculations, such as income statements, cash flow, and balance sheets, to determine the company's profit/loss conditions. Data inputs include financial data from the company's activities, historical sales figures, expenses, and financial information. The long-term strategy (2025-2029) will be assessed under three risk scenarios: realistic, optimistic, and pessimistic. The realistic scenario assumes the company meets targets based on historical performance and industry growth (4.79% CAGR). The optimistic scenario assumes a 10% target increase and specific natural market growth (5.83% CAGR). The pessimistic scenario assumes a 12% decrease in revenue targets and low growth (2.5% CAGR). Risk assessment provides a broader overview of potential challenges due to economic and industry changes.

Based on pro forma results, the strategy's feasibility is assessed using tools like Payback Period (PP), Net Present Value (NPV), and Internal Rate of Return (IRR). The WACC model, calculated using the Capital Asset Pricing Model (CAPM), is used due to the company's full equity use. The PP measures the time required to recover the project's costs, with a target of less than five years. NPV assesses the

The next step involves implementing the strategy and ensuring the company can execute activities according to plans. This consists of analyzing each division's workflow and timelines to improve business performance. The study concludes with recommendations for addressing financial problems and supporting the company's goals and targets. The research provides insights into the potential financial condition, aiding decision-making, company direction, and understanding industry changes.

C. RESULTS AND DISCUSSION

This research will overcome the company issue of decreasing company performance; therefore, the output will increase company performance through financial planning. In executing this method, the company will analyze and evaluate company history activity to determine the influence factor that affected the decline and implement an alternative strategy that affected company performance.

External Analysis

Porter Five Forces Analysis

Table 1. Porter Fine Forces Analysis

Area	Level	Description
Theat of New Entrants	Moderate	• Many vendors producing perfume potentially increase the number of new brands entering the industry. • Established brands with strong customer loyalty, making it challenging for new entrants to gain a foothold. • Requires significant investment in research and development, marketing, and distribution.
Bargaining Power of Buyers	Moderate to High	• Buyers often have an extensive range of choices among different perfume brands. • Bargaining power may increase when many substitute products are available in the fragrance industry.
Bargaining Power of Suppliers	Moderate	• Several perfume brands work with multiple suppliers and have the option to switch, reducing supplier power. • Switching suppliers will impact the company's flow due to changing suppliers requiring product re-testing and ensuring quality, which will cost and take time.

Area	Level	Description
Threat of Substitute Products	Moderate to High	• Perfumes face competition from various substitutes, including body sprays, deodorants, and scented lotions. However • The unique and luxurious aspects of perfumes can reduce the direct threat from substitutes. Such as focus on innovation, exclusive formulations, and involving customers for loyalty and experience.
Intensity of Competitive Rivalry	High	• Highly competitive, with numerous established and emerging brands vying for market share. • Intense competition leads to continuous product innovation, marketing efforts, and pricing strategies.

Source: Research data, 2024

Porter's Five Forces' intensity of competitive rivalry is at a high level and has become one of the factors most influencing Saja's company due to high competitiveness and intense competition in the fragrance market, which will affect Saja's Company activity.

PESTEL Analysis

Table 2. Pestel Analysis

Area	Description
Political Factors	• Regulatory changes regarding import/export, taxation, and compliance in the fragrance industry have affected the increase in local products with lower prices than imported products.
Economic Factor	• GDP growth, data from statista.com are expected to increase in positive numbers around 4,9% from 2025-2029. • Seasonal demand in several economic conditions, such as increasing demand for several product categories during Religious holidays and the end or beginning of the year.
Social Factors	• Indonesian consumers often use perfume as a personal product, but it has become a daily life product and one of the products customers use in e-commerce. • Increasing customer awareness of eco-brand label
Tech Factors	• Advancements in fragrance extraction techniques, formulation technologies, and online marketing platforms can provide a competitive edge. Additionally, e-commerce platforms and digital marketing channels offer new avenues for reaching consumers. The unique and luxurious aspects of perfumes can reduce the direct threat from substitutes. Such as focus on innovation, exclusive formulations, and involving customers for loyalty and experience.
Legal Factors	• The industry must comply with any restrictions on specific materials or production processes. The company must have a legal brand name, and every product used on the skin must have BPOM.
Environment Factor	• Increasing the market's natural awareness can influence consumer preferences for natural and environmentally friendly products.

Source: Research data, 2024

Referring to the Pestel Analysis, most factors that influence Saja's company are economic factors due to economic conditions affecting the company's growth and social factors due to customer behavior and characteristics influencing the company's decision to align with market demand for fragrance products.

Internal Analysis

SWOT & TOWS Analysis

Table 3. SWOT & TOWS Analysis

	Strength	Weakness
	• Natural Ingredients • Customize and unique scent • Local Collaboration Unique • Concept Stress-Relief • Effect: Ability to attract customers has an interest in the natural environment or sustainability • Ability to create customized scents using essential oil • Wide distribution network	• Limited Product Range • Market Newcomer • Limited vendor capability • Lack of market awareness • High operational cost as a new brand entered the natural market • High production cost because of using natural oil • Limited capital and inefficiency company activity

Opportunity • Growing Market for Natural • Products Large potential market reach • Many Product Lines in the fragrance industries • Perfume has become a daily use product • Opportunities to have partnerships with retail stores and communities that focus on natural products • Availability of digital marketing and technology in terms of operational activity	S1O1: Expanding natural products for various uses to personal daily products and differentiated markets. S2O1:Expanding to customize scents through involving customer experience S3O5: Use the consignment system by entering the product into an offline store	W3O6: Expand digital marketing campaign to increase potential market W5O3: Develop new products with lower production costs.
Threats • Competition Brands • Economic Fluctuations • Regulation of natural ingredients utilization • Imitation by competitors Compete with established company	S3T5: Increase local collaboration to compete in Industry S1T5: Utilize natural ingredients and unique concepts to differentiate and compete with competitors.	W4T2: Increase product variety to minimize operational cost during business activity W1T1: Implement a strong differentiation strategy to protect against competitor imitation W5T5: Reducing production costs by streamlining costs through increasing the number of products on the market.

Source: Research data, 2024

Referring to SWOT and strategy development through TOWS analysis, several combinations of criteria provide insight for the company to develop its strategy; with a combination of strengths and opportunities, the company can emphasize aspects of product development, while weaknesses and threats can be overcome by pressing weaknesses and strengthening the business through exploiting opportunities in the industry fragrance.

Evaluating company performance

In order to gain insight into which factor affected the company's decline, the financial perspective will use financial statements, financial ratios, DuPont analysis, and lastly, a fishbone diagram from a financial perspective. In financial ratios, the type of ratio will use profitability ratio and activity ratio.

Table 4. Profitability Ratio

	Profitability Ratio					
	Nov	**Des**	**Feb**	**March**	**April**	**May**
Gross Profit Margin	43,1%	36,1%	62,6%	62,8%	61,0%	59,4%
Operating profit margin	-10,6%	-7,4%	4,6%	-1,4%	3,8%	26,6%
Net Profit Margin	-10,6%	-7,4%	4,6%	-1,4%	3,8%	26,6%

Source: Research data, 2024

The profitability ratio can be seen in the table above, which shows that the company faced a low operating profit margin and net profit margin from November until April and improved in May. This indicates that the company faces high operating expenses during business activity, and this is not worth it when compared with company revenue.

Table 5. Activity Ratio

Activity Ratio	
Inventory Turnover	1,08
Total Asset Turnover	0,6

Source: Research data, 2024

The activity ratio is used to measure a company's operational efficiency in using its assets to generate income. Based on the activity ratio in the table above, shown in the inventory turnover ratio, the company only has 1,08; this shows that during historical activity, the company can only sell and replace its inventory at 1,08x.

A ratio of total asset turnover of 0.6 means that every 1 of assets generates IDR 0.6 of sales. The number of amounts 0,6 can indicate this ratio is also relatively low, indicating that the company is not maximizing the use of its assets to generate income. Results of the activity ratio indicated that if a company faced low sales demand from the market, it affected or didn't effectively generate income from selling the product.

Table 6. DuPont Analysis

Dupont Analysis							
	November	December	January	February	March	April	May
Earning available for share holders	-Rp834.755,5	-Rp783.832,6	-Rp65.000,0	Rp84.470,6	-Rp227.067,5	-Rp231.932,0	Rp3.309.000,0
Sales	Rp7.728.975,0	Rp6.351.742,0	Rp0,0	Rp2.161.983,0	Rp871.000,0	Rp1.610.000,0	Rp12.500.000,0
Net Profit Margin	-10,8%	-12,3%	#DIV/0!	3,9%	-26,1%	-14,4%	26,5%
Total asset	Rp 46.665.244,0	Rp 45.881.411,0	Rp 45.816.411,0	Rp45.900.882,0	Rp 45.673.815,0	Rp 45.441.883,0	Rp 48.750.883,0
Total asset turnover	0,17	0,14	0,00	0,05	0,02	0,04	0,26
ROA	**-2%**	**-2%**		**0%**	**0%**	**-1%**	**7%**
Total Liabilities & Equity'	Rp46.665.244,00	Rp45.881.411,00	Rp45.816.411,00	Rp45.900.882,00	Rp45.673.815,00	Rp45.441.883,00	Rp48.750.883,00
LFM	**1,00**	**1,00**	**1,00**	**1,00**	**1,00**	**1,00**	**1,00**
ROE	**-2%**	**-2%**	**0%**	**0%**	**0%**	**-1%**	**7%**

Source: Research data, 2024

Referred from Dupont analysis in the table above, that indicated if the company faced weakness in generating income using assets, negative ROA from November to April indicated that the company was experiencing low capability to use assets in the form of products to generate sales and provide income. The LFM is equal to 1 because the company only uses financing from equity without debt. The low number of ROA affected decreased company ROE, indicating low company capability to generate profit from equity; the company experienced low margins to be less effective in generating profits and not yet able to maximize to generate sales.

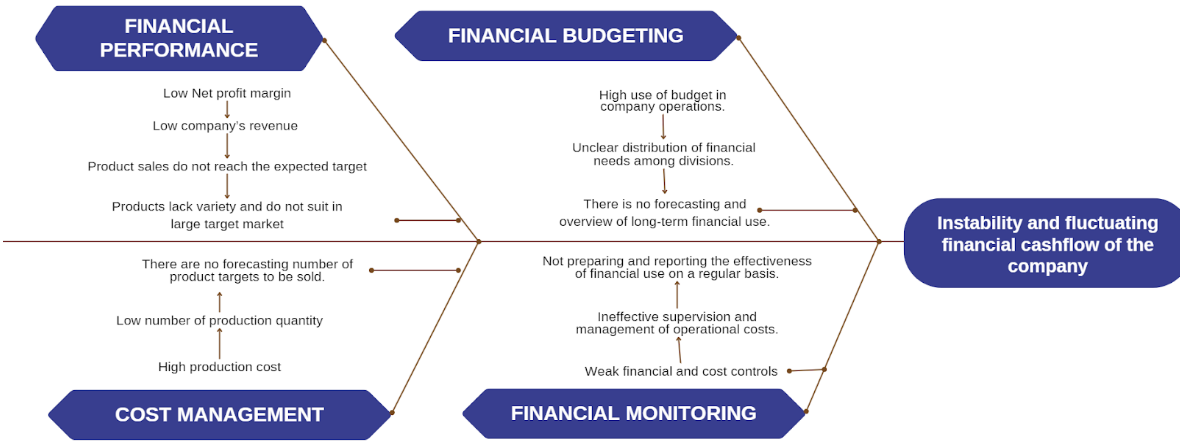

Figure 1. Fishbone Diagram

Source: Research data, 2024

Root cause analysis using the fishbone framework shows problems faced in several financial dimensions through the author's analysis. The dimension is divided into several issues in the scope of financial management as a CFO's responsibility in the company; the analysis focuses on defining the problem faced to determine four issues: financial budgeting, financial performance, financial monitoring, and cost management. The potential root cause of these problems will become insight and attention for the company in carrying out proposed actions & plans to prevent the company faced the same problem, and planning can run well to improve the company's performance.

Construct Alternative Strategy

After evaluating the company's performance during business activities, researchers gained insight into several aspects that influenced the company's decline. Therefore, the alternative strategy that will be proposed is to align with the evaluation of the company's experience and insight from internal strategy. This research aims to improve company performance, with financial goals of increasing revenue and net income and gaining establishment in financial performance. Alternative strategies that will be implemented through company performance evaluation include three alternative strategies:

Improved company financial condition through adjustments & changes in cost allocation strategies during the company activity

Table 7. Budgeting Adjustment

Account Name	Previous Budget	Budget Adjustment
Operational Cost	Didn't have strict cost allocation for operational activity	The operational cost will use a monthly fixed cost budget allocation, the projected amount of budget allocation that will use the minimum expected for operational expenses during company history. Then, for next year, the budget allocation will be based on the percentage of sales approach.
Marketing Cost	Up to 30-35% of company revenue in these months will be used for the following month.	The marketing budget allocation will use a fixed cost budget allocation; the projected size of the budget allocation will be seen from the company's history. Then, for next year, the budget allocation will be based on a percentage of sales approach. The marketing activity will adjust in several months, which is expected to have increased revenue and high demand.
Salary	Targeting 30-35% from company profit	Using a fixed budget as a minimum budget salary that will allocate IDR 1,500,000 for each person in each month and an increase of UMR wages within a third until five years.

Source: Research data, 2024

Increase income through cost efficiency in production activities.

From the analysis of problems in cost management during production activities, from a financial perspective, they are faced with problems regarding the inefficiency of allocating production costs; the company uses a relatively large budget to produce products through perfume vendors because the quantities are small. Therefore, in an effort to efficiently allocate costs in reproducing perfumes or producing new product lines, the company considers from the financial perspective to increase production quantities or minimum quantity (MOQ) of products, alignment with company planning and target to sell the product.

Increasing revenue through market expansion in the fragrance product category by creating new product lines.

As a financial goal that wants to increase revenue and also the company's income, the company will implement the expansion into product & service lines in the fragrance industry. Having additional products and significant product variants will provide an opportunity to increase the target market due to gaining a large market preference and minimizing operational costs, especially in fixed cost allocation. This product was selected based on its potential in the market and was identified as still able to use the company's strengths. The planning for making this line of products will be a strategy that will be proposed as the company's long-term plan, which will then be analyzed further in the financial aspect to see its impact on the company's performance. In the product line, specific products will be categorized based on market trends and have a high-selling product category in the fragrance industry. Below are some of the product lines identified as Saja's company's new product line.

Based on the 2019 IFRA report, personal care products are ranked 2nd as products that are willing to pay from customers. This personal care includes body lotion, body showers, and cosmetic products. Reporting from a survey conducted by compas.com to find out the best-selling products in e-commerce shows that body lotion has the highest sales value of 5.7% in the personal care product category. The second product line category is home fragrance. Saja's company wants to expand the market by entering different markets buying power through cheaper product categories; based on the company's experience, one of the products that will be developed in this category is aromatherapy sticks made from essential oils. Lastly, Saja is trying to carry out brand extension by creating perfume workshops, seeing the trend of perfume as a personal product, and creating stronger relationships with customers; these activities are expected to be effective in the second year.

After knowing the company aspect that should evaluated and having an alternative strategy, then the research will continue in the construct of financial planning divided into cash planning and profit planning. Cash planning will construct an explanation of cash inflow and cash outflow. Then, Profit planning will be constructed in financial pro forma. Lastly, the analysis uses feasibility tools and the implementation of these financial planning scenarios, consisting of Realistics, Optimistics, and Pessmistics.

Construction of Cash Planning

Table 8. Implementing of Cash Planning

	Cash Inflow			Cash Outflow	
	Sales Volume	Sales Growth (2026-2029)	Seasonal Demand	Marketing Activityy	Operating Expense
Realistic Scenario	In 2025, Company can sell a number of products every month equivalent to the product sales from company history.	4,97% (CAGR In Fragrance Industry)	• Increase demand of 20% in Ramadhan (Month 5 and 6) • Increase demand of 60% in November • Increase demand of 80% in December *E-commerce report	• Conduct 2 free event offline collaboration in each month & 1 Paid event in Bandung area • Use ads marketing • Use e-commerce shopee • Use minimum 1 KOL collaboration	• Paid for inventory purchase • Paid operational supplies • Paid Salary (Increasing salary in 3-5 years)
Optimistic Scenario	Assumes that the company can sell 10% more than in realistic assumption	5,83% (CAGR in natural industry)		• Conduct 2 free event offline collaboration in each month & 2 Paid event in Bandung area • Use ads marketing • Use e-commerce shopee & Tiktok/Tokopedia • Use minimum 2 KOL collaboration • Use e-commerce boost in several demand	
Pessimistic Scenario	Assumed if the company will have 12% lower sales volume than realistic assumption (Based on company performance)	Assume the company has low growth and have 2,5% annual sales growth		• Conduct 2 free event offline collaboration in each month & 1 Paid event in Bandung area • Use ads marketing • Use e-commerce shopee • Use minimum 1 KOL collaboration	

Source: Research data, 2024

Cash planning consists of Cash inflow & Cash outflow. Cash inflow is determined by the expected revenue that the company will receive from selling the product; therefore, in cash inflow, it will consist of revenue in the first year in 2025, revenue from annual growth in 2026-2029, and additional revenue from increasing sales in several months have seasonal demand that analyzed from e-commerce report in sales of FMCG product. Cash outflow is determined by cash allocation to paid marketing activity and expenses during operational activity.

Construction of Profit Planning

Profit planning will be presented through financial pro forma statements, including pro forma income statements, cash flow statements, and balance sheets. The pro forma income statements will detail the company's revenue, calculated by multiplying the number of sales by the selling price, and will reflect the resulting profit or loss for the period. The analysis using three scenarios shows positive net income with an annual increase from 2025 to 2026, a decline in 2027 due to increased salary expenses, and a consistent upward trend until 2029. The pro forma cash flow statements will offer an overview of the company's cash position, highlighting cash inflows and outflows from operating and financing activities. Since Saja's company has no investing activities, there will be no related entries in this section. The pro forma balance sheets will present the relationship between assets and the sum of liabilities and equity. The company's assets include cash from operating activities, inventory, prepaid buildings, supplies, and equipment, all balanced by equity and retained earnings. The company has no liabilities, as project financing is entirely covered by equity. Overall, the pro forma analysis across all scenarios indicates positive outcomes, suggesting that the company is expected to experience improved performance with the implementation of the strategy.

Cost of Capital Calculation

The cost of capital calculation will use **the** Weighted Average Cost of Capital (WACC). These projects will be financed by equity; therefore, the calculated cost of capital will be calculated using the Capital Asset Pricing Model (CAPM). The result of WACC will compared with the IRR results in feasibility analysis to identify the worth of the company using the equity to finance the project.

Table 9. WACC Calculation

Unlevered Beta Calculation		Capital Asset Pricing Model (CAPM)	
Debt to Equity Ratio	26,8%	Unlevered Beta	-0,016
Margin Tax Rate	20%	Risk-free rate (Rfr) (SR020-TS)	6,40%
Levered Beta	-0.02	Market of Return (Rm) (IHSG)	4,71%
Unlevered Beta	-0,017	Cost of Equity	6,43%
		CAPM	6,43%

Source: Research data, 2024

The number of beta benchmarks to go public company is PT. Mandom Indonesia has a beta of -0,02. The number of betas below 0 or negative indicates that the movement up or down in the issuer's share price is inversely proportional to the movement of the IHSG. Increasing the IHSG number indicated an improved economic condition that affected economic growth and potential company growth rate through CAGR. The risk-free rate using government obligations within a tenor in 5 years, using SR020-T5, has the number at 6,4%. The return market uses the number of changed IHSG from 2022 to July 2023, which is 4,17%.

Feasibility Analysis

Feasibility analysis will use three frameworks: a payback period between future value and present value, IRR, and NPV number.

Table 10. Feasibility Calculation

Feasibility	Criteria	Realistic	Optimistic	Pessimistic
Payback Period (FV)	< 5 Years	3,02	2,77	4,07
Payback Period (PV)	< 5 Years	3,32	2,90	4,45
IRR	> WACC (6,45%)	34%	48%	24%
NPV	Positive	Rp187.702.142	Rp292.707.871	Rp121.842.241,51
		Acceptable	**Acceptable**	**Acceptable**

Source: Research data, 2024

Referring to the feasibility analysis through 3 frameworks such as PP, IRR, and NPV. The results shown in the Payback Period measured is the initial investment, which must be returned in less than five years according to the expectations of implementing the strategy; from the analysis of the Payback period, both in terms of future value and present values have expected in implementing this strategy will have a return on capital in less than five years. Companies have positive NPV numbers, which shows that strategic planning will generate profits. The IRR indicated in all scenarios has a total IRR greater than the CAPM analysis of 6,45%. This indicates that the potential return is higher than compared with equity as an investment.

Implementation Plan

After analyzing and assessing alternative strategies, the result of the strategy will be implemented. Then, the company needs to create an implementation plan to ensure the availability of internal resources and the suitability of activities. Saja's company has four main powers in different areas: executive, financial, operational, and marketing. This chapter will discuss the division of tasks and plans that must be carried out in planning, executing optimally, and achieving company goals. The implementation plan is designed from July 2024-2029, where the 2024 period is the company's preparation stage while starting 2025-2029 is the execution strategy and more complex plan implementation. The implementation plan is designed monthly, quarterly, or at a particular time through priority and is necessary in the process of driving the company to improve its performance and growth.

The implementation plan for 2025-2029 will be visualized in the form of a Gannt chart, which is divided every month and provides a figure of activities from each division and the time or duration of their implementation. The Gannt chart table will be used to assist and monitor the progress of activities and planning to ensure that it is in accordance with the timeline and that the implementation strategy can run well. The task activity in Gantt is divided based on capabilities resources in the company that consist of 4 C-Levels: Executive, Operating, Marketing, and Finance. The Chief Executive or CEO will be responsible for managing the team as a whole internal company, making sure the strategy and activity will align with company objectives, vision, and mission, handling internship recruitment, and communicating with external parties. The Chief Executive of Operations or COO will have a responsibility that focuses on the product, specifically in creating a product tester, product evaluation, and production process through communication with the vendor; also responsible for conducting quality control for the product. The Chief of Marketing or CMO has responsibility specifically for marketing activities such as research and conducting event offline activation or activating digital marketing, utilizing several tools in marketing aspects to increase awareness and gain a potential customer purchase. The Chief of Finance or CFO is responsible for the company's financial management aspect, collecting and having records of financial use during business activity and making sure the company activity is from a financial perspective.

CONCLUSION

Based on the company's activities during the last quarter of 2023 to the second quarter of 2024, identifying if the company did not define the planning from a financial perspective for business activity, therefore the result during company history is facing problems with inconsistent revenue, low revenue growth, and fluctuated cash flow conditions indicated of decreased company performance. From the financial analysis carried out using the profitability ratio, several problems were found, including factors that influenced the decline in company performance, such as low net profit margins due to the high operational costs. From the activity ratio, low inventory turnover indicates low sales. Dupont's analysis shows that the company has a low rate of return on assets and equity, which indicates that the company faces inefficiency problems when using its assets and equity to generate profits. Apart from that, several issues were also found that were experienced by the company through fishbone analysis and identifying the probable root cause, such as the company didn't define forecasting for financial use & product target, lack of product variety and options, and weak financial and cost control, these issues that became a concern for the company to evaluate the financial activity to improve the financial model and have a better plan for running the business.

As a long-term strategy, the company wants to escalate through improving business performance within company goals to become a fragrance company known for natural products and gaining more market share; therefore, to ensure the company's ability can establish itself in the market, financial planning is needed to ensure company ability and performance conditions in the future through implementing an improved adjustments & changes of cost allocation strategies during the company activity, Increase income through cost efficiency in production activities, and gaining revenue from expanding product market. The implementation of this financial planning is calculated through cash planning and profit planning approaches. Then, the strategy implementation is also identified through feasibility analysis, using PP, IRR, and NPV frameworks, resulting in a strategy that is feasible for implementation and expected to increase revenue growth and company performance. The finance division will be responsible for correcting several unfulfilled activities that are found at the root of the problem. Therefore, to ensure the company will achieve objectives and goals, each division should follow the implementation plan as an overview of activity should be conducted to make planning a success and achieve increased company performance.

Based on the experience of companies facing several financial issues, it is found that an important factor in running a business is ensuring the company's capabilities through careful financial planning. Proper planning can provide a broader picture of the company's financial scheme and plans for the business to perform well. Apart from that, companies need to have targets and goals to achieve so that the activities and strategies carried out will be in line with the goals to be achieved. In carrying out this planning, to help achieve company targets, the involvement of all parties from each division is required. Each division will have different roles and responsibilities but will be mutually sustainable in achieving company goals. Planning and forecasting through 3 scenarios will also provide a broader picture for companies in predicting income levels, which are influenced by various conditions such as declining sales, industry conditions, and market change. This makes the company more flexible in predicting revenue and ensures the company's ability to survive these changes. The suitability of the plan can be used to assist internal parties in carrying out business activities and making decisions that can influence the projected plans. This research only analyzes the company's situation and compares it with similar companies. Data is limited only through time frames and company benchmark information. Further analysis can be carried out to analyze more deeply the state of the industry and information from similar companies about the situation in the perfume industry to find out other factors that might be the cause of the decline in company performance.

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