Analysis of Receivables Turnover at PT. Primarindo Asia Infrastructure Tbk Bandung 2019-2021 Period

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Abstact

PT Primarindo Asia Infrastructure Tbk Bandung, a company specializing in the production and marketing of sports/casual footwear, has faced fluctuations in receivables and an annual increase in provisions for the impairment of receivables during the period 2019-2020. This indicates challenges in receivables management and an escalation of the risk of payment failure by debtors. The objective of this research is to analyze receivables turnover and identify obstacles as well as efforts made by PT Primarindo Asia Infrastructure Tbk Bandung in addressing receivables turnover issues. This research utilizes a descriptive quantitative approach to analyze data by illustrating situations using numerical figures, which are subsequently analyzed to present research findings in the form of a research report. Data collection methods involve non-participant observation and interviews. Data analysis techniques use receivables turnover ratios and average collection periods, applying evaluation standards based on Kasmir's theory. Based on the research findings, it is revealed that receivables turnover from 2019 to 2021 is below the evaluation standard set by Kasmir's theory, stating that the ideal receivables turnover is around 15 times.

Keywords: Accounts Receivable Turnover

1. Introduction

The increasingly rapid business growth in the current era of globalization means that companies must be able to compete effectively in an ever-changing market. In facing global dynamics, companies must be able to innovate, increase work efficiency, and expand market coverage to expand business connections to increase competitiveness in a sustainable manner. The company's success in achieving sustainable growth depends on the company's ability to adapt and improve its performance amidst increasingly tight business competition. Companies in implementing their strategies will of course be different from other companies in order to achieve their main goal of gaining profits. The variety of strategies implemented by each company results in competition between these companies (Ul Maknunah & Lestari, 2018).

The increasing competition between companies in gaining profits now means that companies in providing services to their customers must be carried out optimally considering that the tight competition between companies currently has almost no gaps.(Sutrisno, 2017:51). So, in the business world, competition between companies is something natural as an effort to achieve success. Companies competing with other companies is a strategic step to expand and develop their business. Companies need to consistently make efforts to increase company value and carry out effective company management so that the company remains competitive effectively. This is not only to achieve company goals, but also to ensure that the company can adapt and survive in a dynamic business environment.

Companies in the decision making process will generally refer to financial reports as the main reference. Financial reports have a function not only to describe the company's financial condition, but also to function as a tool to direct the course of the company and also to set company goals. With financial reports, companies can understand financial conditions which can then help the company in planning strategic steps and achieving effective business goals. A financial report is a document that contains detailed financial data information in the form of a report, which provides a detailed overview of the financial condition of a company. Financial reports can not only provide information for internal purposes, but are also aimed at external parties, such as shareholders, investors and other stakeholders.

This aims to provide transparent and accurate information to these parties regarding the company's financial condition and performance. Through financial report information, it not only helps in the decision-making process but also contributes to building trust from all parties involved, including external parties such as shareholders and other parties. Financial reports are prepared over a certain time period with time periods covering three months, six months and generally one full year. In each of these time periods, financial reports provide a comprehensive picture of the company's financial performance over a certain period of time. By presenting information regularly, financial reports provide a deeper understanding of the company's financial development and will make it easier for the company to analyze and carry out more effective evaluations of its performance.

The company's development is influenced by several factors, and one of them is the level of sales. Sales are interactions between sellers and buyers which are followed by the exchange of goods or services with a means of payment such as money. Sales can be classified into two categories, namely cash sales, namely direct sales with immediate payment and credit sales, namely sales with payment at a later date. Cash sales are transactions where payment is made directly by handing over a certain amount of money to the cashier at the time of the transaction(Anggraeni, 2020). Meanwhile, credit sales are sales that occur when goods or products are sent in advance according to the buyer's order, and as a result, the buyer has an obligation to pay the bill according to the agreed time.(Sitorus & Kurniawan, 2021).

Companies implementing a credit sales system create a condition where customers have the responsibility to make certain payments which are referred to as receivables. In this situation, the company makes it easy for customers to pay a certain amount within a certain time after the transaction occurs. This forms a more complex business relationship, where receivables management becomes an important aspect in the company's financial management.

Receivables management needs to be managed well by the company to prevent bad debts and to maintain the stability of the company's profits. The more companies implement a sales policy with a credit scheme, the higher the proportion of assets involved in receivables will be(Sulindawati et al., 2017). The level of sales achieved by the company will determine the extent to which the company invests in receivables. The greater the sales volume, the more likely the company is to be involved in managing receivables. Receivables are assets that arise as a result of credit sales carried out by the company. This happens because the company provides products or services to customers with deferred payment requirements, creating obligations that will be received in the future. Companies sell goods by providing credit payment alternatives not only to make a profit, but also by selling credit, this results in losses. One of the advantages of credit sales is increasing the number of products sold which in turn can increase company revenue and profits. By providing easy credit payments to customers, you will also have the opportunity to attract more customers and demand for goods. This can effectively strengthen overall business growth by creating more attractive conditions for consumers to make purchases.

On the other hand, credit payments also put the company at risk of experiencing losses if the debtor is unable to fulfill its obligations. In the realm of accounting, these losses are known as bad debts. This situation brings the company to face challenges because the bad debts must be recorded as a loss in the financial statements, which can ultimately affect the company's net profit. Therefore, it is very important for companies to manage credit risk and implement receivables handling strategies to maintain the company's financial stability. Companies have the authority to determine certain levels of receivables when calculating receivables turnover in their financial management(Lestiowati, 2018). Receivables turnover is a ratio used to show how quickly a company's receivables can be converted into cash. Receivables turnover plays a role in determining the duration of time needed to collect receivables and also determines the amount of receivables that are successfully collected. This data is used to design credit policies that are appropriate for the next period

The more efficient the turnover of receivables, the greater the amount of receivables that can be collected(Lestiowati, 2018). This shows that the company is able to manage its receivables more quickly and is successful in getting payments from customers. PT Primarindo Asia Infrastructure Tbk Bandung is a company operating in the footwear sector, especially in the production and marketing of sports/casual shoes for local and international markets. In the initial stages of its establishment, the company focused exclusively on producing sports shoes for the international market. After sales to the international market stopped in 2002, the company took strategic steps to start expanding shoe sales in the domestic market by launching its own brand, namely "Tomkins". Until now, this brand has succeeded in achieving success throughout Indonesia. Apart from producing and marketing shoes under the "Tomkins" brand, the company also expands its services to the international market by accepting orders for the production of other brands of shoes to be exported, such as*Lonsdale, Dunlop, Firetrap*, and others.

In implementing a credit sales policy, companies must ensure that the growth of their receivables remains controlled, without experiencing a significant increase. This aims to show that the company is able to manage receivables well, so that sales can continue to increase income in a sustainable manner. This strategy is also needed so that companies can maintain a balance between increasing sales and effective control of receivables.

As the amount of receivables increases, the risks faced by the company increase. In fact, quite a few companies are trapped in bankruptcy as a result of receivables that cannot be optimally collected. Therefore, receivables management must be carried out effectively in order to reduce financial risks and maintain company sustainability. By carrying out credit sales, a situation is created where receivables can arise, and therefore companies need to be prepared to face the risk of uncollectible receivables. Companies need to implement effective strategies to reduce the potential negative impact of bad debts on the company's cash flow and financial stability. Irrecoverable receivables have no guarantee of legal protection, making resolution in court a difficult challenge(Sutrisno, 2017:52). Thus, companies must be able to identify and anticipate potential risks from unrecoverable receivables by conducting a comprehensive evaluation of the company's receivables. These proactive steps are key to managing and mitigating the possible impact of non-payment of receivables, so that companies can maintain a healthy financial balance.

This research aims to explore receivables management at PT Primarindo Asia Infrastructure Tbk Bandung during the 2019-2021 period and conduct an analysis of the company's receivables turnover. Apart from that, this research also aims to identify the obstacles faced and the efforts made by PT Primarindo Asia Infrastructure Tbk Bandung in overcoming the problem of receivable turnover.

2. Literatur Review

Understanding Financial Reports

According toKasmir (2017:7), the financial statements are: “A report that shows the company's current financial condition or in a certain period. The purpose of a financial report that shows the company's current condition is the company's financial condition on a certain date (for the balance sheet) and a certain period (for the profit and loss statement). Usually financial reports are prepared per period, for example three months or six months for internal company purposes. Meanwhile, broader reports are carried out once a year. In addition, with financial reports, the company's current position can be known after analyzing the financial reports."

Financial reports allow a company to determine the direction it will take, both now and in the future, by identifying possible weaknesses and shortcomings. Therefore, preparing financial reports must follow the applicable rules so that they can be easily read and understood

Understanding Receivables

There are several experts who put forward definitions related to receivables, such as according toKasmir (2017:41)"Receivables are company claims to other parties which have a maturity of no more than one year."

Receivables arise due to the existence of another entity that has an obligation to pay the company. The majority of receivables come from sales transactions using a credit system, but can also arise as a result of the company providing loans to employees, investors and other parties.

In the context of receivables, various problems often occur, especially in the form of receivables that are difficult or even uncollectible. Therefore, it is very important to implement receivables management optimally so that receivables can be managed and accepted by the company. Success in collecting receivables will convert them into cash flow, which will ultimately make a positive contribution to company profits.

Receivables Classification

Power(2016:36) identified three main classifications for types of receivables. This classification helps in understanding various aspects and characteristics of receivables owned by the company. The following is a further explanation regarding each type of receivables.

1) Accounts receivable (*Accounts Receivable*)

Accounts receivable refers to the amount that a company must receive from debtors as a result of selling goods or services by providing credit. The normal balance of trade receivables is located on the debit side, in accordance with the characteristics of the normal balance of assets. Accounts receivable are generally assumed to be collected immediately, with a relatively short collection period, often ranging from 30 to 60 days. After being successfully billed, the accounts receivable balance will decrease and be recorded on the credit side.

2) Notes Receivable (*Notes Receivable*)

Notes receivable include bills given by the company to the note maker. In this context, the person who creates the note receivable is the party who has an obligation to the company, either through purchasing goods on credit or because of a loan of a sum of money.

The debtor who owes the company will commit to paying the obligation and interest within the time period agreed by both parties. This payment commitment is generally recorded in the form of a bill of exchange or other written statement, which is the basis for the company to collect and record repayment of the note receivable.

3) Other receivables (*Other Receivable*)

Other receivables are a category of receivables that are identified and reported separately on the company's balance sheet. Examples of other receivables involve various types of claims, including interest receivables, dividend receivables, tax receivables, and bills from employees. This grouping allows companies to better understand and manage various sources of debt in the context of their business activities.

Understanding Financial Report Analysis

Definitions related to financial statement analysis are explained by: Diana (2018:15) said that "Financial report analysis is the process of studying trends in financial position to determine considerations for the company's future development." Financial report analysis plays a crucial role in the company context. This analysis process provides very meaningful information regarding the company's weaknesses and strengths. Through understanding these weaknesses and shortcomings, companies can easily evaluate their performance over a certain period, providing in-depth insight into aspects that need to be improved or strengthened in order to improve the health and sustainability of the business.

Liquidity Ratios and Their Types

The liquidity ratio is an indicator used to assess the extent to which a company is able to meet its debt obligations that are due in the short term. To strengthen the concept of liquidity ratios,Kashmir (2017:130) defines that "Liquidity ratio or often also called working capital ratio is a ratio used to measure how liquid a company is".

Sulindawati (2017:135) "The liquidity ratio is a ratio that is needed in analyzing a company's financial statements, because the liquidity ratio is a ratio that shows the company's ability to fulfill short-term obligations that the company must fulfill immediately."

Generally, the main purpose of using liquidity ratios is to evaluate a company's ability to pay its short-term obligations. If a company has the desire to measure its ability to pay obligations more specifically, this depends on the type of liquidity ratio applied.

According toJusup (2011:493) In practice, to carry out comprehensive financial ratio measurements, companies can utilize various types of available liquidity ratios. Some types of liquidity ratios that a company can use to assess its capabilities include:

1) Current Ratio (*Current Ratio*)

The Current Ratio is a liquidity indicator used to evaluate a company's ability to meet short-term obligations that are due soon. The current ratio involves a comparison between the current assets owned by the company and the current liabilities that must be settled immediately. The current ratio calculation is done by dividing total current assets by total current liabilities.

Current assets include all company assets that can be converted into money in a short time. The current asset component involves cash, marketable securities, receivables, inventory, and other current asset elements. Meanwhile, current liabilities are obligations that must be completed within a maximum period of one year. Current debt components include trade payables, salary payables, tax payables and other debts. By understanding the current ratio, a company can measure the extent to which it can meet its short-term obligations with the assets it owns.

2) Quick Ratio (*Quick Ratio*)

The quick ratio or acid test ratio is an indicator that describes a company's ability to pay its short-term debt using current assets, but without taking into account the value of inventory. In calculating the quick ratio, the inventory value is not included because the process of converting it into money takes relatively longer time. This practice is adopted when a company is in urgent need of obtaining quick funds to meet its obligations.

Assets that have high liquidity, such as cash, short-term investments, and accounts receivable, compared with inventory and prepaid expenses, are the focus of the quick ratio. The quick ratio calculation is done by dividing the amount of cash, short-term investments, and trade receivables by the total current liabilities or debt. This ratio provides an idea of how efficiently a company can meet its short-term obligations without relying on inventory sales.

3) Receivables Turnover

This ratio is used to assess how quickly an asset can be converted into cash. The ratio specifically used to measure the liquidity of receivables is known as receivables turnover. This receivables turnover ratio shows how often the company is able to collect payments on its receivables in a certain period.

The formula for calculating receivables turnover is as follows:

Apart from receivables turnover, there is also the term average receivables collection period which is measured in days. The way to calculate the receivables turnover period is as follows:

Calculation of the receivables collection period is often used by analysts to assess the effectiveness of company policies regarding granting credit and the timing of receivables collection.

4) Inventory Turnover Ratio

The inventory turnover ratio is an indicator used to measure how often the inventory owned by a company is sold in a certain period. This ratio is not only useful for measuring inventory liquidity, but also provides information about how quickly inventory can be replaced over a period of time. Inventory turnover calculations provide an overview of the company's inventory management efficiency in managing and selling its stock of goods.

Receivables Turnover

Selling on credit can be a strategy to increase sales volume and simultaneously increase company profits. However, this sales policy also has an impact on the company's investment in receivables. Therefore, companies need to carry out analysis to measure the efficiency of receivables management.

To measure the level of receivables efficiency, it can be done using two main formulas, namely the receivables turnover rate and the receivables collection period. The receivables turnover rate provides an idea of how often a company can collect payments on its receivables in a certain period. Meanwhile, the receivables collection period presents information in the form of days for how long the company can collect payments on its receivables.

Analysis using these two formulas helps companies evaluate the efficiency and sustainability of credit sales policies, as well as providing useful insights for better receivables management. "There are several definitions regarding accounts receivable turnover, as stated byKasmir (2017:176). According to him,": “Receivables turnover is a ratio used to measure how long it takes to collect receivables during one period or how many times the funds invested in these receivables are turned over in one period. The higher the ratio indicates that the working capital invested in receivables is lower (compared to the previous year's ratio) and of course this condition is getting better for the company. Conversely, if the ratio is lower there is over investment in receivables. It is clear that the receivables turnover ratio provides an understanding of the quality of receivables and the success of receivables collection.” Based on Sukamulja (2019:101)“*Receivables Turnover* reflects how large a proportion of receivables are in the company's sales.

WhereasDiana (2018:60) revealed that "*Receivable Turn Over* used to measure the level of receivables turnover by dividing the credit sales value by the average receivables.

According toSutrisno (2017:52) "Receivables turnover is a measurement of the level of efficiency of receivables."

Based on the views of experts as stated above, it can be concluded that receivables turnover is an indicator used to assess a company's efficiency in managing or collecting receivables. This measurement is done by dividing total sales by the average amount receivable. Thus, receivables turnover provides an illustration of the extent to which a company can be efficient in its receivables collection process.

According toKasmir (2017:176-177) The formula for calculating receivables turnover is as follows: As a note, if data regarding credit sales is not available, you can use total sales figures as a substitute. According toSutrisno (2017:53)The formula for calculating the period for which funds are tied up in receivables or the Average Collection Period is as follows:

Factors influencing receivables turnover

Companies that implement a credit sales policy, which results in receivables, of course have advantages and risks. According toSutrisno (2017:51)The amount of funds invested by the company in the form of receivables is influenced by several factors, including:

1) Amount of Credit Sales Volume

The volume of credit sales provided by the company to debtors will influence the amount of investment the company makes in receivables. The greater the volume of credit sales provided, the greater the investment the company makes in receivables. Even though credit sales can bring profits to the company, the company must still ensure the availability of sufficient funds to run its business operations.

The company's decision in determining credit sales volume must take into account the risk of bad debts.

Although investing in receivables can generate profits, companies also need to be prepared to face possible risks when receivables cannot be paid. Therefore, policies regarding the size of credit sales volumes must be prepared carefully.

Conversely, the smaller the sales volume that the company provides to debtors, the less the company's investment in receivables. This can reduce risks related to bad debts, but needs to be balanced with strategies to maintain or increase company profits.

2) Payment terms

In credit sales, there are generally receivable payment terms that determine when the receivables are due, as well as information regarding the possibility of giving discounts. For example, a company may provide payment terms to debtors in the format 5/10 – n/60. This means that if debtors pay their receivables no later than the 10th, they are entitled to a discount of 5% of the total receivables. The final payment deadline is 60 days from the date of sale.

In this example, the longer the credit period the company provides, the greater the investment the company makes in receivables. Therefore, companies carrying out credit sales need to carefully consider the payment terms set. This is important so that investment in receivables can be managed efficiently without taking too long.

3) Credit Ceiling

In a credit sales system, companies usually set a credit ceiling or maximum credit limit that can be taken by debtors. The size of the credit ceiling provided by the company tends to depend on the size of the debtor's business and the level of trust the company has in the debtor. The greater the credit ceiling provided, the greater the investment the company makes in receivables.

Determining an appropriate credit ceiling is key in managing receivables risk. Companies need to carefully consider the debtor's repayment ability, payment history, and financial stability before determining the credit ceiling. In this way, investment in receivables can be maintained in balance and reduce risks related to non-current payments.

4) Customer Payment Habits

The size of the funds invested in receivables is influenced by various factors, one of which is the payment terms set. Companies often offer discounts or payment reductions as incentives for debtors who pay receivables early.

If debtors tend to pay their receivables early by taking advantage of discounts provided by the company, this means that the company's investment in receivables will be smaller. On the other hand, if debtors pay their receivables when they are due, the company's investment in these receivables will be greater.

By considering debtor payment habits regarding discounts, companies can design payment terms strategies that optimize receivables management, maintain liquidity, and reduce the risks associated with investing in receivables.

5) Policy in Collection of Receivables

In fact, providing receivables within a company is often easier than the collection process. Policies for granting receivables can vary, some are implemented strictly and others are implemented more loosely.

If the company implements a strict receivables policy, then if a debtor does not pay the receivables when they are due, the company will not provide further credit until the receivables are paid off. On the other hand, companies that implement a loose receivables policy will continue to provide credit to debtors even though payments have not been made on time.

Thus, the stricter the receivables collection policy, the smaller the company's investment in receivables. Conversely, the looser the receivables collection policy, the greater the company's investment in receivables. The choice of this policy depends on the company's strategy regarding risk management, liquidity and relationships with customers.

3. Research Methods

This method is an approach used to analyze data by describing certain situations through the use of numbers. These figures are then analyzed to produce information that will be presented in the form of a research report. The quantitative data obtained by researchers in this research is in the form of the company's annual financial report.

In preparing this research, research techniques were used that were sourced from primary data and secondary data. The primary data is non-participant observation which is a collection technique by making observations carried out by researchers but without going directly into daily activities. Apart from that, other primary data is the structured interview technique, which is a data collection technique that is carried out by conducting questions and answers about the data needed in this research to dig up information where the questions have been prepared by the interviewer. Secondary data in this research is obtained from financial report data sourced from*website* PT Primarindo Asia Infrastructure Tbk Bandung via the website https://www.primarindo.co.id/relation/annual-report.html. In this research, the data collected is annual financial report data for the 2019 – 2021 period.

Apart from that, in preparing this research, literature study was also used by reviewing books, notes, journals related to the problem under study.

4. Research Results and Discussion of Receivables Turnover Analysis at PT Primarindo Asia Infrastructure Tbk Bandung for the 2019-2021 Period.

a) Receivables Turnover

Average receivables is the result of initial receivables which is the amount of receivables at the beginning of the period and final receivables is the amount of receivables at the end of the period by adding the initial receivables and final receivables then dividing them by 2 to get the average receivables during the period. Calculating the average receivables can then provide an idea of how quickly the company can collect receivables from customers within the specified time.

Average Receivables from PT Primarindo Asia Infrastructure Tbk for the 2019-2021 Period

Year	Initial Receivables	Final Receivables	Average Receivables
2019	11.240.108.092	9.840.287.674	10.540.197.883
2020	9.840.287.674	3.943.379.976	6.891.833.825

2021	3.943.379.976	5.164.683.885	4.554.031.931

From the results of calculating the average receivables at the company PT Primarindo Asia Infrastructure Tbk, there is a nominal decrease in the average receivables each year. Where, in 2019 the average receivables had the highest nominal amount, namely IDR. 10,540,197,883. Because the nominal amount for the initial receivables and final receivables for that period has the highest nominal value compared to the average receivables in 2020 and 2021. The average receivables in the 2010 period have a nominal value of IDR. 6,891,833,825. Meanwhile, the average receivables in 2021 have a nominal value of IDR. 4,554,031,931, which is the minimum nominal of the company's average receivables because in 2021 the initial receivables and final receivables have the smallest nominal amounts.

After calculating the average receivables, the company can use this information to calculate receivables turnover. The process of calculating accounts receivable turnover involves dividing a company's total credit sales by its average accounts receivable. Average receivables are usually calculated by adding up the opening and ending balances of receivables for a certain period, then dividing by two.

PT Primarindo Asia Infrastructure Tbk Receivables Turnover for the 2019-2021 Period

Year	Sale	Average Receivables	Rotation Receivables
2019	126.478.581.670	10.540.197.883	12
2020	57.050.904.827	6.891.833.825	8
2021	41.842.213.373	4.554.031.931	9

Based on the table above, it can be seen that the overall turnover of receivables at PT Primarindo Asia Infrastructure Tbk has experienced fluctuations. Overall, receivables turnover from 2019 to 2021 is below the Kasmir theory assessment standard which states that the receivables turnover assessment standard is 15 times. The same thing was said byAstutisari et al., (2020) said that the industry standard for accounts receivable turnover is 15 times.

Based on the results of observations and interviews, it was found that the company's receivables turnover during the 2019 to 2021 period was below the standard ratio. This is caused by several interrelated factors. First, in facing the impact of the Covid-19 pandemic, a number of large companies implemented credit easing policies to attract customers. The aim of this policy is to help customers who are experiencing financial difficulties due to the impact of the pandemic. However, this policy had an impact on the company's receivables turnover, because customers who were given credit easing postponed payment of their obligations to the company.

Furthermore, companies also face obstacles in developing new products and expanding their distribution networks. This can have a negative impact on accounts receivable turnover.

This is because limited variation in the company's business portfolio can affect customer interest and hinder sales. In this context, companies have not been able to attract customers with innovative new products, and have experienced difficulties in expanding their distribution networks.

Apart from that, the company's sales also experienced a decline as a result of face-to-face teaching and learning policies which were still limited during those years. In this context, the company experienced a decline in demand for school shoes, which is one of the products generally needed by students during teaching and learning activities. This decrease in demand can have an impact on the company's receivables turnover, because decreased sales result in customers paying more slowly or even experiencing financial difficulties in paying their obligations to the company.

b) Receivables Collection Period

Generally, the average collection of receivables is 30 days to 60 days. This is to ensure that the company can collect the receivables given by the company to customers within a reasonable time period.

PT Primarindo Asia Infrastructure Tbk Receivable Collection Period 2019-2021 Period

Year	Receivables Turnover	Receivables Collection Period
2019	12	30
2020	8	43
2021	9	39

Generally, the average collection of receivables is 30 days to 60 days. This is to ensure that the company can collect the receivables given by the company to the customer in a reasonable period of time.

Overall, the company's receivables collection period for 2019-2021 is below the Kasmir theory industry assessment standard, which states that ideally the receivables collection period is under 60 days. Based on the results of observations made, even though the company's receivables turnover in 2019-2021 was below industry assessment standards, several debtors paid quickly. In addition, the company offered early payment discounts so that customers could pay before the due date, so that the receivables collection period was below the assessment standards.

5. Obstacles and Efforts in managing PT Primarindo Asia Infrastructure Tbk Bandung's receivable turnover

a) Obstacles in managing PT Primarindo Asia Infrastructure Tbk Bandung's receivable turnover.

To complete the analysis regarding receivables turnover at PT Primarindo Asia Infrastructure Tbk based on calculations of receivables turnover and based on interviews. If you look at the results of the calculation of receivables turnover from 2019 to 2021, receivables turnover is below the industry standard proposed by the Cashmere theory. Based on these discrepancies, there are several obstacles in managing accounts receivable turnover, including the following:

1. Too loose credit policy

The company provides a credit policy that is too loose, in which case the company continues to give receivables back to debtors who have not paid the previous receivables. This loose credit policy does have a positive impact, namely it can increase the company's sales volume, but if this loose credit policy continues, it can of course cause problems with receivables in the form of customers who may not be able to pay their receivables or these customers have a high credit risk, thus causing an increase risk of bad debts.

2. Business portfolio is still lacking

The company has not been able to develop new products that are able to attract and expand the product marketing distribution network. A company not having a variety of products is certainly risky for the company, especially considering that this company's products have experienced a decline in market demand over the last three years. This causes a decrease in sales which causes problems with receivables because it is difficult for the company to collect funds back from customers who have not paid their receivables.

3. Intense competition makes customers delay payments.

Increasingly tight competition, including from imported shoes at relatively cheap prices, has caused customers to delay or even not pay their receivables to the company. Intense competition causes customers to be more selective in choosing business partners. If customers feel that the company is unable to compete in terms of price or product quality, these customers will look for other more profitable business partners. In this situation, the customer delays or even does not pay his receivables to the company because the customer feels that the company does not provide sufficient value.

4. Weak economic growth causes customers to have difficulty making payments

Weakening economic growth has a major impact on the business world. This also has an impact on customers who experience difficulty in paying their receivables to the company. When economic growth weakens, many people or companies experience financial difficulties, making customers unable to pay their receivables.

When customers have difficulty paying their receivables on time, of course this will cause problems for the company. The company experienced difficulties in managing its cash which ultimately affected the company's ability to fulfill its obligations.

b) Efforts in managing PT Primarindo Asia Infrastructure Tbk Bandung's receivable turnover.

Receivables turnover below the standard ratio is of course a serious problem for companies. This is because it can hamper the company's cash flow and if receivables are delayed for too long it can of course reduce the company's ability to pay its debts and operational costs, which in the end can of course have a negative impact on the company's reputation.

Therefore, based on observations and interviews, the company made efforts to overcome obstacles in the receivables turnover process, including:

1. Establish a clear credit policy

One of the efforts made by companies to overcome company obstacles in dealing with receivables problems is by establishing a clear credit policy. This clear credit policy contains procedures and requirements that must be fulfilled by prospective debtors who wish to obtain credit from the company. There are several things that need to be considered in establishing a clear credit policy, including: setting clear payment deadlines for debtors in order to encourage debtors to make payments on time, conducting credit risk assessments for prospective debtors who wish to obtain credit by analyzing financial reports. and also its credit history, and establishing clear credit terms such as credit interest so that the company can minimize possible risks.

2. Increase the efficiency of the receivables collection process

Companies need to improve the efficiency of the receivables collection process in order to prevent bad credit. In this case the company needs to take several actions including:

a) Companies must routinely monitor customers so they can take action against customers who have exceeded the payment deadline.

b) The company sends payment reminders to customers via telephone and also emails to customers who have missed the payment deadline.

c) The company provides incentives to customers who make payments more quickly in the form of discounts, this is done to encourage customers to pay on time.

3. Negotiate receivables payments

Receivables turnover that is below the standard ratio will cause serious problems for the company's cash. This can hinder the company from fulfilling its obligations. Therefore, it is important for companies to increase receivables turnover. Negotiating receivable payments is one way to overcome receivable turnover. This can be done by providing flexible payment options to customers, such as giving discounts to customers who make full payments.

4. Strengthen business portfolio

The company continues to strive to strengthen its diverse businesses through developing attractive new product designs and expanding its distribution network. In the midst of declining retail sales, including in the footwear sector, companies responded by creating special shoe designs at more affordable prices, while maintaining the quality of the materials and design. The hope is that this strategy will increase the company's sales value. Apart from that, as an effort to increase sales, the company provides various attractive sales discounts.

6. Conclusions

The results of the analysis of receivables turnover at PT Primarindo Asia Infrastructure Tbk Bandung, receivables turnover in 2019 to 2021 cannot be said to be good because the results are still below the Kasmir theory assessment standard where ideally receivables turnover is 15 times. Meanwhile, the receivables collection period is in 2019 to 2021, the company is in Collecting the receivables has gone well, this is because the results of this figure are below the cashmere theory assessment standard, which ideally is under 60 days.

The obstacles faced by companies in managing receivables turnover include: credit policies that are too loose, business portfolio development strategies that are still lacking, intense competition makes customers delay payments, weak economic growth causes customers to have difficulty making payments. Meanwhile, the company's efforts to overcome this problem include establishing a clear credit policy, increasing the efficiency of the receivables collection process, negotiating receivables payments and strengthening the business portfolio.

7. Recommendation

1. Companies need to tighten the criteria for potential debtors and evaluate the suitability of potential debtors more thoroughly. Companies also need to monitor and evaluate receivable payments regularly so they can identify potential debtors who have high credit risk or are unable to pay their receivables.

2. If this is related to the lack of a business portfolio which causes sales and accounts receivable turnover to decrease, companies need to innovate and develop new products that can expand the distribution network and increase sales. Companies must carry out market studies to find out current trends and consumer needs, so that later they can adjust marketing strategies and products offered.

3. Customers who have financial difficulties, PT Primarindo Asia Infrastructure Tbk can overcome this by offering payment delays with certain conditions or can also offer payment by making several installments.

4. PT Primarindo Asia Infrastructure Tbk should be able to maintain communication with customers to ensure that customers are always connected to the company. One method that can be implemented by companies is to send short messages to customers regarding payment of receivables as a reminder. In this way, companies can remind customers to be more proactive in paying their receivables.

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