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Sustainable Profitability with Assets Management Analysis: A Case Study of PT Tri Ananda Pratama Balikpapan – Indonesia

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ABSTRACT: *The company's operational activities aim to generate profits to survive and be competitive. Efforts to generate maximum profits cannot be separated from the effective use of company assets The objective of this study is to assess asset management at PT. Tri Ananda Pratama Balikpapan from the perspectives of receivables, inventories, fixed assets, total assets, and working capital turnover to sustain sustainable profitability as determined by net profit margin (NPM) from 2017 to 2019. Ratios are used by the analytical tool; the activity ratio, which includes the working capital, fixed asset, inventory, and account receivable turnover ratios, is one type of ratio that is used. In addition, the net profit margin (NPM) ratio is employed to assess the ongoing profitability of the business. The research results demonstrate that total asset turnover, inventory, fixed assets, and accounts receivable can all raise NPM. However, NPM cannot be raised by working capital turnover. Based on the research results, it is implied that companies can optimize their use by detailing and understanding the needs and life cycle of assets. This will help reduce waste and increase operational efficiency*.

Keywords: *account receivable turnover, fixed assets turnover, inventory turnover, sustainable profitability, total assets turnover, working capital turnover*.

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INTRODUCTION

Rapid industrial development and increasingly fierce competition encourage companies to continue to improve their operational efficiency and effectiveness. One of the key factors in achieving this goal is good asset management. PT. Tri Ananda Pratama Balikpapan, as a major player in this industry, must ensure that its company assets are managed optimally to achieve maximum levels of profitability. The company's operational activities aim to generate profits in order to survive and have strong competitiveness. Efforts to generate maximum profits cannot be separated from the effective use of company assets because the use of assets in a company is closely related to a company's ability to generate profits (Yulianto & Suryaningrum, 2019). The activity ratio is one measuring tool that can be used to see a company's ability to use its assets.

Measuring the company's financial performance actually carries out measurements in accordance with the standards set by the company. On this occasion, the author will analyze and observe the relationship between usage assets and the company's ability to generate profits (profitability). The indicator of successful company performance is profit. The ultimate goal that a company wants to achieve, the most important thing, is to obtain maximum profit or profit; apart from other things, the profit of a company is an important thing that must be paid attention to by company management. Management uses various methods to analyze and maintain company profits, including financial ratio analysis.

Every company activity uses assets in its operational activities. It will produce a rate of return on the assets that have been used, namely in the form of profits, which profitability ratios can measure. Wild & Subramanyam (2018: 47) stated, "The asset utilization ratio relates sales to various categories of company-owned assets. The higher the asset turnover ratio, the more efficient the company uses its assets to generate profits." Companies that can use their assets efficiently and effectively will be able to use them continuously and repeatedly to generate maximum profits for the company. The assets owned by the company are used as maximally as possible to create profits or advantages for the company. This explains the close relationship between the company's ability to manage its assets and its ability to generate company profits (profitability).

PT. Tri Ananda Pratama Balikpapan is a company engaged in transportation services, mining, and heavy equipment. PT. Tri Ananda Pratama Balikpapan uses all its assets intending to maximize profits. Problems that occur at PT. Tri Ananda Pratama is always buying new heavy equipment units. Still, if it is not accompanied by a new contract and heavy equipment rental, the company will be unable to profit. Effective and efficient use of assets will help the company produce good performance to generate profits for the company and create company value that shows the company's prospects in the future. Even though PT. Tri Ananda Pratama has been operating for quite a long time, but there are still challenges in asset management that can affect the company's profitability. The problem is how to improve asset management to achieve a significant increase in profitability. Therefore, based on the problem faced by the company, the research questions is as follows:

RQ: Do an assets management analysis regarding accounts receivable, inventory, fixed assets, total assets, and working capital turnover to maintain profit sustainability with the Net Profit Margin aspect of PT. Tri Ananda Pratama Balikpapan 2017-2019?

To answer the research question (RQ), this research aims to conduct an in-depth asset management analysis at PT. Tri Ananda Pratama Balikpapan with a focus on increasing profitability. In this way, it is hoped that it can provide strategic recommendations to help companies optimize the use of their assets. Although much research has been conducted regarding asset management and strategies to increase profitability (Gavrikova et al., 2020; Petchrompo & Parlikad, 2019), there is still a void of information regarding its practical application in the context of PT. Tri Ananda Pratama Balikpapan. Some research is only general in nature and has not touched on the specific characteristics of certain industries or companies.

This research provides added value by focusing on implementing asset management concepts specifically at PT. Tri Ananda Pratama Balikpapan. By involving the unique aspects of this company, it is hoped that this research can provide a more specific and applicable view for achieving increased profitability. In addition, adopting the latest technology and best practices in the industry is also an integral part of this research, making it innovative and relevant. Thus, this research can positively contribute to understanding and implementing better asset management to achieve optimal profitability goals at PT. Tri Ananda Pratama Balikpapan.

LITERATURE REVIEW

Assets Management

Understanding Asset Management, according to Brigham & Houston (2019:94):

> "The ratio known as asset management is used to assess how well a business uses all of its resources. Sales, receivables collection, and other areas are a few examples of the carried-out efficiencies. The ability of the business to perform everyday tasks is also evaluated using the activity ratio. It will be evident from the activity ratio measurements' outcomes whether the business is more productive and efficient at managing its assets, or whether the contrary is true."

The measurement's outcomes will provide a variety of insights into the operations of the organization, enabling management to assess its success to date. The outcomes, for instance, can demonstrate how long it takes to collect a receivable within a given time frame. These outcomes are contrasted with measurement outcomes from a number of earlier times. In addition to measuring working capital turnover, fixed asset turnover in a given period, use of all assets against sales, and other ratios, this ratio is also used to calculate the average number of days that inventory is kept in the warehouse.

The measurement's outcomes make it evident whether the company's current state can meet the set goals for this time frame. In the event that they fall short of the goal, management needs to be able to identify why. On the other hand, should you succeed in reaching the predetermined goal, it ought to be sustained or even raised for the subsequent cycle (Hidayati et al., 2019).

By contrasting the sales level with the asset investment during a given time period, the activity ratio is calculated. This implies that the intended balance between sales and assets like inventory, receivables, and other fixed assets will hopefully be achieved. The primary aim of this ratio is to assess management's capacity to utilise and maximise owned assets. These activity ratios are all about comparing sales and investment volumes across different asset classes. Activity ratios make the assumption that sales and different asset components, including inventory, fixed assets, and other assets, should be well balanced. At a certain sales threshold, low assets will have more excess cash imbedded in them. It would be preferable to use these extra monies to purchase other, more profitable properties. It can be described as the company's capacity to perform day-to-day operations or as the capacity to sell, collect receivables, and make use of held assets (Kasmir, 2014:240).

Analysis of Assets Ratio

Financial report analysis is a process of researching financial reports and their elements which aims to evaluate and predict the company's financial condition and evaluate the results that the company has achieved in the past and present. Understanding Financial Ratio Analysis, according to Brigham & Houston (2019:94):

> "Financial reports will report the company's position at a certain point in time as well as its operations during a period in the past. However, the true value of financial statements lies in the fact that they can be used to help forecast future profits and dividends."

According to Sutrisno (2019:21): "Financial report analysis is the relationship between a number in a financial report and other numbers that have meaning or can explain the direction of change (trend) of a phenomenon." Experts can conclude that the definition of financial ratios is a measure used in the interpretation and analysis of a company's financial reports. The definition of ratio is actually a tool expressed in "arithmetical terms" which can be used to explain the relationship between two types of finance.

Account receivable turnover

Account receivables in a company are closely related to sales made on credit. The analyst will calculate the turnover rate of receivables or known as turn over receivable. namely the comparison between total credit sales (net) and average receivables (beginning balance of receivables plus ending balance of receivables divided by two). According to Manullang et al. (2020), a larger ratio (turn over) indicates a smaller working capital investment in receivables, and a lower ratio indicates an overinvestment in receivables. Additional investigation is necessary to determine whether credit and collection is inefficient or whether credit granting guidelines have changed (Manullang et al., 2020).

Inventory Turnover
The effectiveness of managing merchandise inventory is gauged by the inventory turnover ratio. This ratio, which illustrates how effectively management controls the capital in inventory, is a widely used metric for evaluating operational efficiency. Inventory turnover can alternatively be seen as a ratio that indicates the frequency with which inventory items are replaced over the course of a year (Kwak, 2019). The smaller this ratio, the worse it is, and vice versa. The derivative of inventory turnover is the number of days to sell inventory.

Fixed Asset Turnover
A comparison of sales and fixed assets is shown by this ratio. The amount of rupiah of net sales created for every rupiah invested in fixed assets, or fixed assets turnover, is a measure of how well monies incorporated in fixed assets, such as factories and equipment, are used to generate sales (Krylov et al., 2020). This ratio is helpful in assessing how well a business uses its resources to generate revenue. A sluggish or low turnover rate could indicate that the capacity is too large, that there are many fixed assets that are underutilized, or that there are other factors at play, such as an excessive investment in fixed assets relative to the expected output value. Therefore, a greater ratio indicates a more efficient utilization of fixed assets (Deo, 2021; Fadila & Suryaningrum, 2023).

Total Assets Turnover
When asset turnover is expressed as a percentage of sales volume, it is known as total assets turnover. Therefore, a higher ratio indicates a more effective use of total assets in driving sales and indicates that assets can turn over more quickly and generate profits. Stated differently, an increase in assets turnover might result in a sales volume increase with the same number of assets. For creditors and business owners, total assets turnover is crucial, but for management it will be even more crucial since it will demonstrate how effectively all of the company's resources are being used (Chandra et al., 2021).

Working Capital Turnover
The ratio known as working capital turnover measures the amount of business activity based on the difference between current assets and current liabilities. It also indicates how many sales (measured in rupiah) a company can make for every rupiah of working capital. The ability of working capital (net) to rotate during a company's cash cycle is known as working capital turnover. As long as the business in question is open for business, working capital is always being used or circulated within it (Jasmani, 2019; Simorangkir, 2019). From the time money is invested in working capital components until it is converted back to cash, it is the working capital turnover period. The turnover rate (or turnover rate) increases with a shorter period of time. The length of the turnover period for each component of working capital determines the length of the working capital turnover period.

Profitability Ratio
Recognizing Profitability, Sutrisno (2019:16) defines this ratio as the "ability of the company to generate profits with all of the capital working in it." The ratio known as Net Profit Margin, which calculates a company's net profit after deducting interest, operating expenses, and corporate taxes, is one way to gauge profitability (Kasmir, 2014:196). Making comparisons between different financial report components is one way to use profitability ratios. The objective is to track the company's growth over a given time period, determine whether it is increasing or decreasing, and identify the factors that led to these changes (Putri & Suryaningrum, 2023).

RESEARCH METHOD

Research Focus
This research was conducted at the company PT Tri Ananda Pratama Balikpapan from 2017 to 2019. The focus of this research is on the PT. Tri Ananda Pratama Balikpapan's ability to maintain and increase the company's sustainable profits. Asset management analysis was carried out using financial ratios from information on the Company's Financial Report for 3 years, from 2017 to 2019. The financial ratios used were the account receivable turnover, inventory turnover, fixed asset turnover, total asset turnover, and working capital turnover ratios. These ratios are compared with profitability ratios with the net profit margin (NPM) measure. Figure 1 shows the research framework.

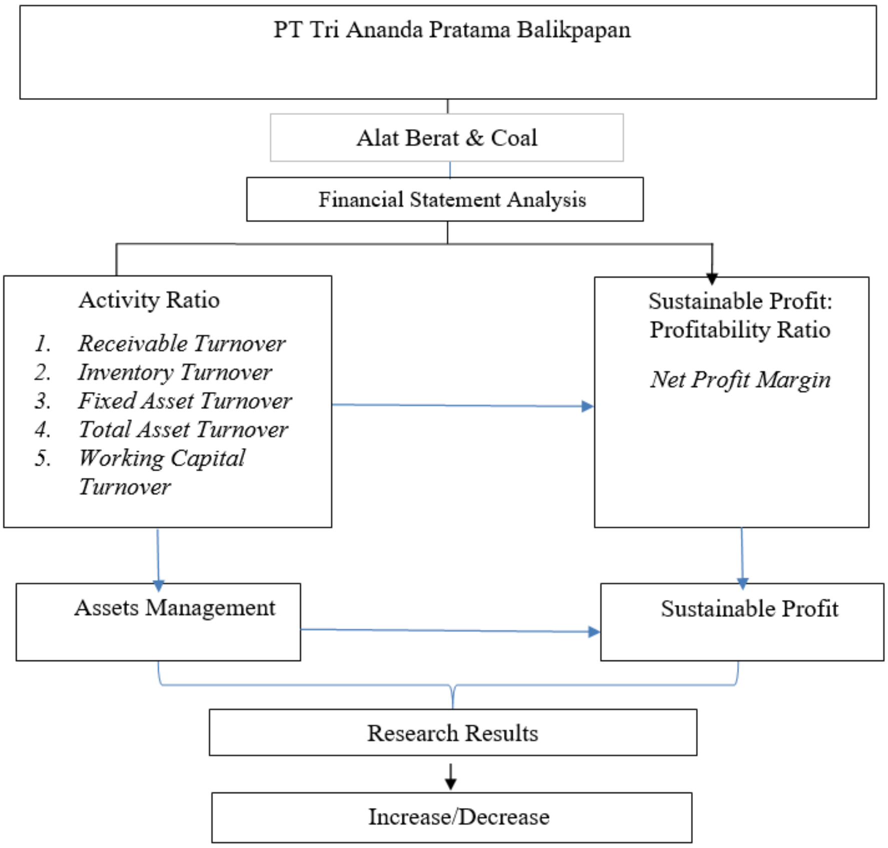

Figure 1. Research Framework

Ratio and Data Analysis

Table 1 shows the ratios used for asset management analysis, which consist of: account receivable turnover, inventory turnover, fixed asset turnover, total asset turnover, working capital turnover ratios, and net profit margin.

Table 1. Financial Statement Ratios

No	Financial Ratios	Equation
1	Receivable Turnover (RTO) The ratio measures 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 ratio indicates that the company manages receivables well (Wild & Subramanyam, 2018)	$\text{Receivable Turnover} = \frac{Sales}{Receivable\ average}$
2	Inventory Turnover (ITO) The ratio measures how many times the funds invested in this stock rotate in 1 period. This ratio is known as the inventory turnover ratio. The inventory turnover ratio measures the efficiency of managing merchandise inventory (Wild & Subramanyam, 2018).	$\text{Inventory Turnover} = \frac{Sales}{Inventory\ average}$
3	Fixed Assets (FATO) The ratio measures the number of times funds invested in fixed assets rotate in one period. To measure whether the company is using the full capacity of fixed assets or not (Wild & Subramanyam, 2018).	$\text{Fixed Assets Turnover} = \frac{Sales}{Fixed\ Assets}$

No	Financial Ratios	Equation
4	Total Assets (TATO) The ratio measures the level of efficiency in using the company's overall assets to generate a certain sales volume (Wild & Subramanyam, 2018).	$\text{Total Assets Turnover} = \frac{Sales}{Total\ Assets}$
5	Working Capital Turnover (WCTO) The ratio measures business activity against the excess of current assets over current liabilities and shows the number of sales (in rupiah) that the company can obtain for each rupiah of working capital. Working capital turnover is the ability of working capital (net) to rotate within a company's cash cycle period (Kasmir, 2014:250).	$\text{Working Capital Turnover} = \frac{Sales}{Curret\ Assets - Current\ Liabilities}$
6	Net Profit Margin (NPM) The ratio measures the gross profit that can be achieved from the amount of net profit sales (Sutrisno, 2019:16).	$\text{Net Profit Margin} = \frac{Income\ after\ Tax}{Sales}\ x\ 100\%$

Source: Stated in the table.

Based on the ratio in Table 1, the financial ratios of assets management are analyzed by comparing the ratios trend with the sustainable profit represent by the net profit margin. Using the comparison, then it is determined whether the assets management ratios can increase or decrease the profitability.

RESULTS AND DISCUSSION

General Overview of PT. Tri Ananda Pratama Balikpapan

Establishment of PT. Tri Ananda Pratama Balikpapan is inseparable from the history of sea port management system policies in Indonesia, before 2010 sea port management was carried out by 8 (eight) business entities. PT. Tri Ananda Pratama Balikpapan Harbor is a Privately Owned Business Entity, located on Jl. Gunung Sari No. 130 Balikpapan which operates in the field of providing and providing public services for users of port services which is a water location formed and located in one of the cities in East Kalimantan which is used as a berth and mooring place for ships carrying out loading and unloading activities of goods from within and abroad as well as between islands and locally.

The company vision is to become an international standard port services company that is independent and healthy and ensures the sustainability of the national transportation system.

Their first mission is to develop a business that can provide optimal profits for the owner and provide quality services on time at reasonable rates Figure 2 shows the organization structure of PT. Tri Ananda Pratama Balikpapan. The organization structure includes general manager as the top management, engineering manager, financial manager, and human resource manager.

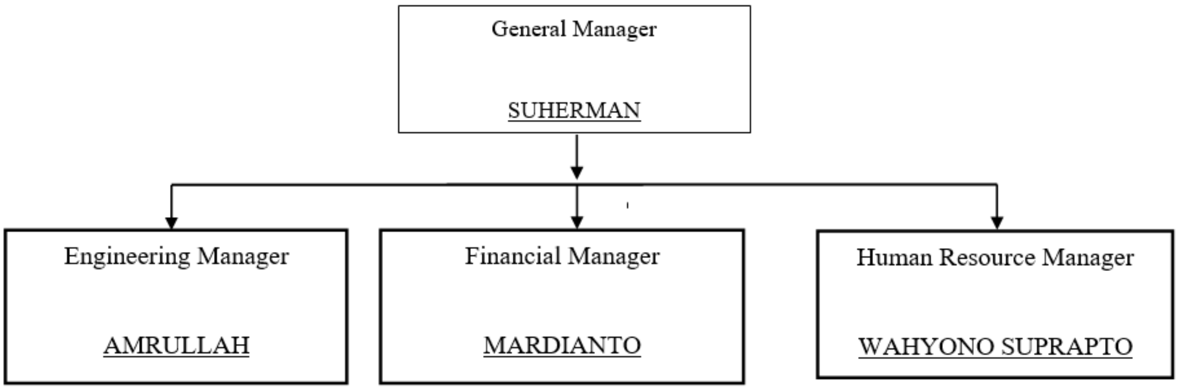

Figure 2. Organization Structure of PT. Tri Ananda Pratama Balikpapan
Source: PT. Tri Ananda Pratama Balikpapan

Financial Report Data

The financial ratios are calculated from the balance sheet and profit and loss financial statements of PT. Tri Ananda Pratama Balikpapan for three years, from 2017 to 2019. The data obtained was assessed on asset management, activity, and profitability ratios.

Table 2. Data from Financial Statements 2017-2019 (in Rupiah)

Account	2017	2018	2019
Sales	109.091.900.512	145.945.715.507	169.926.152.313
Account Receivable	3,938,944,412	10,469,265,843	4,412,810,144
Inventory	75,020,600	48,893,694	57,736,578
Fixed Assets	64.548.737.878	46.233.428.686	54.681.887.995
Total Assets	73.616.370.905	67.438.707.187	73.727.886.598
Current Assets	5,142,369,540	10,105,245,706	8,757,606,825
Current Liabilities	2,673,483,053	22,129,651,880	12,916,957,570
Net Income	51.346.753.953	70.649.943.033	85.418.964.087

Source: Financial Statements PT. Tri Ananda Pratama Balikpapan

Fixed asset management or management is an accounting process that aims to track the status of company assets, including location, condition and other distinguishing characteristics of each asset. Investment in fixed assets is an investment of relatively large value for the company. For this reason, company management must manage and supervise its use so that it functions optimally so that it can produce maximum products. Goals to be achieved in managing fixed assets (Deo, 2021).

Control over the existence of company fixed assets/inventory. In this case, asset managers must still ensure that all asset data is valid and can be cross-checked with actual existing facts. Validity of asset value. The value of existing fixed assets must be known quickly. Fixed assets experience depreciation or other changes. Fixed asset maintenance. Existing fixed assets need to receive maintenance and historical data (Muftinisa et al., 2017). It is hoped that good management of the company's fixed assets will provide maximum profits for the company. This can be proven by high returns on fixed assets, efficient investment in fixed assets, good management and supervision of fixed assets and so on. Efficient management of fixed assets can be seen from the company's policies regarding these assets (Fadila & Suryaningrum, 2023; Hidayati et al., 2019).

The fixed asset turnover ratio calculates how many rupiah of net sales are produced for every rupiah invested in fixed assets, and is used to assess how effectively monies incorporated in fixed assets, such as plant and equipment, are used to create sales. The efficiency with which a business uses all of the resources at its disposal is gauged by the activity ratio. Every activity ratio compares sales and investment levels across different asset classes. Based on Table 2, the following tables is the calculation of each ratio based on PT. Tri Ananda Pratama Balikpapan financial report for the period 2017 to 2019.

Account Receivable Turnover Ratio and Profitability

The Interview summary with the general manager and financial manager about account receivable is as follows:

> "*Account receivable is defined as the right to collect a sum of money from the seller to the buyer arising from a transaction. Policies regarding trade receivables involve credit policies and aging analysis of receivables. We collect receivables that are due immediately. Therefore, it is very rare for accounts receivable to be delinquent.*"

Table 3 shows the account receivable turnover ratios for three year, 2017 to 2019. Net Profit Margin which shows an increase explains that the relationship between the two is unidirectional, meaning that the higher the Receivables Turnover, the higher the Net Profit Margin. This answers the phenomenon stated previously which occurred at PT. Tri Ananda Pratama Balikpapan described the company's success in speeding up collection times and cooperation from debtors who paid their obligations according to the agreements that had been made. There is a relationship between receivables turnover and net profit margin where the recorded margin was an increase in receivables turnover from the previous year, and was not followed by a margin which actually experienced a decrease in that year.

Table 3. Account Receivable Turnover Ratio and Profitability

Ratio Analysis	2017	2018	2019	Conclusion
RTO	27,32kali	13,79kali	38,18kali	Increase
NPM	48 %	49 %	51 %	Increase

Source: Data Processed (2022)

Based on the growth in Table 3, the growth in Receivable Turnover (RTO) receivable turnover from 2017 to 2019. In 2017 it was 27.32 times, in 2018 it was 13.79 times to 2019 it was 38.18%. Method to determine the growth rate, a comparison was made between the final year (2019) and the base year (2017). Increase in Profitability (Net Profit Margin) from 2017 to 2019. In 2017 it was 48%, in 2018 was 49% to 2019 was 51%. The way to find out the growth rate is to compare the final year (2019) with the base year 2017, so there is an increasing relationship between RTO and NPM.

NPM assesses a company's efficiency in turning a profit from sales, whereas RTO assesses how rapidly it collects its receivables. A company's Receivable Turnover may rise if it is successful in streamlining its operations, particularly the receivables collection procedure. If sales and receivables are comparable, then handling receivables well can indicate overall operational effectiveness. Improved methods for managing receivables may also be linked to a rise in net profit margin. Effective receivables management allows businesses to expedite the collection process, which raises Receivable Turnover. Consumers with higher Receivable Turnover tend to pay their bills faster or more regularly. Increases in Net Profit Margin could be an indication of client pleasure and loyalty, which could impact how quickly receivables are paid. Receivable Turnover may rise in tandem with a rise in net profit margin if there is a corresponding improvement in the quality of sales, such as a rise in cash sales or a rise in the proportion of sales that do not result in receivables.

Inventory Turnover Ratio and Profitability

The Interview summary with the general manager and financial manager about inventory is as follows:

> *"One sort of current asset that is rather substantial in a business is inventory. This is understandable as inventory plays a crucial role in ensuring the business runs smoothly. Inventory is defined as materials or commodities that are on hand as of the balance sheet date, or as materials or goods that will be sold, utilized, or processed soon within the regular course of the business."*

To measure inventory management efficiency, inventory turnover ratio, and number of days' sales in inventory are used. Table 4 shows the growth in inventory turnover (ITO) from 2017 to 2019. In 2017, it was 1435 times; in 2018, it was 2952 times. In 2019, it was 2918 times. The way to find out the growth rate is to compare the final year (2019) with the base year (2017)—an increase in Profitability (Net Profit Margin) from 2017 to 2019. In 2017, it was 48%; in 2018, it was 49% in 2019, it was 51%. The way to find out the growth rate is to compare the final year (2019) with the base year 2017. Thus, both ITO and NPM are increased over time.

Table 4. Inventory Turnover Ratio and Profitability

Ratio Analysis	2017	2018	2019	Conclusion
ITO	1435kali	2952kali	2918kali	Increase
NPM	48 %	49 %	51 %	Increase

Source: Data Processed (2022)

While net profit margin measures the percentage of net profit from sales, inventory turnover evaluates how rapidly a company may deplete its inventory of items. The corporation might boost its sales activity if its Net Profit Margin rises as a result of higher net sales (sales after deducting the cost of products sold). Because merchandise sells out more quickly as a result, inventory turnover may rise. Businesses with higher inventory turnover tend to be more efficient in all aspects of their operations, including inventory management (Listalia & Suryaningrum, 2023). Inventory can be managed and sold more effectively if higher Net Profit Margin is complemented by improved operating efficiency. Improved inventory management techniques may also be reflected in an improvement in Net Profit Margin. Businesses that are adept at identifying slow-moving items, keeping an eye on inventories, and effectively managing inventory cycles may see a rise in inventory turnover. Let's say that more market demand for the company's products is the reason for the growth in Net Profit Margin. Then, as items sell out more rapidly, this may result in more sales and ultimately higher inventory turnover.

Fixed Assets Turnover Ratio and Profitability

The Interview summary with the general manager and financial manager about fixed assets is as follows:

> *"Our businesses acquire fixed assets through purchases from other individuals or businesses, or we can create or build our own. These assets can be used for over a year in the business's operational activities to support or generate the desired output. Decisions to purchase fixed assets need to be planned considering the large investment for company operations and sustainability."*

The way a business uses its assets—such as buildings, cars, machinery, and office supplies—to support business operations is demonstrated by its fixed asset turnover. Although the fixed asset turnover ratio (FATO) is significant to creditors and business owners, management will find it even more crucial since it indicates how effectively all of the company's fixed assets are being used. The ratio known as FATO represents fixed asset turnover as a function of sales volume.

The FATO ratio should be as high as possible. This demonstrates that higher sales are directly correlated with more efficient fixed asset management. The profitability ratio displays the profitability of the business in relation to equity, total assets, and sales. The efficiency with which a corporation uses its facilities increases with its profitability. The ability of a business to use its assets to generate profits is gauged by return on assets, or ROA. Using all of its cash (assets), the corporation has made a certain amount of return on assets, which is measured by this ratio.

Table 5. Fixed Assets Turnover Ratio and Profitability

Ratio Analysis	2017	2018	2019	Conclusion
FATO	1,67 kali	3,12 kali	3,08 kali	Increase
NPM	48 %	49 %	51 %	Increase

Source: Data Processed (2022)

Based on Table 5, the growth in fixed asset turnover Fixed Asset Turnover (FATO) from 2017 to 2019. In 2017 it was 1.67 times, in 2018 it was 3.12 times to 2019 it was 3.08 times. The way to find out the growth rate is to compare the final year (2019) with the base year (2017). Increase in Profitability (Net Profit Margin) from 2017 to 2019. In 2017 it was 48%, in 2018 was 49% to 2019 was 51%. The way to find out the growth rate is to compare the final year (2019) with the base year 2017, so that FATO and NPM both increased.

Whereas NPM assesses a company's proportion of net profit from sales, FATO assesses how well it uses its fixed assets to produce revenue. A business may have extra money when its net profit margin rises, which it might use to fund further activities. With prudent management, businesses can use these funds to maximize productivity, reduce fixed asset turnover, and maximize the utilization of their fixed assets. Companies can invest more productive and efficient fixed assets if their net profit margin increases. Increased Fixed Assets Turnover is supported by more efficient and contemporary assets, which typically yield higher income per unit. In fixed asset management, productivity can be raised, and fixed asset turnover can follow through on the use of cutting-edge technologies and creative procedures. An increase in overall operational efficiency may also be reflected in a rise in Net Profit Margin. A company's fixed assets turnover may rise if it can improve production capacity, cut down on idle time, and manage its fixed assets more effectively.

Total Assets Turnover Ratio and Profitability

The Interview summary with the general manager and financial manager about total assets turnover ratio is as follows:

> *"This ratio indicates the extent to which assets have been employed for business purposes or the number of times assets have been turned over in a certain time frame. If examining this ratio over a number of time periods reveals an upward tendency, it suggests that increased asset efficiency will translate into higher commercial results."*

Total Asset Turnover will show the effectiveness of using funds embedded in all assets in generating sales for a company. The management will be able to assess the company's performance thus far by using the measurement's results to learn various aspects of its operations. A high Total Asset Turnover indicates good management. Conversely, if the ratio is low, management must evaluate its strategy, marketing, and capital expenditure and reduce some less productive assets. All company assets must be utilized optimally, encouraging the company's productivity and profitability. Total assets turnover is important for creditors, company owners, and company management to know. The greater this ratio, the better (Simorangkir, 2019). This research is about the effect of total assets turnover on profit growth, which has been carried out before. The research results on total assets turnover on profit growth, among other things, concluded that total assets turnover on profit growth.

Table 6. Total Assets Turnover Ratio and Profitability

Ratio Analysis	2017	2018	2019	Conclusion
TATO	1,46 kali	2,14 kali	2,28 kali	Increase
NPM	48 %	49 %	51 %	Increase

Source: Data Processed (2022)

Table 6 shows the growth in Total Asset Turnover (TATO) from 2017 to 2019. In 2017, it was 1.46 times; in 2018, it was 2.14 times. In 2019, it was 2.28 times. The way to find the growth rate is to compare the final year (2019) with the base year (2017) — the increase in profitability (net profit margin) from 2017 to 2019. In 2017, it was 48%; in 2018, it was 49% in 2019, it was 51%. The way to find out the growth rate is to compare the final year (2019) with the base year 2017. Thus, TATO and NPM both increased.

While NPM evaluates the proportion of net profit from sales, TATO assesses how well a business uses all of its resources to produce sales. A corporation may be able to reinvest more funds into its operations if its net profit margin rises. The corporation can maximize the usage of all of its assets by allocating this money effectively, which raises Total Assets Turnover. A company's Total Assets Turnover may benefit from improved operational management, which includes asset use. A business can also be able to expand its manufacturing capacity with higher earnings. Total Assets Turnover may rise if increased production is attained without a corresponding increase in assets.

Working Capital Turnover Ratio and Profitability

The Interview summary with the general manager and financial manager about working capital turnover ratio is as follows:

> *"Working capital in our business is an investment invested in current assets or short-term assets, such as cash, bank, securities, receivables, inventories and other current assets."*

A ratio called working capital turnover (WCTO), is used to evaluate how well a company's working capital performed over a specific time period (Jasmani, 2019; Simorangkir, 2019). A low working capital turnover rate may indicate that the business has more working capital than it needs. This could be brought on by excessively high cash balances, receivables, or sluggish inventory turnover. Similarly, excessive working capital turnover could result from low cash balances, excessive inventory turnover, or excessive accounts receivable turnover. 7. One measure used to evaluate a company's profitability is the profitability ratio. This ratio also gives an indication of how well a company's management is doing its job. The earnings from sales and investment income demonstrate this. 8 The Net Profit Margin (NPM), sometimes known as the net profit margin, is one of the ratios that make up the profitability ratio. The more productive the company performs, the higher the Net Profit Margin (NPM), which will boost investors' trust in lending money to the business.

Table 7. Working Capital Turnover Ratio and Profitability

Ratio Analysis	2017	2018	2019	Conclusion
WCTO	43,59 kali	18,10 kali	28,85 kali	Decrease
NPM	48 %	49 %	51 %	Increase

Source: Data Processed (2022)

Table 7 shows the growth of Working Capital Turnover (WCTO) from 2017 to 2019, in 2017 was 43.59 times, in 2018 was 18.10 times to 2019 was 28.85, experiencing a decline. The way to find out the growth rate is to compare the final year (2019) with the base year (2017). Increase in Profitability (Net Profit Margin) from 2017 to 2019. In 2017 it was 48%, in 2018 it was 49% to 2019 it was 51%. The way to find out the growth rate is to compare the final year (2019) with the base year 2017 with the company's working capital decreasing, while NPM increasing. This results did not support the findings from Amanda et al. (2023), financial measures show that profitability (ROA) and working capital turnover

(WCTO) have improved quarterly each year. The working capital turnover variable (WCTO) significantly and favorably affects the degree of profitability, according to the t-test results.

Net Profit Margin calculates the proportion of net profit from sales, whereas Working Capital Turnover assesses how well a business uses working capital to create sales. Even while net profit margin declines, working capital turnover might rise if a business can more effectively manage its inventory, receivables, and other short-term liabilities. Businesses may take action to cut back on excess inventory, but doing so may result in lower gross profits, which have an impact on net profit margin. Reducing inventory without negatively impacting sales has the potential to raise working capital turnover. Enhanced management of short-term obligations, such accounts payable, can also contribute to a rise in working capital turnover. Even though it might not immediately boost profitability, this can improve working capital utilization efficiency. The composition and turnover of working capital can be impacted by modifications to market conditions or changes in corporate strategy. Working Capital Turnover can be positively impacted by these adjustments, even if they might not be as strict as those pertaining to net profit.

CONCLUSION

Through in-depth asset management analysis at PT. Tri Ananda Pratama Balikpapan, it can be concluded that efforts to increase company profitability require an integrated approach and focus on optimizing asset management. The research results show that increased management of trade receivables, inventory, fixed assets and total assets will be accompanied by increased in profitability. Based on the research results, it is implied that by detailing and understanding the needs and life cycle of assets, companies can optimize their use. This will help reduce waste and increase operational efficiency. While there is a potential relationship between increasing Net Profit Margin and Receivable, Inventory, Fixed Assets, Total Assets Turnover, it is important to note that company and industry context also greatly influences these dynamics. In addition, it is necessary to carry out further analysis and understanding of the specific factors that influence the company's financial performance.

Although this study provides significant insights, several limitations need to be acknowledged. These limitations include limited historical data, resource constraints, and external factors that cannot be fully controlled. To manage assets more efficiently, it is recommended that companies first consider implementing an integrated information system to facilitate real-time monitoring and analysis of asset data. Second, it is important to develop clear policies in asset management, including procedures for procurement, maintenance, and replacement of assets. Third, companies should develop training programs related to asset management to improve team skills and knowledge.

Combining these findings and implementing the suggestions presented, hopefully PT. Tri Ananda Pratama Balikpapan can optimize its asset management, which in turn will support the achievement of profitability goals in a sustainable manner. Overall, this research provides a solid foundation for developing more effective and efficient asset management strategies in the future.

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Abbreviations
Receivable turnover (RTO), inventory turnover (ITO), fixed asset turnover ratio (FATO), total asset turnover (TATO), working capital turnover (WCTO), net profi margin (NPM).

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