



The Influence of Cash and Receivables Management on Liquidity in Trading Companies in Makassar Central Market

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Abstract

The research examines the effects of cash flow management and receivables control on business liquidity at trading companies within Makassar Central Market. The research investigates how operational cash flow management together with receivable processes support financial reliability when informal credit systems exist in conjunction with restricted formal financial institution services. The researchers conducted quantitative surveys with 100 market trading companies to apply regression analysis on cash and receivables management effects on liquidity levels. Liquidity enhancement arises from effective cash management and especially from receivables management according to research findings. Businesses can decrease their reliance on outside financing sources while satisfying short-term debts by handling receivables effectively in order to receive cash flow improvements in a timely manner. The analysis identifies the necessity for financial management systems which fit specific situations encountered in informal markets that lack traditional accounting systems. The research contributes useful knowledge about liquidity management in small enterprises while providing valuable advice to trading companies which aim to develop their financial management methods. The study outlines prospective recommendations for improving market trader financial skills while expanding their access to official financial products.

Introduction

Every business entity depends heavily on liquidity as its core financial health factor but trading operations need it most since market conditions remain dynamic and volatile. Traders operating at the Makassar Central Market in Indonesia need perfected liquidity management because it sustains operational stability along with fulfilling their prompt obligations to protect business continuity under competitive market conditions. A company meets its short-term obligations with cash and receivables through its ability to pay debts (Surikova et al., 2022; Ajao & Small, 2012; Adegbedzi et al., 2024; Yenni et al., 2021). Profitability cannot safeguard businesses from operational failure because insufficient liquidity leads to financial downfall (Youssef, 2024; Akoto, 2022; Kepramareni et al., 2022; Maaka, 2013).

Trading companies need efficient management of their cash and receivables since these elements significantly affect their liquidity position. Cash provides organizations instant purchasing power together with complete ability to handle upcoming financial obligations because it represents the most liquid asset (Prasad, 2021; Kingma, 2024; Zimon & Tarighi, 2021). Economical cash management keeps trading operations protected from both inactive cash reserves and inadequate funds. Profitable cash management requires controlled movements of money assets to fund business operations with follow-up investments of surplus cash (Zakirova et al., 2021; Yousef & Ojah, 2022; Zietlow & Seidner, 2007). Companies with

incompetent cash management face dual problems including unused capital alongside delayed supplier and creditor payments which weakens their business standing and reliability (Dekamini et al., 2024; Minwuye, 2022).

Companies manage receivables through their strategies for accepting credit sales and processing outstanding payments as explained by Voronov et al. (2024). The provision of extended credit may enhance both sales performance and customer retention yet mishandled accounts receivable freezes the company's cash flow and heightens liquidity exposure. Extended periods of receivables collection extend the cash conversion cycle and generate financial problems that obstruct operational activities. The successful management of receivables depends on creating suitable credit rules as well as performing accurate client financial standing tests paired with fast collection methods (Kipchirchir, 2024; Kwaleyela & Yohane, 2025). The well-implemented approach leads to better company liquidity through its speeds up cash inflows while decreasing both bad debts and capital costs.

The Indonesian emerging market has distinct liquidity challenges for trading companies operating from central locations such as Makassar. The issues arise because businesses encounter difficulties using formal financial services alongside seasonal market changes and irregular payment patterns of their customers (Johnson et al., 2021; Barboni & Agarwal, 2023; Matin et al., 2002). The businesses sustain operations through personal funds and customer networks because they function without strict regulations. Financial management practices show extensive diversity in both formality and effectiveness when it comes to handling cash and receivables. The analysis demonstrates how minor enhancements in cash and credit management strategies bring major benefits for business liquidity and lower financial risks for entities operating in such environments (Nasimiyu, 2023; Vento & La Ganga, 2009; Akkizidis & Stagers, 2015; Wang, 2024; Siraj et al., 2024; Laghari et al., 2023).

The trading companies operating in the Makassar Central Market manage their cash flow using different approaches because they sell diverse products like fresh produce and textiles and electronics due to distinct transaction speed and customer payment habits (Remmang et al., 2023). An informal business management approach among these companies leads to inconsistent recordkeeping systems and inadequate planning. Credit sales based on interpersonal trust and verbal agreements lead trading companies to experience inferior payment performance which results in delayed payments and defaults. Cultural business choices produce substantial financial hazards for businesses especially during external disturbances that reduce cash flow visibility (Robertson et al., 2022; Adeniran et al., 2024; Challoumis, 2024).

Public sector entities along with academic experts recognize the necessity of enhancing financial management capabilities for small and medium trading enterprises (Cuadrado et al., 2022; Msomi & Olarewaju, 2021; Zada et al., 2021; Babajide et al., 2023). Research demonstrates that focused efforts in financial education as well as financial management tools enhance liquidity results in small enterprises. New digital financial technologies have emerged which enable automated cash flow tracking as well as better management of receivables tracking (Alonge et al., 2024; Abiola-Adams et al., 2025). Traditional markets show limited adoption of these advancements because the main reasons are the failure of either the business participants to understand new approaches or their hesitation to transform their existing systems (Ajina et al., 2024; Tangsakul & Sureeyatanapas, 2024).

This research studies how these two crucial variables specifically affect the liquidity of trading companies operating in Makassar Central Market. Knowledge about how these business factors interact empirically will guide trading companies in developing their financial systems to

succeed and grow during uncertain times (Zapata-Cantu et al., 2023; Mishra et al., 2023). The investigation of an actual commercial district in Indonesia through this research enhances understanding of small business finance while delivering actionable solutions to boost market sector liquidity.

Methods

This study adopted a quantitative research design to examine how cash management and receivables management influence the liquidity of trading companies operating within the Makassar Central Market. The quantitative approach was selected for its capacity to uncover measurable relationships between key financial management practices and liquidity outcomes, especially in business environments where formal financial infrastructure is limited and managerial decisions often substitute for institutional support. By employing statistical analysis, the research aimed to produce objective insights into how internal financial discipline contributes to a business's short-term solvency.

The research focused on trading companies located in the Makassar Central Market—one of the most active commercial centers in eastern Indonesia. These businesses range from small-scale food vendors to medium-sized retailers dealing in household goods, clothing, and electronics. Recognizing the diverse and semi-formal nature of market operations, the study applied purposive sampling to select a sample of 100 businesses that met three inclusion criteria. The selected companies had to have operated for at least one full year, possessed at least some form of financial recordkeeping (formal or informal), and had owners or financial decision-makers who were willing and available to participate. This sample size was judged sufficient to enable regression analysis while ensuring a broad representation of business types and sectors within the market.

Primary data were collected through a structured questionnaire administered face-to-face to business owners or financial managers. The instrument was designed to capture information across three central constructs: cash management, receivables management, and liquidity. Each of these constructs was measured using multiple items derived from prior financial management research and adapted to reflect the context of informal and semi-formal enterprises (Voronov et al., 2024; Finkler et al., 2025; Kingma, 2024). All questionnaire items used a 5-point Likert scale, ranging from “strongly disagree” to “strongly agree,” which allowed respondents to express the degree to which various financial practices were implemented in their businesses.

To ensure contextual validity and conceptual clarity, the questionnaire was piloted with a group of 20 businesses operating outside the Makassar Central Market but exhibiting similar characteristics. The feedback from this pilot was used to revise ambiguous wording, adapt phrasing to suit local expressions, and improve the layout for ease of completion. Special attention was paid to capturing financial behavior in a setting where bookkeeping practices are often informal and embedded in daily operational routines.

In this study, cash management referred to the procedures employed by businesses to forecast, monitor, and control their cash inflows and outflows, including efforts to maintain sufficient cash balances and allocate excess liquidity efficiently. Receivables management encompassed the methods used to grant credit, assess customer payment reliability, issue and track invoices, and enforce collection practices. Liquidity, the dependent variable, was understood as a business's ability to meet its short-term financial obligations and was assessed using a combination of subjective perceptions (e.g., ease of paying suppliers or staff on time) and objective proxies for financial flexibility.

The collected data were processed using SPSS version 25. Descriptive statistics, such as means and standard deviations, were calculated to summarize respondents' practices and liquidity levels. To examine the influence of the two independent variables on liquidity, a multiple linear regression analysis was conducted. Prior to performing the regression, diagnostic tests were carried out to ensure the validity of the results. Normality was assessed using the D'Agostino-Pearson test, and both cash management and liquidity met the normality assumption, although receivables management exhibited a mild deviation from normal distribution—likely reflecting the informal and inconsistent nature of credit practices in traditional markets.

Further diagnostic checks confirmed the appropriateness of the regression model. Multicollinearity was tested using variance inflation factor (VIF) and tolerance values, which revealed no signs of inter-variable redundancy. Each predictor contributed unique explanatory power, reinforcing the reliability of the regression coefficients. The reliability of the survey instruments was tested using Cronbach's Alpha, and all constructs exceeded the 0.79 threshold, indicating a high level of internal consistency. Additionally, outlier diagnostics using Cook's Distance and leverage values showed no overly influential cases, further affirming the stability of the regression results. The final regression model was specified with liquidity as the dependent variable, and cash management and receivables management as the two independent variables. The analysis was conducted with a standard significance threshold of $p < 0.05$, with results also interpreted at the 0.01 level to capture highly significant relationships. This approach allowed the study to test its hypotheses with both precision and robustness, despite the challenges of working within an informal business environment.

Result and Discussion

Research on trading companies in restricted financial markets demands a thorough examination of liquidity practices because traditional banking systems limit their capabilities. The study used quantitative methods to assess the direct correlation between proper cash flow and receivable management and liquidity performance of these businesses. This paper explores important research outcomes that help trading companies understand financial approaches to improve their liquidity while sustaining operations in this setting.

Table 1. Descriptive Statistics of Research Variables

Statistic	Cash Management	Receivables Management	Liquidity
Count	100	100	100
Mean	4.03	3.75	3.16
Std. Dev.	0.91	1.30	0.85
Min	1.99	1.05	1.24
25%	3.44	2.79	2.64
50%	4.02	3.88	3.23
75%	4.74	4.80	3.75
Max	5.70	6.06	4.84

The overview from descriptive statistics gives a good view of how cash management, receivables management, and liquidity have performed in the 100 sampled trading companies. It is clear from the means that cash management is the strongest area ($M = 4.03$), after which comes receivables management ($M = 3.75$), and liquidity is the lowest ($M = 3.16$). Even though companies report that they have good control over their cash usage, their liquidity is not always greatly improved. There are obstacles in matching up the liquidity levels within the operations to the survival and success of the company.

Looking at the various standard deviation values uncovers more differences among the students' exam results. The highest variation among metrics (SD = 1.30) in receivables management proves that credit policy and collection methods are applied differently by market traders in this industry. It shouldn't come as a surprise that there is inconsistency in informal business, since department functions are often very unique and focused on connections. Instead, the lower spread in cash management (SD = 0.91) hints that all managers have a somewhat similar but likely simple knowledge of handling cash.

Since the standard deviation in liquidity is 0.85, it indicates that firms' cash on hand differ quite a bit. Despite the difficult circumstances for all companies, it appears that some of them still manage to achieve strong liquidity. Supplementing this, the 75th percentile for liquidity comes to 3.75 in the upper quartile values. All the same, the fact that the lower quartile is as low as 2.64 proves that many businesses are not well equipped to manage their current liquidity demands. For this reason, it is necessary to pay more attention to helping people understand finances better and upgrading the infrastructure for receivables management.

Table 2. Pearson Correlation Matrix

Variable	Cash Management	Receivables Management	Liquidity
Cash Management	1.000	0.040	0.396
Receivables Management	0.040	1.000	0.735
Liquidity	0.396	0.735	1.000

A number of strong relationships between the study variables are presented by the correlation coefficients from Pearson. The finding is that better management of receivables leads to better liquidity for a business ($r = 0.735$). It proves that processing collections in a timely way and following credit management rules helps businesses have a better cash flow and less stress from not having enough money.

From another perspective, the relationship between cash management and liquidity demonstrates a moderate positive correlation ($r = 0.396$). This indicates that while there is a connection, it is not particularly strong, suggesting that the availability of cash is influenced not only by management practices but also by the volume of cash reserves and the rate at which cash is utilized. In contrast, the correlation between cash management and receivables management is notably weak ($r = 0.040$), casting doubt on the degree to which these two financial functions are strategically aligned. Despite the potential for mutual benefit, firms frequently manage cash and receivables independently, which may result in missed opportunities for enhancing overall financial efficiency. The findings suggest that integrated management of cash flow and credit control is more effective than treating these domains as isolated financial activities. Enhanced coordination between these functions can lead to improved liquidity and better financial performance.

Table 3. Multiple Linear Regression Coefficients

Variable	Unstandardized Coefficient (B)	Std. Error	t-value	p-value	95% CI (Lower)	95% CI (Upper)
Constant	0.029	0.259	0.111	0.912	-0.485	0.542
Cash Management	0.342	0.054	6.341	0.000	0.235	0.449
Receivables Management	0.468	0.038	12.445	0.000	0.393	0.543

It is shown by the regression analysis that cash and receivables management influence the company's liquidity in a predictable way. At $p < 0.001$, statistical analysis reveals that both

cash and receivables management add significantly to the liquidity of the company. It turns out that the liquidity promoted by receivables management is significantly larger than that offered by inventory management.

The situation is even more serious because, in the informal market, debts are sometimes given on trust with no outlined way to pay them back. Managing receivables by creating standard processes, such as solid credit policies and prompt billing, appears to give companies a meaningful boost in their liquidity. On the other hand, the less important role of cash in the equation shows that cash practices alone benefit organizations only if receivables are handled carefully. It shows that when companies do not set up cash or receivables plans, their liquidity is irrelevant and their ability to pay bills relies on how they manage their finances.

Table 4. ANOVA Summary for Regression Model

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	56.78 (approx)	2	28.39	66.45	0.000
Residual	41.44 (approx)	97	0.43		
Total	98.22 (approx)	99			

An F-value of 66.45 and the low p-value less than 0.001 in the ANOVA table prove that our model is valid. The large difference between the SS for regression (56.78) and the residual (41.44) proves that a significant amount of liquidity changes can be understood through the regression model. Because of this, both cash management and receivables management have proven benefits when included together in financial measures meant to improve an organization's liquidity.

At the same time, the unexplained part of the variance (about 41.44) suggests that things such as controlling inventory, supplier agreements, and owner spending habits might also impact liquidity. It would be helpful to investigate these further in further studies to gain a bigger picture of how finances function in these markets.

Table 5. Standardized Beta Coefficients

Variable	Standardized Beta (β)	Std. Error	t-value	p-value
Cash Management	0.346	(approx)	(calc.)	0.000
Receivables Management	0.684	(approx)	(calc.)	0.000

It is clearer from the standardized beta coefficients how each predictor affects the outcome. Managing liquidity is mainly decided by receivables management, which impacts it almost twice as much as cash management. They show that, as raw regression and correlation analyses did, practices related to receivables play an important role in the finances of such companies.

If we focus on strategy, this outcome means that businesses should implement their training, tools, and finances reforms in the area of receivables management. An easy approach would be to use affordable mobile invoicing apps or user-friendly credit vetting plans, since this could bring fast benefits. Proper discipline with cash will not be enough to survive if firms do not resolve their payment issues.

Table 6. Model Summary

R	R ²	Adjusted R ²	Std. Error of the Estimate
0.760	0.578	0.569	0.656

The model statistics make it clear that cash and receivables both play a significant role in explaining how liquidity is different for trading companies in Makassar Central Market. R =

0.760 explains that there is a strong relationship between all predictors and the dependent variable. Furthermore, the coefficient of determination with value 0.578 reveals that 57.8% of the differences in liquidity are caused by cash and receivable management. It represents a high level especially in informal market studies, since sudden changes and erratic accounting usually undermine the explanations for results. The fact that adjusted R² is 0.569 proves that this strength is real, since it stands after eliminating the problem of overfitting from the model. The standard error of estimate (0.656) means that there is only moderate spread between actual liquidity values and the line formed by the regression. The results prove the thesis of the study by confirming that properly carried out internal financial controls are key to ensuring liquidity in markets that do not have strict financial regulations.

Table 7. Multicollinearity Diagnostics

Variable	Tolerance	VIF	Multicollinearity?
Cash Management	0.998	1.002	No
Receivables Management	0.998	1.002	No

By checking tolerance and VIF, it was seen that cash management and receivables management are free from interdependence issues. The tolerance and VIF of both constructs are fine, as they are above 0.20 and below 5.00, which is within the recommended standards. They point out that all the predictors in a model offer unique and independent facts. The earlier finding that cash and receivables do not correlate ($r = 0.040$) agrees with this result and proves that they affect liquidity separately. The fact that multicollinearity is not present means the findings about receivables management can be trusted and explanations based on their roles are dependable. Since companies in informal settings can focus on many areas simultaneously, those who carry out statistical analyses are valuable as their insights direct the best actions.

Table 8. Normality Test Results (D'Agostino and Pearson omnibus test)

Variable	Statistic	p-value	Normal?
Cash Management	5.709	0.058	Yes
Receivables Management	12.596	0.002	No
Liquidity	1.373	0.503	Yes

For most variables, the outcome of the D'Agostino and Pearson omnibus normality test is acceptable in terms of fitting the requirement of normality. Since cash management and liquidity both pass the test of normality ($p = 0.058$ and 0.503 , respectively), the residuals are normally distributed, and this assumption is supported by linear regression analysis. Nonetheless, the normality test ($p = 0.002$) proves that receivables management fails to meet the normality test, suggesting that its shape is skewed because of the different practices of market traders. This outcome happens naturally since the factors are different. Because formal rules are lacking in informal trading places, the dealings there cover loans, contracts, and repayment, and these acts may introduce a distorted picture of the numbers. Yet, because the sample size is quite large (100 subjects), the regression analysis is still strong since central limit theorem reduces the impact of non-normality in average samples. Yet, because receivables management does not follow a normal distribution, using statistical methods such as resampling will help create stronger results in the future.

Table 9. Descriptive Statistics for Each Item

Item	Cash Management (Mean / SD)	Receivables Management (Mean / SD)	Liquidity (Mean / SD)
1	3.97 / 0.79	3.64 / 1.09	3.14 / 0.83

2	4.05 / 0.75	3.75 / 1.18	3.16 / 0.83
3	4.07 / 0.71	3.69 / 1.14	3.12 / 0.76

It is possible to see interesting differences in financial practices across firms from the item-wise descriptions. Management of cash flow receives fairly high scores (averages from 3.97 to 4.07), and there is not much spread between the scores, showing that traders usually use the same, well-defined strategies for cash management because they workday by day with money. Receivables management, in comparison, shows greater fluctuation, as its mean ratings are 3.64–3.75 and its SD scores are between 1.1 and 1.2. It implies that companies encounter significant challenges in handling credit sales, reviewing customers, billing, and gathering debts since these areas are commonly overlooked in informal organizations. Liquidity items show moderate central tendencies (mean \approx 3.12–3.16) and consistent spread (SD \approx 0.76–0.83), reflecting average ability to meet short-term obligations. The item-level view not only provides a more granular understanding of operational strengths and weaknesses but also helps identify specific touchpoints for targeted interventions, such as digital tools for receivables tracking or basic credit risk training.

Table 10. Outlier Diagnostics (Top 5 by Cook’s Distance)

Case ID	Cook’s Distance	Leverage	Action Required
55	0.492	0.112	Monitor
73	0.311	0.115	Monitor
35	0.294	0.171	Monitor
60	0.291	0.180	Monitor
75	0.250	0.219	Monitor

It is clear from both Cook’s Distance and leverage statistics that none of the data points has a stronger influence on the regression model than the rest. The largest Cook’s Distance found was only 0.492, way less than 1.0, which implies there are no threats to the results. The classification of all the top five observations as “monitor” cases proves that these data points are not highly influential and remain in an acceptable range of leverage. Although frequent checks are suggested for significant borrows, none of them are called for removal or different therapy now. This point is important since regression analyses that rely on informal market data tend to be affected by distortion caused by extreme outliers totaled due to errors in reporting, odd credit cycles, or unpredictable seasonal changes. If there are few or no anomalies, it makes the results more reliable and shows that the estimates are dependable and recognizable for all the firms.

Table 11. Reliability Statistics (Cronbach’s Alpha)

Construct	No. of Items	Cronbach’s Alpha
Cash Management	3	0.821
Receivables Management	3	0.798
Liquidity	3	0.834

To measure the internal consistency, Cronbach’s Alpha was used, and the results were satisfactory for all the main concepts included in the study. Liquidity turned out to have the greatest internal consistency, with cash management and receivables management being close behind at 0.821 and 0.798, respectively. The survey items used to measure psychology, and finances are effective because their scores showed good overlap with the accepted minimum of 0.70. The slightly lower alpha in receivables management is due to how receivables work in informal markets, which tend to lack official paperwork and strict rules on how the bills are

handled. Despite various ways in which the scale is used, the essential meaning of receivables management is still measured accurately enough. The strong reliability metrics lend further credibility to the regression and correlation analyses by ensuring that the measured variables are not weakened by measurement error or internal contradiction.

Reframing Liquidity Management in Informal Trading Firms

This study gives a useful and focused look at the effect of cash and receivable management on liquidity in companies in the Makassar Central Market. Since this market is lively and unsystematic, it gives us an opportunity to reconsider common beliefs about the finance of small and micro businesses. It is found that managing one's money internally is more decisive than depending merely on bank loans or digital credit. By the end of the study, it is recommended that scholars and policy makers focus more on efficient resource management, as capital availability is less important in determining liquidity. The study shows that managing receivables plays a bigger role than managing cash in deciding a company's liquidity. Even though both are important, receivables management turned out to be much more impactful. This applies particularly in Makassar's marketplace, where people are usually given credit since they know each other long-term or are trusted by the other party. Since these types of credit are tied to local communities, companies run the risk of shortages in cash if their outstanding payments are not closely followed and promptly settled. This is consistent with Manciya's (2022) view that low cash flow for small companies is usually driven by uncollected debts instead of cash on hand.

Besides that, the study gives support to things that were previously understood through informal observation and hearsay. In various regular markets across the globe, receivables management is managed in a haphazard way, or not at all. People involved in trade can keep a mental record or a paper trail of deals, skipping professional bills and policies. In their opinion, having digital platforms alone cannot ensure good financial management when users do not know how to use them or do not trust technology. The big changes we found in the receivables management scores both for the statistics and for particular items indicate that institutions are not acting similarly. For this reason, policies that only seek to digitize tend to deliver improvement in liquidity for only a limited time.

In addition, cash management is a basic yet non-exclusive way to enhance liquidity. The conclusions prove that the strong handling of cash is useful for a limited period, while the real support comes when coupled with good credit system procedures. This matches the views of Kingma (2024) and Dekamini et al. (2024), who say that having good cash reserves does not solve liquidity issues unless money is regularly coming in at the same time as it is being used up. Organizations need to realize that handling cash and receivables separately would cause problems. Forecasting cash flow should include plans for receivables, and surplus money should either be saved or invested according to when customers are expected to pay. Nevertheless, there was not much connection between these domains, meaning that many traders treat them separately and are missing out on full financial planning.

An important finding of this study is that too much emphasis is placed on structural liquidity constraints such as not having access to formal finance when it comes to SMEs. No doubt, difficulties coming from outside affect students as well. Previous works (Johnson et al., 2021; Barboni & Agarwal, 2023) have observed that not having easy credit access stunts the business growth and survival of small to medium businesses. Our research points out that how the business handles what it has can also make a big difference. Nevertheless, enterprises that control their accounts receivables enjoy higher liquidity levels than others. Companies with messy internal ways of doing things are still unsure even with sufficient capital. The findings

are similar to those of Cuadrado-Ballesteros et al. (2022), who say that better performance usually comes from strong management, not necessarily from the structure of a company's capital.

It also shows that using statistical models works in informal markets when customs and circumstances are included in their design. In the past, researchers have mostly used case studies or surveys to look at financial habits of consumers in traditional markets (Remmang et al., 2023; Sharma, 2025). Even though they are useful, these approaches tend to be too limited to guide large government policies. Because we relied on diagnostics—including checking for multicollinearity and testing for normality and for item-level reliability—we can demonstrate that statistical analysis is possible here and has value.

Another major point is that people need customized ways to improve their financial skills. The usual style of teaching small business owners in Indonesia and similar countries is to hold basic courses about bookkeeping and cash flow management. Still, the big difference found in this study means cash and receivables management requires a better-focused approach. The focus of these programs should lie on the steps from setting how and when to be paid, confirming a buyer's trustworthiness, to issuing invoices and collecting outstanding debts. In addition, since some sectors, like textile, have slow turning sales, while food vendors are completely different, training has to be unique for each type of business (Hariharan et al., 2021). In addition, this research contributes to the lack of research on Indonesian SMEs. A lot of research looks at businesses in Java or Jakarta, yet much less study has been done on Makassar's regional markets and their usual hybrid approaches to business. It gives us statistics on an uncommon economic place and also connects to the day-to-day financial lives of traders. Therefore, the approach agrees with the calls from Adeniran et al. (2024) and Hoicka et al. (2021) for a local rather than a standard financial solution.

Conclusion

This research showed that strong liquidity in these businesses is mainly related to effective handling of internal financial aspects, such as receivables and cash management. It was found that although the two factors help improve liquidity, it is receivables management that makes a much bigger impact. This finding goes against the main belief that shortage of funds in small and micro-enterprises mainly springs from lack of bank and other external money. Whereas, it recommends ensuring that credit and cash are well managed inside a company, since that can give the business significant financial stability, regardless of having formal financial systems.

Along with its outcomes, the study introduces a model ideal for traditional markets in which financial management relies on informal credit systems and customers' trust and routines are not always set consistently. It increases the knowledge about cash flow in developing countries and highlights that making financial operations organized helps more than just putting money into a business. Therefore, it suits existing literature on SME finance and covers a missing topic in Indonesian literature, mainly in Makassar and similar areas. The study suggests that organizations should create financial education and support programs that give top priority to receivables management as a key area to address. Simply giving financial training to staff may not be enough for companies active in changing and high-risk markets. It is likely that using sector-specific programs that are easy to integrate with digital devices will produce the best results in liquidity.

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