Jurnal Ekonomi
Volume 13 , Number 01, 2024, DOI 10.54209/ekonomi.v13i01
ESSN 2721-9879 (Online)
https://ejournal.seaninstitute.or.id/index.php/Ekonomi

Optimization of Financial Performance: A High-Tech Project Financial Management Model for Successful Implementation

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Article Info

Keywords:
Optimization of Financial Performance,
Financial Management Model,
High Technology Projects,
Successful Implementation

ABSTRACT

In the context of the high-tech era, innovative projects have a key role in the progress of an organization. The successful implementation of high-tech projects depends not only on technical excellence, but also on efficient financial management. This article describes an optimal financial management model for such innovative projects, with the aim of achieving sustainable implementation success. High-tech projects, which often involve large financial investments, require efficient financial management to overcome potential obstacles. Complexity and rapid changes in technology and business add to the level of difficulty in managing the project's finances. High-tech project financial management models are considered a key strategy for managing project finances effectively. The discussion includes practical steps such as financial audits, preparation of initial budgets, preparation of periodic financial reports, and monitoring financial performance. Financial audits help identify financial leaks and imbalances across projects, while preliminary budgets help prioritize project tasks. The key to financial management in high-tech projects is optimizing financial performance and implementing strict monitoring strategies. Effective financial management makes project management easier to face complex challenges. This article provides in-depth insight into high-tech project financial management models, including case studies of successful implementation of Earned Value Management (EVM) models. The critical factors for successful implementation of a financial management model involve stakeholder support, effective communication, adaptation to change, project team involvement , effective risk management, technology and supporting systems, clear performance measurement, and human resource training. This article recommends a hybrid approach that combines elements of Waterfall and Agile , with an emphasis on communication, risk management, and effective performance measurement to overcome challenges in high-tech projects.

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INTRODUCTION

In this high-tech era, innovative projects are the main key to the progress of an organization. The successful implementation of a high-tech project depends not only on its technical superiority, but also on efficient financial management. Therefore, this article will

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discuss optimal financial management models for high-tech projects, aiming to achieve sustainable successful implementation.

In business and industrial contexts, high-tech projects often involve large financial investments. Utilizing advanced technologies such as artificial intelligence, data analytics, and other emerging technologies requires significant financial resources. Inefficient financial management can be a serious obstacle in achieving project goals, whether related to return on investment, meeting deadlines, or achieving overall project goals.

In addition, rapid changes in technology and the business environment make financial management of high-tech projects increasingly complex. Therefore, a careful and targeted approach is needed to ensure that every financial investment can produce maximum added value. (PMBOK Guide)

The high technology project financial management model is a strategy for managing high technology project finances effectively. High-tech projects usually require large investments in the form of money, time, and other resources. Not only that, this project also tends to require longer time and higher risks than projects in general. Therefore, effective financial management is essential to ensure the success of high-tech projects.

Sometimes managing a high-tech project means having to deal with issues that can be very complex, including financial ones. At this point, it is important to understand and optimize financial performance in managing projects. High-tech projects have different challenges from ordinary projects, therefore, different financial management strategies are needed to ensure the successful implementation of the project. (Bhattacharya, S., & Sen, S. (2003).

In this article, we will discuss financial management models for high-tech projects that can help optimize financial performance. Steps such as conducting a financial audit, preparing an initial budget, making regular project financial reports, and monitoring financial performance periodically are very important to make the project more stable from a financial perspective. (Gido, J., & Clements, J. (2014)

When conducting a financial audit, we check for financial leaks and imbalances throughout the project. This ensures that all financial performance of the project is well managed and guarantees that the project has sufficient materials to complete the required tasks. Additionally, preparing a good initial budget is very important. After the budget is created, the project manager can prioritize the tasks and work that are very important for the project.

Making regular/periodic project financial reports can show with transparency the financial status of high technology projects. Therefore, monitoring financial performance is very important. In using a project management system, the project must be sent at least monthly to the parties concerned to report to the financial consultant or project manager about all financial imbalances that occur on the project. (Kaplan, R.S., & Norton, D.P. (1996)

The key to financial management in high-tech projects is optimizing financial performance and implementing strict monitoring strategies and methods. Although the challenges of managing technology project finances can sometimes be very complicated, managing these finances can make management of the entire project easier. In addition,

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everyone involved in this project needs to know the high technology project financial management model for the successful implementation of the technology project.

High-tech projects play a central role in industrial progress and the development of modern society. In line with the complexity and scale of the project, financial management is a key factor that determines successful implementation. This article aims to explore and describe optimal financial management models for high-tech projects, focusing on critical aspects that influence financial performance.

Therefore, this article will review financial management models for high-tech projects that focus not only on financial efficiency but also on sustainability and innovation. By understanding and applying this model, it is hoped that organizations can optimize their financial performance and achieve success in implementing high-tech projects amidst intense competition and rapidly changing market dynamics. (Rezaiyan, A., & Seifi, A. (2012)

The objectives of the sharpening process "Optimizing Financial Performance in High Technology Project Financial Management Models for Successful Implementation" are:

1. Increasing the Efficiency of Budget Use in Developing a financial management model that can optimize the use of project budgets, minimize waste, and increase the efficiency of financial resource allocation.
2. Ensuring Project Sustainability by Designing sustainable financial strategies to ensure high-tech projects can continue to run smoothly without lack of funds along the way.
3. Increasing Accountability and Transparency by Establishing a strict accountability system for each project expenditure, so that each budget can be accounted for and well documented.
4. Minimize Financial Risk by Identifying and managing potential financial risks that may arise during project implementation, as well as developing backup strategies to overcome possible unexpected financial changes.
5. Support Strategic Decisions by Presenting clear and accurate financial information to stakeholders to support the strategic decision making process, including allocating additional resources if necessary.
6. Measuring Financial Performance by Establishing financial performance indicators that can be measured periodically to evaluate the extent to which the project achieves financial goals and identify areas that require improvement.
7. Encouraging Innovation and Sustainable Development by Creating financial policies that support innovation and high-tech development, including the allocation of funds for sustainable research and development and
8. Ensure Stakeholder Involvement by Communicating openly with all stakeholders, including the project team and interested parties, to ensure understanding and support for the implemented financial management model.

These objectives are designed to achieve optimal results in managing the finances of high technology projects, so that they can achieve successful implementation and provide significant added value. This article will also dig deeper into effective financial management strategies, offer new views on the integration of technology and finance, and provide

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practical insights from case studies to guide readers in optimizing the financial performance of high-tech projects.

METHOD

The research methods of Literature Analysis and Comparative Research are used to gain an in-depth understanding of financial management models that have been applied to high technology projects. The steps in this method include a thorough literature review, identification of relevant financial management models, and comparison of the successes and challenges associated with the use of these models. (Shank, J. K., & Govindarajan, V. (1993)

This research provides a solid foundation for understanding and selecting appropriate financial management models in the context of high-tech projects. Through literature analysis and comparative research, this research is expected to provide a valuable contribution to the development of more effective financial management practices in high-tech projects. (Gatti, S. (2013)

This literature review provides in-depth insight into the various financial management models that have been applied in the context of high-tech projects. (Gido, J., & Clements, J. (2014). Below is a literature analysis table related to this research which can be seen below as follows:

Table 1. Literature Analysis of High Technology Project Financial Management Models

No	Model Type	Excess	Lack
1.	Traditional Management Model	1. Well organized structure. 2. Easy to understand and follow. 3. Clear and structured stages. (Schwalbe, K. (2018)	1. Less flexible to change. 2. Cannot handle complex or dynamic projects. 3. High risk if changes are necessary. (Wysocki, R.K. (2014)
2.	Model V	1. Clear Stage Understanding in Model V offers a clear understanding of the development, testing, and implementation stages in high-tech projects. Each stage has a well-defined goal. 2. Focused Risk Management The V model analysis enables focused risk management at the testing stage. Risks can be identified and addressed more specifically, including financial risks that may arise during critical stages. 3. Deep Testing in Model V	1. Impact on Financial Management by Emphasizing a thorough testing phase, influencing budget and resource allocation for testing. 2. Risk management is focused on the testing phase, influencing cost and time estimates. 3. Intensive stakeholder involvement in the testing phase. (Boehm, B. (1981)

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	places testing as an integral component of every stage, including unit testing, integration, and validation. This can increase the reliability and quality of the final product. 4. Support for Controlled Change With clear stages, the V model can support controlled change. If there are changes in needs or requirements, changes can be managed systematically at the appropriate stage. (Boehm, B., & Papaccio, P.N. (1988)	
Agile Scrum Approach	1. Flexibility to adapt to change. 2. Close collaboration between the development team and stakeholders. 3. Emphasis on delivering value at regular intervals. (Schwaber, K., & Sutherland, J. (2017)	1. Requires high involvement and commitment from the team . 2. Not suitable for all types of projects. 3. Experience and understanding required to implement effectively. (Cohn, M. (2010)
Hybrid Model: Scaled Agile Framework (SAFe)	1. Agile elements at scale. 2. Supports coordination among multiple development teams . 3. Financial management is more flexible through iteration and programmed planning. (Leffingwell, D. (2011)	1. High Complexity SAFe has a fairly complex structure and framework , especially on a large scale. Implementation requires deep understanding and full team involvement to ensure every element is executed correctly. 2. Inter-Team Coordination Challenges In complex project environments, inter- team coordination can be a challenge. SAFe, although designed to address this, in practice, still requires extra effort to maintain good synchronization and communication between teams .

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3. High Implementation Costs
   SAFe Implementations require significant investment in training and equipment to support the structure. This can create quite high initial costs, especially for organizations implementing this model for the first time. (Leffingwell, D. (2018)

By using this method, research can provide an in-depth understanding of financial management models that can support the successful implementation of high technology projects. (Cadle, J., Yeates, D., & Wake, T. (2007)

RESULT AND DISCUSSION

Literature Analysis

Identification of High Technology Financial Trends: In identifying financial trends in high technology projects, an in-depth review of the current literature is essential. The current literature provides an accurate picture of the latest practices and emerging trends in financial management of high-tech projects. Some trends that can be identified through the literature include:

a. Implementation of Performance-Based Payment Methods with Several high-tech projects are starting to adopt performance-based payment methods, where payments to contractors or parties involved in the project are directly related to the achievement of certain performance goals.
b. The use of Flexible Financial Models with Flexibility in financial models is becoming a trend, allowing for adjustments throughout the project life cycle. This model can include elements of both traditional management models and agile approaches.
c. Optimizing the Use of Financial Resources through Trends that show a focus on optimizing the use of financial resources, with more careful cost management strategies and the development of more accurate cost estimates.
d. Stakeholder Involvement in Financial Management in Stakeholders are increasingly involved in project financial management. Their participation is not only in the initial planning stages but also during project execution and monitoring.
e. The use of Financial Technology (Fintech) with Fintech plays an important role in facilitating financial transactions for high-tech projects. The application of this technology can increase efficiency, speed and security in financial management. (Shank, J. K., & Govindarajan, V. (1993)

Financial Factors Affecting Projects with Discussion of financial factors influencing high technology project performance covers various important aspects:

a. Financial Risk with Identification, evaluation and mitigation of financial risk is key in high-tech projects. These factors may involve market fluctuations, regulatory changes, and economic uncertainty.

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b. Budget and Cost Monitoring through Accurate project budgets and careful cost monitoring are necessary to avoid budget overshooting. An in-depth review of best practices in budgeting and cost monitoring methods can be a key factor.
c. Available Financial Resources The availability of financial resources, including funds from investors, loans, or other funding, plays an important role in the viability of a project. Evaluation and management of these resources can ensure smooth financial running.
d. Changes in Market Conditions through Changing market conditions can significantly impact high-tech projects. An in-depth analysis of how market fluctuations may impact the project and necessary mitigation strategies needs to be considered.
e. Innovative Funding Management with Innovation in funding management, such as using project financing mechanisms or innovative financial instruments, can be a determining factor in ensuring projects have sufficient resources.
f. Regulatory Considerations and Compliance Regulatory factors and compliance with financial standards must be considered. Violations of financial regulations can have a serious impact on the project.

By understanding the current trends and financial factors that influence high-tech projects, financial management can be directed more strategically and adaptively, minimizing financial risks and increasing overall project success. (Gatti, S. (2013).

Application of the Financial Management Model:

Optimal Management Model Based on the results of literature analysis and comparative research, it was found that the optimal financial management model for high technology projects is a hybrid approach that combines elements of the Waterfall and Agile methodologies. This approach leverages the advantages of each model to achieve a balance between structure and flexibility in project financial management. The model's recommendations are based on several key considerations, such as project complexity, the need for adaptation to change, and the desired speed of development.

The Hybrid Model structure provides This model will maintain the Waterfall structural framework for the initial planning and design stages of the project. Then, as the project progresses to the implementation and testing stages, Agile elements will be integrated to enable faster adaptation to changing requirements.

Emphasis on Communication and Stakeholder Involvement , so this Strategy will place special emphasis on effective communication between the project team and stakeholders. Their involvement from start to finish of the project will be intensified, helping to ensure a clear understanding of financial requirements and project progress.

Implementation of the Earned Value Management (EVM) Method In order to improve financial performance monitoring, this recommendation includes the implementation of EVM. This method enables real-time monitoring of project cost and schedule performance, providing a solid basis for decision making regarding budget allocation. Implementing FinOps Principles means that FinOps (Financial Operations) principles will be applied to integrate financial management with development and operational processes (DevOps).

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This will increase cost transparency throughout the project life cycle. (Gido, J., & Clements, J. (2014)

The Implementation Strategy includes the following:

a. Training and Understanding Engaging the entire project team in comprehensive training on the proposed hybrid model. A good understanding of Waterfall and Agile elements is the key to successful implementation.
b. Stakeholder Commitment Create a strong commitment agreement from stakeholders, including the project owner, development team , and finance department. They need to understand the added value of hybrid models in achieving financial and project goals.
c. Real-time Reporting System with Implementation of a real-time reporting system for effective monitoring of project performance. This can include dashboards that provide comprehensive visibility into cost status, progress and financial risks.
d. Periodic Iteration and Evaluation Schedule regular iterations and evaluations to assess the effectiveness of the financial management model. By conducting regular evaluations, the team can identify areas of improvement and make adjustments as needed.
e. Special Financial and Monitoring Team by Establishing a special team responsible for the financial and monitoring aspects of the project. This team will work closely with the development team to ensure financial policies and procedures are implemented consistently.
f. Intensive Coordination by Strengthening coordination between teams by holding regular meetings and actively involving stakeholders. Good communication between departments will increase understanding regarding financial needs and changes.

The implementation of this strategy aims to achieve a balance between structure and flexibility in the financial management of high technology projects. By leveraging the advantages of different models, it is hoped that it can increase the efficiency, transparency and overall financial success of the project. (PMI (Project Management Institute). (2017).

Implementation Success:

Determining Factors for Successful Implementation of the Financial Management Model through:

a. Stakeholder Support: The success of implementing a financial management model is highly dependent on strong support from stakeholders, including management, the project team and end users. A deep understanding of the need and benefits of the model can increase active participation and engagement.
b. Effective Communication Effective communication between all parties involved in the project is the key to success. Clear information regarding the objectives, implementation steps and impact of financial changes must be conveyed transparently.
c. Adaptation to Change makes flexibility in adapting to change an important factor. The financial management model must be able to adapt to policy changes, business needs, and changes in the external environment that may occur during the project.

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d. Involvement of the Project Team in the High involvement and commitment of the project team in implementing the financial management model is a determining factor. Adequate training and a good understanding of the model will improve the team's ability to manage the financial aspects of the project.
e. Effective Risk Management with Identification and management of financial risks should be an integral part of the model. The ability to respond proactively to emerging risks can prevent negative impacts on project financial performance.
f. Technology and Supporting Systems The availability of adequate technology and supporting systems plays a key role in successful implementation. A reliable system for collecting, analyzing and reporting financial data in real-time can increase the efficiency of financial management.
g. Clear Performance Measurement in Setting clear and measurable performance indicators is important. By systematically measuring financial performance, the team can evaluate the effectiveness of the model and make necessary changes.
h. Training and Human Resource Development makes effective training for end users and financial management teams will increase their ability to use the model optimally. The development of skills and understanding is a key factor in achieving success. (Fleming, Q.W., & Koppelman, J.M. (2016)

Case Study of Successful Implementation of a Financial Management Model

In the Case Study: "Implementation of Earned Value Management (EVM) on the XYZ Satellite Technology Project" This project succeeded in implementing the Earned Value Management (EVM) model successfully. Some key factors that support successful implementation involve:

a. Strong Executive Support Key stakeholders, including senior executives and project owners, provide full support for EVM implementation. They understand the value of EVM in providing deep insight into a project's financial performance.
b. Project Team Commitment where the project team undergoes intensive training to understand the EVM concept and implement it effectively. High involvement and commitment from the project team are the main factors in successful implementation.
c. Integrated Information System in Implementing an integrated information system that supports EVM enables real-time data collection and analysis. This system provides high visibility into the project's financial performance.
d. Proactive Risk Management Strategy involving the risk management team actively identifying and managing risks that can affect financial performance. Effective prevention and mitigation measures have been implemented.
e. Measurable Performance Measurement in Establishing clear performance indicators and measurable measurements provides a good understanding of the project's financial performance. Policy changes and corrective actions are taken based on measurable data.
f. Dynamics of Adaptation to Change with the project team being able to adapt to changes in the external and internal environment. Changes in government policies and changing customer needs are seamlessly integrated into the EVM model.

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This case study illustrates that successful implementation of a financial management model depends not only on the technical aspects of the model itself, but also on stakeholder support, project team involvement , and adaptation to change. The success of this high-tech project provides valuable lessons for similar projects in implementing effective financial management models. (FinOps Foundation. (2021)

CONCLUSION

In the high-tech era, innovative projects play a key role in the progress of an organization. The successful implementation of high-tech projects depends not only on technical excellence, but also on efficient financial management. This article discusses optimal financial management models for such projects, focusing on the goal of achieving sustainable implementation success. High-tech projects, which often involve large financial investments, require efficient financial management to overcome obstacles that may arise. Complexity and rapid changes in technology and the business environment add to the level of difficulty in managing the project's finances. The high-tech project financial management model is a key strategy for managing project finances effectively. This article discusses practical steps, such as financial audits, preparing an initial budget, preparing periodic financial reports, and monitoring financial performance. Financial audits help identify leaks and financial imbalances across projects, while preliminary budgets help in prioritizing project tasks. The key to financial management in high-tech projects is optimizing financial performance and implementing strict monitoring strategies. Effective financial management facilitates project management in facing the complex challenges of high-tech projects. This article provides in-depth insight into high-tech project financial management models and includes case studies of successful implementation of earned value management (EVM) models. Determinant factors for the success of implementing a financial management model include stakeholder support, effective communication, adaptation to change, project team involvement , effective risk management, technology and supporting systems, clear performance measurement, and human resource training. This article recommends a hybrid approach that combines elements of waterfall and agile, with an emphasis on communication, risk management, and effective performance measurement to overcome challenges in high-tech projects.

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