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Financial Performance Analysis Using the Value for Money Method in Holding the Ranking 1 Competition at the Polbeng Business Expo

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ABSTRACT

This study aims to analyze the financial performance of the Ranking 1 Competition at the Polbeng Business Expo using the Value for Money (VFM) method, which includes economic, efficiency, and effectiveness aspects. This study employs a descriptive quantitative approach, using primary data in the form of budget realization reports from the Ranking 1 Competition conducted in 2024 and 2025, as well as interview data. Data collection is conducted through documentation, while data analysis involves calculating economic, efficiency, and effectiveness ratios based on the Value for Money concept. The results of the study show that in 2024, the economic level is 99,05%, which is classified as economical, the efficiency level is 99,05%, which is classified as less efficient, and the effectiveness level is 100%, which is classified as effective. Meanwhile, in 2025, the economic level is 71,12%, which is classified as less economical, the efficiency level is 52,55%, which is classified as very efficient, and the effectiveness level is 99,17%, which is classified as effective. The findings indicate differences in the levels of economy, efficiency, and effectiveness in the implementation of the Ranking 1 Competition between 2024 and 2025. The results of this study are expected to serve as an evaluation tool for improving the financial management of student activities in future periods.

Keywords: financial performance, Value for Money, economic, efficiency, effectiveness, Ranking 1 Competition.

1. Introduction

Financial management is a very important aspect of a company, business, or event organization. Ompusunggu and Irenetia (2023) state that financial management is very important for a company because it helps with better budget management, identifies internal resources, such as cash, and external resources, such as available loans, and prevents unnecessary financial costs. Similarly, when organizing an event, finances need to be managed effectively to avoid unnecessary expenses. Thus, an event can run in line with its predetermined objectives and be categorized as successful.

The success of the event was the result of good financial performance. Fahmi (in Cunha et al., 2023) states that financial performance reflects a company's success in achieving results from its various activities. It can be explained that financial performance is an analysis conducted to see the extent to which a company has performed well and correctly using financial implementation rules.

The journal by Sampow and Pangkey (2022) states that good performance is essential for both business and public organizations, as it reflects the extent to which activities have been carried out in accordance with applicable standards and procedures. Thus, good performance can be interpreted as a form of organizational success or achievement in reaching its goals. Furthermore, the results of interviews conducted by Rosa et al. (2025) indicate that organizational commitment and Leadership figures play an important role in shaping work behaviors that impact an agency's performance. Good financial performance at an event can be measured using various methods. This is stated in the journal by Silaban et al. (2024), which states that there are several types of financial performance assessments, consisting of budget analysis, financial ratio analysis, the Balanced Scorecard method, and value for money (VFM).

In line with the above citation, Value for Money (VFM) can be one of the methods used to assess the financial performance of an activity. In line with Sutama et al. (2022), who stated that one of the approaches that can be used in assessing financial performance, from the planning stage to budget implementation, is the concept of Value for Money (VFM). This concept is used to evaluate the extent to which an organization can obtain optimal benefits from its resources in the form of goods and services. Value for Money is a performance measurement method, particularly in the public sector, that focuses its assessment on three main aspects: economy, efficiency, and effectiveness.

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Similarly, Cuncha et al. (2023) explain that Value for Money is a public sector organizational management concept based on three main elements: economy, efficiency, and effectiveness. Economy means obtaining inputs of a certain quality and quantity at the lowest cost. Efficiency means achieving maximum output with a given input. The lower the efficiency ratio, the better the performance of the public sector organization. The final element of the value for money concept is effectiveness. Effectiveness is the degree to which program results meet established targets. Simply put, effectiveness is the comparison of outcomes with outputs. Based on Mulyanigtyas (in Sampow and Pangkey, 2022), being economical means being frugal and careful in procuring resources, efficient in their utilization, namely using minimal resources to produce optimal results, and effective in achieving established goals and objectives.

Mardiasmo (in Alfredo et al., 2024) explains that the application of the Value for Money concept in public sector organizations has several benefits, including: first, helping to increase the effectiveness of public services by ensuring that the services provided are in accordance with community needs; second, encouraging improvements in the quality of public services; third, reducing service costs by eliminating inefficiencies and optimizing resource use; fourth, enabling budget allocations that are more directed towards the interests of the community; and fifth, increasing awareness of the importance of managing public funds (public costs awareness), which is the basis for realizing public accountability.

Although experts argue that financial performance analysis using the Value for Money method is generally applied in the public sector, research on the application of this method to non-governmental activities, particularly student activities, is still relatively limited. In fact, the three main aspects of Value for Money, namely economy, efficiency, and effectiveness, can be widely applied and are therefore relevant for assessing the financial performance of student activities. In the context of activities organized by students, the Value for Money method serves as a reference for the extent to which the funds obtained and used are in accordance with the planned objectives. Thus, financial resource management can be accountable.

One example of a student activity that requires sound financial management is the Ranking 1 Competition. The Ranking 1 Competition is a quiz competition among elementary school students, organized by students of the International Business Administration Study Program at State Polytechnic of Bengkalis, as part of the Polbeng Business Expo. This activity involves various financial activities, including budget planning and fund allocation, as well as financial reporting. Through a financial performance analysis using the Value for Money method, this study seeks to assess the Ranking 1 Competition's financial performance by measuring the levels of Economics, Efficiency, and Effectiveness in budget management. The results of this analysis are expected to provide an objective picture of the extent to which the event's financial management has been implemented effectively.

Therefore, The Research, "Financial Performance Analysis Using the Value for Money Method in the Implementation of the Ranking 1 Competition at the Polbeng Business Expo," is crucial to provide a deeper understanding of the application of the Value for Money principle in student activities. In addition to serving as material for internal evaluation, the research findings are also expected to enhance academic knowledge in the field of event financial management and serve as a reference for similar events in the future, enabling more mature and targeted financial planning.

2. Research Method

The research employed a descriptive research design using a quantitative approach. As stated by Hanifah et al. (2020), descriptive research with a quantitative approach involves performing calculations on budget realization reports to evaluate financial performance through the Value for Money approach. Therefore, this approach was applied to assess the financial performance of the Ranking 1 Competition at the Polbeng Business Expo.

The data used in this study is primary data. As stated by Sampow and Pangkey (2022), primary data is a data source that is collected directly by the data collector. The primary data in this study is the Budget Realization Report for the Ranking 1 Competition in 2024 and 2025. The author obtained this data from the event finance department or the Treasurer of the Ranking 1 Competition organizer for the two periods. In addition, this study utilized interview data obtained from the treasurer and the chairperson of the Ranking 1 Competition organizing committee. The interviews were conducted to obtain in-depth information regarding the factors influencing changes in the levels of economy, efficiency, and effectiveness of financial management in the implementation of the Ranking 1 Competition in 2024 and 2025.

In this study, the researcher used documentation as a data collection technique. Documentation serves as evidence that the researcher has conducted direct research on the activity. During the survey, the data obtained were in the form of files that were useful to the researcher. Referring to Sugiyono (in Hanifah et al., 2020), documentation is defined as a record of past events. Documents can be in the form of writings, drawings, or monumental works by individuals.

His research was conducted at the Ranking 1 Competition held at the State Polytechnic of Bengkalis Campus as part of a significant event titled Polbeng Business Expo. The Ranking 1 Competition is a quiz competition between students in grades 4, 5, and 6. The event lasted one day and was held in the Mini Conference Room in the Bengkalis State Polytechnic auditorium.

As defined by Hanifah et al. (2020), data analysis is a method for processing data collected during data collection. The purpose of data analysis is to transform this data into useful information for those who need it. The data analysis technique used in this study is descriptive quantitative analysis. Quantitative data were analyzed through the calculation of economic, efficiency, and effectiveness ratios based on the Value for Money method. Meanwhile, interview data were used to support and explain the factors influencing changes in financial performance in the implementation of the Ranking 1 Competition in 2024 and 2025. The measurement of Value for Money, according to Sampow and Pangkey (2022), is as follows:

1. Calculating the Economic Ratio.
   Economics is the comparison between actual budget expenditure (input) and the target budget expenditure (input value), expressed in monetary units. Economics has the following formula:

$$\text{Economical} = \frac{\text{Input}}{\text{Input Value}} \text{ X } 100\%$$

2. Calculating the Efficiency Ratio.
   Efficiency is the comparison between the realization of the spending budget (output) and the realization of the revenue budget (input) related to a predetermined performance standard or target. Efficiency has the following formula and the following percentage results:

$$\text{Efficiency} = \frac{\text{Output}}{\text{Input}} \text{ X } 100\%$$

3. Calculating the Effectiveness Ratio.
   Simply put, effectiveness is the comparison between the actual budgeted revenue (outcome) and the budgeted revenue target (output). Effectiveness has the following formula and percentage results:

$$\text{Effectiveness} = \frac{\text{Outcome}}{\text{Output}} \text{ X } 100\%$$

Table 1. Percentage of Economic, Efficiency, and Effectiveness Ratio Results

Percentage	Economic Result	Efficiency Result	Effectiveness Result
>100%	Very Economical	Not Efficient	Very Effective
90%-100%	Economy	Less Efficient	Effective
80%-90%	Economical Enough	Quite Efficient	Quite Effective
60%-80%	Less Economical	Efficient	Less Effective
<60%	Not Economic	Very Efficient	Ineffective

Source: Mahmudi (in Sampow and Pangkey, 2021)

Table 1 above shows the results of the calculations for each ratio in the value for money method, namely: economic ratio, efficiency ratio, and effectiveness ratio.

3. Result and Discussion

3.1 Overview of the Ranking 1 Competition

Polbeng Business Expo is an event organized by students of the International Business Administration study program, classes 2021 and 2022. The Polbeng Business Expo Chapter event was initially held on October 30, 2024, and was successfully held again on May 20-22, 2025, with the theme “Innovation local impact global”. This theme was chosen because of the students’ desire to increase local potential for global impact. At this event, students successfully collaborated with 133 Micro, Small, and Medium Enterprises (MSMEs) around Bengkalis Island to participate in the ongoing exhibition. Meanwhile, students also played an active role in organizing five competitions, namely Ranking 1, Spelling Bee, Fashion Show, Singing, and Coloring, with a total of 392 participants across the entire event.

These competitions were organized with the objective of increasing public interest and enthusiasm in attending the Polbeng Business Expo. The participation of competitors, along with their companions, family members, and supporters, was expected to contribute to a higher number of visitors throughout the event. An increase in visitor attendance provided participating tenants with greater opportunities to promote their products and businesses to a wider audience. Through this concept, the Polbeng Business Expo served not only as an exhibition and competition event but also as a platform that supported the development of local businesses by creating broader promotional opportunities for participating tenants. Among the various competitions, the Ranking 1 Competition emerged as one of the main attractions within the Polbeng Business Expo series, with the expectation of increasing visitor attendance while supporting the overall success of the expo.

Ranking 1 Competition is a quiz competition between elementary school students held on May 21, 2025. This event lasted 1 day and was held in the Mini Conference room at Bengkalis State Polytechnic. This competition is specifically designed for elementary school students to test the academic abilities of students in grades 4, 5, and 6. A total of 63 students registered for this year’s Ranking 1 Competition. However, two students withdrew for some reason. In the implementation process, the Ranking 1 competition has three rounds. The rounds are the preliminary, semifinal, and final rounds. In each round, several participants will be eliminated until the student who is entitled to be the champion is finally found. Elimination is carried out based on the results of the judges' assessments that the committee has sent. The judges come from internal and external sources. This is done to ensure the quality and professionalism of the assessment. The internal judges are Rini Arvika Sari, S.Sos., M.Si, and Ruzaini, S.Pd. Each judge has been confirmed to have different expertise and experience.

3.2 Results and Discussion

1. Calculating the Economic Ratio

The first analysis conducted was the economic ratio analysis for the 2024 and 2025 Ranking 1 Competition. In this analysis, the Author examined the economic level by comparing actual budget expenditure with the target budget for the Ranking 1 Competition. The results of the analysis will indicate how economically the organizing team managed the budget.

$$\text{Economical} = \frac{\text{Realized Budget}}{\text{Target Budget}} \text{ X } 100\%$$

Table 2. Calculation results using the Economic Ratio in 2024-2025

Years	Realized Budget	Target Budget	Economic Ratio	Criteria
2024	3.254.000	3.285.000	99,05%	Economy
2025	3.171.305	4.459.000	71,12%	Less Economical

Source: Processed data, 2025

Table 2 presents the results of the financial performance analysis of the Ranking 1 Competition in 2024 and 2025 using the Value for Money method, as measured by the economic ratio. In 2024, the economic ratio was 99.05%, which fell within the Economic category. This result indicates that the actual expenditure was nearly equivalent to the budget target that had been established, suggesting that the utilization of funds during the year was consistent with the planned budget. Based on an interview with the treasurer of the 2024 Ranking 1 Competition, the budget was prepared according to the anticipated needs of the event, resulting in actual expenditures that did not differ significantly from the planned budget.

Meanwhile, in 2025, the economic ratio was 71.12%, which was classified as Less Economical. This value indicates that the actual expenditure was lower than the planned budget target. Based on an interview with the chairperson of the 2025 Ranking 1 Competition organizing committee, changes in the event schedule from three days to two days resulted in a reduction in several event requirements, causing not all of the planned budget to be utilized. Consequently, the actual expenditure was lower than the budget that had been allocated.

The results of economic ratio analysis led researchers to conclude that budget management in 2024 would be more economical than in 2025. Therefore, further evaluation of budget planning and utilization in 2025 is needed. Through more careful budget planning, it is hoped that in the next period, financial management will not only remain within budget limits, but will also reflect a higher level of economy without reducing the effectiveness of activities.

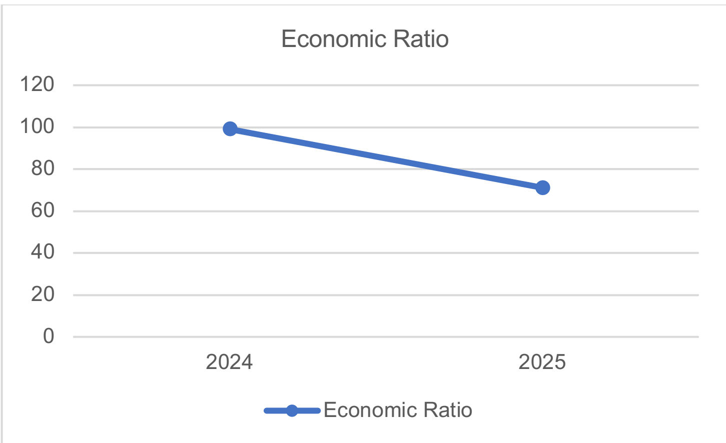

Figure 1. Economic Ratio Chart

Figure 1 above shows that in 2024, the economic ratio was 99.05%, decreasing to 71.12% in 2025. The percentage difference between the two years of the event was 27.93%. Therefore, the graph above shows that this change indicates a difference in spending realization between the planned budget and the actual budget.

2. Calculating the Efficiency Ratio

The second analysis conducted was an efficiency analysis of the 2024 and 2025 Ranking 1 Competition. Efficiency will be achieved if the organizers produce the maximum output with minimal use of funds. The smaller the funds used to achieve these outputs, the higher the efficiency. However, it is essential to ensure that the efficiency achieved does not compromise the quality of the activity's results.

$$\text{Efficiency} = \frac{\text{Realized Expenditure Budget}}{\text{Realized Revenue Budget}} \text{ X } 100\%$$

Table 3. Calculation results using the Efficiency Ratio in 2024-2025

Years	Realized Expenditure Budget	Realized Revenue Budget	Efficiency Ratio	Criteria
2024	3.254.000	3.285.000	99,05%	Less Efficient
2025	3.171.305	6.034.000	52,55%	Very Efficient

Source: Processed data, 2025

Table 3 shows the results of the financial performance calculations for the 2024 and 2025 Ranking 1 Competition using the Value for Money method, measured by the efficiency ratio. In 2024, the efficiency ratio was 99.05%, placing it in the Less Efficient category. Therefore, this condition indicates that almost all of the income was used to finance the Ranking 1 Competition, suggesting that the funds were not used at an optimal level of efficiency. Furthermore, this indicates that the financial management of the Ranking 1 Competition in 2024 remains focused on meeting all the needs of the activity's implementation, without any significant cost-saving efforts.

Meanwhile, in 2025, the efficiency ratio was 52.55%, which was classified as Very Efficient. This result indicates that the organizing committee was able to carry out the entire series of activities using only a relatively small portion of the total revenue generated. This finding is consistent with the results of an interview with the chairperson of the 2025 Ranking 1 Competition organizing committee, who explained that the committee prioritized the allocation of funds for the event's essential needs and made efforts to control expenditures throughout the implementation of the event, thereby resulting in more efficient budget utilization.

The results of the efficiency ratio analysis show that financial management of activities in 2025 will be more efficient than in 2024. Although the level of efficiency in 2025 is considered highly efficient, it is still necessary to ensure that the efficiency achieved does not compromise the quality and main objectives of these activities.

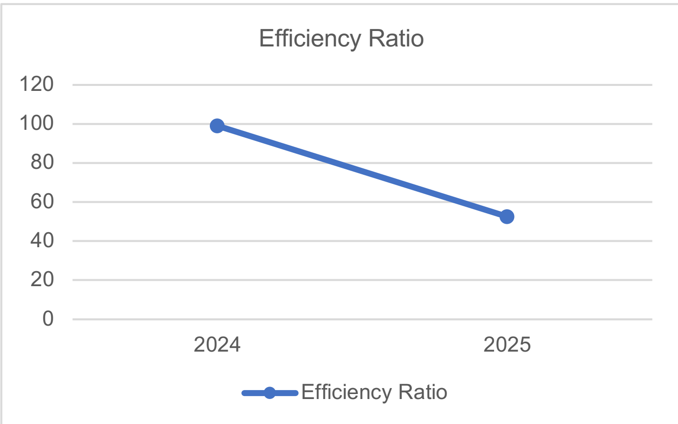

Figure 2. Efficiency Ratio Chart

Figure 2 Above shows that in 2024, the efficiency ratio was 99.05%, decreasing to 52.55% in 2025. The percentage difference between the two years of the event was 46.50%. The decline in the ratio indicates an improvement in the committee's ability to manage the event budget, enabling the activities to be implemented more effectively through more efficient utilization of available funds.

3. Calculating the Effectiveness Ratio

The final analysis was the effectiveness ratio for the 2024 and 2025 Ranking 1 Competition. In this section, the effectiveness analysis focused on the financial aspect, comparing the realized revenue budget (Outcome) with the activity's revenue budget target (Output). An event can be considered financially effective if the revenue collected approaches or even exceeds the planned target. However, if the effectiveness ratio approaches 100%, it indicates that fundraising efforts were carried out optimally and that the funding objectives were achieved.

$$\text{Effectiveness} = \frac{\text{Revenue Budget Realized}}{\text{Revenue Budget Target}} \text{ X } 100\%$$

Table 4. Calculation results using the Effectiveness Ratio in 2024-2025

Years	Revenue Budget Realized	Revenue Budget Target	Effectiveness Ratio	Criteria
2024	3.285.000	3.285.000	100%	Effective
2025	6.034.000	6.084.000	99,17%	Effective

Source: Processed data, 2025

Table 4 above presents the results of the financial performance analysis of the Ranking 1 Competition in 2024 and 2025 using the Value for Money method, as measured by the effectiveness ratio. In 2024, the effectiveness ratio was 100%, indicating that the actual revenue fully achieved the targeted revenue budget and was therefore categorized as Effective. This result suggests that revenue generation efforts during the year were implemented in accordance with the established plan, although no revenue exceeded the predetermined target. This condition demonstrates that the revenue target planning for the 2024 Ranking 1 Competition was realistic and aligned with its revenue potential, enabling the targeted revenue to be fully achieved. Meanwhile, in 2025, the effectiveness ratio was 99.17%, which was also classified as Effective. This value indicates that the actual revenue nearly achieved the revenue target that had been established.

Although there was a slight difference in the effectiveness ratio between 2024 and 2025, interviews with the treasurer of the 2024 Ranking 1 Competition and the chairperson of the 2025 Ranking 1 Competition organizing committee revealed that the achievement of revenue targets in both periods was supported by the committee's efforts to secure funding through sponsorships and participant registration fees. Although several potential sponsors did not follow up on the proposals submitted in 2025, the actual revenue still nearly achieved the established target. This condition indicates that the fundraising efforts undertaken by the committee were effectively implemented, enabling the event to maintain an Effective level of performance.

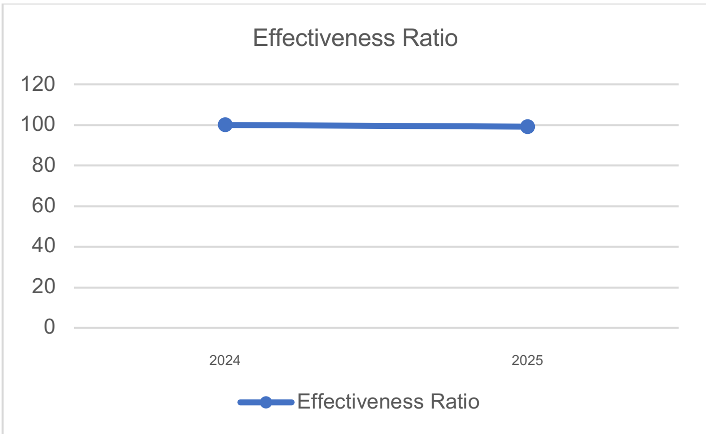

Figure 3. Effectiveness Ratio Chart

Figure 3 above illustrates that the effectiveness ratio of the Ranking 1 Competition was 100% in 2024 and slightly decreased to 99.17% in 2025. The difference between the two periods was only 0.83%. Despite this decline, both periods remained within the Effective category, as the actual revenue was able to achieve the established targets. This condition indicates that the organizing committee successfully managed and generated event revenue in both periods of implementation.

4. Conclusions and Suggestions

4.1. Conclusion

Based on the analysis results, which evaluated the financial performance of the 2024 and 2025 Ranking 1 Competition using the value-for-money method, the following conclusions can be drawn:

1. Based on the economic ratio, the budget management of the Ranking 1 Competition in 2024 demonstrated a better level of economy than in 2025. This difference was influenced by changes in the implementation of the event in 2025, which resulted in not all of the planned budget being utilized.
2. Based on the efficiency ratio, the financial management of the Ranking 1 Competition in 2025 demonstrated a higher level of efficiency than in 2024. This was supported by more focused expenditure management through prioritizing the essential needs of the event.
3. Based on the effectiveness ratio, the implementation of the Ranking 1 Competition in both 2024 and 2025 was classified as Effective, as the established revenue targets were either fully achieved or nearly achieved.

4.2. Suggestions

The recommendations resulting from this study are:

1. The Ranking 1 Competition organizing committee in future periods is recommended to prepare a more detailed budget and align it with the actual conditions of event implementation to minimize discrepancies between the planned budget and actual expenditures.
2. The expenditure management practices implemented in 2025 should be maintained by continuing to prioritize the essential needs of the event without compromising the quality of its implementation.
3. The organizing committee in future periods is recommended to expand collaboration with sponsors and enhance fundraising strategies to ensure that revenue targets can be achieved in subsequent event implementations.

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