



International Journal of Multidisciplinary and Scientific Emerging Research (IJMSERH)

Volume 14, Issue 4, October-December 2026

Impact Factor: 9.798



Financial Management Practices and Their Relationship with Growth and Profitability at Ally Production

A Research Article Based on the Internship Study at Ally Production

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ABSTRACT: Financial management is an important part of keeping a business financially stable and ensuring that its day-to-day activities continue without unnecessary pressure on cash and resources. This is especially relevant for service-based companies where project expenses, customer collections and vendor commitments can change from one assignment to another. The present study examines the financial management practices followed at Ally Production and discusses their relationship with the conditions that support business growth, profitability and overall effectiveness. The study covers financial planning, budgeting, cash and liquidity management, billing and receivables, vendor payments and controls, tax and digital finance, and financial decision-making.

A descriptive research design was used for the study. Primary data were collected from 100 employees of Ally Production through a structured questionnaire containing 25 statements measured on a five-point Likert scale. The data were examined using percentage analysis, mean analysis, dimension-wise analysis, normality testing and Spearman's correlation analysis. The dimension-wise results showed mean scores of 3.61 for Financial Planning, 3.44 for Cash and Liquidity, 3.49 for Receivables and Billing, 3.60 for Payables and Controls, 3.65 for Tax and Digital Finance, and 3.60 for Decision and Overall Effectiveness.

The correlation analysis showed positive and statistically significant relationships among the financial-management dimensions. For example, Receivables and Billing had a Spearman correlation of 0.663 with Decision and Overall Effectiveness, while Receivables and Billing and Payables and Controls had a correlation of 0.690. These results indicate that the financial activities of the organization are connected and that improvements in one area can be relevant to other areas of financial management. The study concludes that systematic planning, timely billing and collection, controlled vendor payments, proper documentation, digital accounting and regular financial reporting can support better resource utilization and provide a stronger financial base for sustainable organizational performance.

KEYWORDS: Financial Management, Financial Planning, Budgeting, Cash Management, Receivables, Profitability, Business Growth, Financial Performance, Ally Production.

I. INTRODUCTION

Financial management is not limited to recording income and expenses. It involves deciding how money should be planned, used, monitored and controlled so that the organization can meet its commitments and make sensible business decisions. When financial information is available at the right time, management can understand where money is being spent, what amounts are still to be collected, which payments are due and where expenses may need closer attention.

This becomes particularly important in a service-oriented business. Unlike a business that sells the same product repeatedly, a media production and event-management company may handle projects with different budgets, timelines, clients and vendors. The timing of customer collections may not always match the timing of production expenses. As a result, financial planning, cash-flow monitoring and receivables management become closely connected with daily operations.

Ally Production is a service-based media production company established in 2019 and based in Bangalore. The company operates across media production, event management and creative services through divisions including Ally Media, Ally Events and Vows by Ally. Its activities include brand films, commercials, corporate events, event coverage, photography, social media content, documentary storytelling and wedding films. The nature of these activities makes financial coordination important because every project can involve different production costs, client billing arrangements and vendor commitments.

The internship study therefore focuses on the financial management practices followed at Ally Production. It looks at the practical side of financial management through areas such as planning, budgeting, cash and liquidity, invoicing, receivables, vendor payments, taxation, accounting software, MIS reporting, internal controls and cost management.

Growth and profitability are important outcomes for a business, but they do not depend on sales alone. The way an organization manages its available resources also matters. A company may have good business opportunities, but delayed collections, uncontrolled expenses or weak financial records can make it difficult to use those opportunities effectively. For this reason, the present article examines how financial management practices at Ally Production are connected with overall financial effectiveness and how these practices can support the financial conditions needed for growth and profitability.

II. PROFILE OF ALLY PRODUCTION

Ally Production was established in 2019 and is based in Jagadish Nagar, New Thippasandra, Bangalore. It operates as a service-based media production company providing media production, event management and creative services.

The organization works through three main divisions: Ally Media, Ally Events and Vows by Ally. Its service portfolio includes corporate and commercial production, event coverage, photography, videography, social media content, creative campaigns, wedding films and related production services.

Because the company handles project-based services, its financial activities involve a combination of client billing, collection follow-up, production expenses, vendor payments and routine operating costs. The finance function therefore has a practical role in keeping projects moving while ensuring that financial commitments are recorded and monitored.

III. REVIEW OF LITERATURE

Financial management has been widely discussed in relation to business performance, particularly in areas such as working capital, cost control, financial planning and accounting information systems. The literature reviewed in the internship report provides the background for understanding why these areas matter to organizational performance.

Rout, Sahoo and Sood (2026) examined financial management practices and organizational sustainability among SMEs in India. Their work emphasized the role of financial planning and financial-resource management in organizational performance and long-term sustainability.

Mallidi (2025) examined financial management practices and organizational performance in Indian firms, covering areas such as financial planning, working-capital management, investment appraisal and capital structure. The study highlighted the importance of systematic financial practices in organizational performance.

Talikoti (2025) examined cost-management practices among MSMEs and their impact on financial performance. The study emphasized the importance of monitoring and controlling costs in maintaining financial efficiency.

Goala and Awungshi (2024) examined financial management practices among small enterprises in Southern Assam, with attention to working capital, capital structure and accounting information systems. Their findings indicated that financial management is connected with enterprise performance and sustainability.

Venkatesan (2024) studied financial management practices and performance measurement among SMEs in Tamil Nadu. The study considered risk management, working capital management and credit management as important financial factors and reported a significant relationship between financial management practices and SME performance.

Panda, Nanda and Panda (2021) examined working capital management and profitability among Indian SMEs. Their study highlighted the importance of receivables management, inventory management and accounts payable in profitability and emphasized the need to convert credit sales into cash efficiently.

Ahangar (2021) investigated working capital management and profitability using data from Indian SMEs. The study indicated that maintaining an appropriate level of working capital is important for profitability.

Farhan et al. (2021) examined working capital management policies and profitability and highlighted the need to balance liquidity and profitability. Baker, Kumar, Colombage and Singh (2020) similarly discussed receivables, cash conversion and net working capital as important parts of financial decision-making.

IV. RESEARCH GAP

Much of the existing literature focuses on manufacturing companies, SMEs in general or listed firms. Comparatively less attention is given to the financial-management environment of media production, event management and creative service businesses.

Ally Production works through projects that can differ in size, cost, duration and payment terms. This creates a practical need to understand how financial planning, billing, collections, vendor payments and financial controls work together within a creative-service environment.

The present study addresses this context by examining employee perceptions of financial management at Ally Production and by studying the relationships among the major financial-management dimensions. The study also discusses how these practices can create conditions that support growth and profitability.

V. OBJECTIVES OF THE STUDY

- To study the financial management practices followed at Ally Production.
- To examine financial planning and budgeting practices in the organization.
- To analyze billing and receivables-management practices.
- To examine vendor payments and financial controls.
- To understand the role of taxation and digital accounting practices.
- To examine the relationship among the major financial-management dimensions.
- To understand how effective financial management can support organizational growth, profitability and overall effectiveness.

VI. RESEARCH METHODOLOGY

6.1 Research Design

The study uses a descriptive research design. The purpose is to understand the existing financial management practices at Ally Production and the perceptions of employees who have knowledge of or exposure to the organization's financial and operational activities.

6.2 Sample and Data Collection

Primary data were collected from 100 respondents through a structured questionnaire. The questionnaire used a five-point Likert scale ranging from Strongly Disagree to Strongly Agree. Secondary information was obtained from textbooks, research articles, journals and other relevant academic sources.

6.3 Questionnaire

The questionnaire contained 25 statements covering financial planning, budgeting, cash and liquidity, billing, receivables, vendor payments, controls, taxation, accounting software, Excel and Google Sheets, MIS reporting, financial decision-making and overall effectiveness.

6.4 Statistical Tools

The collected responses were analyzed using percentage analysis, mean analysis, dimension-wise analysis, the Shapiro-Wilk normality test and Spearman's correlation analysis. Spearman's correlation was used for association analysis because the composite dimensions were based on ordinal Likert-scale responses and were treated as non-normal.

VII. RESULTS AND DISCUSSION**7.1 Respondent Profile**

The sample consisted of 100 respondents. Male respondents represented 52% of the sample and female respondents represented 48%. The largest age group was 26–30 years, accounting for 33% of respondents. Postgraduates represented 58% of the sample. Respondents with 1–3 years of experience formed the largest experience group at 32%, while Operations was the largest functional group at 26%.

7.2 Dimension-Wise Analysis

Financial Management Dimension	Mean Score
Financial Planning	3.61
Cash & Liquidity	3.44
Receivables & Billing	3.49
Payables & Controls	3.60
Tax & Digital Finance	3.65
Decision & Overall Effectiveness	3.60

The dimension-wise results show that Tax and Digital Finance recorded the highest mean score at 3.65, followed by Financial Planning at 3.61. Payables and Controls and Decision and Overall Effectiveness both recorded 3.60. Receivables and Billing recorded 3.49, while Cash and Liquidity recorded 3.44. The results suggest that employees generally viewed the financial practices as moderately favourable, while cash and liquidity and receivables-related activities provide room for continued process improvement.

7.3 Important Individual Findings

The responses to individual statements also provide a practical picture of the organization's financial processes. Financial planning received a mean score of 3.71, with 60% of respondents selecting Agree or Strongly Agree. The comparison of actual expenses with budgeted expenses received a mean score of 3.74, with 62% selecting Agree or Strongly Agree.

Payment-record maintenance recorded a mean score of 3.85, with 62% of respondents selecting Agree or Strongly Agree. This indicates a relatively favourable perception of record maintenance. Receivables-related practices received moderate responses, suggesting that invoice follow-up and collection monitoring remain areas where greater consistency can be useful.

The report also shows that accounting software, Excel or Google Sheets and MIS reporting form part of the financial workflow. These tools can help maintain records and provide information for financial decisions when they are used consistently and supported by reconciliation and clear responsibilities.

VIII. CORRELATION ANALYSIS

Spearman's correlation analysis was used to examine the relationships among the major financial-management dimensions. The results were statistically significant at the reported significance level of 0.000 for all relationships shown below.

Variables	Spearman's rho	Sig.	Decision
Financial Planning – Cash & Liquidity	0.456	0.000	Significant
Financial Planning – Receivables & Billing	0.511	0.000	Significant
Financial Planning – Payables & Controls	0.509	0.000	Significant
Financial Planning – Tax & Digital Finance	0.582	0.000	Significant
Financial Planning – Overall Effectiveness	0.496	0.000	Significant
Cash & Liquidity –	0.411	0.000	Significant

Receivables & Billing			
Cash & Liquidity – Payables & Controls	0.628	0.000	Significant
Cash & Liquidity – Tax & Digital Finance	0.601	0.000	Significant
Cash & Liquidity – Overall Effectiveness	0.447	0.000	Significant
Receivables & Billing – Payables & Controls	0.690	0.000	Significant
Receivables & Billing – Tax & Digital Finance	0.667	0.000	Significant
Receivables & Billing – Overall Effectiveness	0.663	0.000	Significant

The correlation results show that the financial-management dimensions move together in a positive direction. The strongest relationship in the reported table is between Receivables and Billing and Payables and Controls, with a Spearman coefficient of 0.690. Receivables and Billing also showed a coefficient of 0.663 with Decision and Overall Effectiveness and 0.667 with Tax and Digital Finance.

These results are useful from a practical point of view. Customer billing and collections are not isolated activities. They affect the availability of funds, which in turn is relevant to vendor payments, short-term commitments and financial decision-making. Similarly, digital financial records and tax-related processes are connected with other areas of financial administration.

IX. RELATIONSHIP WITH GROWTH AND PROFITABILITY

The findings provide a clear practical link between financial management and the conditions required for growth and profitability, although the present questionnaire did not directly measure growth or profitability as separate statistical variables.

Financial planning can help management estimate the funds required for projects and routine activities. When expenses are planned before commitments are made, the organization has a better basis for deciding where resources should be used. Budget-versus-actual comparison can also bring attention to areas where project spending is moving away from the original plan.

Cash and liquidity management are equally important. A project may be profitable on paper but still create pressure if customer collections are delayed while production and vendor payments have to be made on time. Regular monitoring of cash inflows and outflows can therefore improve visibility over the organization's short-term financial position.

Receivables and billing have a direct practical connection with cash availability. Accurate invoices, timely billing and regular follow-up of outstanding amounts can reduce the time between completing a service and receiving payment. This can help the organization use its available funds more effectively.

Payables and financial controls support the other side of the process. A structured vendor-payment system helps management know what is due, when it is due and whether the necessary approvals have been completed. Proper documentation also makes it easier to review transactions and identify errors.

Digital finance can further support these activities. Accounting software and spreadsheet-based trackers can make financial information easier to organize and review. However, the benefit depends on consistent data entry, reconciliation and clearly assigned responsibilities.

Taken together, these practices can contribute to better resource utilization, improved liquidity visibility and controlled expenditure. These are important financial conditions for sustainable business growth and profitability.

It is important, however, not to interpret the correlation results as proof that financial management directly causes higher profitability or business growth. The present study measured employee perceptions of financial-management

practices and their relationships with overall effectiveness. A direct statistical relationship with revenue growth or profit would require actual financial-performance measures to be included in the analysis.

X. MAJOR FINDINGS

- The study was based on responses from 100 employees of Ally Production.
- Financial Planning recorded a mean score of 3.61 at the dimension level.
- Tax and Digital Finance recorded the highest dimension-level mean score of 3.65.
- Cash and Liquidity recorded the lowest dimension-level mean among the six dimensions at 3.44.
- Receivables and Billing recorded a mean score of 3.49, indicating scope for continued attention to billing and collection processes.
- Payables and Controls recorded a mean score of 3.60.
- Decision and Overall Effectiveness recorded a mean score of 3.60.
- Financial planning received a mean score of 3.71 at the individual-statement level.
- Comparison of actual expenses with budgeted expenses received a mean score of 3.74.
- Payment-record maintenance recorded a mean score of 3.85.
- All reported Spearman relationships among the major dimensions were positive and statistically significant.
- Receivables and Billing had a correlation of 0.663 with Decision and Overall Effectiveness.
- Receivables and Billing and Payables and Controls had a correlation of 0.690.
- The results indicate that financial-management activities are interconnected and should be managed as a coordinated process.

XI. SUGGESTIONS

- Conduct periodic budget-versus-actual reviews for major projects and operating expenses.
- Maintain a centralized receivables ageing tracker and assign clear responsibility for following up overdue invoices.
- Use a standardized invoice-checking process before invoices are issued to clients.
- Maintain a vendor-payment tracker showing due dates, approval status and payment status.
- Keep supporting documents for financial transactions in a systematic manner.
- Use accounting software as the main transaction record and reconcile spreadsheet trackers regularly.
- Prepare concise monthly MIS reports covering collections, payables, expenses, budget variances and outstanding items.
- Define clear approval levels for significant expenses and vendor payments.
- Review GST and TDS-related records periodically to reduce compliance-related errors.
- Provide basic finance-process training to employees involved in billing, payments and documentation.
- Use controlled spreadsheet templates or dashboards to reduce duplicate manual entry.
- Review financial controls periodically as project volumes and business processes change.

XII. FUTURE SCOPE OF THE STUDY

The present study can be extended by collecting data from a larger number of employees and by comparing financial-management practices across several media production, event-management and creative-service organizations.

Future research can also introduce actual financial indicators such as revenue growth, profit margin, project profitability, cash-flow performance, cost reduction and return on investment. This would make it possible to test the relationship between financial-management practices and measurable business outcomes rather than relying only on employee perceptions.

A longitudinal study could compare the organization's financial practices and performance across different years. Another useful area for future research would be the effect of digital accounting, automation and financial dashboards on financial efficiency and managerial decision-making.

XIII. CONCLUSION

The study shows that financial management at Ally Production involves much more than maintaining accounting records. Financial planning, budgeting, cash management, billing, receivables, vendor payments, controls, taxation, digital accounting and MIS reporting are closely connected parts of the same financial process.

The results indicate generally favourable perceptions of the financial-management practices, with Tax and Digital Finance, Financial Planning, Payables and Controls and Overall Effectiveness receiving comparatively stronger mean scores. At the same time, cash and liquidity and receivables-related activities remain areas where consistent monitoring can be useful.

The correlation analysis provides further evidence that the major financial-management dimensions are associated with one another. In particular, the relationships involving Receivables and Billing show that customer collections, payment controls and overall financial effectiveness are connected parts of the organization's financial workflow.

For a project-based creative organization such as Ally Production, these practices can support smoother project execution by improving visibility over available funds, outstanding collections, expenses and financial commitments. Better financial visibility can also help management make more informed decisions about resource allocation and expenditure.

Overall, effective financial management can provide a stronger foundation for sustainable organizational performance. However, the present study should not be read as a direct test of causality between financial management and profitability or growth because separate financial-performance variables were not statistically measured. Future studies using actual revenue, profit and growth indicators can provide a more direct assessment of that relationship.

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