Cash Flow Management and Organizational Growth in Bootstrap Digital Marketing Agencies: A Case Study of Marketix Lab

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Abstract
The digital advertising market of Indonesia is estimated to reach USD 3.23 billion in 2025 and to USD 4.51 billion by 2031, but the vast majority of the micro, small and medium enterprises (MSMEs) are still under the service of professional digital marketing firms.An example of a paradox in this industry as can be seen in the case of Marketix Lab, an agency of bootstrap digital marketing, and was founded in 2024, at Telkom University Bandung, is that it can guarantee healthy profit margins of 40-70% but has an issue in managing cash flows that restricts the growth of the organization. The given case study is a qualitative study of the financial activity of the agency in May and in December of 2025 with the help of the internal and external analysis (Porters Five Forces, PESTLE) and strategic planning in the frames of TOWS Matrix and Business Model Canvas. The results show that three issues are interrelated like, the fluctuation of revenues of between Rp 5,000,000 and Rp 42,100,000 per month, lower profitability during the development stage and lack of financial planning to be an active participant. The TOWS analysis comes up with a dozen strategic options, of which the prioritization proposed is focused on financial planning infrastructure, after which comes stabilizing the margin, and lastly, revenue growth initiatives. The research brings a viable model whereby bootstrap digital marketing firms can gain sustainable expansion by a deliberate cash flow management without financing.

Keywords: *cash flow management, digital marketing agency, organizational growth, financial planning, TOWS analysis.*

I. INTRODUCTION

The Indonesian online marketing market has shown an unprecedented rise in the online market, propelled by the rapid technological development, and the technological digitization of the businesses, unlike in the past. It is estimated that in 2025 and 2031, digital advertising market will be USD 3.23 billion and USD 4.51 billion respectively at a CAGR of 5.70% according to the Mordor Intelligence (2025). The growth offers a huge market to the digital marketing agencies, especially those that focus on MSMEs, which comprise 61 percent and 97 percent of GDP and labor force in Indonesia, and which are in excess of 64 million business units in the country (Anatan and Nur, 2023). This economic value is not ingrained in practice since most of the MSMEs do not succeed in the digital presence because of the available resources and digital illiteracy and access to the offered free of charge professional marketing services.

However, digital marketing agency business model is not similar to other traditional businesses that offer other usual services since it has its own financial complications. The sources of revenue are generally projects or subscription of different length of the contract and therefore causing variable cash flow. The management of cash flows is obligatory because the agencies collaborating with MSME segment have limited budget and can pay only after some period and the necessity to balance the price in the competitor field with the need to keep afloat financial planning may be a right choice (Tarigan et al., 2024). The cash flow is inexorably being found as the main problem of small business finances by research, and industrial surveys have shown that 82 per cent of the failures of the small business are caused by the cash flow issues (SCORE, 2024).

The marketix Lab that used to be a digital marketing company is not an exception as it had been initially founded in the year 2024, as the WRAP Entrepreneurship initiative of the Telkom University. In early 2025, the agency changed management group to its current one that started its active business life in May 2025. Marketix Lab under the slogan of Where Creativity and Strategy Unite provides all-in digital marketing at the level of MSMEs between Rp 599,000 and Rp 7,999,000 per month with the following products: social media marketing, SEO, web development, and artificial intelligence-based marketing solutions. May to December of 2025 saw the agency develop greatly, as it had increased revenue between Rp 5,000,000 to Rp 42,100,000 monthly which remained on 40-70 percentage ratio in profit margins. Despite these indicators, the conflict between growth capital and cash flow solvency is the key problem to which the management should contend.

The present paper has reviewed how the cash flow management activities affect the development trajectories of organizations in digital marketing agencies that cater to low-end MSME clients. Through reviewing financial activities, strategic environment and management practice of Marketix Lab, this study provides a practical recommendation of entrepreneurial projects that must strike a balance between financial sustainability and service delivery excellence.

II. LITERATURE REVIEW

A. Cash Flow Management in Service Businesses

Cash flow management is one of the most critical issues of financial management as far as sustainability of a business is concerned. The most critical part of corporate finance is cash flow management, and managers are supposed to be trained to differentiate between the accounting profitability and the actual liquidity as the profitability is not the reason that makes you manage a business up to the moment when you could not reach the liquidity (Ross et al., 2022). Empirical studies have supported the hypothesis of the importance of SMEs in emerging economies in confirming the high sensitivity of working capital management, especially, management of trade receivables and payables in influencing profitability among firms (Braimah et al., 2021).

The comparative analysis of both developing and developed economy firms, which is characterized by the short-inventory holding periods of the emerging market firms and fast-moving receivables collection, is another fact that corroborates the linkage between the cash conversion cycle and the performance of firms in a negative manner (Kiymaz et al., 2024). Such financial management procedures as cash flow monitoring, budgeting, and financial reporting play a crucial role in influencing the enterprise performance and sustainability (Mang'ana et al., 2023).

B. Organizational Growth Theory

The stage based growth models characterize the stages through which organizations pass. In Greiner Growth Model, it involves five stages in which each stage will result to a crisis which needs to be resolved to proceed (Greiner, 1972). The Five Stages of Small Business Growth by Churchill and Lewis has classified the existence, survival, success, take-off and resource maturity and the survival stage is better fitted in the stage of Marketix Lab (Churchill and Lewis, 1983).

The research shows that the impact of digital organizational culture can be enormous on the firm performance, and the digital transformation can trigger the agencies to greater growth outcomes (Pradana et al., 2022). Moreover, the availability of financing also greatly dials down the innovation-driven growth strategies, and the undercapitalized companies are advised to plan their finances with a greater degree of caution to translate the entrepreneurial orientation into tangible performance gains (Amin et al., 2023).

C. MSME Digital Marketing Dynamics

The overall proportion of financial management competence in the small business owners that constitutes of the minimum level of formal training in financial planning is very high based on the research that was conducted on MSMEs in Indonesia. Knowledge management practices have proven to be quite important in the digital era since they are very important in achieving competitiveness of MSMEs (Saputri and Utami, 2023). The entrepreneur marketing research has established that the centralized models of marketing generates the positive effect on the entrepreneur resilience that is mediated through the self-efficacy channels (Hasanah et al., 2025).

Besides it, the same can be attributed to the novelty of the work behaviour of MSMEs in the circumstances of marketing entrepreneurship hybridization with online contacts as well (Amalia et al., 2025). Within this regard, it is particularly relevant since the cash flow of the digital startups, the volatility of their sources of revenues, the excessive costs of client acquisition, and scaling requirements (fast) (Tarigan et al., 2024). The mechanisms of systematic financial management will enable companies to expand with multiple greater growth rates than those who subscribe to unsynchronized (Musah et al., 2018).

III. RESEARCH METHODOLOGY

Research methodology employed in this study entails practical business application and theoretical analysis given that the research approach is qualitative case study. The analysis would look at a period of operation of Marketix Lab that operates between May and December 2025 that constitutes seven months of financial data with an August vacation due to a compulsory internship of teams. The data sources include the internal financial statements (income statements, cash flow statements, balance sheets), operations records and industry reports.

The model of analysis consists of four stages. Stage 1 (Situational Analysis) explains the internal financial resources, organizational capabilities and business processes and external market forces using Porters Five Forces Analysis and PEST Analysis. Stage 2 (Problem Identification) narrows the findings to the core cash flow

management problems, which are validated by the research of the financial data. Stage 3 (Solution Development): Strategic alternatives on the basis of the TOWS Matrix are developed and tried concerning internal resources and strengths and external challenges and threats. Stage 4 (Implementation Planning): Prepares implementable financial management models including forecasting models, process of governance and performance measures. The Business Model Canvas diagrams trace the current business model format and locate optimization opportunities in line with the targets in cash flow management.

Financial projections will consider the consistency of market state, and the Indonesian digital marketing industry will proceed with its developmental direction, gaining 1-2 new clients every month, at least 80% of its clients annually, their prices will be stable. The objective of cash flow forecasting is 85 percent precision of 90-day rolling forecasts as Mean Absolute Percentage Error (MAPE) technique.

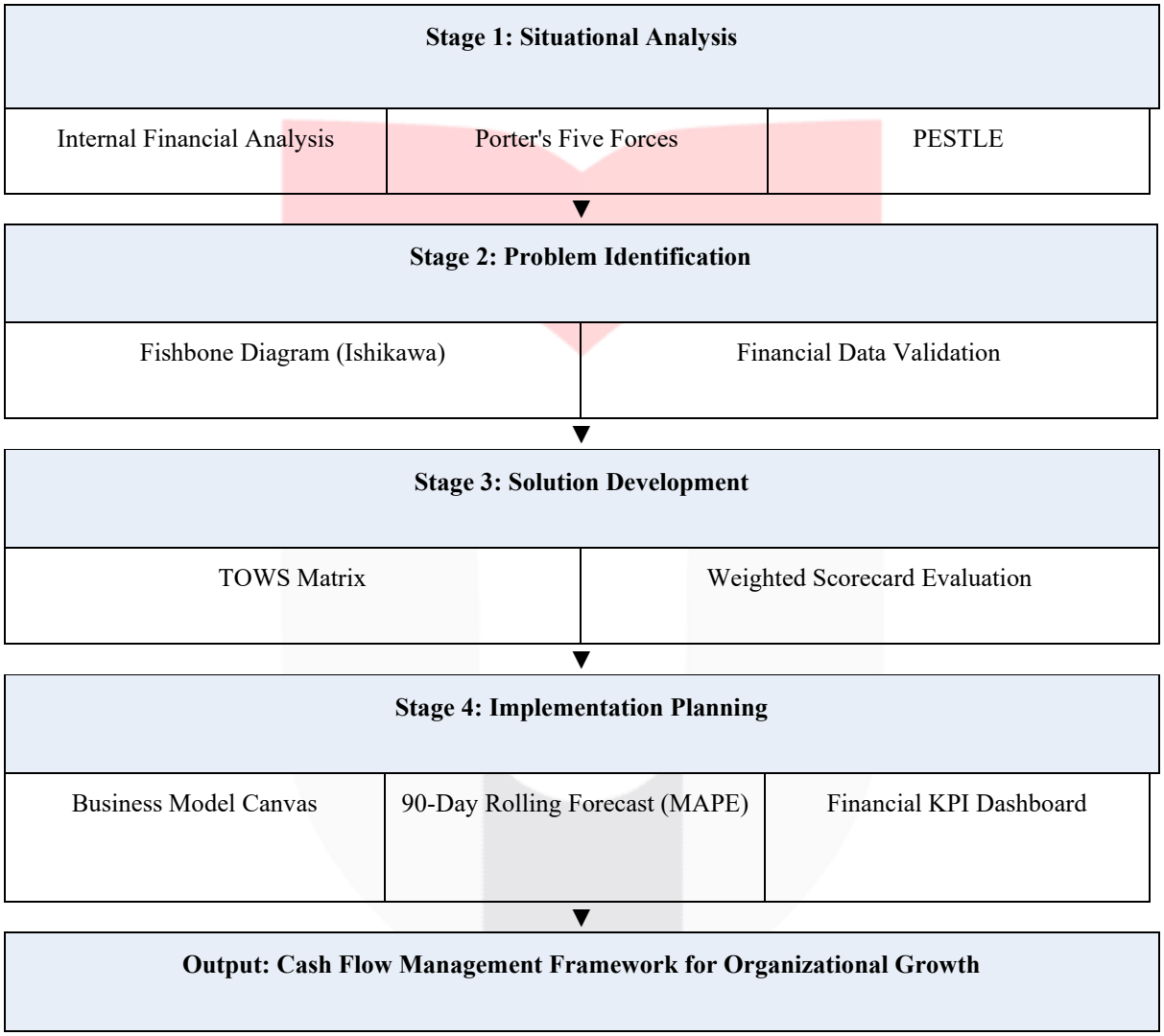


Figure 1. Research methodology framework, the four-stage qualitative case study design applied to cash flow management analysis.

The study takes qualitative case study as suggested by Robert K. Yin (2003) and structured in four consecutive phases of analysis. Stage 1 (Situational Analysis) will be an analysis of the internal financial resources of the agency in terms of income statement, cash flow statement, and balance sheet analysis, and external forces in the market using Porters Five Forces analysis framework (Porter, 1980) and the PESTLE analysis framework (Johnson et al., 2008). Stage 2 (Problem Identification) uses the Fishbone Diagram created by Kaoru Ishikawa (1968) to track the underlying causes of cash flow management-related issues in six dimensions (management, method, money, man, material and market) and results were validated against actual financial data.

Stage 3 (Solution Development) comes up with strategic alternatives based on the TOWS Matrix, suggested by Heinz Weihrich (1982), and measures them within a weighted scorecard format, modified after Kaplan and Norton (1992), to determine the most important interventions. Stage 4 (Implementation Planning) converts the

chosen strategies into a financial management plan to be implemented in 90 days based on the Business Model Canvas created by Osterwalder and Pigneur (2010) with the help of a 90-day rolling forecast, which is monitored by Mean Absolute Percentage Error (MAPE) methodology and a Financial KPI Dashboard. This progressive structure will facilitate putting the basic financial infrastructure in place before engaging in margin stabilization and revenue growth projects.

IV. RESULTS AND DISCUSSION

A. Financial Performance Analysis

The analysis of the income statement shows that there are two operating phases. The first stage (May-July 2025) when the client is Donisa Multi Mandiri shows that the revenues remain stable with at least Rp 5,000,000 monthly with more decreases in the profit margins reaching 62.8% as the operation costs are increasing. After a hiatus in August, there is the growth acceleration (September-December 2025), which is dramatically changed after taking up F&R Perfume Official and Foysal Khan as its clients. The trend in growth is evidenced in revenue in the current stage; which shows an exponentional growth up to Rp 42,105,000 in December or, increase of 742 percent in revenue in comparison with the base in May.

Table 1 presents the financial performance across the observation period.

Table 1. Marketix Lab Financial Performance (May – December 2025)
Source: Marketix Lab internal financial records (2025)

Metric	May	Jun	Jul	Sep	Oct	Nov-Dec
Revenue	5.0M	5.0M	5.0M	10.0M	10.0M	21.1M–42.1M
Expenses	1.54M	1.77M	1.86M	5.98M	5.18M	8.6M–12.6M
Net Income	3.46M	3.23M	3.14M	4.03M	4.82M	12.5M–29.5M
Margin	69%	65%	63%	40%	48%	59%–70%
Cash Balance	3.20M	6.52M	9.66M	13.68M	18.50M	31.0M–60.4M

Note: Monetary figures are in IDR; percentages are shown as %.

Profit margins have the U-shaped recovery trend: decreasing to 62.8% in Phase 1 to 40.2% upon making scaling investments, but in December, the profit margin recovered to 70.0%. This margin recovery in the high-growth months shows increasing operational effectiveness and is a good indication of a sustainable unit economics at scale. The agency did not accumulate any debt during the period and cash reserves increased as a result of zero reserves to Rp 60.4 million which was all as a result of the retained earnings which supports the viability of the bootstrap model in generating the large financial reserves solely as a result of retained earnings.

B. External Environment Analysis

The Five Forces Analysis by Porter shows that there is moderately high attractiveness in the industry as a whole that necessitates the adoption of strategic positioning to sustain the margins. Competitive entry threat is moderate-high based on minimal entry capital needs and easy access to information on digital marketing and buyer bargaining power is high based on price sensitivity of the MSMEs and low switching costs. The competitive rivalry between the agencies that target the MSME segment is high and service differentiation along with the prevalence of price-based competition is low. The supplier power is also low-to-moderate, which gives good and reliable costs. The PESTLE analysis findings can be noted as the presence of the following favorable conditions: the support of government MSME digitalization in the Rp 20 trillion Labor-Intensive Investment Credit program, the increased digital literacy of internet users in Indonesia, and the availability of AI technology that allows to obtain operational efficiency gains.

The competitor analysis of the key Banung-based agencies depict a huge market positioning strategy. Boleh Dicoba Digital (created 2017, 1,000+ clients, 40,000+ Instagram followers) and Mitra Generasi Digital (created 2017, 500+ clients, 51-200 employees) work at premium-to-mid prices and have a significant minimum engagement. This creates a gap in the market to which the convenient pricing (Rp 599K-7.9M) of the accessible services offered by Marketix Lab can be applied to micro-enterprises and SMEs with a tight budget that would be overlooked by the bigger agencies. The study of the digital transformation maturity of MSMEs in Indonesia confirms that the barriers to knowledge transfer are the primary determinant of adoption rates, and the market prospect exists due to the possibility of offering accessible services to agencies (Anatan and Nur, 2023).

C. Identification of Strategic Challenges

A combination of the internal analysis and the external analysis would arrive at the three issues which would amount to major interrelated problems. First, uncertainty of revenue and growth rate: the growth rate of the agency at May-Dec 2025 (total revenue Rp 98.2 million) is 742 times the growth potential, but there is risk of revenue concentration (F&R Perfume was 67 percent of Q4 revenue) and unstable monthly revenues, working with the first two of which would not be a matter of concern.

These are just but a few of the issues that are reappearing. The list of hierarchies has put the absence of financial planning on the first place as without a proper forecasting and monitoring system, the organization will fail to recognize the issue of revenue volatility or loss of the margin. All this will result in a situation where there will be limited cash flow and the potential to grow will also be limited and the cycle of this cycle will be repeated by the restriction of finances until a systematic solution is arrived at.

D. TOWS Strategic Analysis and Solution Framework

TOWS Matrix identifies twelve options of strategies under four categories. The profit reinvestment to capture the market (targeting 15-20 percent of monthly profit to client acquisition) and the cash reserve target accomplishment (fastening accumulation to a 6-month operating expense pool) and 1:1 AI-enhanced service-building are the Strength-Opportunity strategies.

The weaknesses and opportunities strategies cover the innovations of the financial system through AI-driven tools, government intervention by including the budget-empowered MSME clients, strategic partnerships with the freelancers as the providers of the variable-cost capacity. The aim of the Strength-Threat strategies is the defense of the niche market by the inability of the large agencies to meet profit goal profitably due to inability to use their competitive pricing, creation of margins on the basis of operational efficiency, and creation of financial stress through the planned reserve building. Weakness-Threat strategies are based on the priority of the financial buffer, priorities of the selective client portfolio through prioritization on the reliability of client payments, and the systematic cost optimization with reference to the official budgeting.
Table 2 provides the proposed implementation priorities order.

Table 2. Strategic Challenge Prioritization
Source: Author's Analysis (2026)

Priority	Challenge	Rationale
1	Financial Planning & Governance	Establishing financial infrastructure enables informed management of other challenges. Without forecasting and monitoring, interventions for revenue growth and margin protection cannot be effectively planned or evaluated.
2	Margin Stabilization	Reversing margin decline preserves cash generation capacity necessary for growth investment. Addressing cost escalation before pursuing revenue growth ensures additional revenue translates to proportional cash flow improvement.
3	Revenue Growth	With financial systems established and margins stabilized, systematic revenue growth initiatives can be implemented with proper planning, budget allocation, and performance monitoring.

E. Business Model Canvas and Financial Projections

Business model design Business Model Canvas shows that the business model design at Marketix Lab satisfies the cash flow management and cash flow requirements. The mixed revenue model which incorporates the monthly retainers and the project based operation operation generates a sense of stability and the capacity to grow.

The agency is profitable at various levels of revenue as the fixed cost base of Rp 1.3 million per month that is lean with variable costs which can be increased with the partnership with a freelancer. As per the strategies followed, it is projected that annual revenue will reach Rp 456,000, 000 in 2026 that is 364% greater than annual revenue of May-December of 2025 of Rp 98. 2 million. The cash position would be raised in the Rp 258.8 million (December 2026) than the Rp 60.4 million (December 2025). Strategic investments like team growth and investments on technology to develop sustainable organizational capacity are target profit margins of 45-55%.

V. CONCLUSION AND RECOMMENDATIONS

The present research affirms that cash flow management problems of bootstrap digital marketing agencies operating in markets with MSMEs are due to three intersecting reasons, which are revenue volatility in the agency business model, profit margin pressure in the growth periods, and the inadequacy of financial planning infrastructure. The review establishes that profitability is not sufficient to ensure that an organization can grow in terms of scale; as long as an organization lacks proper financial planning, high margins and positive cash flows cannot be converted into strategic flexibility. This conclusion is consistent with previously known theory that the failure of businesses is not that they do not make profits but rather the inability of those businesses to pay cash at the right time (Ross et al., 2022).

Such a recommended prioritization process, whereby it will need to focus on financial planning infrastructure before stabilizing the margin, and expanding revenues will guarantee that the basic capabilities are met prior to the expansion goals. The TOWS analysis considers twelve strategic action points to be implemented based on the current strengths of the agency i.e. position of zero debt, high profit margins, and lean cost structure and the weaknesses are transformed into systematic improvement of the processes, instead of introducing capital. In the financial projections, it is evident that with the right financial management systems in place the bootstrap model has a potential of growing considerably (364% per year in revenues) without compromising on stability of operations.

The applied implications of this paper are not limited to Marketix Lab but other related agencies in a growth-cash flow tension. Three major suggestions are made. To start with, bootstrap digital marketing agencies must place more emphasis on establishing financial forecasting structures instead of undertaking aggressive growth since reactive financial management compounds the volatility nature of project-based and retainer revenue models. Second, the retainer-based revenue model where the cash has been converted immediately gives a structural benefit of cash flow management that agencies should take advantage of systematic client portfolio diversification in order to minimize concentration risk. Third, the gap in the financial planning capacity that is typical of founder-led startups can be fixed using AI-powered financial tools and automated reporting systems and do not demand a huge injection of capital.

This paper has limitations because it is a single-case study, it had only a one-year operation history, and it uses assumptions concerning projections. Future studies must focus on a variety of agencies in various cities in Indonesia and confirm whether the financial management structure brings the expected results in the extended periods of observation. However, the outlined structural dynamics are congruent with the general literature on MSME digitalization and bootstrap entrepreneurship, which implies that the framework will be applicable to agencies that are active under similar market circumstances across the entire online economy expansion in Indonesia.

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