

ABSTRACT

In general, many banks have not optimized their efforts in terms of IT-based investment. It is critical to understand that investment can determine a company's ability to compete in the future. Valuation of Partial Adjustment Partial Modification In the field of financial and investment analysis, valuation is a financial and valuation method. When there is an expectation of gradual changes or adjustments in certain financial variables over time, this approach is primarily applied to the value of assets, securities, or companies. In many areas of applied economics, partial adjustment valuation has been used to describe optimal behavior in the face of adjustment costs. The model requires a specification of how expectations are formed, such as static or adaptive expectations. Annual Reports from three Indonesian banking companies, namely BNI, Mandiri, and BRI, were used as the primary source in this study from 2006 to 2021. The percentage value obtained for the BNI company is 30%, the Mandiri company is 25%, and the BRI companies are 21%. Based on the percentage results for the three banks, the Total Percent for BNI is 25%, BRI is 21%, and Mandiri is 30%. Meanwhile, the average percentage for the third company is BNI at 75%, BRI at 63%, and Mandiri at 90%. Companies can improve based on these findings by evaluating IT investments and aligning expectations based on the future value of IT. Essentially, the increase in performance in banking companies will continue to rise without a single penny being saved in capital costs, but income will rise but not necessarily to the expected level. As a result, businesses must optimize the value of IT in accordance with the company's strategic plan, taking into account the smoothness of equity, minimum wages, labor costs, capital expenditure, and income.

Keywords- Business position, IT-based firm, partial adjustment valuation, performance, systems engineering, valuation method, IT