
**FEASIBILITY ANALYSIS ON DEVELOPMENT OF THE COMPANY
DEBALI IN JAKARTA**

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Abstract

The purpose of this study is to analyze the feasibility business development of CV. Deballi in Jakarta, especially from the aspects of the business environment, aspects of industrial structure, aspects of market and marketing, legal aspects, aspects of human resources, and financial aspects and financial aspects with the calculation of the feasibility of investment such as NPV, IRR, and Payback Period. The selected respondents are respondents who have made purchases at the Deballi company. The financial aspect uses the calculation of the Payback Period, Net Present Value, and Internal Rate of Return, and calculates the financial conditions at the optimistic points. The results showed that based on the non-financial aspect, this business development of CV. Deballi is feasible to run. Financial analysis of CV. Deballi shop shows an NPV value of IDR. 162.247.348, an IRR value of 30%, a payback period of 1 year.

Keywords: study, Market and marketing, Technical, Human resources, Financial

INTRODUCTION

A business feasibility study is needed to be taken into consideration in the development of the Deballi Company in Jakarta, considering that currently, demand does not only come from Surabaya but Jakarta and West Java. However, this must be reviewed first using a business feasibility study aspect analysis, namely aspects of the business environment, aspects of industrial structure, marketing, human resources, and technical and financial aspects The development of Micro, Small, and Medium Enterprises (UMKM) is currently very rapid, dominating the manufacturing industry sector in terms of the number of businesses and workers (Afiyah, et al., 2015; Khamaludin, et. Al., 2019). This makes the potential for good business opportunities in the procurement of office stationery because the main factor that is one of the needs of the office is office stationery, especially in the need for paper, although currently the need for paper is reduced due to the growing number of technologies, but every office must provide paper for make sales, contract files, purchases, etc. According to data (BPS, 2017) in 2015, the number of large and medium-sized manufacturing industry companies in DKI Jakarta Province was 1,323 companies. Of the various types of industries surveyed, the type of pulp industry has the largest quantity, reaching 281 companies or 21.24 percent of the total number of large and medium manufacturing industry companies. In 2010, the Deballi company served the needs of paper, office stationery and printing at various companies in Surabaya. Deballi's turnover in 2010 was for the supply of paper, office stationery and printing. However, even competitive competition in business is very tight and seeing the business potential that can be offered is not only paper, office stationery and printing is an option in the hope that it can serve all types of office needs.

This Debali company was founded by a student at Universitas Ciputra Surabaya. In July 2010 the Debali leaders decided to recruit as many as three employees to be in the marketing, operational, while for the finances they were managed by the company owners themselves. However, in 2013 the company owner tried to expand his business in Jakarta by sending a letter offering office stationery to a ministry in Jakarta so that the company owner tried to expand his business in Jakarta. Meanwhile, company revenue data during 2010 - 2017 (Figure 1)

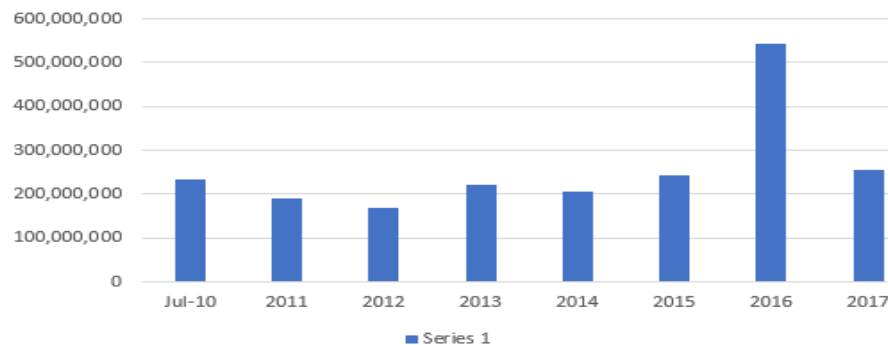


Figure 1. Revenue in 2010 - 2017.
Sources: Data base of CV. Debali in 2018

Based on Figure 1, it can be explained that in 2010 - 2012 there was a decline but not too drastically in 2013 it increased again due to the direct appointment of the Ministry of Law and Human Rights worth IDR 120,000,000 in the form of a supplier of paper and office stationery so that in 2013 again had high sales. As time goes by, the owner of the Debali company starts wanting to develop a business in Jakarta by sending offer letters to various companies and notary offices in Jakarta. As a result, the Debali company managed to penetrate the Infomedia company, a subsidiary of the Telkom Indonesia group so that it also affected the sales turnover of 2015. In 2016 the Debali company managed to get direct procurement for the first class immigration map printing in Central Jakarta worth IDR. 185,000,000 and direct procurement of stationery. office for the ministry of law and human rights worth Rp.198,000,000, so this greatly affects Debali's sales turnover. In 2017 Debali apart from serving companies and offices also got a job from the ministry of law and human rights as well as telkom with a total value of approximately IDR. 55,000,000, -. Because the quality and service that Debali provides is considered quite good, Debali is trusted to work on the passport applicant's folder for the Class 1 immigration office in Bandung - West Java. After running in 2010 - 2017, the Debali company has customers of more than 80 offices that are actively forwarding purchases to Debali in Surabaya and 35 offices that are still actively using Debali's services in Jakarta. A business feasibility study is needed to be taken into consideration in the development of the Debali Company in Jakarta considering that currently demand does not only come from Surabaya but Jakarta and West Java.

LITERATURE REVIEW

Feasibility Study

A project or business feasibility study is an activity to evaluate, analyze, and assess whether or not a business project is feasible or not carried out. In general, the purpose of conducting a

feasibility study, especially for investors, is to avoid over-investing or investing too large for a project or business activity that turns out to be unprofitable. (Afiyah, et al., 2015; W Widya, et al., 2017). According to Latuny, 2010, Nugroho, et al.,2014; Ferdiansa, et al.,2013) Much business feasibility has been done in terms of market, technical, financial, management, legal and environmental aspects.

Market and Marketing Aspects

In general, in the evaluation of market and marketing aspects, several things are studied, namely starting from the market, which includes the market area and transportation methods, consumer identification, current position of the product, composition and development of product demand from the past to the present, future demand projections. , to the possibility of competition and the role of the government in supporting the development of product marketing (Kasmir and Jakfar. 2015:48; Sulisyanto, 2010:82-91; Yanuar, 2016;). While. According to Zeth (2019), the strategy used to determine the response from the market, namely the product (Amelia, et al., 2018; Imansingsih and Rohman, 2018; price (Silaningsih and Utami, 2018; Barcelona, et al., 2019; Indriani and Azhad, 2018; Pane, 2018; promotion (Birchet et al., 2018; Deebhijarn, 2016; Payson and Karunanithy, 2016; Tat, et al., 2012). Furthermore, promotion relationships with supportive purchasing decisions (Astuti et al., 2015; Azzadina et al., 2012; Hasan, et al., 2016); and place, according to (Harahap, et al., 2017; Minai and Lucky, 2011).

Technical Aspects

Rangkuti (2012:5) said that technical aspects are things that are directly related to company operations such as production capacity, technology to be used, production scale, production process, location, layout, scheduling and inventory levels.

Management and Human Resources Aspects

Based on Rangkuti (2012:5) aspects of management study matters relating to the management plan and business implementation. Management functions, according to Kasmir and Jakfar (2015:168-169) are (1) planning, (2) organizing, (3) implementation, (4) supervision.

Financial aspect

The method of financial analysis used is according to Rangkuti (2012:7) adalah Payback Period (PP), Net Present Value (NPV), and Internal Rate of Return (IRR). Brigham and Houston (2011:104) said that financial analysis needs to use the worst case, base case and best case scenarios to consider the risks.

Legal Aspects

The legal aspect examines the legality of the proposed project to be built and operated, this means that every project to be established and built in a certain area must comply with the laws and regulations in force in that region. The following shows the types of data, data sources and how to obtain data and how to analyze data related to legal aspects (Kristian and Indrawan, 2019)

RESEARCH METHODS

This study uses a quantitative descriptive analysis method that aims to describe or explain events or events that occur at the present time in the form of meaningful numbers. To answer the problem formulation of non-financial aspects in this study, the data analysis used is a model (Sugiyono 2016) which consists of data reduction, data presentation and drawing conclusions. Furthermore, to answer the formulation of the problem in the financial aspect, an analysis of the eligibility criteria for investment is used, which consists of the calculation of NPV, IRR, and payback period. The project proposal can be accepted if the NPV value shows a number more than zero ($NPV > 0$), the IRR is greater than the determined rate of return, and the payback period is faster than the economic life of the project. (Putri, et al.,2019; Fitriani, et al., 2019). The calculation aims to assess whether the investment is feasible or not to run (Dinifasya, 2016).

Five Force Analysis

The threat of new entrants to the printing business was very big - printers have only started to appear in recent years. Proving that there are so many opportunities for the printing business every time there is an opportunity, any business will definitely be followed by business competition. Especially considering the growing potential of the industry in Jakarta, and analysis indicator see Table 1

Table 1. Five Force Analysis Indikator

No.	Indicator	Average	Condition
1	Threat of newcomers	3	Quite influential
2	Threat of substitute products	1	Not influential
3	Bargaining power of buyers	3	Sufficiently influential
4	Bargaining power of suppliers	3	Sufficiently influential
5	Competitors between competitors who there are	3	Quite influential

RESULT AND DISCUSSIONS

Evaluation Results of Market and Marketing Aspects

Table 2. Evaluation of the Condition of CV Debali

No	Description	CV. Debali Condition	Analysis
1	Have determined the right STP market to work with.	CV Debali has set STP	feasible
2	The Marketing Mix Strategy has been well formed according to STP	CV Debali has determined the Marketing mix strategy	feasible

Source: Data Processed, 2018

Table 2, Based on the results of the evaluation of the market and marketing aspects of CV Debali, it can be said that the market and marketing aspects of CV Debali's business development deserve to be done.

Evaluation of Financial Aspects

Table 3. CV Debali Sales Projection Optimistic Condition (IDR)

Sales	2017	2018	2019	2020
Design services	355.820.400	426.984.480	512.381.376	614.857.651
Printing service	1.181.067.987	1.417.281.584	1.700.737.900	2.040.885.480

Source: Data Processed, 2018

After conducting research on business development studies CV. Debali has several managerial implications that can be applied to the company from the six main aspects studied, namely environmental aspects and industrial structure, market and marketing aspects, technical aspects, management and human resources aspects, financial aspects, legal aspects, see Table 4.

Table 4. Environmental Aspects and Business Structure

Before Research	After Research
Market and Marketing aspects Marketing Mix is not well executed	Improve the quality of both products and services and improve strategies in promotion
Financial aspect Unrecorded	Annual turnover target. Measure the annual turnover target based on the economy and the sales growth earned
Location aspect The specified location is less strategic.	Looking for a location with a minimal area on the parking lot and close to customers
Legal aspects Never took advantage of legality.	Utilization of legality and additional legality for the Jakarta area.
Managerial and HR aspects. Salary is still below the UMR	Increase employee salaries in line with the development of CV. Debali used an increase in Jakarta's UMR which increased by 8.03%
Technical aspects. The specified location is less strategic.	Looking for a location with a minimal area on the parking lot and close to customers

Table 5. Feasibility of Financial Aspects in Optimistic Condition

No	Indicators	In 2017		In 2018	
		Condition	Analysis	Condition	Analysis
1	PP	3.6 years	not feasible	1 year	feasible
2	PI	9.67	feasible	16.4	feasible
3	NPV	119.234.002	feasible	162.247.348	feasible
3	IRR (rate interest: 20%)	22%	feasible	30 %	feasible

CV. Debali, when viewed from the feasibility of the financial aspect, is considered feasible for business development under normal, pessimistic, and optimistic conditions.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of this study, can be concluded that, First, Industrial environment and structure, based on the PEST analyzed, it can be concluded that the existence of "DEBALI" can enliven the printing business that is starting to bloom in Jakarta. Second, market and marketing aspects. Currently, "DEBALI" printing services are very much needed in Jakarta, as evidenced by the increasing number of market demands to help business activities in marketing. Third, technical aspects, DEBALI has determined the location for business development, namely Raya Pondok Kelapa A3 No.6, which is located in East Jakarta. Fourth, management and HR aspects, a simple organizational structure has been formed by DEBALI which is accompanied by the employees' terms and expertise. The recruitment process ran smoothly with 14 employees in accordance with existing specifications. The Five, financial aspects, financial report projections project profit and loss and cash flow statements from 2017 - 2020. The methods used are PP (Payback Period), NPV (Net Present Value), and IRR (Internal Rate of Return). Sixth, legal aspects, Debali is a company that already has a legal entity, namely, CV. Legality in a company is essential because it is the identity of the company. Currently, the corporate identity is the handle of customer trust in a company. Finally, Finally, providing recommendations in practice there is an increase in company performance from 2017 to 2018. Based on 2018 experience, the company's performance is better than the previous year, so the hard efforts that have been made can be used as a reference for improving performance in the next year.

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