

Comparison Analysis of Business Feasibility Study between Rombong Type Coffee Business and Cafe Type Coffee Business

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Abstract

This research aims to analyze the feasibility of financial processing of café-type coffee business and rombongan type coffee business in its financial aspects by using feasibility studies. The data retrieval method used is a method of in-person interview with coffee business owners i.e., financial statements or secondary data. The results showed that the financial processing of the rombongan type coffee business namely Street Coffee Sangatta with an initial investment of Rp.187,731,940 is said to be feasible and the café-type coffee business de' atake Café is also feasible with an initial investment of Rp.889,727,840 which is valued from the aspects of Net Present Value, Break Event Point, Profitability index and Payback Period. Proven by the results of this research analysis rombongan type coffee shop or street coffee is very good obtained the results of Break Even Point analysis obtained 9,923 cups, Net Present Value is 224,287,823, Payback Period is 2 years 1 month, and Profitability Index is 2.2. And café type coffee shop or de' atake café is very good obtained the results of Break Even Point analysis obtained 23,855 cups, Net Present Value is 18,311,840, Payback Period is 3 years 1 month, and Profitability Index is 1.0. From these results de' atake is very much said to be worthy. The implications of the results of the study are expected as input materials and recommendations for café-type coffee business owners and rombongan type coffee businesses and as reference materials for future researchers.

Keywords

net present value; break event point; profitability index; payback period



I. Introduction

The coffee business or coffee shop business is a familiar thing in Indonesian society today. Many of the Indonesian people who prefer to enjoy coffee in coffee shops directly and have become the lifestyle of today's Indonesian people. A coffee shop is a place that provides drinks such as coffee, and other beverages. There are also several coffee shops that sell snacks as a complement. In Indonesia, people prefer to enjoy coffee in coffee shops and make it as a meeting point or meeting point and there are also customers who enjoy coffee for their health. A comfortable place with a comfortable atmosphere makes consumers feel at home to subscribe continuously. Consumers generally prefer coffee shops that are fully useful and meet the needs they want. Consumers obviously choose coffee shops that have complete facilities.

However, some people really enjoy coffee in coffee shops, even know the various flavors of coffee types found in coffee shops in Sangatta Kutai Timur, talking about consumers consisting of various attitudes, there are also those who stop by the coffee shop just to spend time and there are also consumers who hold meetings at coffee shops or in the meeting point. Coffee shops have many benefits for various types of consumers. Consumers use coffee shops for their own benefit. Especially in the field of coffee shop

business both rombongan type coffee business and café type coffee business which is currently rife in the east Kutai and it is the author to analyze why the coffee shop business is on the roadside rombongan and there is also in a place that is a good location such as café but by serving coffee and menus that can be categorized the same. Seeing this phenomenon, the author is interested in analyzing both types of coffee business with business feasibility studies.

Table 1. Results of Research Analysis of Business Feasibility Study de' Atake Cafe and Street Coffee Sangatta 2000)

Research Object	De' Atake Cafe	Street Coffe Sangatta
Initial Investment	Rp.889.727.840	Rp.187.731.940
Net Present Value	18.311.840	224.287.823
Break Event Point	23.855 cup	9.923 cup
Profitability Index	1,0	2,2
Payback Period	3 years 1 month	2 years 1 month

II. Review of Literature

2.1 Company

A company is an organization that combines and organizes resources to produce goods and sales services (Salvatore & Dominick, 2005). Another thing is human resources that have an important role in the effort to win the competition in the era of globalization has not had the ability to be founded and a firm commitment every business organization requires qualified and competent human resources (Yusrita et al, 2020). The most important resource in an organization is the human resources, the people who provide the energy, talents, creativity and their efforts to the organization for an organization to survive its existence (Ningsih, 2018). The quality of human resource in a country supports labor absorption in every sector (Pramusinto, 2020).

2.2 Coffee Business

The coffee business becomes one of the businesses that are considered where this beverage product is most in demand. The demand for coffee does not come from within the country but abroad is also very high. So, it's no wonder that the coffee business is starting to be attracted by the public. The types of coffee businesses focused on this study are:

2.3 Rombongan Type Coffee Business

Street vendors or abbreviated as street vendors or rombongan are businesses that fall under the criteria of the informal sector, where the business units are unofficial, small-scale, which produce and distribute goods and services without having a business license and location permit in accordance with applicable laws and regulations (Majid, 2013).

The characteristics in question are as follows (Madjid, 2013):

1. Street vendors generally have small capital and have no business settling, trading in side of the road (front of the store), on the outskirts of the road, sidewalks, on the got, in parks, riverside and in parking lots and public places.
2. Trading hours are not necessarily, there are mornings, there are afternoons, afternoons, and evenings even some from morning to evening with various types of trading.
3. Types of merchandise are diverse, there are snacks (process food), ornamental plants / ornamental fish, apparel, shoes, bags, crafts, fruits, and others.

4. The place in the form of buildings there are closed, open, using umbrellas, titles, carts, pikulan, tables and so on, emergency building construction, semi-permanent and without buildings.
5. In general, street vendors cause disruption to the environment, traffic, order, and cleanliness.

2.4 Cafe Business

The café is a place (shop) that serves processed iced coffee and small snacks. Along with the development of the coffee shop era provides small meals and heavy food. (Departemen Pendidikan dan Kebudayaan, 1988).

2.5 Marketing Management

The definition of marketing according to the American Marketing Association (AMA) as quoted by Kasali in Dianto (2020) is: Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions. The study was conducted in the Chinese food processing industry in which a sample of 518 companies participated. The result that the impact of innovation ability on financial performance is stronger under low market turbulence, and that market volatility moderates the indirect relationship between marketing agility and financial performance. The indirect effect is stronger when market turbulence is low than when it is high. Marketing management is the analysis, planning, execution, and control of programs designed to create, build, and maintain profitable exchanges with target buyers with a view to achieving organizational goals (Kotler & Armstrong, 2002).

2.6 Business Feasibility Study

Business feasibility study is an activity that studies about a business or business to be run, to determine whether the business is viable, (Cashmere & Jakfar, 2003).

III. Research Methods

3.1 Time and Place of Research

This research was carried out in Sangatta, North Sangatta Subdistrict, North Sangatta Regency. The research time was carried out from December 2019 to August 2020.

3.2 Population, Sample and Sampling Techniques

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics (Sugiyono, 2010). Determined by researchers to be studied and then drawn conclusions, in this study only used secondary data so that there are no populations, samples and sampling techniques.

3.3 Operational Definition

Operational is a clue or working method for researchers in collecting all the data needed during the study in addition to this operation can also determine a problem can be examined or not.

Table 2. Conceptional Definition of Research

Variable	Concept	Aspects	Scale
Business Feasibility Study	Business feasibility study can be interpreted as an activity that studies about a business or business that will be run, to determine whether the business is viable in the run. (Cashmere and Jakfar, 2012)	1. Break Even Point 2. Net Present Value 3. Payback Period 4. Profitability Index	Ratio
Financial Aspects	The financial aspect is an aspect that is used to assess the company (Cashmere and Jakfar, 2003).	1. Investment Value 2. Capital Cost 3. Fixed Cost 4. Variable Coat 5. Cash Flow 6. Profit 7. Income	Value / Nominal

3.4 Data Collection Techniques

The data collection technique used is a direct interview technique, which is through secondary data of research objects that are important records that have passed. The document needed in this study is a report on the sustainability of the year of its establishment, which is year to zero to four. Researchers will process the existing secondary data and then analyzed with the formula of the business feasibility study, after which the results of the study are compared. The analysis tool used in this study is the analysis of business feasibility studies with aspects of *net present value*, *break event point*, *profitability index*, *payback period*.

IV. Results and Discussion

The object of rombongan type coffee business research, namely street coffee Sangatta was established in February 2016 focused on selling coffee roasted from various types of coffee in Indonesia which initially with four types of coffee, all from Koffie Fabriek from a famous coffee bean processor in Bandung, the four coffees are Java coffee, mocha, arabica, coffee, Robusta Bandung, Flore's coffee. The concept of Street Been Coffee, coffee shop is more to the appearance of the past that lesehan which according to Hasrullah is more popular and in line with coffee connoisseurs. Here are the financial statements of street coffee Sangata.

Table 3. Street Coffee Sangatta Financial Report

Revenue Report Projection (Loss / Profit)					
		Year			
		1	2	3	4
income					
	Marketing cost	168.480.000	205.920.000	277.056.000	429.000.000
	Subtotal income	600.000	660.000	-	-
cost					
	Fixed cost	46.560.300	46.560.300	46.560.300	46.830.420
	Operating cost	72.118.400	86.697.600	104.464.507	150.028.707

	Subtotal	118.678.700	133.257.900	151.024.807	196.859.127
	Loss / Profit	49.201.300	72.002.100	126.031. 193	232.140.873
	Miscellaneous expense				
	Interest expense	-	-	-	-
	Net income	49.201.300	72.002.100	126.031.193	232.140.873

Café de'atake Sangatta was established on August 17, 2016, in the city of Sangatta, North Sangatta, East Kutai, East Kalimantan with owner / owner named Yudith Prasetyo and Morias Dedi Partner, Yayan, Gundul. The origin of the name de'atake is taken from the name of the owner's son Yudith Prasetyo named Ahta and added to de'Atake. The development of the coffee business in 2016 we started by selling coffee, chocolate, and tea, the development when we added several variants of cold drinks with soda and healthy drinks. Here are the financial statements of café de'atake Sangatta.

Table 4. De'atake Cafe Financial Report

Revenue Report Projection (Loss / Profit)					
		Year			
income		1	2	3	4
	Marketing cost	952.800.000	955.080.000	1.054.560.000	1.073.312.000
	Subtotal income	5.000.000	2.000.000	3.000.000	10.000.000
cost		947.800.000	953.080.000	1.051.560.000	1.063.312.000
	Fixed cost	114.360.850	164.760.850	186.360.850	284.692.130
	Operating cost	516.162.400	543.781.680	586.092.312	592.689.140
	Subtotal	630.523.250	708.542.530	772.453.162	877.381.270
	Loss / Profit	317.276.750	244.537.470	279.106.838	185.930.730
	Miscellaneous expense				
	Interest expense				
	Net income	317.276.750	244.537.470	279.106.838	185.930.730

From the financial statement data is then analyzed with the formula of business feasibility study with aspects of *net present value*, *break event point*, *profitability index*, *payback period*. After completing this research data process continued to the discussion stage that the author will try to discuss by testing the following hypothesis.

It is suspected that there is a value that payback period (PP) rombongan type coffee business faster or lower compared to payback period (PP) café type coffee business. Comparison of results can be in the following table. PP street coffee is very 2 years 1-month and de'atake café 3 years 1 month then Period Payback Hypothesis in Accept.

Table 5. Payback Period Hypothesis Test

Payback Period	
Street coffee > De Atake	
2 years 1 month	3 years 1 month

It is suspected that there is a value that the value of Net Present Value (NPV) rombongan type coffee business is lower than the value of Net Present Value (NPV) of café type coffee business. NPV street coffee Sangatta is 224,287,823 and de'atake café 18,311,840 then Hypothesis Net Present Value in Reject.

Table 6. Net Present Value Hypothesis Test

Net Present Value	
Street coffee > De Atake	
224,287,823	18,311,840

It is suspected that there is a value that the value of profitability index (PI) of café type coffee business is higher than the value of Profitability Index (PI) rombongan type coffee business. The profitability value of the street coffee index is very much 2.2 and the value of profitability Index de'atake cafe 1.0 then the profitability Index hypothesis in Reject.

Table 7. Profitability Index Hypothesis Test

Profitability Index	
Street coffee > De Atake	
2,2	1,0

It is suspected that there is a Break Even Point Value (BEP) lower rombongan type coffee business compared to the café type coffee business. The value of BEP treet coffee is 9,923 glasses and de'atake is 23,855 glasses then the BEP Hypothesis is accepted.

Table 8. Break Event *Point* Hypothesis Test

Breake Event Point	
Street coffee > De Atake	
9.923	23.855

With the results of the analysis obtained that has been explained by the hypothesis test and compared with the formulation of the problem "Is the design of rombongan type coffee shop and café type coffee shop feasible or not worthy to be realized in the processing of financial aspects in comparing the calculation of Break-Even Point (BEP), Net Present Value (NPV), Payback Period (PP), and Profitability Index (PI)?". From the results of the analysis, the coffee shop street coffee Sangatta and de'atake café is worthy in realizing the processing of financial aspects.

V. Conclusion

Rombongan type coffee business and café type coffee business each have positive and negative sides or profit and loss sides, all must be calculated and considered both from time management and strategy, with the formulation of the problem "Whether the design of rombongan type coffee shop and café type coffee shop is feasible or not worthy to be realized in the processing of financial aspects in comparing breakeven point calculations, Net Present Value, Payback Period and Profitability Index?".

After doing the analysis, get the following research results. Rombongan or street coffee type coffee shop is very good at the results of Break Even Point analysis at 9,923 cups, Net Present Value is 224,287,823, Payback Period is 2 years 1 month, and Profitability Index is 2.2.

From these results street coffee is very much said worthy. Café type coffee shop or de'atake Sangatta is obtained the results of Break Even Point analysis at 23,855 cups, Net Present Value is 18,311,840, Payback Period is 3 years 1 month, and Profitability Index is 1.0. From these results de'atake is very much said worthy.

It suggested that in starting an important business to conduct an analysis of business feasibility studies in financial aspects so as not to be wrong in budget management, and for those who want to start a coffee shop business with a large budget should set up a rombongan type coffee shop business with more than one number but not in one location by reviewing the needs of the regional market or location to get multiple profits.

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