

## Feasibility Study of Bu Nia's Traditional Herbal Drink Business in Depok City

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### ABSTRACT

Bu Nia's traditional herbal drink is a micro home business industry which has a potential to be developed. To overcome many challenges and risks in the future, it needs to be based on a business feasibility study. The purpose of this research is to find out the description of. The purpose of this research is to find out an overview of the business activities of Bu Nia's traditional herbal drink in terms of legal aspects, market and marketing aspects, technical and technological aspects, social economic aspects, management and organizational aspects, environmental impact analysis and financial aspects. The method used is descriptive analysis, data collection techniques are done by interviewing the business owner, observing the business place, and documenting. Technical data analysis uses qualitative and quantitative mixed approach.

Keywords: Component; Business Feasibility Study; Bu Nia's Traditional Herbal Drink

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## 1. Introduction

Tourism in Indonesia is already considered as one of the most important economic sectors. Even the tourism sector is expected to be the main foreign exchange earner for the country, especially Indonesia. Tourism itself is a tour or change in the temporary residence of someone other than the place of residence for various purposes (Wardiyanta, 2006).

Herbal medicine from Old Javanese language is "spells" or "usada" which means healing by using medicinal herbs and prayers. Herbal medicine by herbalists began to be introduced to the public. Herbal medicine is a traditional medicine in the Dutch East Indies, dominated by medicines with herbal types made from natural ingredients. Javanese herbal medicine has organic ingredients that are easily available. Since 1200 AD, the activity of consuming herbal medicine by the community has been widely found, proved by the relief in Borobudur temple which illustrates the consumption of traditional Javanese medicinal herbs. Herbal medicines were previously used and consumed by the elite as a treatment and also as body care and maintain the beauty of the community generally using herbal medicine only for treatment because of limited knowledge. Over time, knowledge of traditional herbal medicine which was originally only known in the palace environment eventually spread outside the palace. Some herbal mixers eventually teach verbally herbal recipes to the public. (Fibiona & Lestari, 2015).

The developed technology makes the various packagings of herbal medicines. Whether they are in sachets or bottles. Thus, many busenissmen appearing sell herbal medicines. Starting from micro-scale business and large-scale business. There are many types of herbal medicine business such as *jamu gendong* where the herbal medicine carried by bicycle or cart and herbal medicines that sold in stores, but several new bottles of herbal medicine that

stands in Depok City. There are some herbal medicine entrepreneurs who do not have physical outlets but instead use e-commerce as a sales promotion. The e-commerce are Go-Resto, Tokopedia, and Shopee. Therefore the owner of Bu Nia's traditional herbal drink took the initiative to provide herbal medicine with natural ingredients but still packaged in a modern way.

The appearance of many business competitors are motivated Bu Nia's traditional herbal drink to continue to survive and be able to keep the quality of the product they have in this disruption era. Bu Nia's traditional herbal drink is a business that has just been run a year. Therefore the authors intend to analyze the Business Feasibility Study on Nia's Herbal Medicine to minimize the risk of failure that will occur.

The research questions are in accordance with the title that has been stated, the problems to be identified are as follows (Jakfar, 2003) :

- a. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of legal aspects?
- b. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of market and marketing aspects?
- c. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of financial aspects?
- d. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of technical / operational aspects?
- e. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of social economic aspects?
- f. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of organizational management aspects?
- g. How is the business feasibility study assessed on Bu Nia's traditional herbal drink in terms of environmental impact

analysis (AMDAL)

The purpose of the release of conducting this research is as follows:

- a. To find out business feasibility studies in terms of legal aspects.
- b. To find out business feasibility studies in terms of market and marketing aspects.
- c. To find out a business feasibility study in terms of financial aspects.
- d. To find out a business feasibility study in terms of technical/operational aspects.
- e. To find out business feasibility studies in terms of social economic aspects.
- f. To find out business feasibility studies in terms of organizational management aspects.
- g. To find out a business feasibility study in terms of an environmental impact analysis (AMDAL).

## 2. Literature Review

### 2.1. Subdivision of Literature Review

Gastronomy is an art in culinary and cooking methods but also includes human behavior in choosing raw materials, tasting, serving food and experiencing consumption experiences as well as searching, researching, studying and then writing about food and everything related to it. ethics, ethics, and human nutrition in each country. Gastronomy (gastronomy) is also an art and science, even awards that cross ethnicity, nationality, race, religion, group, culture and gender by studying in detail about food, food, and drinks for use in various conditions and situations. (TurgariniDewi, 2018). Based on article 1 of RI Law No. 18 of 2012 concerning food states that food is the main source of agricultural, plantation, forestry, fishery, livestock, aquatic, and water products that are either processed or not processed and intended as food or drink for human consumption, including in it Food additives, food raw materials, and other materials used in the process of preparing,

processing, and making food or drinks. Another dimension of gastronomy is its nature that connects food, food and the environment.

According to Sobal&Wansik food landscape or "foodscape" is defined as the spatial distribution of food. According to Brembeck& Johansson foodscape can be in various locations, where food is displayed or served quoted from (TurgariniDewi, 2018). Foodscape is a food landscape related to the food transmission and distribution chain, starting from the source and environment of raw materials, production, institutional, human behavior to the location of consumption quoted from (TurgariniDewi, 2018).

According to Law No. 7 of 1996 concerning Food, defines food security, which is called "the condition of fulfilling food for each household, which is reflected in the availability of sufficient food, both in quantity and quality, safe, equitable, and affordable". Understanding of food security covers the aspects of macro, namely the availability of food and micro aspects, namely the food needs of each household are met in order to live a healthy and active life.

Based on the concept above, Sumardjo in (Purwaningsih, 2008) states that there are several principles that are related both directly and indirectly to food security that must be considered:

- a. Households as the most important unit of attention to meet national food needs as well as communities and individuals.
- b. The obligation of the state to guarantee the right to food of every citizen collected in the smallest unit of society to obtain food for survival.
- c. Food availability includes aspects of food sufficiency and food quality.
- d. Food production which determines the amount of food as an activity or process of producing, preparing, processing, making, preserving, repackaging, repackaging or changing the form of food.
- e. Food quality whose value is determined

on the basis of food safety criteria, nutrient content and trade standards for food and beverages.

- f. Food safety is the condition and effort needed to prevent food from possible biological, chemical and other contaminants that can interfere with, harm and endanger human conditions.

Referring to the description of Goddes(1915) in TurgariniDewi (2018), the gastronomic business in tourism today must "think globally, act locally". The Barcelona Field Studies Center states that there are 5 main trends driving the revolution in the marketing of gastronomic tourism such as increased trade, demographic and household changes, rejection of McDonaldization, growth in consumer multiculturalism (multiculturalism), and the role of celebrity and chef.

Gastronomic tourism in (Dewi & Sari, 2017) can be defined as the pursuit of a unique and memorable dining and drinking experience. Gastronomy does not only focus on food and drink, but also integrates cultural factors and human behavior as a support, starting from the procurement of food sources and then processing to serve and have experience of enjoying.

Jamu has a variety of flavors and properties, including (Dwiyanto, 2009) :

- a. Saffron-colored rice

The benefits of *kencur* rice are to treat colds, treat pain, rheumatic pain and also tighten skin, increase appetite, cure flatulence. This concoction consists of rice, kencur, ginger, brown sugar and turmeric.

- b. Turmeric Acid

Efficacious to relieve abdominal pain during menstruation, and brighten the skin and fade fat, accelerate blood circulation, maintain the body's metabolism so that it remains in a healthy condition.

Side effects caused by herbal medicine are usually only temporary because the body is adjusting. Consuming herbal medicine should use a reasonable dose. Starting from once a day, feel and see if the body experiences certain reactions.

Feasibility study is a study to examine in a comprehensive and in depth the feasibility of a business. Feasible and not feasible to run a new business or business with the results of the return which will be obtained within a certain period (Suwinto, 2011).

According to (Suwinto, 2011) a feasibility study is a study to examine comprehensively and deeply the feasibility of a business. Feasible or not a new business or business with the results of the return will be obtained within a certain period.

## 2.2. Purpose of Business Feasibility Study

According to (Jakfar, 2003) there are at least five objectives why before a business or project is carried out, a feasibility study needs to be carried out, namely:

- a. Avoid the risk of loss
- b. Facilitate planning
- c. Facilitate the implementation of work
- d. Facilitate supervision
- e. Easy control

## 2.3 Stages of Business Feasibility Study

According to (Jakfar, 2003) so that the objectives set can be achieved, before a study is carried out it is necessary to do some preparation. A study should be conducted following the applicable procedures. The stages in this study should be done correctly so as not to cause deviations and to perfect the results of the study itself.

The following are the steps in a typical feasibility study:

- a. Data and information collection
- b. Perform data processing
- c. Data analysis
- d. Make decisions
- e. Provide recommendations

## 2.4. Aspects of Business Feasibility Study

Business feasibility studies there are several aspects including (Jakfar, 2003) :

### 2.4.1. Legal aspects

In this aspect, it will discuss the

problem of the completeness and validity of company documents, ranging from the form of business entities to the permits they hold. This is a legal basis that must be upheld in the future if a problem arises.

Business law according to (Fuady, 2002) is a set of legal rules governing the procedures for carrying out commercial, financial or industrial affairs related to the production or exchange of goods or services by placing money from entrepreneurs at certain risk to obtain finance.

The legal aspects of the feasibility study analyze several points (Husnan & Muhammad, 2007) :

1) Body shape to be used.

There are several types of legal entities that can be established in Indonesia such as individual business (No difference in ownership between personal rights and company property), firm (union of several private entrepreneurs into one unit), commanditer company (CV) (unit to manage joint ventures, some members are active members), limited liability company (PT) (one unit to manage joint ventures, the company provides the opportunity for the wider community to bring capital into the company by buying company shares).

2) A business has legal provisions relating to its legal existence include, location permit (certificates or recommendation), business license (example: SIUP (Trading Business License), TIN (Taxpayer Identification Number), NRP (Company Registration Number) or TDP (Company Registration Number)

3) Product Legality

a. Halal Certificate

Written fatwa of the Indonesian Ulema Council which states the halal of a product in accordance with Islamic shari'at. MUI Halal Certificate is a requirement for obtaining permission to put halal label on product packaging from government agencies. MUI Halal Certificate is conducted to provide certainty of halal status.

The MUI Halal Certification Procedure is listed on the official portal of the Indonesian Food and Drug Administration and the Indonesian Ulema Council.

a. PIRT

In the official portal of the Depok City government, it is stated that the SP-PIRT management stage is that business actors must make a letter of application to obtain a certificate submitted to the Regional Government Head of Regency / City Health Service, then the applicant is required to take part in food safety counseling and inspect the production facilities.

For foreign food that will be repackaged, it must be registered and have a marketing authorization from the National Agency for Drug and Food Control (BPOM)

Food products that cannot be fulfilled in the preparation of SP-PIRT, if the products are in the form of milk and its processed products, meat, fish and processed products that require funds to process frozen storage, canned food, baby food, alcoholic beverages, bottled water, food others that are required to fulfill SNI requirements, other foods stipulated by the POM Agency.

2.4.2. Market and marketing aspects

To assess how much potential the market has for the products offered and how much market share is controlled by competitors. In this case, to determine the size of the market it is necessary to conduct market research; both plunge directly into the field and collect from various sources.

Elements of this competitive strategy is to determine the market segmentation (segmentation), set the target market (targeting), and determines the market position (positioning), often referred to as STP.

a. Market Segmentation

Market segmentation is a very important concept in this part. In addition to business interests, but also for community activities or other non-profit activities. In

business activities market segmentation is used to select target markets, look for opportunities, formulate communication messages, analyze consumer behavior, and so on (Kasali, 2007).

To segment the market there are several variables that must be considered. The purpose of the existence of these variables is so that the segmentation that has been done is right on target. Variables consist of consumer segmentation and industrial segmentation.

The main variables for segmenting the consumer market according to (Kotler, 2012) are:

- 1) Geographical segmentation: nation, province, district, sub-district and climate.
- 2) Segmentation based on demographics: age, gender, family size, family life cycle, income, occupation, education, religion, race and nationality.
- 3) Psychographic based segmentation: social class, lifestyle and personal characteristics.
- 4) Segmentation based on behavior: knowledge, attitude, usefulness and responsiveness to a product.

b. Target market (Targeting )

According to Bradley in (Setiadi, 2003), there are several factors that need to be considered in choosing marketing target, they are:

- 1) Organizational resources
- 2) Product type
- 3) Stage in the product life cycle
- 4) Competitor strategy and competitive strategy

c. Market Position (Positioning)

Positioning is the act of designing an organization's offer and image so that it occupies a different position among competitors in the minds of its target customers (Munandar, 2011).

Determination of product position is the placement of products that are different, clear and have more relative value compared to competing products in the minds of

consumers (Setiadi, 2003).

There are several things that must be considered related to the process of determining the position as stated by (Kasali, 2007):

- 1) Positioning is a communication strategy
- 2) Are dynamic
- 3) Positioning is related to product attributes
- 4) Product attributes selected must be unique
- 5) Positioning must give meaning and this meaning must be important for consumers
- 6) Position determination must be disclosed in the form of a statement.

After the three market elements; segmentation, target, and position (STP) are determined then, it is necessary to determine marketing activities such as the marketing mix. According to (Kotler, 2012) explains that the marketing mix is a collection of controlled tactical marketing tools that the company integrates to produce the desired response in the target market. Kotler states that there are four marketing mixes. The marketing mix strategies are:

1) Product

Kotler (2012) states that a product is anything that can be offered to the market to be owned, used, cared for, or consumed that is able to satisfy the needs or desires of consumers.

Factors influencing opportunities for new products are economic changes, social and cultural changes, political changes, and other changes. The strategy adopted by the company in developing a product such as determination of the logo and motto, creating a brand, creating packaging, and label decision

2) Price

According to (Kotler, 2012) price is the amount of value exchanged by consumers for a benefit because they have a product or use a service. Steps that need to be taken in setting the price of a product is determine the pricing goal, estimating demand, costs and profits, choose a pricing

strategy to help determine basic prices, and adjust basic prices with pricing tactics

3) Promotion

Promotion is a process of communication between a company and its current and future stakeholders and the community (Kotler, 2012).

4) Place

Place can be interpreted as a distribution channel (zero channel, two level channel, and multilevel channel) (Hurriyati, 2005) . Things to consider in the selection and determination of location are close to market locations, industrial areas, government locations, housing, and facilities and infrastructure

2.4.3. Financial aspect

This aspect is done to examine how much income will be received if the project is run. Research includes how long the investment will return, from which sources of financing the business and how the interest rates apply. The assessment method that will be used in general by using:

Payback period is an assessment of the investment payback period for a business (Jakfar, 2003). PP calculations are divided into two, the first for a project that has the same cash flow from year to year:

$$PP = \frac{\text{Total investment} \times 1 \text{ Year}}{\text{Cash flow per period}}$$

PP calculations for a project that does not have the same cash flow pattern per year can be done in the following way:

$$PP = t + \frac{b - c}{d - c}$$

Information:

- t = the last year where cash inflow has not covered the investment value
- b = investment value
- c = cumulative cash inflow in year t
- d = cumulative amount of cash inflow in year t + 1

1) The net present value (Net Present Value)

Based on the discount concept all cash inflows and outflows during the life of the project (investment) are valued at present. Net Present Value is calculated using the following equation:

$$NPV = \sum_{t=1}^T \frac{C_t}{(1+r)^t} - C_0$$

Information:

- NPV = Net Present Value (in rupiah)
- Ct = cash flow per year in period t
- C0 = initial investment value in year 0 (in rupiah)
- r = interest rate or discount rate (in%)

2) Internal Rate of Return (IRR)

Internal rate of return (IRR) is a procedure that is commonly used to explain whether a project plan is quite attractive when viewed in terms of a predetermined rate of return. For IRR, the value of NPV = 0 is determined, then the rate of return is sought. To calculate the IRR value obtained using the following formula:

$$IRR = i_1 + \frac{NPV_1}{(NPV_1 - NPV_2)}(i_2 - i_1)$$

Information:

- IRR = Internal Rate of Return
- i1 = discount rate which yields NPV +
- i2 = discount rate which yields NPV-
- NPV1 = Net Present Value which is positive
- NPV2 = Net Present Value which is negative

Analyzing project proposals with IRR gives indications such as:

IRR > desired rate of return, the project is accepted.

IRR < desired rate of return, project rejected.

3) Profitability Index

Profitability index which shows the ability to generate profits per unit investment value. IP is the present value of

cash inflows divided by the present value of cash outflows. (Manopo, 2013) This method is calculated by comparing the present value of benefits with the present value of costs:

$$\text{Profitability index (PI)} = \frac{\text{Value of cash inflows}}{\text{Investment value}}$$

Information

If  $PI > 1$ , then the investment can be carried out (received)

If  $PI < 1$ , then the investment is not feasible (declined)

#### 4) Break Event Point (BEP)

Break even point is a point of principal opportunity where total revenue = total cost. The break-even point provides a clue that the level of production has generated income as much as the production costs incurred. BEP can provide information about the relationship between fixed costs and variable costs, while it can also state the relationship between production volume, unit prices and profits. Following is the formula for searching for BEP according to Sigit in (Manopo, 2013) :

$BEP \text{ unit} =$	$\frac{\text{Fixed cost}}{\text{Price per unit} - \text{Variable cost per unit}}$
$BEP \text{ Rupiah} =$	$\frac{\text{Fixed cost}}{\text{Margin contribution per unit} / \text{price per unit}}$

##### 2.4.3.1. Technical / operational aspects

Regarding technical and operational aspects including product design, production capacity planning, process planning and production facilities and site planning.

##### a. Establish product design

According to (Jakfar, 2003) the technical aspect is an aspect relating to the business development process technically and its operation, the implementation of the technical aspects is carried out after an evaluation of market aspects that shows the existence of adequate marketing opportunities for a long period of time. Prototype properties are the result of product

design, as described according to the needs, desires and tastes of consumers, can be produced and commercial.

##### b. Establish a capacity plan

- 1) Design capacity: the maximum amount that can be produced by a production facility
- 2) Effective capacity: the maximum amount of production that can be produced by production facilities.
- 3) Actual capacity: the amount of production that actually occurs by management.

##### 2.4.4. Management / organizational aspects

In this aspect, the business managers and the existing organizational structure are assessed. In addition, the management aspect will also include operational management. Projects that are carried out will be successful if run by professional people (Jakfar, 2003).

- a. Identify the type of work
- b. Calculation of the number of workers needed
- c. Calculated by paying attention to the steps of production preparation.
- d. Designing the organizational structure

##### 2.4.5. Economic and social aspects

In the economic aspect studied is to see how much influence is caused when the project is run. This influence is mainly on the wider economy and its social impact on society as a whole.

Certain economic impacts, increased income of people who work in factories and those who work outside the factory. Social impacts can provide facilities and infrastructure such as roads, bridges, lighting, education, sports facilities, religious facilities and health facilities. (Jakfar, 2003)

##### 2.4.6. Environmental impact analysis (AMDAL)

AMDAL is a study of the large and important impacts of a planned business or activity on the environment required for the decision making process in conducting a

business (HJMukono, 2005). The legal basis for AMDAL is already listed in PP No. 27 of 1999 concerning types of business plans or activities that must be completed with AMDAL.

#### 2.4.7. Institutions Needing Feasibility Study

According to (Jumingan, 2009) the objectives to be achieved in the business feasibility study concept, if explicitly formulated the objectives to be achieved from the business feasibility study concept there are at least three interested parties, namely as follows:

- a. For investors, the feasibility study is aimed at evaluating the feasibility of a business or project to be a useful input because it has reviewed various aspects. So that it can be used as a basis for investors to make more objective investment decisions.
- b. For the feasibility study analyst, it is used as a support for the smoothness of his duties in assessing a new business.
- c. For the community, it is an opportunity to improve welfare and the economy.
- d. For the government, from a micro-perspective it aims to develop human resources in the form of employment. In addition, the development of old businesses carried out by individuals or business entities will certainly increase government revenue from both value added tax and income tax.

### 3. Materials and Methods

This research used qualitative methods. Qualitative research is a type of research where the findings are not obtained through statistics or calculation forms. However, trying to understand and interpret the meaning of an event of human behavior in various situations according to the perspective of the author (Gunawan, 2016). The qualitative method is a technique of collecting data in a natural setting by interpreting the phenomena that occur where the researcher is a key instrument. Not using statistics but through data collection,

analysis and then interpreted (Anggito&Setiawan, 2018).

Population is a region as a whole that contains the subject or object under study to study and draw conclusions. Population is the total of all research objects. The population in this study is the average number of sales obtained by Bu Nia's traditional herbal drink within one month. The average permanent sales population is around 30 sales. Sales for a month are obtained from people who regularly buy products from Bu Nia's traditional herbal drink through GoFood and offline sales.

Samples are observational objects that have been selected from the population, so the sample is part of the population and describes the characteristics of the population. So that even though the study uses data from samples and not data from the population, the results can be said to be generalizations from the population (Arikunto, 2013). In this study the authors used the entire population as well as the sample. Research using the entire population also as a sample is called a census technique or saturated sample. In saturated samples do not need to determine the error tolerance limit or the number of samples (Firdaus&Zamzam, 2018). By using saturated samples, the samples taken are as many as the total population, which is about 30 samples. Samples of research in this study are the business owner Medicinal Herbs Bu Nia Nia and consumers.

The data analysis technique for helping the research process in order to achieve the desired goal, to solve the problem in question in the study (Fitrah, 2017). Data collection from this study was obtained from legal aspects, market and marketing aspects, financial aspects, technical / operational aspects, management aspects, social economic aspects, environmental impact analysis (AMDAL).

#### 3.1. Legal Aspects

Legal aspects is aspects used to see the feasibility of a business by determining the

type of permits that are appropriate for the business. Such as food distribution permits, halal and others. The existence of these licenses can facilitate business development.

### 3.2. Market and Marketing Aspects

In the market aspects studied are market segmentation, target market, and market position. While the technical aspects of marketing research uses the 4P marketing mix (product, price, place, promotion). This is to determine the extent of market and marketing aspects that have been carried out by the traditional beverage business of Bu Nia's herbal drink.

### 3.3. Financial aspect

Research in financial aspects includes the calculation of cost of sold goods and sales price to get prices that are in accordance with the capital spent by the Bu Nia's herbal drink business. After that, several methods of investment criteria are analyzed. By doing these calculations it is expected that the business will avoid loss.

### 3.4. Technical / operational aspects

In the technical / operational aspects carried out to examine the determination of the business location, production area and layout of the business under study. Determination of location, for example, is it close to the raw material, in this case the location of Bu Nia's traditional herbal drink's production, is it close to the source of raw material or not. In addition, production area and layout also help facilitate workers to do production. Overall, the technical / operational aspects will be assessed as working efficiently or not.

### 3.5. Management Aspects

The management aspect is to find out the organizational structure owned by Bu Nia's traditional herbal drink's traditional beverage business along with the work carried out. In addition to knowing also operational management contained in the

business. The management aspect is needed to support the sustainability of the business so that the business can develop well and can generate profits for the business.

### 3.6. Economic / Social Aspects

Economic / social aspects, namely aspects to find out the business being run has had a positive impact on the economy around the place of business of Bu Nia's traditional herbal drink. In this aspect it is expected to have more positive impacts than negative impacts on the economy, especially those involving in the business of Bu Nia's herbal drink.

### 3.7. Environmental Impact Analysis (AMDAL)

An analysis of the environmental impact was carried out to determine whether the business place of Bu Nia's traditional herbal drink had the effect of pollution on the environment from air, water, sound and others. To find out also how the business of Mrs. Nia treats waste from production.

This research was conducted at home-scale industrial businesses located in Depok City, West Java. Sales through On-Line sites are managed in such a way that they are able to keep up with the times. Mrs. Nia's herbal medicine was pioneered by a young businessman named Muhammad Ridho who was founded in August 2017 and has been established until now. The author conducts research on Bu Nia's traditional herbal drink because the writer feels that the business of Bu Nia's traditional herbal drink has the potential to develop, so the writer wants to examine it.

## 4. Results and Discussion

Bu Nia's traditional herbal medicine business is a type of individual business pioneered by Muhammad Ridho as the owner and Mrs. Nia as the owner of the herbal recipe, which was established on October 25, 2017. Initially the business owner of this herbal medicine was inspired by the many people who wanted to drink

authentic herbal medicine but still has properties because many herbs that circulate taste bad and less useful.

The initial production of Bu Nia's traditional herbal drink only focused on refining flavors and recipes, looking for the right dose and good quality raw materials. After a number of experiments Ms. Nia finally found the right recipe and good raw materials for making her herbal medicine. During the probationary period, the owner asked several neighbors for advice on how to taste the herbal medicine. After that, the herbal medicine began to be marketed around the housing and friends of Ms. Nia. After some time, finally the owner of Bu Nia's traditional herbal drink registered as a GoFood partner in December 2017.

Bu Nia's Herbal Medicine Business got a permission in the form of an individual business license obtained from the local village and has a TIN. Next, the owner plans to register the PIRT, lab test, and trademark. It is easy to get the permission from local community. Bu Nia's traditional herbal drink's business does not have an official outlet but serves from the owner's private home located at Jl. Pekapuran Raya Perumahan Pearl Garden Blok C26 and also registered with GoFood. Bu Nia's herbal drink is only available in Depok and surrounding areas.

The traditional beverage business of Bu Nia's traditional herbal drink is a micro-scale individual business pioneered by Muhammad Ridho as the owner of the business and Mrs. Nia as the owner of the herbal recipe, which was established on October 25, 2017. Initially the owner of this herbal medicine business was inspired by the large number of people who wanted to drink herbal medicine with an authentic taste but still has properties, because many herbs circulating in the community have a bad taste and less nutritious.

The results of the discussion on the traditional beverage business of Bu Nia's traditional herbal drink can be seen from seven aspects namely legal aspects, market

and marketing aspects, technical/operational aspects, organizational management aspects, financial aspects, social economic aspects and environmental impact analysis (AMDAL).

- a. In analyzing the legal aspects in the business of Bu Nia's herbal drink the owner already has an individual permit and the owner has a Taxpayer Identification Number (NPWP). As for other licenses such as PIRT, Halal Certification, and other permits that are not yet owned by Bu Nia's traditional herbal drink's business. Therefore, in the legal aspect of the business of Bu Nia's traditional herbal drink it is not feasible.
- b. In the analysis of market aspects, it is divided into three parts, namely segmentation, target market and market position. In the business of Bu Nia's traditional herbal drink, the owner determines market segmentation in Depok City around the house of the production site with a radius of approximately five kilometers because it is still affordable with GoFood. The target market is women and men of productive age, upper middle class and GoFood customers as well as people who prioritize product quality. Bu Nia's traditional herbal drink's market position is as a traditional beverage product with authentic flavors with modern packaging. In the analysis of marketing aspects in this study using the 4P marketing mix (product, price, place, promotion). The product produced by Bu Nia's traditional herbal drink is a traditional drink which is divided into two menus, namely turmeric tamarind and kencur rice. This herbal medicine is sold in 250ml packages. Price is the most important thing in selling a product because price is a differentiator between a product with one brand with another brand. In determining the price of Bu Nia's traditional herbal drink is different in each sales platform. In

terms of business promotion, Bu Nia's traditional herbal drink has not yet launched the promotion intensively. The owner only occasionally takes care of social media accounts like Instagram and also whatsapp business owned by Bu Nia's traditional herbal drink's business. The location of the marketing and marketing of Bu Nia's traditional herbal drink's business is located on Jl. Pekapuran Raya housing Pearl Garden block C26 Depok. Usually consumers who buy through GoFood will order directly through the application, while residential consumers will be directly delivered by the owner.

Marketing aspects conducted in this research are 4P (Product, price, place, promotion ) marketing mix with the results of a questionnaire distributed by the author through Google Form . The questionnaire distributed as many as 30 respondents with saturated sampling ie samples taken as many as the total population that is approximately as many as 30 samples. The questionnaire was distributed to find out the responses regarding the quality, price and responses of respondents to the business of Mrs. Nia. The results that will be elaborated by the author on the aspects of performance are as follows

#### 1) Product

The products produced by the business of Bu Nia's herbal drink in the form of traditional herbal medicine are divided into two herbal menus, namely tamarind turmeric and kencur rice herbal medicine. This herbal medicine is sold in 250ml bottles to make it more practical in terms of distribution.

#### 2) Price

Price is the most important thing in selling a product because price is a distinguishing tool between products with one brand to another. The price set by the owner for Bu Nia's traditional herbal drink products varies on each platform. Why prices are different on each platform because owners think of different benefits.

#### 3) Promotion

In terms of promotion, the business of Bu Nia's herbal drink has not done a very intensive promotion. The owner only occasionally takes care of social media accounts like Instagram, as well as WhatsApp business owned by the business of Bu Nia's traditional herbal drink. But usually shortly after production, the owner will announce on WhatsApp story that belongs to Bu Nia's traditional herbal drink. In addition, the owner also puts the Herbal Medicine product in GoFood solely to increase customer awareness that there are herbal medicine brands under the Herbal Medicine brand Nia.

#### 4) Location

The location of the marketing and marketing of Bu Nia's traditional herbal drink's business is located on Jl. Pekapuran Residential Pearl Garden block C26, Tapos, Depok. Usually consumers who buy through GoFood will order directly through the GoFood application, but if the housing consumer will be directly delivered by the owner.

c. In the technical / technological aspects in the selection of technology for the production of Herbal Medicine, Ms. Nia still uses traditional equipment, using mortars, but for cooking, the ingredients are already using stainless steel pans. In determining the production capacity in a single production of Herbal Medicine, Mrs. Nia can produce 50 to 100 bottles of herbal medicine. The making of Nia herbal medicine goes through several stages, namely stripping, then soaked while preparing other ingredients , then the spices are pounded, mashed and squeezed, then cooked until finally cooked and packed in a jar. In the herbal medicine business, the ingredients used are quite easy to get. The owner does not need to worry about the procurement of goods because the Bu Nia's herbal drink already has several suppliers.

d. P there are aspects of management / organizational effort Bu Nia Herbal not

yet have a formal organizational structure, because this business is still in the form of home-based businesses that whole process is still held directly by the owner. The owner plunges directly into production activities. Overall, from a managerial point of view, it is still lacking due to the lack of employees, but it is good that Bu Nia's traditional herbal drink's business has survived for three years until now.

- e. In the social economic aspect, Bu Nia's traditional herbal drink's business has not had a significant impact on the economy of the community on a large scale, only helping one or two people. So it can be said that the business of Bu Nia's herbal drink is not feasible in terms of social management aspects.
- f. The environmental impact analysis (AMDAL) analyzes the disposal and utilization of waste products from the Herbal Medicine business. Based on the interview results, the waste from Bu Nia's traditional herbal drink's business is not much so that the waste produced is turned back into fertilizer and disposed of in the owner's home garden. Whereas waste water did not get complaints from the surrounding residents because the water directly flowed into the sewer. So that in the analysis of the business environmental impact of Bu Nia's herbal drink it can be said to be feasible.
- g. In the financial aspect, four investment valuation analyzes are used, namely PP, NPV, BEP and PI.

Gross Profit Assumptions

$$\begin{aligned}
 &= \text{Selling price} - \text{COGS ((variable cost} \\
 &\quad + \text{overhead) / number of production} \\
 &\quad \text{units)} \\
 &= \{((12,000 + 15,000) / 2) - ((175,000 + \\
 &\quad 70,000) / 50)\} \\
 &= 13,500 - 4,900 \\
 &= 8,600 / \text{bottle}
 \end{aligned}$$

Assumption of Gross Profit Margin

$$\begin{aligned}
 &= \text{Gross Profit} / \text{Selling Price} \times 100 \\
 &= 8,600 / 13,500 \times 100 \\
 &= 63.7\%
 \end{aligned}$$

Assumption of Cashflow Value Per Year 2018

$$\begin{aligned}
 &= \text{Assumption of Gross Profit Margin} \times \\
 &\quad \text{Total Turnover in 2018} \\
 &= 0.637 \times 17,659,400 \\
 &= 11,249,700
 \end{aligned}$$

1) Payback Period (PP)

$$\begin{aligned}
 \text{PP} &= \frac{\text{Total investment}}{\text{Cash flow per year}} \times 1 \text{ Year} \\
 \text{PP} &= \frac{11,249,700}{1,190,000} \times 1 \text{ Year} \\
 &= 0.10 \text{ years} \\
 &= 37 \text{ days}
 \end{aligned}$$

So the return on capital for Bu Nia's traditional herbal drink's business is 0.10 years or 37 days is said to be feasible because the payback period is fast.

2) Net Present Value (NPV)

$$\text{NPV} = C_0 + (C_1 / (1 + r))$$

Information:

- C<sub>0</sub> = Money invested
- C = Money to be received in year 1
- r = discount rate / interest rate

$$\begin{aligned}
 \text{NPV} &= -1,190,000 + (11,249,700 / (1 + 0,32)) \\
 &= -1,190,000 + (11,249,700 / 1,032) \\
 &= -1,190,000 + 10,900,800 \\
 &= 9,710,800
 \end{aligned}$$

So, the NPV calculation results show positive results, namely NPV of 9,710,800 based on the provisions if the NPV is positive then it is feasible while a negative NPV is not feasible. Mrs. Nia's herbal medicine business is worth running.

3) Break Event Point (BEP)

	Fixed cost
BEP unit =	Price per unit - variable cost per unit
	1,190,000
BEP unit =	10,000 - 4,300

BEP unit = 208 units.

So, the conclusion is Bu Nia's traditional herbal drink's business needs 208 units to be sold so that the business is BEP.

Rupiah BEP =	Fixed cost
	Margin contribution per unit / price per unit
Rupiah BEP =	1,190,000
	5,700 / 10,000

BEP in Rupiah = Rp 2,087,719

So in conclusion the business of Bu Nia's herbal drink requires a turnover of Rp. 2,087,719, - to be sold so that the business is BEP

#### 4) Profitability Index (PI)

$$\text{Profitability index} = \frac{\text{Value of cash inflows}}{\text{investment value}}$$

Descriptions :

If  $PI > 1$ , then the investment can be carried out (received)

If  $PI < 1$ , then the investment is not feasible (declined)

Profitability index	11,249,700
(PI) =	1,190,000

Profitability index = 9.4

So from the calculation based on the provisions if profitability index  $> 1$  then the business is feasible, profitability index  $< 1$  business is not feasible. Bu Nia's Herbal Medicine business is said to be feasible to run because it gets a PI of 9.4.

### 5. Conclusions

The results of research conducted on the Herbal Medicine business in connection with aspects of the Business Feasibility Study according to legal aspects, market and marketing aspects, technical / technological aspects, management / organizational aspects, socioeconomic aspects, environmental impact analysis and financial aspects can be concluded as follows:

The results of an analysis of the legal aspects of Bu Nia's traditional herbal beverage business can be concluded that this

business does not yet have complete documents that support the business. This is because Bu Nia's traditional herbal beverage business is still a micro-scale business and the benefits have not been able to register her business with a legal institution. Even so, the owner already has a TIN and an individual company license. Therefore the traditional herbal beverage business of Mrs. Nia is not feasible in the legal aspect because it does not have sufficient licenses to support the establishment of this business.

The results of the analysis of market aspects, namely segmentation, target and market position in the Bu Nia's traditional herbal drink business. Judging from the segmentation of the Bu Nia's traditional herbal drink business, it is located in Depok City and more precisely people within 5 to 10 kilometers of the residential business area can be reached by GoFood. The market position of Bu Nia's herbal medicine is as a seller of herbal medicine, which offers an authentic sense of herbal medicine with attractive and practical packaging. The target market of Bu Nia's traditional herbal drink is women and also middle-aged and upper-class productive men and GoFood customers, while also for people who prioritize product quality.

The results of the analysis of technical and technical aspects of the business of Bu Nia's traditional herbal drink can be said to be feasible because even though it is still traditional the production process can produce products of good quality and can be accepted by consumers. In addition, in making it, the owners and workers are very concerned about the cleanliness of tools and materials.

The results of the analysis of management and organizational aspects of the Bu Nia's traditional herbal drink business can be concluded in terms of the managerial system is still fairly simple because the business of Bu Nia is still classified as a micro business. In addition, the business of Bu Nia's traditional herbal

drink also does not have permanent employees so that everything is still controlled by the owner himself.

The results of the social economic analysis stated that the business of Bu Nia's traditional herbal drink did not have a significant impact on the economy of the surrounding community and only helped the welfare of a peeled worker.

The results of an environmental impact analysis (AMDAL) on the Herbal Medicine business can be said to be feasible because it does not bring any negative impact on the environment around it is triggered by the results of the existing waste being used as fertilizer and other garbage disposed along with other household waste.

The results of the analysis of the financial aspects of the Bu Nia's traditional herbal drink Business are said to be feasible to run because the Net Present Value (NPV) value is 9,710,800 positive then it is feasible to run, the payback period can be reached at 0.10 years or 40 days is feasible due to the return period faster investment, the value of the BEP Unit is 208 units while the Rupiah BEP is Rp. 2,087,719, - the value of the Profitability Index (PI) is 9.4 where  $PI > 1$  is feasible, Payback Period (PP) is 0.10 years or 37 days said to be feasible because the payback period is faster. While the Internal Rate of Return (IRR) is not calculated because the business of Mrs. Nia is a business that does not use external capital, which is the bank as stated in the formula.

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