



Analysis of Business Feasibility of Banana Chips on CV. Nikilo Kecamatan Bumiaji Kota Batu Malang

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ABSTRACT

This research was conducted at UD. Nikilo, Bumiaji Subdistrict, Batu City Malang, as one of the banana chips agro-industry business groups under the Integrated Business Service Center (PLUT) of Batu City Malang. This study aims to analyze the feasibility of the banana chips business at CV. Nikilo, Bumiaji District, Batu City Malang. The data analysis method used in this study is to use the cost and benefit analysis formula. Meanwhile, to calculate Business Feasibility, the formulas used are, Revenue Cost (R / C), Benefit Cost Ratio (B / C), and Return On Investment (ROI). The results showed that the average income in the banana chips business group assisted by PLUT Kota Batu Malang was Rp. 31,770,000.00 / month with production costs incurred of Rp. 21,604,000.00 / month. The production costs consist of a fixed cost of Rp. 6,481,250.00 and variable costs of Rp. 15,122,750.00 / month. From the results of data analysis, it was found that the benefits obtained in the banana chips agroindustry CV. Nikilo for Rp. 10,166,000.00 / month. Based on the calculation of business feasibility (R / C) Ratio, which is the ratio between revenue and total costs, the value (R / C) is 1.47 or 1.47 > 1. (B / C) Ratio, namely the ratio of profits to total production costs that are more greater than zero, which has a ratio of 0.47 or 0.47 > 0. Based on the comparison of profit and production capital, the ROI value is 11%. So it can be concluded that the agro-industry business of CV. Nikilo, Bumiaji District, Batu City Malang can be said to be profitable and feasible to run.

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1. Introduction

Agro-industry is a business to increase the efficiency of the agricultural sector to become a very productive activity through the process of agricultural modernization. Modernization in the industrial sector on a national scale can increase the value added revenue so that export revenues will be greater (Saragih, 2008). Basically, the agro-industry business is faced with tighter competition so that it must be able to produce products or services that are highly competitive in the business to win market share, while avoiding the market.

One of the small businesses that have a very potential prospect to be developed in the city of Batu Malang is the business of making banana chips. Based on the results of research, the economic potential of small businesses is very dependent on the value of business development being carried out. Most of small businesses in the business industry sector are home industries. Until now, small businesses, especially the chip business, are increasingly mushrooming. Although the amount of investment in the home industry is relatively small, it absorbs quite a lot of labor and increases people's income. Based on the capabilities of this home industry, it is necessary to continue to develop the home industry.

The chips business is one of the snacks that is sourced from banana as a raw material, a choice that has been processed traditionally for immediate consumption. The banana chips frying process is done by sorting the sliced bananas and then frying the chips for consumption, a process that is carried out like frying chips in general. Batu City Malang is one of the areas where there are many agribusiness activities, one of which is the business of chips, including banana chips, sweet potato chips, apple chips and other chips that are engaged in agribusiness with a home industry scale or home industry.

The banana chip business, which is a household industry, is spread across almost all districts in Batu City, including Junrejo District, Batu District and Bumiaji District. CV. Nikilo is one of the banana chips production businesses in Bumiaji District which has been producing banana chips specifically since 2002. CV. Nikilo is a family business that was started with the aim of being able to produce banana chips throughout the city of Batu, Malang. The business is marketed through depositing at kiosks in Batu City, Malang City and Malang Regency as well as outside the Regency, as well as waiting for orders.



Every business needs an understanding of whether or not it is worth the effort to build. In this research, a business feasibility study is a method or method consisting of various aspects of assessment to determine whether a business to be carried out is feasible or not. So it can be said that it is also a very capable forecasting tool to find out the possibilities that will occur, and to immediately make decisions on the results obtained, namely to accept or reject the effort. A business feasibility study was conducted to see to what extent the feasibility level of the banana chips CV. Nikilo, Bumiaji District, Batu City regarding the extent to which the marketing of the products produced can support the development of the business to be carried out. Based on the above problems, researchers are interested in conducting a study on "Business Feasibility Analysis of Banana Chips at CV. Nikilo, Bumiaji District, Batu City Malang".

2. Research Methods

The research was conducted at CV. Nikilo Bumiaji Subdistrict, as one of the banana chips agro-industry business groups assisted by the Integrated Business Service Center (PLUT) Malang City, the selection of research locations was determined by descriptive methods. According to Arikunto (2007) purposive is a technique of determining the location of research deliberately based on certain considerations. The research was conducted in July 2018.

2.1 Types and Sources of Data

The data collected in this study include primary data and secondary data, with the following types of data:

- a. Primary data, namely data obtained directly from the field through direct interviews with respondents and direct observations in the field.
- b. Secondary data, namely data obtained from agencies related to the problem and object under study.

2.2 Data analysis

The data analysis method used is the calculation of income, and the calculation of business development studies (Soekartawi: 2009).

Income =

Where:

TR = Total income from the chips business
(Rupiah)

Q = Total products sold from the chip business (Kg)

P = Price of products from the chip business
(Rupiah)

Advantage

Classification of the profit formula based on its nature is formulated as follows:

$\Pi = TR - TC$

Information:

Π = Profit

TR = Total Revenue / revenue

TC = Total Cost is the total cost.

- a. Business Feasibility Analysis (R / C Ratio)

To find out whether a business is feasible, the R / C ratio formula is used, namely by comparing the level of income earned with the capital that must be spent. Feasible business, usually calculated with the standard R / C ratio > 1

Then the feasibility analysis of the R / C ratio is:

a) $R / C > 1$ = Eligible / Profitable b) $R / C = 1$ = BEP

b) $R / C < 1$ = Unworthy / Loss

- b. B / C

B / C Ratio (Benefit Cost Ratio) is a measure of the ratio between income (Benefit = B) and the total cost of production (Cost = C). Within the limit of the amount of B / C value, it can be seen whether a business is profitable or not. Formula:

$B / C \text{ ratio} = \text{Total Profit (B)} / \text{Total Cost of Production (TC)}$ If the B / C ratio > 0, the business is feasible to run If the B / C ratio < 0, the business is not feasible or loses money



c. ROI

ROI can also be interpreted as the ratio of net profits to costs. The formula for calculating ROI is as follows:

2.3 Profit Analysis

Profits are business activities that reduce some of the costs incurred by the sales results earned. M. Nafarin (2007) states that profit is the difference between income and a balance of costs and expenses for a certain period. Average profit on business

3. Results and Discussion

Fixed costs are costs incurred by the banana chips industry CV. Nikilo whose use does not run out in one production period. The size of the production cost is not influenced by the amount of production produced by the chip industry CV. Nikilo. In the banana chips industry, CV. Nikilo which includes fixed costs is the cost of depreciation of equipment, building costs and maintenance costs.

Table 1

The components of equipment depreciation costs in the banana chip industry CV. Nikilo

No	Uraian	Jumlah (Rp/ Bulan)
	Total Penerimaan	
1	(TR)	31.770.000
2	Total Biaya (TC)	21.604.000
	Keuntungan	10.166.000

Based on the table above, it can be seen that the total business acceptance of the banana chips CV. Nikilo for Rp. 31,770,000 / month, while the total cost incurred was Rp. 21,604,000 / month. The profit obtained from the total revenue minus the total costs incurred is Rp. 10,166,000 / month.

3.1 Business Feasibility Analysis

a. Revenue / Cost (R / C)

Revenue cost is a value that shows the ratio between business revenue and total costs. The calculation of revenue / cost analysis can be seen as follows:

$$R / C = 31,770,000$$

$$21,604,000$$

$$R / C = 1.47$$

Based on the comparison of total revenues and total costs, it shows that the calculation of the R / C ratio at CV. Nikilo is profitable because the R / C ratio is Rp.

1.47 > 1. This means that each expenditure is Rp. 100, -, giving receipts of Rp. 147 then the agroindustry CV. Nikilo is worth the effort.

B / C Ratio can be seen whether a business is profitable or not.

$$B / C = 10,166,000$$

$$21,604,000$$

$$B / C = 0.47$$

This means that each production cost incurred is Rp. 100, -, you will get a profit of Rp. 67 indicates that the Banana Chips Agroindustry CV. Nikilo can be said to be worthy (fortunate) to be cultivated. This can be seen from the comparison of total revenues with total production costs that are greater than zero.

b. On Investment (ROI)

Return on investment (ROI) is a form of profitability ratio which is intended to measure the company's ability with the overall funds invested in assets used for the company's operations to generate profits.

$$ROI = 10,166,000 \times 100\%$$

$$96,050,000$$

$$ROI =$$

$$= 0.11 \times 100\%$$

$$11\%$$



Based on the comparison of profit and production capital, the ROI value is 11%, which means that the amount of profit obtained compared to investment (ROI), the amount of profit obtained compared to the investment invested is good, meaning that each capital is Rp. 100, obtained a profit of Rp. 11.

c. Benefit / Cost (B / C) Ratio

Benefit / Cost (B / C) ratio is a business analysis to provide an illustration of why you should choose or not choose the specifications of an investment (Keen, 2011). Within the limits of the amount of value

4. Conclusions

Based on the results of research on CV. The writer Nikilo can conclude that the banana chips agro-industry business of CV. Nikilo is profitable and feasible to work on because it has an R / C value of 1.47, while B / C is 0.47 and an ROI is obtained 11%.

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