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Evaluating Continuity in Culinary Café Businesses through Business Appropriateness Analysis: A Holistic Examination of Financial, Economic, Social, and Environmental Influences

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Abstract : *This study aims to evaluate the continuity of culinary café businesses through the analysis of business appropriateness. Continuity in the culinary sector has become increasingly important in response to changing consumption patterns and environmental demands. The study utilizes the business appropriateness analysis method to assess the financial, economic, social, and environmental influences on the continuity of culinary cafés. Data is collected through surveys, interviews, and direct observations of café operations. The research results provide a holistic description of the continuity of culinary café businesses, as well as identification of key factors influencing performance and the business's impact across various dimensions. The implications of these findings can guide business owners, government entities, and other stakeholders in enhancing the continuity of culinary café businesses.*

Keywords: *continuity, culinary café businesses, business appropriateness analysis, financial influence.*

INTRODUCTION

In the ever-evolving landscape of the culinary industry, the sustainability and continuity of café businesses are crucial factors for long-term success. With shifts in consumer preferences and increasing environmental concerns, understanding the appropriateness of business practices becomes paramount. This study focuses on evaluating the continuity of culinary café businesses by analyzing various aspects of their operations and external influences. By employing the business appropriateness analysis method, which considers financial, economic, social, and environmental factors, we aim to provide insights into the holistic sustainability of these establishments. Through comprehensive data collection methods including surveys, interviews, and direct observations, we seek to gain a nuanced understanding of the challenges and opportunities faced by culinary café businesses. By identifying key factors influencing performance and their impacts across different dimensions, this research aims to offer practical guidance for business owners, government policymakers, and other stakeholders interested in fostering the continuity and success of culinary café establishments.

LITERATURE REVIEW

According to Kasmir and Jakfar (2009), a business feasibility study is an activity in-depth research on business plans, in In order to determine whether the business plan is feasible or not, it is feasible in the sense that it will provide benefits not only for the company running it, but also for investors, creditors, government and society. wide .

According to Ibrahim (2009), a business feasibility study is an activity to assess the extent of benefits that can be obtained in carrying out a business activity or project.

A feasibility study, which is also often called *a feasibility study,* is a consideration in making a decision, whether to accept or reject a planned business idea/project. The definition of feasibility in assessing a feasibility study is the possibility that the business idea /project that will be implemented will provide benefits *,* both in the financial sense and in the sense of social benefit, Ibrahim (2009).

The purpose of conducting business analysis, Gray and Larson (2007) is:

1) To determine the level of profit that can be achieved through investment in a project;
2) Avoid wasting resources , namely avoiding carrying out unprofitable activities;
3) Carrying out an assessment of existing investment opportunities so that the most profitable alternative activities can be selected ;
4) Determine investment priorities.

According to Kasmir and Jakfar (2008), investment is defined as sacrificing or investing a certain amount of funds in the present for a business. in the present and expect returns accompanied by profits in the future.

Benefits of Business Feasibility Studies

The benefits of a business feasibility study, Umar (2003), are:

a. Investors. Prospective investors have a direct interest in the profits they will obtain, as well as guaranteeing the safety of the capital they invest.
b. Creditors. Banks as lenders need to review the business feasibility studies that have been made, for example regarding the bona fides and availability of collateral owned by the company.
c. Management. Management needs to study the business feasibility study being made, for example in terms of funding, how much is allocated from its own capital, as well as funding plans from investors and creditors.
d. Party Government and Society. Preparation of business feasibility studies that pay attention to and assist government policies will be prioritized for assistance, for example with subsidies and other relief.
e. For Economic Development Goals. In preparing a business feasibility study It is also necessary to analyze the benefits that will be obtained and the costs that will be incurred impact on the national economy.

Aspects Business Feasibility Study

According to Husnan and Muhammad (2000), in general the aspects studied in business feasibility studies include :

1) Market aspects,
2) technical aspects,
3) Financial aspects,
4) Management aspects,
5) Legal aspects,
6) Economic and social aspects.

Although there is no agreement on what aspects need to be researched for To determine whether a business is feasible or not, it is necessary to determine feasibility based on all aspects that will be assessed. If aspects are found that are not feasible, then improvements are made to meet the appropriate criteria. However, if you cannot meet these criteria, you should not run the business .

Market aspects

It is important to study market aspects, because no business can be successful without demand for the goods and services produced by the business being run.

Marketing is a social and managerial process in which individuals and group get their needs and desires by creating, offering , and exchanging something of value with each other, Kotler (2007).

Market aspects learn about:

1. Request

   Demand is an activity that is supported by the ability to buy, in other words demand will occur if it is supported by the ability to buy by consumers to obtain the goods and services offered. Factors that influence demand include the price of the goods themselves, the prices of other goods as substitutes or complements, income, tastes, population, and access to the goods and services offered.

2. Offer

   Supply is the amount of goods and services offered by producers to consumers at various price levels at a certain time. Factors that influence supply include the price of the goods and services themselves, the prices of other goods, technology, input prices, company objectives, or access.

3. Marketing

   Kotler (2007:23) defines that the marketing mix is a set of tools marketing that companies use continuously to achieve goals in the target market.

Location and Distribution Strategy

Things What needs to be taken into account when selecting and determining a location with the following considerations, namely close to industrial areas close to office locations, close to market locations, close with center government, close to residential or community locations, consider the number of competitors in a location, facilities and infrastructure such as roads, ports, electricity, etc., Kasmir and Jakfar (2003).

According to Prassetya A. (2010), there are four marketing philosophies which are the guiding philosophy of the marketing efforts of a business organization, between other :

a. Production Concept

   This concept states that consumers will like the products that are available, so management's orientation is to increase production efficiency and distribution efficiency. Because the assumption is that consumers (definitely) like the products available, management's efforts must be to make as many products as possible, in this way production efficiency will be achieved.

b. Product Concept

   Draft The product chooses the assumption that consumers only like good quality products , so management's orientation is to create products with good quality too, so that it becomes the " chosen " product.

c. Sales Concept

   The sales concept has the assumption that no matter how good the quality is If a product is not communicated to the market, the market will not buy it . So management's orientation is to carry out " intensive promotion " .

d. Marketing Concept

   The marketing concept assumes that the key to achieving organizational goals is determining market needs and wants, then satisfying these needs and wants more effectively and more efficiently than competitors. Thus, management should not only be oriented towards promotion management , *but* also the creation of products that suit market needs and desires *(produc t),* pricing *and* how to distribute them. *(place).* This conception is commonly known as *Marketing Mix,* or 4P *(produc t , price, promotion, place),* or marketing mix.

Technical aspects

The technical aspect concerns the technical project development process and its organization after the project is completed, Husnan and Muham Mad (2000). Technical aspects relate to selecting the project location, type of machine or other equipment that suits production capacity, layout, and selecting the most profitable technology.

So, analysis of technical and technological aspects is to assess the company's readiness to run its business by assessing location decisions , production area and layout and readiness of the machines that will be used . Overall, these technical and technological aspects are assessed as working efficiently or not, because in the end it is efficiency that will determine one of the factors in the size of the profits that will be obtained by the company, Kasmir and J akfar (2009).

In general, there are several things to be achieved in aspect assessment technical and technological, namely so that companies can determine which location :fast, good for location factories, warehouses, branches and head offices, so that Companies can determine a layout that suits their production process selected, so that it can provide efficiency, so that the company can determine the most appropriate technology in carrying out its production, so that the company can determine the best inventory method to carry out in accordance with field of business, in order to determine the quality of labor required now and in the future, Kasmir and Jakfar (2009).

Management Aspects

Analysis of management aspects is carried out to obtain a distribution regarding employee abilities in carrying out the business they run . In general, the objectives stated in a feasibility study are objectives macro which still needs to be explained in micro form so that it is clear what will be done. Based on this description, the main tasks that must be carried out are related to management functions, including planning , organizing, procuring labor, directing work, and implementing supervision, Ibrahim (2009).

Management aspect studies include preparing work plans, who is involved, how to coordinate and supervise business implementation, determining effectively and efficiently the form of business entity, types of work , organizational structure, and procurement of the required workforce. Apart from that, according to Suryana (2003), it is also necessary to pay attention to whether the business will be managed alone or involve other people professionally. Determining management factors in the business to be built by determining activities planning *(planning),* organizing *(organizing),* implementing *(actuating),* and controlling *(controlling).*

Social Aspects

Social analysis is carried out to determine the impact resulting from the existence of a business project that is about to be established, whether the existence of the project has an impact on an area becoming busier, traffic smoother, communication lines, electric lighting, local community education, and so on.

The main goal of the company is to seek maximum profits . However, a company cannot operate alone without the support of other parties in its environment so that in the interaction and development of a business it is certain that it must have social responsibility. Based on this analysis, business projects should have social benefits that can be accepted by society, such as:
:

a. Opening new job opportunities

   Having a business that you want to run also opens up new job opportunities which can open up the public's response to getting a job.

b. Carrying out technology transfer

   By transferring technology to workers with various well-programmed training methods, it is hoped that this can improve *" ski l"* or the worker's ability and mental attitude as a reliable and competent workforce.

c. Improving the community's economy

   With the development of business projects, it is hoped that it can help reduce the unemployment rate, increase knowledge and information related to people's consumption interests so that to some extent it can help improve the standard of living of the surrounding community.

Financial Aspect

A is an analysis that compares whether a project is profitable over the life of the project, Husnan and Muhammad (2000). Financial analysis relates to the source of funds (investment) to be obtained and the projected return with the level of capital costs (costs to be incurred) and the source of the funds concerned.

Investment Costs

Investment is an investment in an activity that has a relatively long period of time in various business fields. The investment period is usually more than one year, mainly used for purchasing fixed assets .

The components contained in the investment costs are usually adjusted to the type of business to be run. In general, investment costs include the following pre-investment costs, which consist of costs for making studies, costs for obtaining permits. The cost of fixed assets is divided into two, namely tangible fixed assets including land, machinery, buildings , equipment, office investment. Intangible fixed assets include good will, copyrights, licenses and trademarks. Operational costs, which consist of employee wages or salaries, electricity costs, telephone costs, water costs, maintenance costs , taxes, insurance premiums, marketing costs and other costs, Kasmir and Jakfar (2009).

Net Present Value (NPV)

It is defined as the present value of the cash flows generated by the investment. In calculating *NPV,* it is necessary to determine the relevant interest rate.

Investment eligibility criteria based on *NPV* are:

- *NPV* > 0, meaning employment has been declared profitable and can be implemented.
- *NPV* < 0, meaning the work does not produce the value of the costs used. In other words, the project is detrimental and should not be implemented.
- *NPV* = 0, meaning that work is able to return exactly the same amount of social capital as *the opportunity cost of* normal production factors, in other words employment there is no profit or loss.

Profitability Index (PI)

This is a comparison between all net cash present value and the initial investment. This technique is also often called the cost benefit ratio model *(Net B/C Ratio).*

PI or *Net B/C* Ratio states the amount of return for each unit of cost that has been incurred during the life of the project. *PI* is a comparison number between *the present value (PV)* of positive *benefits and the PF of* negative *benefits* . Investment criteria based on *PI* are:

- *PI > 1 ,* then *NPV* > 0. profitable projects.
- *PI* < 1, then *NPV* < 0. the project is not profitable.
- *PI* = 1, then *NPV* = 0. the project has no profit and no loss.

Internal Rate of Return (IRR)

IRR is the interest rate that equates the expected *PV of cash out with the PV* of expected cash inflow or can be interpreted as the interest rate that causes *NPV* = 0. According to Johan (2011), *IRR* is a method of assessing project feasibility using an extension of the present value method. In the position *NPV* = 0, the *IRR percentage level will be obtained.*

An investment is said to be feasible if the *IRR value* is greater than the applicable interest rate and conversely, if *the IRR value* is smaller than the applicable interest rate, then the project is not feasible to implement. Some of the advantages of using this method include, it calculates the value of money caused by the time factor, calculates the economic age of the project, takes into account the residual value of the project, it is easier for banks to determine the maximum interest rate percentage that can be covered by the project, Johan (2011) .

Payback Period

A is one method of assessing the feasibility of a business which is used to measure the payback period for the capital used. The faster capital can be returned, the better a project is to undertake because the capital used will be returned quickly and used to finance other activities, Husnan and Muhammad (2000).

Break Event Points

It is a condition when the level of production or amount of income is equal to the amount of company expenditure, so that at that time the company does not experience profits or losses, Mulyadi (1997).

According to Pujawan (2009), break-even analysis on production problems is used to determine the level of production that can result in the company being in a break-even condition. There are three cost components considered in this analysis, namely:

a. Fixed costs *(Fixed Costs),* namely costs whose amount is not influenced by production volume. Some costs that are included in fixed costs include building costs, land costs, machine costs, equipment costs, and so on.
b. Variable costs *(Variable Cosi),* namely costs that are large depending on production volume . The costs included Variable costs include material costs raw materials and labor costs direct work.
c. Total costs *(Total Cosi),* namely the sum of fixed costs and variable costs.

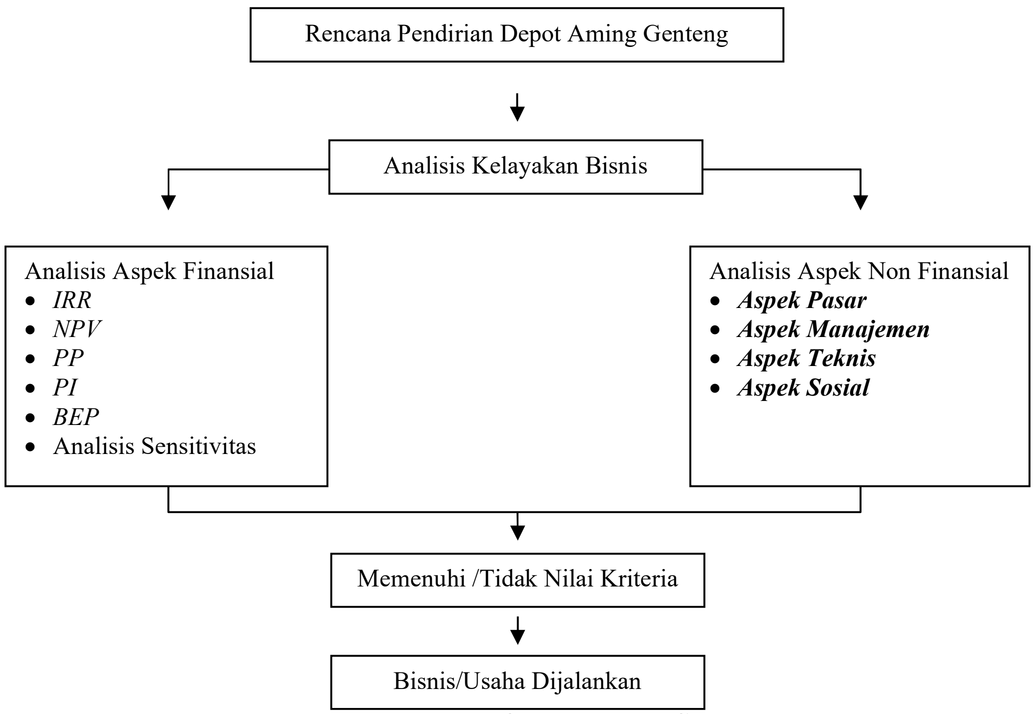
Analysis according to *BEP* aims to provide a projection to capital owners or business actors so that they can provide information on sales that must be achieved in a certain period as well as sales in a certain capacity (product/price).

Sensitivity Analysis

An analysis to be able to see the influences that will occur due to changing circumstances. Sensitivity analysis aims to see what will happen to the analysis results of a business if errors or changes occur in cost and sales calculations. Every possibility that occurs is seen as to its impact on the business. The implications of these conditions must be re-analyzed for various possibilities that occur in real conditions. Business analysis is generally based on the value of estimates that may occur in the future, Sutojo (1983). Results of using the method Sensitivity analysis is an estimate of the nature of demand optimistic, pessimistic and realistic, Sutojo (2000).

RESEARCH METHODS

conceptual framework



Framework for Research Stages

In the financial aspect, an assessment of the feasibility of the business will be carried out based on *Internal Rate of Return (IRR), Net Present Value (NPV), Break Even Point (BEP), Profitability Index (PI),* and *Payback Period (PP).* Besides, it will We also carried out a sensitivity analysis.

Analysis and Discussion

Data processing was carried out using Microsoft Excel 2007 software . Data analysis was carried out qualitatively and quantitatively. The analysis was carried out to analyze market aspects, legal aspects, management aspects , technical/operational aspects, and economic and social aspects, where the analysis was adjusted to existing theory, Alhusna (2011).

Quantitative analysis is used to analyze the financial aspects it consists of various investment criteria values such as *Internal Rate of Return (IRR), Net Present Value (NPV), Profitability Index (PI)* and *Payback Period (PP),*

C:\spek**As pack**C:\spek **Management**

In an effort to implement projects/businesses that have been declared feasible to develop, the role of management cannot be ignored for success from this business. No matter how good the prospects of the business idea / project being implemented, regardless supported by good management, no it is impossible to fail. Based on on this issue too, it is necessary outlined here are the important tasks that need to be carried out so that the objectives stated in the feasibility study can be achieved, Ibrahim (2009).

Financial aspect

Investment costs are the costs required for project development, consisting of procurement of land, buildings, machinery, equipment, installation costs, *feasibility study costs,* and other costs related to project development, Ibrahim (2009).

Still according to Ibrahim (2009), working capital is the costs incurred to finance business activities after the project construction is ready, consisting of fixed costs *and* variable costs .

To meet the needs for investment costs and working capital, there can be two sources, namely sources from within the company and sources from outside the company. Sources from within the company are capital that comes from investors themselves or capital raised from the sale of shares. Capital from Outside the company is capital that comes from banks, equipment manufacturers, and other financial institutions.

***Net Present Value* (NPV)**

formula is commonly used in calculating *NPV* are as follows :

$$\mathrm{NPV} = \sum_{t=1}^{n} \frac{\mathrm{Bt} - \mathrm{Ct}}{(1 + \mathrm{i})}$$

Where :

Bt = Benefits in year t (Rp)

Ct = Costs in year t (Rp)

N = Project Age (Years)

I = Discount Rate (%)

Internal Rate of Return (IRR)

rate of return *(IRR)* is a tool for measuring level internal returns, while the *IRR calculation method is* usually used with the formula:

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

Where :

i_1 = Discount Value when NPV $_1$ (%)

i_2 = Discount Value at NPV $_2$ (%)

NPV_1 = Positive NP V Value (Rp)

NPV_2 = Negative NPV Value (Rp)

Payback Period (PP)

Calculation *Payback Period* can be done using the formula:

$$PP = \frac{\text{Capital Outlays}}{\text{Proceeds}} \text{ x 1 tahun}$$

Where :

Capital Outlays = Investment Value

Proceeds = Net Cash Incoming

1 year = 12 bins

Profitability Index (PI)

Following The formula used for *PI calculations:*

$$PI = \frac{\square \ \text{PV of Proceeds}}{\text{Initial Outlays}} \geq 1$$

Where :

P V of Proceeds = Total Net Cash Inflow

This is tial Outlays = PV of Initial Investment

Break Event Point

This is an analytical technique used to determine the break-even point from sales products that can return the initial capital used for business within the life of the project. This is to make it easier to calculate the value of investment returns at the capital level, because in this condition the company does not experience profits or losses (return on principal). *The break even point* is the balance point between total revenue and total expenditure or TR = TC, Ibrahim (2009).

So *BEP* formulate how much sales value must be achieved for return capital or return on principal, for simple calculations can the following formula is used :

$$BEP = \frac{\text{Biaya Tetap}}{\text{Harga} - \text{Biaya Variabel}}$$

DISCUSSION

Analysis Aspect Financial

Used to analyze the feasibility of a project or business from a financial perspective. In the financial aspect, investment criteria will be assessed based on *Internal Rate of Return (IRR), Net Present Value (NPV), Breakevent Point (BEP), Profitability Index (PI)* and *Payback Period (PP).* To analyze these criteria, cash *flow is used* to determine the amount of benefits received and costs incurred.

Apart from that, a profit and loss analysis is also carried out which will produce a tax component which is a reduction in the company's *cash flow* . Once the tax is known, *cash flow* is prepared as a basis for calculating investment criteria. Investment criteria will show whether the business is feasible from a financial perspective. To find the maximum limit for a change so that within this limit the business is still considered feasible, a sensitivity analysis is carried out using the *trial and error calculation method.*

Cost of Needs Investment

1. Investment pattern 1, using 100% loan capital, this pattern is considered possible if the depot makes a loan and the bank wants to give loan on cost investment .
2. Investment pattern 2, namely if the depot does not make a loan and fund it need corporate business investment 100% of own capital. This method is used as an anticipation if the depot does not receive funds from the creditor (bank).

Fixed cost

Fixed costs are costs incurred every year whose amount does not have a direct effect on the amount of *output* produced. Fixed costs incurred by the Surabaya Company include rental of premises, salary costs, telephone and transportation costs.

a) Venue Rental Fees

   The cost of renting a place as a business location incurred by the Company is equal to Rp. 20,000,000,- per year, so the total expenditure for renting a place during the project life of 5 years is Rp. 100,000,000,-

b) Salary expense

   Based on the results of interviews with the depot, the assumed expenditure is for workers' salaries, in this case the author differentiates costs based on the position or title of the Company's employees .

c) Telephone and Transportation Costs

Based on the results of the interview, the amount of telephone costs and business transportation costs is Rp. 100,000 + Rp. 195,000,- = IDR 295,000,- per month. So that in a year the total costs incurred are IDR 295,000 x 12 months = IDR 3,540,000

d) Loan Fees

In scenario 1, if the Company's business investment costs are funded using loan capital from banks/creditors of IDR. 50,016,600,- then the installment value can be determined over the life of the project using the formula:

$$Angsuran\ pertahun = P\,x \frac{\frac{i}{12}}{1-(\frac{1+i}{12})^{-t}}$$

For details of installment calculations and interest costs, see table 2 below .

Variable Costs

Variable costs are costs that always change during the production process. In this business research, the variable costs incurred include working capital needs and business income taxes.

a) Working Capital Requirements

Variable cost components included in the cooking menu production process in an annual period

b) Business Income Tax

The tax burden that must be paid is based on the company's profits earned each year. To find out the amount of income tax that must be paid each year. Because depot businesses receive uncertain income each year, the amount of income tax paid always follows and is not the same each year. Example: if the net profit of the business in the first year is assumed to be IDR. 13,487,781,-

Business Income Tax = 10% x Rp. 13,487,781,-

= Rp. 1,348,778,-

Current Reception

the company's business activities . These revenue components can include company sales proceeds , other receipts, and loan capital.

1. Sales results.

The details of revenue from projected sales results can be seen in table 2 below .

Table 2

Projection Corporate Sales

(July 2013 - June 2014)

Period	Sales (Rp)
July	38,396,000
August	39,163,920
September	39,947,198
October	40,746,142
November	41,561,065
December	42,392,287
January	43,240,132
February	44,104,935
March	44,987,034
April	45,886,774
May	46,804,510
June	47,740,600
Total	**514,970,597**

The sales assumption used by the company according to the table above is that monthly income is based on the assumption of daily income. In the lowest conditions, assuming the company is able to sell at least 2 portions of each menu, it will earn one day's income of IDR. 1,324,000,- so that in July 2013 the assumed income from sales for 29 days was Rp. 38,396,000,-.

Furthermore, to obtain the next month's revenue value, the company assumes that sales will increase by 2% from before on a constant basis so that depot income will also increase. If the depot is able to increase its sales target by 2% consistently every month then the total income for one year during the 2013-2014 period will be IDR. 514,970,597,-.Loan Capital

As explained above, the depot investment criteria use 2 scenarios, the first scenario is to use bank loan capital of 100% of the investment value and the second scenario is to use your own capital. To cover investment costs, a loan from the bank is assumed to be IDR. 50,016,600,-

Profit and Loss Analysis

Based on the profit and loss analysis calculations obtained, it shows that there are differences in values which are influenced by the two planned capital use scenarios in investment costs. So that the annual operating profit from each scenario reaches a different value, the profit in scenario 1 is smaller than the profit in scenario 2.

This is influenced by the debt burden on loan capital with an interest rate (disco u nt factor) of 10.6%. With an estimated average increase in sales of 10% per year, an estimate of profit and loss can be determined for each scenario with detailed calculations as in table 3 below .

Table 3

Company Profit and Loss Analysis Results

No	Year	Scenario 1	En ario scenario 2
1	2013	4,128,631	12,139,002
2	2014	7,964,173	16,190,135
3	2015	10,753,590	20.646J80
4	2016	14,554,347	25,548,250
5	2017	18,722,733	30,940,307
Average		**11,224,695**	**21,092,815**

Source : Data Processing on Company Financial Aspects

Analysis of Investment Value Criteria

The results of the analysis of investment value criteria according to each method as mentioned above are presented in table 4 below :

Table 4

Results of Analysis of Investment Value Criteria

No	Eligibility Criteria	Eligibility Requirements	Rating result
1	NPV	NPV>0	Rp. 19,026,264
2	IRR	IRR>ROR	22.86%
3	PI	PI> 1	1.38
4	PP	PP< Time Period	3 years 2 months
5	BEP	BEP < Time Period	3 years 5 months

Source : Data Processing on Company Financial Aspects

From table 4 above, it can be seen that the results of calculating investment feasibility criteria according to each criterion are that for an NPV value of Rp. 19,026,264,- shows the additional benefits that can be obtained by the Aming Genteng Surabaya Depot during the project period. From the positive NPV value, it can be concluded that the depot business is worth running. For calculating the NPV value over the life of the project.

Based on the calculation results, the ERR value is 22.86%. This value is in accordance with the eligibility requirements, namely IRR > ROR, meaning that the return on business investment is greater than the implied interest rate of 10.6% if the investment is made in a bank. For this reason, the depot business is worth running. Details of value interpolation calculations IRR criteria

In the *Profitability Index* or PI analysis, a value of 1.38 was obtained which was greater than the eligibility requirements, PI > 1. This means that if every Rp. 1.- costs incurred will produce benefits of 1.38 so that the benefits obtained are greater than the costs incurred, thus the depot business is feasible to run.

Based on the level of return on investment, *the Payback Period* (PP) shows a period of 3 years and 2 months, smaller than the project life of 5 years. This means that the depot business is worth running because it is able to return the investment capital before the life of the project ends.

The results of the BEP analysis show the value of the payback period or break-even point during 3 years 5 months. This value shows that the break-even point or return on investment can be achieved before the life of the project ends so that according to this criterion the depot business is considered feasible to run.

Sensitivity Analysis

In the sensitivity analysis calculations, several important parameters are used that relate to revenues and costs to changes that occur. In this research, there are two things that are used as change parameters to determine the results of investment criteria which refer to the calculation of profit and loss analysis.

The results of sensitivity analysis based on NPV and IRR criteria using the *trial and error method* can be seen in table 5 below .

Table 5

Company Sensitivity Analysis Results

No	Parameter Change	Analysis results
1	Decrease in Net Cash Inflows (Proceeds)	27.55%
2	Increase in Discount Factor (DF)	22.82%

Source : Data Processing on Company Financial Aspects

From the table above it is known that the maximum limit for decreasing *proceeds* is 27.55%. This means that if later during the life of the project an changes such as an increase in raw material prices, production costs or a decrease in sales turnover which can affect the decline *in proceeds* to 27.55%, then the NPV value = 0, if exceeding this maximum figure, the business is deemed to provide no benefits or even cause losses.

Meanwhile, the parameter for increasing the interest rate (DR) at 22.82% shows that in scenario 1, if you use loan capital, the maximum capital cost that can be tolerated should be below 22.82% when NPV = 0, otherwise the cost will be capital from the business has the potential to suffer losses.

Thus, it can be seen that in scenario 1 for loan capital, it is proven that an increase in the interest rate on capital costs is more sensitive to affecting business feasibility.

Meanwhile, changes to increases in raw materials, production costs or decreases in sales turnover do not mean they can be ruled out, it's just that as long as changes costs can still be covered and income can be increased so that the proceed value is still within reasonable limits for business continuity.

In scenario 1 (loan capital) provides an illustration of the maximum figure for the increase in raw materials of 11%, where if there is an increase in raw materials higher than that value then the company's business potential loss. So in conditions like this the minimum increase in sales turnover that must be achieved each year is 9.24% so that the company does not suffer losses. Meanwhile, the results of the sensitivity analysis in scenario 2 (own capital) for the maximum limit of increase in raw material costs of 11.54% proved to be tolerable provided that under these conditions the depot business can increase sales turnover by a minimum of 8.73% so that business continuity remains stable.

CONCLUSION

The results of the financial aspect analysis prove that this business feasible, based on the calculation of the investment criteria value according to scenario 1 using loan capital for investment costs shows the NPV value = Rp. 19,026,264,- IRR = 22.86%, PI = 1.38, PP = 3 years 2 months and BEP = 3 years 5 months. Meanwhile, the results of the sensitivity analysis show that the value of changes in the parameter for increasing the interest rate on the cost of loan capital is proven to be more sensitive in influencing the feasibility of the business, meaning that if the business uses loan capital as long as the interest rate is below 22.82%, the depot business is still feasible to run. If the depot business is run using scenario 2, namely own capital, it shows that the business is feasible to run on the basis of calculating profit and loss and cash flow which shows a higher value than using scenario 1 because it is not burdened by the burden of borrowed capital.

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