

CHAPTER V

BUSINESS PLAN

5.1 General Description Company

CV MF.Dendeng cempedak is a company engaged in the culinary field, related with vegetarian food that is Identical fruit. CV MF.Dendeng Cempedak is located in Surabaya. Currently we have been innovating for vegetarian products, in Indonesia. We create a new innovation vegetarian that we name “Dendeng Cempedak”.

Our product is the first variation of Dendeng Cempedak in Indonesia. We want to create new product using identical fruit as one of the many menus from Indonesia. Our product Dendeng cempedak is manifested by the desire of OTTIMMO Chef who collaborates with Ottimmo Lecturer to create a new innovation for the culinary world and lift the prestige of Cempedak fruit as a food ingredient that has a lot benefits.

CV MF Dendeng Cempedak has vision and mission, such as:

5.1.1 Company vision

- a) Advance Indonesia cuisine
- b) Provide new innovations

5.1.2 Company mission

- a) Reached the top position of all vegetarian product and became best-selling product

5.2 Business Scope

CV MF.Dendeng Cempedak activities are divided into 3:

5.2.1 Purchasing.

Main ingredient is Cempedak fruit, to get the main ingredient, we search in traditional markets. To get the seasoning ingredient we collaborate with supplier. We realize this as the basic of our effort to play a role and benefit the community.

5.2.2 Production.

We always give our best, include ingredient selection. We choose the highest quality materials. We start the material from production process. This production

process includes, the separation of the fruit flesh from the seeds. Blend ground spices until smooth. Saute the spices until fragrant, add coconut milk, bay leaves, lemongrass and cempedak, cook until the spices seep into the fruit. Then deep fry cempedak fruit to dry. Put it into the packages.

5.2.3 Marketing and Sales.

Our first step to selling our product is in collaboration with various supermarket in Surabaya. And will sell at online stores. Because we are new products we only accept orders in Surabaya. But after our products develop in Surabaya, we will continue to maintain the quality of products and will sell them also outside of Surabaya.

5.3 Stake Holder

Related parties in this business:

5.3.1 Retailer.

Retailers are our first link to consumers. With the cooperation with retailers, it will be easy for us to be able to expand product marketing.

5.3.2 Supplier.

Supplier have an important role in undergoing our production process. The cooperation with suppliers will greatly facilitate us in getting raw materials.

5.3.3 Customer.

The customer is very important in the survival of the company and our products. With the customers, we will continue to do the production process to meet their needs. To get the trust of customers, we provide the best quality of our product.

5.3.4 Franchise partner.

The role of the franchise partner will only begin to be seen if our company has developed to the mature stage. Cooperation will be opened with the public.

5.3.5 Government.

The government is very closely related to the emergence of a company. Every product made must pass the provision in accordance with government procedures.

5.4 SWOT Analysis.

5.4.1 Strength.

a) Delicious taste. We try to make our cempedak jerky have a delicious taste, so it is easy to be consumed by the public.

b) Cempedak Jerky is the only one in Indonesia vegetarian jerky with cempedak fruit.

c) Has a high nutritional content. So healthy for consumption

5.4.2 Weakness.

a) Is a seasonal product, because we use cempedak fruit.

b) Is a new product, so many people will compare our product with other jerky products.

5.4.3 Opportunity.

a) Many people look for snack but beneficial health food.

b) Jerky can be varied to a variety of food.

c) Many vegetarian people are looking for delicious vegetarian food.

d) Many people are looking new food product to taste.

5.4.4 Threats.

a) Many other vegetarian menus already exist

5.5 Marketing Aspect

5.5.1 Table 2. Consumer Characteristic

no	Consumer Characteristic	Consumer Necessary
1	Vegetarian people	Personal Consumption
2	Public	Personal Consumption and certain event

5.5.2 Table 3. Marketing Segmentation

No	Very Important	Not Important
1	Taste variation	Merk
2	Hygiene sanitation, nutrition	Packaging

3	Taste quality, quantity	Price
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Based on the analysis of the table, our product marketing strategies are as follow:

- a) Introduction and promotion our Dendeng Cempedak products in the market area. The introduction and promotion of our Dendeng Cempedak products is aimed at family our old people.
- b) Selling and introduce our Dendeng Cempedak products at market area and educational exhibition.

5.6 Financial Aspect

5.6.1 Variable cost

Table 4. Variable cost

No	Ingredients	Price (IDR)	Amount	Quantity Used	Price/ Qty Used (IDR)
1	Cempedak fruit	15.000	1 kg	500g	7.500
2	Coconut milk	16.000	500ml	500ml	16.000
3	Bay leaf	4.000	100g	1gr	40
4	Lemongrass	2.000	100g	3gr	60
5	Candlenut	6.000	100g	7gr	420
6	Turmeric	5.000	100g	7gr	350
7	Coriander	4.000	100g	3gr	120
8	Galangal	5.000	100g	7gr	350
9	Ginger	5.000	100g	7gr	350
10	Brown sugar	3.000	100g	5gr	150
TOTAL					30.340
TOTAL (20 Recipes)					606.800
EXCEPTIONAL					
11	Oil	10.000	1000ml	500ml	5.000

PACKAGING					
1	Plastic vacuum	1.500	1 pcs	40 pcs	60.000
2	Box	1.500	1 pcs	40 pcs	60.000
3	Sticker	200	1 pcs	40 pcs	8.000
Total /day (20 recipes)					739.800
Total/month (24 workdays)					17.755.200

5.6.2 Fixed Cost

Table 5. Fixed Cost

	Total	Depreciation	Depreciation/ year	Depreciation / month
Stove 1 (@Rp 500.000)	Rp.500.000	5 years	Rp.100.000	Rp.8.350
Sauce Pan 2 (@Rp 50.000)	Rp.100.000	2 years	Rp.50.000	Rp.4.170
Knife 2 (@Rp 30.000)	Rp.60.000	2 years	Rp.30.000	Rp.2.500
Cutting board 2 (@Rp 15.000)	Rp.30.000	2 years	Rp.15.000	Rp.1.250
Food Processor 1 (@Rp. 140.000)	Rp.140.000	5 years	Rp.28.000	Rp.2.350
Wooden Spatula 2 (@Rp 15.000)	Rp.30.000	2 years	Rp.15.000	Rp.1.250
Plate 5 (@5000)	Rp.25.000	5 years	Rp. 5.000	Rp.420
Spoon 4 (@2.000)	Rp.8.000	2 years	Rp.4.000	Rp.340

Fried Shifter 2 (@15.000)	Rp. 30.000	2 years	Rp.15.000	Rp.1.250
TOTAL	Rp. 923.000		Rp. 262.000	Rp. 21.880

5.6.3 Overhead Cost

Table 6. Overhead Cost

Description	Price / day	Price/ Month (24 day)
Electricity		Rp.150.000
Water		Rp.150.000
Gas and Maintenance		Rp.300.000
TOTAL		Rp. 600.000

5.6.4 Cost of Production

Table 7. Cost of Production

Type of Fees	Cost
Variable Cost	Rp. 17.755.200
Fixed Cost	Rp. 21.880
Overhead Cost	Rp. 600.000
TOTAL	Rp. 18.377.080

$$\begin{aligned} \text{Cost of Production/ Unit} &= \frac{18.377.080}{960} \\ &= \text{Rp. 19.143 / unit} \end{aligned}$$

5.6.5 Selling Price

$$\begin{aligned} \text{Cost of Production} &= \text{Rp. 18.377.080} \\ \text{Selling Price} &= \text{HPP} + (120\% \text{ HPP}) \\ &= \text{Rp. 18.377.080} + \text{Rp. 22.052.496} \\ &= \text{Rp. 40.429.576} \\ \text{Selling Price/ Unit} &= \frac{40.429.576}{960} \end{aligned}$$

$$\begin{aligned}
 &= \text{Rp. } 42.114 / \text{unit} \\
 \text{Profit} &= \text{Rp. } 42.114 - \text{Rp. } 19.143 \\
 &= \text{Rp. } 22.971
 \end{aligned}$$

Table 8. Recap

Cost of Production	Rp. 19.143 / unit
Selling Price	Rp. 40.429.576
Selling Price/ Unit	Rp. 42.114 / unit
Profit	Rp. 22.971

5.6.6 Break Even Point

$$\begin{aligned}
 \text{Unit} &= \frac{\text{FC}}{\text{Profit}} \\
 &= \frac{923.000}{22.971} \\
 &= 40 \text{ unit}
 \end{aligned}$$

5.7 Technical Aspect

Because our Dendeng cempedak product do not use any preservatives so we will only produce 20 /week to ensure can be sold and distributedure that none of our products are damaged or expired. Except when there are orders we will produce more. And there are no employees that I use, so I work alone to get greater profits too. And will start as home based business or usually called online shop.

We'll hoping that in the future our product can be sold and distributed in a larger quantity through out national or even hopefully international market. But for now, we'll be focusing on the market and online shop.

5.8 Legal Aspect

5.8.1 Jurudial Legal Aspect

a) Business Materials

The Baby Organic Vegetable industrial business entity form is in the form of small and medium businesses (UMK) with considerations, utilizing relatively

affordable investment capital, capital owners can reach 5 to 8 people. There are several benefits obtained from medium scale businesses (UMK), one of which is the amount of capital needed can be reached so that many parties can start this business.

b) Licensing and tax

- 1) Small and medium businesses are established by five or more people with a notarial deed in Indonesian..
- 2) Full name, place and date of birth, occupation, place of residence and nationality of the founder of the business.
- 3) Composition, full name, place and date of birth, occupation and place of date of birth, nationality of a member.

c) Matters that need to be considered to apply for a place of business permit.

- 1) Photocopy of ID card and bring the original ID card of the company owner.
- 2) Duplicate deed of 3.
- 3) Status of proposed land / place of business:
 - a. Proof of land ownership, if the proposed land belongs to itself and shows the original certificate.
 - b. A certificate from the village office from the urban village, if the applicant cannot show proof of land ownership.
 - c. Agreement / agreement of the owner of the land, and show proof of ownership of the original land if the place of business submitted by the owner is own (lease /contract, etc.) and must be known by the head of the local village unless the agreement / agreement is made by a notary.
 - d. An objection letter from the neighbour approved by the hamlet, neighbourhood, urban village, local sub- district.
 - e. Building Permit (IMB) or letter of evidence of funds for filing an IMB if the IMB is still in process.
 - f. Lay Out Business place

d) Taxing

- 1) Definition of Taxing

The tax is the people contribution to the state treasury based on the law so that it can be imposed without receiving direct remuneration. Taxes are levied according to legal norms to cover the cost of producing collective goods and services to achieve general welfare. Determination of income tax that is imposed based on article 17 of the 2000 Income Tax Law, for taxable income that is equal to :

- a. Up to IDR 25,000,000 - 5% tax rate
- b. Above IDR 25,000,000 up to IDR 50,000,000 10% tax rate
- c. Above IDR 50,000,000 - up to IDR 100,000,000 - 15% tax rate
- d. Above IDR 100,000,000 - up to IDR 200,000,000 - 25% tax rate
- e. Above IDR 200,000,000, 35% tax rate

5.8.2 The legal aspect of food safety

Certification Procedures:

- a) Registering an effort to the local City / District Health Office to obtain a list of Culinary art services (for catering, restaurants and hotels) if the finished product (MF Company) is PIRT (household industrial products).
- b) The Health Department will provide instructions on things to do, for example how to process food in accordance with hygiene and sanitation standards.
- c) Provision of a healthy sign for a while (after fulfilling the requirements will be given a permanent list) from the Ministry of Health. This letter must be displayed in a place visible to consumers, so that they feel more confident about the food production that we produce.
- d) If you want to register a trademark that is patented (whether product or trade mark (Dendeng Cempedak), it must be registered with the Directorate General of Intellectual Property Rights.
- e) Registering with the nearest tax office if the Food Service industry is taxed.
- f) Company registration certificate, trade business license, Undang – Undang gangguan (HO) at a time will also be needed if our business becomes a supplier for both private and government companies, which is registered by the trade

department. New businesses are usually included in small and medium businesses.

5.8.3 Certification from the POM body

BPOM (Drug and Food Control Agency) is an institution facilitating health problems in medicine and food, and this body conducts a review of food products and medicines on the market. This is to prevent product fraud in the community where there are hazardous substances contained in the product.

5.8.4 Halal Certification Process in Indonesia:

It is important for businesses to know that all non-registered halal products will be deemed as non-halal this year (2019) with the enactment of the new halal law.

Noticeably, to certify your halal products in Indonesia makes a lot of sense. Halal labelling on products seems to be a lot more appealing to Muslims who try to avoid any possibility of consuming or getting into touch with haram products.

While the process of halal certification in Indonesia might seem tedious and burdensome due to the paperwork to comply with the requirements, the procedure could be a simple one with Cekindo's registration assistance:

- a) Fulfilling MS23000 halal requirements related to raw materials, products and manufacturing process, and then with the implementation of Halal Assurance System (HAS).
- b) Getting ready all documents required for the application of halal certification. You will have to submit the documents to Cekindo, together with the halal certification contract fee and registration fee. We will organise the documents for you to comply with the submission requirements.
- c) Filling out documents as required by the LLPOM-MUI during the registration process, according to your certification status. You need to submit the dossier to Cekindo as well for LLPOM-MUI to process.
- d) Cekindo will provide guidance for pre-audit, audit, and post-audit assessments, as well as lab analysis to ensure conformity.

e) Products fulfil HAS requirements and LLPOM-MUI lab analysis. MUI approves the products or materials and BPJPH issues the halal certificate. The entire process will take approximately 60 days. The validity of halal certificates under BPJPH is four years. The validity may not apply if a product's composition has been modified. Even though it might not be late to secure your halal registration in Indonesia, be aware that there are thousands of products that have not been certified yet. Taking in mind that BPJPH estimated it could issue about 7,000 halal certificates every year, long delays are expected and failing to meet the deadline of October 2019 might not only result in sanctions but a drop of your sales.

5.8.5 Certification Procedure in BPOM :

a) Take and fill out the form

Forms are available at the BPOM office in each of the provincial capital cities to get the forms free of charge and can be further consulted. This form consists of 3 types:

1) Form A : This form is a registration form that contains the principal data for submitting a certification. Such as: the name of the company, the product registered, to the contact address that can be contacted.

2) Form B : This form is about product specific data such as trade papers to the composition and quality of ingredients. Attachments requested in this form are like Health letter which is useful / for consideration.

3) Form C : This form specifically explains the feasibility of producing the product being registered. This form contains questions about how to process, factory buildings, and also the expertise of employees in maintaining hygiene

b) Attach a Power of Attorney from the owner / head of the company to the person in charge.

Usually the product owner or company director does not conduct their own arrangements at BPOM. If this happens, a power of attorney is needed to explain that the person dealing with BPOM is indeed a person representing the producer who will carry out the certification.

Attach SIUP (Trading Business License) and several attachments that must be included can be seen in forms A, B, C. after all the form files are filled in, all that remains is to add the required attachment conditions.