

CHAPTER V

BUSINESS PLAN

A. GENERAL DESCRIPTION OF COMPANY

Company Form:

CV ExoTeac is a beverage company established by Nadia Iman in 2020 in Surabaya, Indonesia. ExoTeac currently has been innovating in exotic and new types of tea in Indonesia. The most current innovation the company has invented is the pineapple leaf tea named “Crown Tea”. This product is the first variation of tea based from leaves of pineapple fruit, a very popular and versatile tropical fruit.

ExoTeac prioritize health benefits to both people and environment. Therefore, the packaging for Crown Tea will be a white paper bag. It is minimalist, clean and environmentally friendly. Crown Tea innovation was heavily inspired by the desire to utilize food waste in Indonesia, the number two food waster in the world after Saudi Arabia. Also, to introduce pineapple leaves benefits to the society, which the company hope can raise the selling value of pineapple around the world and create a new market place of exotic teas in Indonesia.

Vision:

“Being an innovative company with never ending creativity and ideas on every product being made to bring new types of tea to give benefits to both consumers and environment in Indonesia by utilizing food waste.”

Mission:

- Adding public insights of health benefits from every product being made
- Increasing the innovation to minimize food waste that can be consumed by people
- Contributing in extending work field by opening job opportunities
- Always developing every product to adapt trends around the community

B. BUSINESS SCOPE

CV ExoTeac is a beverage company that focuses on improving and creating new types of beverages, namely teas. Activities undertaken by ExoTeac are divided into 3 parts, these includes:

1. Purchase the basic ingredients of the products

The basic ingredients in making Crown Tea are hand-picked pineapple leaves to ensure the best quality of leaves before undergoing the rest of the methods.

2. The process of producing Crown Tea

CV ExoTeac is small in size, but the company will ensure to provide the best product including material selections, where ingredients are observed and hand-picked for the best quality of leaves. The production process also includes sorting, cutting and cleaning, drying and baking, then scaling to be put on packaging.

3. Marketing and selling of Crown Tea

The initial step to introduce Crown Tea to the market is by putting advertisement on social media, especially in Facebook, Instagram, Line, Tokopedia and Whatsapp. ExoTeac then will start to sell Crown Tea in online stores and consign the products to supermarket and cafés. ExoTeac will also provide slightly cheaper price than average to take the interest of consumers for the first 2 months of producing. Once Crown Tea has enough interested buyers, price will return to normal and ExoTeac will be making improvements and developments for Crown Tea once it has consistent sales.

C. STAKEHOLDER

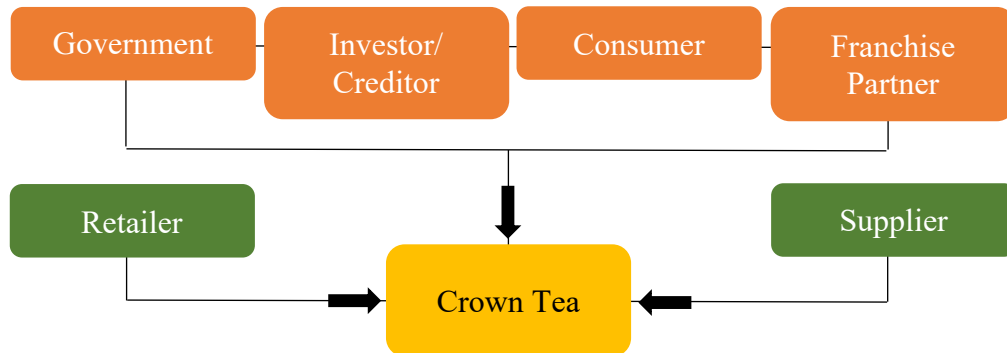


Figure 20. Stakeholder

1. Retailer

Retailers are the first link for the product to be introduced to the market. With the collaboration of several retailers, primarily beverages shops such as cafés and coffee shops will help promote and boost the sales of Crown Tea.

2. Supplier

Suppliers have a crucial role in the production process of Crown Tea. With the cooperation of excellent suppliers, ExoTeac will expect high quality of raw materials with stable prices to be manufactured. For complementary ingredients, ExoTeac will also be working with local and online supermarkets which deliver guaranteed best products.

3. Consumer

Consumers are the crucial aspects in bringing sales to Crown Tea. To maintain a good and trusting relationship with consumers, ExoTeac will continue to deliver satisfying and healthy products and develop every other innovation to be compatible with the consumers.

4. Investor/Creditor

To ensure long-lasting products and a continuation of production of the company, ExoTeac will need assistance in getting loans or capital to be able to continue developing Crown Tea and other upcoming products with less financial problems.

5. Franchise Partner

The role of a franchise will be discussed and be deemed possible if ExoTeac has develop into a mature stage, where sales has been consistently rising and have enough interested buyers to be able to open a new branch using the franchise method.

6. Government

The government has a major role and very strongly associated with the growth of the company. To be permitted to distribute products, ExoTeac must go through several selections from BPOM and MUI in obtaining halal certificates and trading permits.

D. SWOT ANALYSIS

Strengths

- Calorie, carbohydrate and sugar free, which means the product is consumable for all ages.
- First product to innovate pineapple leaves in a form of tea
- No similar competitive market in terms of exotic types of teas
- Simple and efficient procedure in manufacturing products
- No use of chemicals to preserve the products, so less cost on preserving

Weaknesses

- The product is relatively new, which will take a longer time for consumers to be interested and feel safe in purchasing the product
- Hard to compete with other brands of tea

Opportunities

- People who loves practical beverage, especially to start the day
- Suitable to every type of meal
- People who wants to have a healthy lifestyle

Threats

- Easy to replicate

- Lose the competition in securing consumers due to older and more mature companies
- People choosing other popular tea because it is more common

E. MARKETING ASPECT

Consumer Characteristic

Table 3. Consumer Characteristic

No.	Consumer Characteristic	Consumer Necessary
1.	Children/Student	Personal consumption
2.	Public	Personal consumption and certain event
3.	People with history of illness or in diet	Personal consumption

Based on the results from several sources, Crown Tea contains no carbohydrate, sugar and calorie. It contains 20,54% of protein, 22,5% of fat, and 71,22% of fiber. As well as calcium oxalate, bromelain enzyme, pectic substantial, fiber, cellulose, and pentose (Franchochuks, 2019).

Marketing Segmentation

Table 4. Marketing Segmentation

No.	Very Important	Not Important
1.	Taste variation and price	Brand
2.	Taste variation, halal aspect, hygiene and nutrition	Packaging and price
3.	Taste quantity, halal aspect and useful	Brand

Marketing Strategy

Based on the analysis of the marketing segmentation table, ExoTeac marketing strategies are as the following:

1. Introducing and promoting Crown Tea to food and beverage bazaars, small cafés and coffee shops, as well as on local and online supermarket.
2. Selling and introducing Crown Tea at educational exhibitions.
3. Giving special price for Crown Tea on holidays such as Christmas, Ramadhan, Valentine and Easter.

4. Selling and introducing Crown Tea to schools' canteens and snack shops.
5. Consigning and promoting Crown Tea to supermarket located inside malls to gain more buyers.

F. FINANCIAL ASPECT

Fixed Cost (per year)

Table 5. Fixed Cost per year

No.	Material	Total	Total Cost
1.	Oven (1)	Rp 5.000.000	Rp 5.000.000
2.	Tray (1)	Rp 100.000	Rp 100.000
Total			Rp 5.100.000

Variable Cost (per month)

Table 6. Variable Cost per month

No.	Material	Amount	Cost/Unit	Total Cost
1.	Packaging			
	1. White paper bag	120 pcs	Rp 100.000/40 pcs	Rp 300.000
	2. Sticker	120 pcs	Rp 20.000/40 pcs	Rp 60.000
2.	Employee	1	Rp 25.000	Rp 750.000
3.	Utilities (gas and water)			Rp 200.000
Total				Rp 1.310.000

Initial Capital

$$\begin{aligned} \text{Fixed cost} + \text{variable cost} &= \text{Rp } 5.100.000 + \text{Rp } 1.310.000 \\ &= \text{Rp } 6.410.000 \end{aligned}$$

Total Cost per month

$$\begin{aligned} \text{Fixed cost/month} + \text{variable cost} &= (\text{Rp } 5.100.000/12) + \text{Rp } 1.310.000 \\ &= \text{Rp } 1.735.000 \end{aligned}$$

Profit of 30%

$$\begin{aligned} (\text{Total cost per month} \times 30\%) + \text{total cost per month} \\ &= (\text{Rp } 1.735.000 \times 30\%) + \text{Rp } 1.735.000 \\ &= \text{Rp } 2.255.000 \end{aligned}$$

Investment Feasibility

From the analysis of the data above, the investment feasibility can be calculated. These calculations include BEP (Break-Even Point), ROI (Return of Investment), and B/C (Benefit Cost Ratio), R/C (Return Cost Ratio).

1. BEP (Break-Even Point)

A break-even point for business which describe business conditions, both profit and loss. The goal is to plan the level of profitability and control the company's operations.

BEP Price:

Total cost per month
= Rp 2.255.000

Selling price per unit
=Rp 18.800

BEP Production:

Total cost per month / selling
price per unit

= Rp 2.255.000 / Rp 18.800
= **120 packs**

From these calculations, the break-even point of Crown Tea in a company achieved a total production of 120 packs, which product sales at a price of Rp 29.200/pack.

2. ROI (Return of Investment)

A calculation that allows a business to determine the amount of effort received from investing an amount of capital in the form of money or resources.

ROI:

Total profit/total capital x 100%
= Rp 2.255.000 / Rp 1.735.000 x 100%
= **1,3%**

ROI as big as 1,3% shows that every Rp 100 of capital invested by a business entrepreneur will generate a profit of Rp 1.300.

3. Benefit Cost Ratio (B/C)

A comparison between the level of benefits obtained by the total costs incurred. An effort is feasible and provide benefits if the B/C value is greater than 0. The greater the value of B/C, the greater the benefits to be gained from the business.

B/C:

$$\begin{aligned} & (\text{Profit} - \text{Total cost}) / \text{Total cost} \\ & = (\text{Rp } 2.255.000 - \text{Rp } 1.735.000) / \text{Rp } 1.735.000 \\ & = \mathbf{0,3} \end{aligned}$$

4. Return Cost Ratio (R/C)

A comparison between sales revenue with the costs incurred during the production process to produce products. Business will be profitable if the value of R/C is greater than 1. The greater the value of R/C, the greater the benefits to be gained from the business.

R/C:

$$\begin{aligned} & \text{Total profit/total capital} \\ & = \text{Rp } 2.255.000 / \text{Rp } 1.735.000 \\ & = \mathbf{1,3} \end{aligned}$$

R/C value of 1,3 shows that each expenditure of Rp 1.000 will get an additional Rp 1.300. Therefore, Crown Tea is very feasible to be developed.

G. TECHNICAL ASPECT

Environmental Management Concept and Plans

Establishing industry or company cannot be separated from taking natural resources both directly and indirectly. ExoTeac grants extra care to environmental aspects as maintaining the waste of production is the vision of the company.

Likewise, Nadia Iman, the founder of ExoTeac, still cannot separate the company from producing organic waste in a form of low-quality leaves and unusable complementary products.

Environmental Management Objectives

According to the guidelines in PP no. 29 of 1966 concerning Environmental Impact Analysis set by the government, it stated that the purpose of environmental management is to maintain the condition of the ecosystem around the industry and meet the government regulations to sustain industrial activities for a certain period of time.

Procedure:

- Separate organic and inorganic waste with different trash bins and to make sure to wrapped the plastic bin so it does not expose to the surrounding area when thrown out.
- Organic waste can be mixed with organic compost fertilizer, which can create fertile soil for plantations.

H. LEGAL ASPECT

Juridical Legal Aspect

1. Business Materials

Industrial business in the form of small and medium businesses where it utilizes relatively affordable investment capital where the capital owners can reach 3 to 5 people. One of the benefits from medium scale business is the amount of capital needed can be reached so many parties can start the business.

2. Licensing and Tax

2.1 Small and medium businesses are established by 3 or more people with notarial deed in Indonesia.

2.1.1 Full name, place and date of birth, occupation, place of residence and nationality of the founder of the business.

2.1.2 Composition, full name, place and date of birth, occupation and nationality of the member.

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

2.2.1 Photocopy of ID card and bring the original ID card of the company owner.

2.2.2 Duplicate deed of 3

2.2.3 Status of proposed land/place of business:

- Proof of land ownership, if the proposed land belongs to itself and shows the original certificate.
- A certificate from the village office from the urban village, if the applicant cannot show proof of land ownership.
- 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.

2.2.4 An objection letter from the neighbor approved by the hamlet, neighborhood, urban village, local sub – district.

2.2.5 Building Permit (IMB) or letter of evidence of funds for filing an IMB if the IMB is still in process.

2.2.6 Lay out business place

3. Taxing

People's compulsory contribution to state revenue, levied by the government on workers' income and business profits, or added to the cost of some goods, services, and transactions. 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 is imposed based on article 17 of the 2000 Income Tax Law, for taxable income that is equal to:

- Up to IDR 25,000,000 - 5% tax rate
- Above IDR 25,000,000 up to IDR 50,000,000 10% tax rate
- Above IDR 50,000,000 - up to IDR 100,000,000 - 15% tax rate
- Above IDR 100,000,000 - up to IDR 200,000,000 - 25% tax rate
- Above IDR 200,000,000, 35% tax rate

Legal Aspect of Food Safety

Certification Procedure:

1. Registering an effort to the local city/District Health Office to obtain a list of culinary arts services (for café, coffee shop, and hotels) if the finished product of ExoTeac is PIRT (household industrial products).
2. The Health Department will provide instructions on things to do such as how to process food in accordance with hygiene and sanitation standards.
3. 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.
4. To register a trademark that is patented (Crown Tea), it must be registered with the Directorate General of Intellectual Property Rights.
5. Registering with the nearest tax office if the food service industry is taxed.

6. 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.

Certification from the BPOM

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.

Certification Procedure in BPOM:

1. 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:

- 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.
- 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.
- 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.

2. 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, especially SIUP. Other letters that usually follow as well. This will help BPOM officials make recommendations on what other requirements needed to be completed.