

## **CHAPTER V**

### **Business Plan**

#### **5.1 General Description of Business**

##### **5.1.1 Business Type**

Rind Jam is a business owned by one person only, more known as sole proprietorship or sole trader. It's a type of business owned and run by one person and in which there is no legal distinction between the owner and the business entity. A sole trader does not necessarily work alone, it is possible to employ another people.

##### **5.1.2 Vision**

“To make a better environment through our products”

Our vision is how we want to run our business. The purpose of our Rind Jam is not only to get a lower production price but also help the environment by reducing the waste buildup that may lead to environmental issue if not being taken care of properly.

##### **5.1.3 Mission**

To reach our goal and purpose we need some action to complete it, that is:

1. Using watermelon rind waste as ingredient of products in order to reduce waste buildup.
2. Produce a high-quality and nutritious yet affordable jam products.

3. Produce jam that's loved by many people from every background.

## **5.2 Business Scope**

### **5.2.1 Purchasing**

Purchasing ingredients for Rind Jam is done through several places. As the strawberry is more affordable through online marketplace, we decided to buy it online. For the watermelon rind waste itself, we buy from fruit shop and big supermarket that sells ready-to-eat fruit that is already packed in boxes.

### **5.2.2 Production Process**

The production process will be done at home as our business will start as home-base business. After we can make sure that the quality and the quantity of products we produce is stable and up to our standard, we will upgrade to a better place with better equipments.

## **5.3 Stakeholder**

### **5.3.1 Consumers**

Our target market is people from every background and age. As our product can be enjoyed by every age and background of people because of our affordable price and high-quality ingredients.

### **5.3.2 The Government**

The Government play role in giving us approval for our business. As we would expand our business to a bigger scale and mass-produce our products, we would need the approval of the government. The approval we need are from the Department of Health and also from MUI, as we want to make sure that our product can be trusted and safe to be consumed by everyone. Second, we have to register our business logo and also our rights on the recipe of products as our idea in producing jam using watermelon rind waste as the filler is still rare.

### **5.3.3 Investor**

As we will expand our business in the future, we might need investor to let us invest in better equipments and tools to mass-produce and also produce a better quality products efficiently.

### **5.3.4 Retailer**

It is possible for us to sell our products to retailer. Retailer might be people that run online business through social media and marketplace. Other than that, we might sell our product through local souvenir store as they usually sells products that is unique. Through selling our product through retailer we hope our product get known by more people.

### **5.3.5 Supplier**

When in the future we have a bigger business and start to mass-produce our product, we want to cooperate with fruit shops and big supermarkets that sells ready-to-eat fruits that are already packed into individual boxes as they have a lot of watermelon rind waste.

## 5.4 Identification of Investment Opportunities

### 5.4.1 SWOT Analysis

**Table 5.4.1 SWOT Analysis**

<b>Strength</b>	<b>Weakness</b>
-Lower in price -Low in production cost -Helping in reducing waste buildup	-Brand still new in the market, need to gain customers trust -Home-based business, can only produce small quantity in a day.
<b>Opportunity</b>	<b>Threat</b>
-People who eats jam regularly -People loves strawberry jam	-Similar products in the market -New competitors with similar product type

## 5.5 Marketing Aspect

To ensure an effective way of advertising and selling Rind Jam, choosing the right target market is very crucial. The role of customers in every business is very important and needed to be studied carefully. As for jam products, people always go back to buy more jam, especially if they like one particular product from particular brand. Having a loyal customers can be an advantage for a business. The word of mouth have such a big power to business.

Our target market are people from every age and background, especially people with family. As we know, jam is usually eaten for breakfast as a complimentary for white bread. The simplest and easiest breakfast, that's why it's chosen by many people.

As for advertising strategy, we would make an advertisement through social media platform by making accounts on Instagram, Facebook, Twitter, and also marketplace such as Shopee and Tokopedia. There are lots of people who are really active in social media for long hours in a day. This could be a perfect opportunity, as they scroll through the page, they might be able to find our pages while browsing. Through this strategy, we are targeting for a 50% increase of sales as we start from a small number of sales because we're still new to the market.

To add more, We might try to sell the product to local souvenir stores. As this product is quite unique because of the ingredients, by selling it on local souvenir stores, it might attract domestic or international tourists to buy it for themselves or even as gifts for their friends and families.

## **5.6 Technical Aspect**

Our jam will be produced everyday for 5 days in a week because the process is quite simple. One watermelon has around 1-1,2 kg of rind, to make around 350 grams of jam, watermelon rind needed is around 450 gr. Per day, to make minimum total of 20 jars of jam, we will need 6.75 kg of watermelon rind that is around 6-7 pieces of big watermelon.

To start the production, first we have to buy the watermelon rind waste. We will buy the watermelon rind waste through places that sell fruits, such as supermarkets and fruit shop that sell ready-to-eat fruits in individual boxes. The plus point is that because watermelon rind is waste that wouldn't be needed by those shops, we can buy it for a very affordable price.

This jam products will start as a home-base business. The production process will be done at home with a help of one person only because of the simple process. The job will be divided into 2, one person will do the rind preparing including cutting the rind and cooking it, and the other will do the jam making including cutting the strawberries, weighing the sugar and making the jam. Then lastly, both of the people working would do the packing process into the jars.

### **5.7 Legal Aspect**

Taking care of the legal aspect for our business, including the right of our brand name and logo, first we have to ensure the stability of our production process. As we first started as home-base business, we have to see the production process during first three months to decide the next step. When we have the right way of stabilizing the production process everyday and ensuring the quality of our product, then we could start taking care of the legal paperworks needed.

For the legal paperworks, we want to register our product to BPOM as well as registering halal certification to MUI. As we want customers to asured that our product is safe dan halal to be consumed by everyone.

## 5.8 Financial Aspect

### 5.8.1 Ingredients Cost

**Table 5.8.1 Ingredients Cost**

No.	Ingredients	Unit	Price (IDR)	Used	Price (IDR)
1	Watermelon rind	1,000 gr	1,000	450 gr	450
2	Strawberries	1,000 gr	25,000	125 gr	3,125
3	Sugar	1,000 gr	12,500	250 gr	3,125
4	Water	19,000 gr	18,500	1,000 gr	974
5	Lemon	1	9,000	¼	2,250
<b>Total/recipe (350 gr)</b>					9,924
<b>Total/day (15 recipes)</b>					148,860

One recipe of jam produce 350 grams of product, while a jar of jam need only 250 grams of product. In a day, total of 15 recipes could produce 5,250 grams of product that can be packed into 21 jars.

### 5.8.2 Packaging Cost

**Table 5.8.2 Packaging Cost**

No.	Items	Unit	Price (IDR)	Used	Price (IDR)
1	250gr glass jar	1	6,000	1	6,000
2	Viny Sticker	13	7,500	1	577
<b>Price per jar</b>					6,577
<b>Price per 21 jars</b>					138,117

Total of Variable Cost / day:

$$\begin{aligned} & \text{Rp } 148,860 + \text{Rp } 138,117 \\ & = \text{Rp } 286,977 \end{aligned}$$

Total Variable Cost / week:

$$\begin{aligned} & \text{Rp } 286,977 \times 5 \\ & = \text{Rp } 1,434,885 \text{ (105 jars)} \end{aligned}$$

Total Variable Cost / month (20 days of working day):

$$\begin{aligned} & \text{Rp } 1,434,885 \times 4 \\ & = \text{Rp } 5,739,540 \text{ (420 jars)} \end{aligned}$$

### 5.8.3 Fixed Cost

**Table 5.8.3 Fixed Cost**

No.	Items	Price (IDR)	Depreciation	Price/Year (IDR)	Price/Month (IDR)
1	Digital scale	65,000	5 years	13,000	1,083.33
2	Stove	2,500,000	10 years	250,000	20,833.33
3	Blender	480,000	5 years	96,000	8,000
4	Pot	150,000	5 years	30,000	2,500
5	Wooden spoon	50,000	5 years	10,000	833.33
6	Knife	200,000	5 years	40,000	3,333.33
7	Cutting board	100,000	5 years	20,000	1,666.67
<b>Total</b>				459,000	38,249.99



#### 5.8.4 Overhead Cost

Table 5.8.4 Overhead Cost

No.	Description	Unit	Price/unit	Price/month
1	Gas	-	-	150,000
2	Electricity	-	-	16,500
4	Employee	1	100,000	2,000,000
<b>Total</b>				2,166,500

Calculation for Production Cost:

Variable Cost / month = Rp 5,739,540

Fixed Cost / month = Rp 38,249.99

Overhead Cost / month = Rp 2,166,500

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**Total / month = Rp 7,944,289.99**

Jam produced in a month = 420 jars

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Production Cost / jar = Rp 18,915

Selling Price = Rp 28,500

Profit / jar = Rp 9,585

Profit / day = Rp 9,585 x 21 jars

= Rp 201,285

Profit / month = Rp 201,285 x 20 working days

= Rp 4,025,700