

## **“Agro Community and Broad- Based Education Tourism”**

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### Abstact

The business model and development will be emphasized on product development, not only producing flour- based home industry products for low-end market, but also producing fabrication for middle to high-end market e.g. fish, chicken, meat and others which are also the products of Agro Industrial Community. The development is also related to the needs of of production tools like oven, big mixer etc. other developments are dealing with production and processing system, marketing model, distribution, and manpower. The product development will be assisted by the Agricultural faculty and the Polytechnics. Several products require mechanization, The marketing model development will be done based on the data of market survey and the information from affiliates. Any marketing model shoul refer to networking concept, affiliations, and community development. Blue Ocean Strategy, New Wave Marketing and Agglomerations based on core competence are the marketing models that will be implemented to all market divisions for unique characteristics.

The company will also develop fodder, fertilizer, effective technology products, manufactured products of fruit and vegetables regarding the overflow materials and the captive market in South Sumatera.

The products of technological research which are required are those which are related industrial technology, food processing technology, agro and horticultural technology, packaging technology, and effective technology.

For business model and development, the estimated budget is Rp 5.000.000.000,-. It will also include tools, market test, sonsultant service cost, license, and losts during trial and error period.

Key word: Agro Industry, Business Model, Development, Education, Tourism

### **A. Background**

These days, the number of unemployed people is now 13 millions and the number of poor people is 60 millions. Referring to this phenomenon, the community empowerment and community business development, as the basis of

the community welfare increase, should be the priority in developing the national economy. This is due to the fact that community enterprises, especially small to mid scale enterprises, is able to take more labours to hire when compared to bigger companies.

The decree of People's Consultative Assembly No. XVI of the Year 1998 of Economic Politics in relation to economic democracy states that the national economy should be headed to create:

1. *The structure of the national economy for more small to mid scale business.*
2. *A strong mutualism among economic actors*
3. *National efficiency and economic democracy*

**Table 1. Small and Medium Enterprises and Conglomerates and Big Scale Enterprises Comparison**

|   | <b>Small and Medium Enterprises</b> | <b>Conglomerates and Big Scale Enterprises</b> |
|---|-------------------------------------|--|
| <b>amount</b>                                       | <b>37,86 Juta unit (99,8%)</b>      | <b>51,8 Ribu unit (0,2%)</b>                   |
| <b>Contribution to Product Domestic Bruto (PDB)</b> | <b>39,8%</b>                        | <b>60,2%</b>                                   |
| <b>Market Share</b>                                 | <b>20,0%</b>                        | <b>80,0%</b>                                   |
| <b>Economic Growth</b>                              | <b>16,4%</b>                        | <b>84,0%</b>                                   |
| <b>Labour Absorption</b>                            | <b>75 Juta (88,9 %)</b>             | <b>9 Juta (11,1%)</b>                          |

Source: BPS

There are some other considerations beside the above phenomenon, the need of community business and community empowerment becomes the priority of the economic development. It is strongly interrelated with its advantages. They are:

1. It can be applied in all business sectors

2. it is everywhere
3. It provides business opportunity.
4. It is in the form of people-based business, flexible, simple, and adjustable.
5. Primary needs
6. Grass root needs

Regarding these, the efforts of overcoming unemployment and poverty problems will be effective through an integrated community business development. In terms of institution, there is a plausible phenomenon that communityenterprises is hard to develop. It fails to perform internal or market capitalization. The followings are some of the reasons of why communityenterprises encounters problems to develop. They are:

1. Low quality human resources
2. Limited access of technology
3. Weakness in getting acces to capital
4. Limited access of market and distribution network
5. Limited access of information

The above shortcomings need integrated efforts in relation to people-based business development, for example by doing partnerships and agglomeration. The partnerships and agglomeration give some benefits such as strenghtening the bargaining postions, expanding networking, or creating a win-win solution. The real forms of partnerships can be marketing, material supplying, funding, techlogy, etc.

The partnership can be in the form: trading unit, vendor, farming contract, franchise, etc. There are several institutions that should be involved, they are the Department of Cooperatives and Small Scale Business, Department of Manpower, Indonesia Chamber of Commerce and Industry, Department of Trade and Industry, agro industry departments, etc.

Several government programs of community empowerment and economic and social rights fulfillment tend to fail to help people to be creative. Some of

those programs were not educative and manipulated by malicious political force which ruins the social norms. Therefore, there is a need an ability to fulfill the community social and economic rights through a respectable and noble way, the ability to create community independence in facing the globalization, and the ability to facilitate the community to find their own competence in a complementary organic system.

The complementary organic system in general community empowerment and community business development can be accomplished if the economic actors and the society are bound in to a business community which is rich of togetherness and friendship values and involves a thorough community participation.

Palembang, as one of entrepreneurship cities in South Sumatra Province which has over 2,6 millions citizens, possess great local resources, especially various agro and horticultural based resources. However, the resources have not been fully used that it makes this entrepreneurship city become potential.

The existence of technical units, banks, universities, micro financial institutions, and schools in remote areas will play an important role in regional development, community development, and people- based business development of this entrepreneurship city. Good communication infrastructures and reliable means of transportation play a big role in the process of distribution and resource mobility

Based on the above reasons, we are interested in writing a research, which is the combination of business development and community development, entitled **“Agro Community and Broad- Based Education Tourism”**

## **B. Problems**

1. There are many ineffective implemented business and community development which do not adequately ensure sustainable autonomous productive business.

2. Business programs and community empowerment are not yet locally organized.
3. The sectoral ego is still dominant that it makes the budget oriented to the project not to the outcome
4. The society participation is passive
5. Problems with the birocracy (red tapes)
6. Problems with the accesibility

### **C. Objectives**

1. to facilitate and to provide wide opportunities to each member of business network community and to the society to grow and develop in acquiring the rights for living, independence, and expressing talents and competence.
2. to create true entrepreneurs which are professional, capable, and concerned with the society.
3. to create high profitability for stock holders and stake holders in a joint business based on togetherness and cooperative values.
4. To encourage the community to be aware of free trade and economic globalization.

### **D. Targets**

1. To establish an agro industry community
2. To establish a broad-based tourism village/community
3. To establish a strong and sustainable business networking system ( market and production network).
4. To establish a community communication media in many forms.
5. To establish an entrepreneur school and a business consulting clinic.
6. To establish a Micro Financial Institution as a financial support for the infrastructures and business network supporting institution.

### **E. Principles and Values**

1. Educational, cultural, and economical basis.
2. Human resources, networking, and partnership commitment as the major things in business.
3. Rights for living, independence, and goodwill become the spirit of the business network
4. Hard work, smart work, sincere work, and thorough work become the principles for individual and team work in business.
5. Togetherness, coordination, and harmonization becomes the principles of the network development.

#### **F. Strategies**

1. Using organic architecture in setting the land to be an integrated tourism village.
2. Expanding business community by involving the society and parents around the agro industry community.
3. Expanding the network of distribution, market, and suppliers through partnership as well as independent distribution spots through mutualism.
4. Enhancing the service of business supporting units, education, and self development in the tourism community and in the system of distribution and suppliers.
5. Inviting more people with strong entrepreneurship spirit and passion to be trained in the entrepreneur school of the business community.
6. Making affiliations with the government and related institutions.

#### **G. Program**

1. Program communication and socialization with the *local motivator*, the society around the community, and farmers every once a week.

2. The optimalization of farming fields, forests, swamp areas, and idle fishponds inside the agro community and in its environment
3. Varying the fresh water fishery products in the agro community environment such as snakehead fish, tilapia fish, gourami fish, fresh water lobsters, varying the agricultural products such as vegetables, spices, fruits, and varying the farm products like free range chicken, ducks, and quail birds in the business community
4. Increasing the organic fodder (for fish and livestock) through barter and partnership.
5. Developing the factory system for fishery, agricultural, and farming product processing through partnership system, especially with housewives in the agro community environment.
6. Establishing "Healthy Market" (organic frozen food, meat, fish, fruit, and vegetable)
7. Establishing the community communication media and network.
8. Establishing an entrepreneur school and business consulting clinic
9. Creating local resources profile
10. Establishing an agglomeration and industrial cluster.
11. Pembentukan aglomerasi dan *industrial cluster*

#### **H. Procedures**

1. Potential land and idle land identification
2. Management staff selection for the agroindustrial community.
3. MoU with all stake holders
4. Technical preparation
5. Training and orientation
6. Implementation
7. Management and Organization
8. Development.

#### **I. Future Business Community**

1. Having Business Strategic Policy including segmenting, targeting, and positioning.

2. Oriented to the assets and interest gaining.
3. Having an open organization and leadership management..
4. Having good quality human resources.
5. Having an operational system and accredited standard operational procedures
6. Supporting the use of technology for product and service improvement acceleration.
7. Associated with other national or international intitutions.

#### **J. Community Management**

1. Focus on Product and service quality.
2. Teamwork : create a good and closer cooperative work with the management, employees, customers, governement, and the society.
3. Sustainable system improvement; the existing system needs to be continuously improved.
4. Training and internship; sustainably improving the skills and the expertise of the management and the society.

#### **K. Aspects of Community Management**





#### **L. Final Targets**

1. Even Development (society, regions, growth)
2. New economic centres
3. Commodity diversification
4. Technological and managerial development
5. Export increase and import decrease
6. The optimized and efficient use of natural and human resources

#### **M. Development Activities**

1. Fund Distribution
2. Capitalization
3. Reinforcement, empowerment, and development.
4. Management technical support and founding
5. Alternative business development through a ready-made network.

## **Aspects of Marketing**

The products or commodities produced by the business community or the model village are classified into some categories. They are:

1. Food and beverages ( fishery products, farming products, agricultural and horticultural products, dairy products, juices, herbs, etc)
2. Agro supporting products ( liquid and solid fertilizer, organic fodder, pesticides, decomposer, efficient technology products)

### **A. Research and Analysis**

#### **1. Market Target (Costumers)**

The targets are: students and university students, family, economic actors in agro field.

#### **2. Market Size and Trends**

The size of this marker is quite big since almost all parts of the population based on gender or age classification can become the market target. The population, which at the same time is the potential market for major market fields (7 enterpreneurship cities), is around 20 million people with 24 thousand units of stores and outlets and 1400 units of traditional markets. The significant growth of housing creates a market opportunity. This is due to the fact that those who live in housing are employees who value efficiency. The market trend shows an increasing number of market opportunities as the number of the population itself increases with a better income rate. Changes in consuming orientation, from cheap price oriented to ingredient oriented consumption, open new market opportunities for this type of business, especially premium and semi premium quality products, as well as people's need of relaxation.

### **3. Business Competitiveness**

There is high business competitiveness, from the subdistrict until city level, especially for conventional markets, and recreational sites. However, through multi segmen strategy and differentiation in products and service, the competitiveness can be controlled. The competitiveness in some areas become more moderate because of the complementary system and partnership patterns. Generally, the competitiveness is related to pricing. However, through a strong emotional relationship, the difference in price become relative and the business efficiency which is reached through partnership and networking system can create cost advantage which will give some impact to the reserve margin. It can also be used to anticipate market price decrease due to competition.

### **4. Calculation/ Market Estimation**

The total sale of the agro and horticulture products as well as farming and gishery products in Palembang and neighboring regencies for every month is around 30-40 billions ( calculated based on the average turnover of each company at the same level). Through multi segment strategy and networking and affiliation system, up to now, the business affiliates in each subdistrict, especially Palembang as the centre, are still the market leader with 30-40 percent of market control. This kind of business system and strategy will be continuously developed by considering the local content and local people biographical characteristics. The goal is to create 20-30 percent market share in Palembang and each neighboring regency. Currently, the company owns 7-8 percent of market share out of the total sale in Palembang and nearby regencies. With a capital injection

and adequate facilities, it is expected that the market share will rise to 10-15 percent.

## **B. Marketing Plan**

### **1. Market Strategy: Sale and Distribution**

The major strategy of this company is multi segment strategy and market penetration as the sale strategy and multi channel strategy as the distribution strategy. The sale strategy emphasizes on many segments and target markets, especially the ones with great potentials. It enables to create a community with fewer competitors. The multi channel Strategy is used considering sales volume and margin increase. Future Marketing Plans that will be implemented are as follow:

- 1.1. The goal of this plan is to increase the sales volume and to support the distribution of the products/commodity which are produced by the model village to acquire adequate 'spread margin', and to expand the distribution with efficient cost.
- 1.2. The implementation of 100 vendor program (in the exclusive areas so it will not tamper partners). The vendors also include those who use becak and motorcycles.
- 1.3. The launch of 'Healthy Shop' with small refrigerators. At the end of 2015, the company is expected to own 50 prominent shops with 10 million Rupiah sales per month for each shop.
- 1.4. **Happy Vendor Program**, in front of modern market like Indomaret, Alfamart, etc, as a place to sell products of the model village. The products are modified so they will meet the needs for people coming from middle class at any age. In the beginning of

2016, it is expected that there will be 10 model vendors with 5 millions turnovers per month for each vendor.

1.5. Model Village Network which will be the distribution link of the model village.

1.6. Business product development i.e. by launching **BUSADAI PLUS CENTRE** (Fruit, vegetable, meat and fish shopping centre). This centre will be in the form of franchising business as it is the important part of Agro industrial community.

## 2. Pricing

The pricing policy is oriented to the sales volume increase and the profitability of the company and its affiliates. Therefore, the company applies a flexible pricing policy by using various programs that stimulate the affiliates to develop and ensure the competitiveness of the prices e.g. cash discount for agents. They are 2% discounts for 2 million purchasing, cash back for frying workers, system point for shops, and permanent recruitment bonus in cash for each pack for frying workers who invite friends (member get member). Generally, after some reductions, the company will earn gross margin of 10-15 percent from wholesaler, agents and coordinators, 15-25 percent from frying workers and outlets, 20-3- percent from shops and vendors. From product division, the company will take 25% margins of purchase.

## 3. Promotion and Advertisement

The promotion will be in the form of mouth to mouth promotion, purchasing package, and brochures. Besides, the company has an annual program that is supported by its affiliates and the government. The program is in the form of gathering promotion event.

## **C. Research, Business Model and Development**

### **1.1. Business Model and Development**

The business model and development will be emphasized on product development, not only producing flour- based home industry products for low-end market, but also producing fabrication for middle to high-end market e.g. fish, chicken, meat and others which are also the products of Agro Industrial Community. The development is also related to the needs of production tools like oven, big mixer etc. other developments are dealing with production and processing system, marketing model, distribution, and manpower. The product development will be assisted by the Agricultural faculty and the Polytechnics. Several products require mechanization, The marketing model development will be done based on the data of market survey and the information from affiliates. Any marketing model should refer to networking concept, affiliations, and community development. Blue Ocean Strategy, New Wave Marketing and Agglomerations based on core competence are the marketing models that will be implemented to all market divisions for unique characteristics.

The company will also develop fodder, fertilizer, effective technology products, manufactured products of fruit and vegetables regarding the overflow materials and the captive market in South Sumatera.

### **1.2. The Products of Technological Research**

The products of technological research which are required are those which are related industrial technology, food processing technology, agro and horticultural technology, packaging technology, and effective technology.

### **1.3. Budgets of Business Model and Development**

For business model and development, the estimated budget is Rp 500.000.000,-. It will also include tools, market test, consultant service cost, license, and losses during trial and error period.

## **3. Aspects of Production/ Fabrication**

### **1. Location Analysis**

The division of distribution and retail are now in the sidewalk of major streets regarding the small cold storage. Dealing with the model village area, there will be an agribusiness centre on 10 ha area of Surabaya-South Sumatera-Banyuwangi which will also be used for tourism. The human resources are available with low cost and there are adequate numbers of means of transportation.

### **2. Production Requirements: Facilities and Tools**

The tools required for production are degister, huller, mixer, filling machine, packaging and roll machine (*see appendix*)

### **3. Suppliers/ Transportation Factors**

There are adequate numbers of suppliers with many alternative means of transportation. The company owns 3 trucks, 2 box cars, 1 pick-up car, 2 stations. The company needs 1 freezer box to deliver frozen foods out of town

### **4. Labours**

The labours are available, mostly women. They will be paid based on the performance.

### **5. Factory Costs (see appendix)**

#### **D. Aspects of Human Resources**

In terms of human resources, the company always emphasizes on the entrepreneurship values to all of its employees. The employees are allowed to have the business run at home by their family members. Currently, the company has 30 employees in distribution division, 30 employees in production division. To improve the service quality, the company will apply the following programs:

1. Hiring more employees for driver (1), warehouse officer (1), salesman (2), shopkeeper (2), administration staff (1), chef(1), cahier (1), production staff (30 to 50 people), machine operator (4 people), and business marketers( 1 to 2 people).
2. Devising new organization structure (more flexible)
3. Cultural programs and new uniforms
4. The compensation will be given based on the real performance. The key performances Indicators are now being devised. The compensation covers salry, incentive, commissions, insurance THR, and production service.
5. The employee performance will be evaluated and will determine different amount of incentive among employees.
6. The development of work ethics i.e hard work, smart work, sincere work, thorough work, cooperative work, attentive work, and gratefulness.
7. Job design is being designed
8. List of skills and technology required.

#### **E. Skills, Ability, and Attitudes that should be Possesed by the Model Village Affiliates**

1. Confidence
2. Success Orientaion
3. Inventiveness
4. Future Orientation
5. Creativity
6. Decision Making skills
7. Leadership



8. Innovative skills

## **F. Aspects of Risks**

### **1. Potential Problems**

- Problems with the products : Damage, expiration, short cycle
- Marketing and distribution problem: School regulations which ban the students to buy things outside school canteen, infrastructures, storing etc.
- Production problems: non standardized technology
- Financial problems: need more cash in hand as the payments are in cash.

### **2. Risks and Obstacles**

- Business risks: product lost and damage
- Financial risks: bad debt expense, careless employees

### **3. Alternative Actions**

The followings can be done to minimalize the risks:

- Devising Standard Operational Procedure
- Managing the warehouse and Devising control mechanism
- Using machines for particular processes
- Developing particular potential markets like school canteen
- Creating an integrated system
- One Bill System Implementation

## **G. Aspects of Finance**

### **1. Financial Estimation**

1.1. Profits and Loss (see appendices)

1.2. Cash flow (see appendices)

1.3. BEP Analysis (see appendices)

1.4. Cost (see appendices)

## 2. Budget Plan

- 2.1. Building new factory with its tools Rp 15 billions
- 2.2. Land acquisition Rp 8 Billions
- 2.3. Building warehouses and offices (60 units) Rp 30 Billions
- 2.4. Square industrial infrastructures (roads, electricity, fence) +/- Rp 3M
- 2.5. System and control +/- Rp 50.000.000
- 2.6. 1 second hand box car with freezer Rp 185.000.000,
- 2.7. Employee training +/- Rp 15.000.000
- 2.8. Insurance +/- Rp 15.000.000
- 2.9. Shop windows +/- Rp 7.500.000
- 2.10. freezers (50 x @ 2.500.000) +/- Rp 125.000.000
- 2.11. vendors (50 x @ 800.000) Rp 40.000.000
- 2.12. rental cold storage Rp 750.000.000
- 2.13. Tambahan MK Rp 1.500.000.000
- 2.14. Building cooperative (blanket cost +/- Rp 15.000.000

## 3. Funding

### Funding Resources (x Rp. 1000.000)

| Description                                  | Percentage (%)   |                  | Total<br>(c= a+b : Rp.) |
|--|------------------|------------------|-------------------------|
|  | (a)              | (b)              |                         |
| 1. Self Funding<br>a. Founder<br>b. Investor | 10.000 (0.18)    | 25.000<br>(0.45) | 35.000 (0.64)           |
| 2. Loans<br>a. Bank<br>b. others             | 10.000<br>(0.18) | 10.000<br>(0.18) | 20.000<br>(0.36)        |
| Amount (1+2)                                 |                  |                  | 55.000                  |

**Investment = I (current distribution) (x Rp 1.000)**

| Description   | amount (1) | cost/ Unit<br>(2=Rp.)     | total(3=1x2:Rp.) |
|---|------------|---------------------------|------------------|
| a. Land   | 1.200m2    | AVR :<br>600.000          | 720.000          |
| b. Building   | 1.000m2    | AVR :<br>1.200.000        | 1.200.000        |
| c. Machine / Freezer                                      | 70         | AVR :<br>5.000.000        | 350.000          |
| d. Cold Storage   | 2 unit     | 350.000 +<br>150.000      | 500.000          |
| e. Warehouse +<br>infrastructure                          | 1 unit     |                           | 150.000          |
| d. Office Stuff (computer<br>dll) dan produksi            |            |                           | 60.000           |
| e. Transportation means<br>(4 wheel dan 2 wheel           | 6 dan 3    | AVR : 80.000<br>dan 9.000 | 507.000          |
| f.<br>Infrastructure(vendors,<br><i>becak</i> and others) |            |                           | 120.000          |
| g. pre-cost and goodwill                                  |            |                           | 2.000.000        |
| total (III=a s/d e)                                       |            |                           | 5.607.000        |

**Work Capital = II (current) (x Rp 1.000)**

| Description                                     | Amount(1) | Cost/ Unit<br>(2=Rp.) | total<br>(3=1x2:Rp.) |
|---|-----------|-----------------------|----------------------|
| a. Materials                                    |           |                       | 20.000               |
| b. Sup[plies / Ready made<br>products/commodity |           |                       | 825.000              |
| c.in process products                           |           |                       | 10.000               |
| d. account receivable                           |           |                       | 595.000              |
| e.Cash  |           |                       | 400.000              |
| total (III=a s/d e)                             |           |                       | 1.850.000            |

**Fixed Cost (operational distribution) = III (x Rp 1.000)**

| Description | amount(1) | cost/ Unit<br>(2=Rp.) | total<br>(3=1x2:Rp.) |
|-------------|-----------|-----------------------|----------------------|
| a. wages    | 30        | AVR : 900.000         | 27.000               |

|                            |  |  |          |
|----------------------------|--|--|----------|
| b. Investment depreciation |  |  | 8.662,5  |
| c. loan rate               |  |  | 28.000   |
| d. marketing cost          |  |  | 2.000    |
| e. transportation cost     |  |  | 10.000   |
| f. electricity             |  |  | 7.000    |
| e. other cost              |  |  | 3.000    |
| total (III=a s/d e)        |  |  | 85.662,5 |

**Non- fixed cost (operasi distribusi = IV) (x Rp 1.000)**

| Uraian                 | Banyaknya (1) | Harga / Unit (2=Rp.) | Jumlah (3=1x2:Rp.) |
|------------------------|---------------|----------------------|--------------------|
| a. unloading           | 10            | 50.000               | 500                |
| b. Entertaint          | 5             | 200.000              | 1.000              |
| <b>Jumlah (IV=a+b)</b> |               |                      | <b>1.500</b>       |

**Break event point from the first year**

( 25work days / months x 12 = 300 days) (see appendices)

**Distribution Unit (x Rp 1.000)**

| Description | amoun t (1) | Harga / Unit (2=Rp. ) | Jumlah (3=1x2:Rp.) |
|-------------|-------------|-----------------------|--------------------|
| a. Sale     |             | 3m/bln                | 36.000.000         |

|                         |  |  |            |
|-------------------------|--|--|------------|
| b. Operational Expenses |  |  | 33.300.000 |
| c. Gross                |  |  | 2.700.000  |
| d. Operational Cost     |  |  | 1.045.944  |
| e. Before Tax Profit    |  |  | 1.654.056  |
| f. Tax(...% x e)        |  |  | 165.405    |
| g. After Tax Profit     |  |  | 1.488.651  |
| h. Break Even Point     |  |  |            |
| Amount(III= a s/d e)    |  |  |            |

**Break event point from the first year**  
( 25work days / months x 12 = 300 days) (see appendices)

**Production Unit (x Rp 1.000)**

| Description | Banyaknya (1) | Harga / Unit (2=Rp.) | Jumlah (3=1x2:Rp.) |
|-------------|---------------|----------------------|--------------------|
| a. Sale     | 4 kel.produk  | @ 500jt/bln          | 24..000.000        |

|                         |     |  |            |
|-------------------------|-----|--|------------|
| b. Operational Expenses | 70% |  | 16.800.000 |
| c. Gross                |     |  | 7.200.000  |
| d. Operational Cost     | 5%  |  | 360.000    |
| e. Before Tax Earnings  |     |  | 6.840.000  |
| f. Tax(...% x e)        |     |  | 684.000    |
| g. After Tax Earnings   |     |  | 6.156.000  |
| h. Break Even Point     |     |  |            |
| Amount                  |     |  |            |

**Break event point from the first year**  
( 25work days / months x 12 = 300 days) (see appendices)

**Office and Warehouse RentFees(x Rp 1.000)**

| Uraian  | Banyaknya (1) | Harga / Unit (2=Rp.) | Jumlah (3=1x2:Rp.) |
|---------|---------------|----------------------|--------------------|
| a. Sale | 60            | 100.000              | 6.000.000          |

|                         |    |            |                  |
|-------------------------|----|------------|------------------|
| b. Operational Expenses | 60 | 500jt/15th | 1.999.999        |
| c. Gross                |    |            | 4.000.001        |
| d. Operational Cost     | 5% |            | 200.000          |
| e. Before Tax Earnings  |    |            | <b>3.800.000</b> |
| f. Tax                  |    |            | <b>380.000</b>   |
| g. After Tax Earnings   |    |            | <b>3.420.000</b> |
| h Break Even Point      |    |            |                  |
| Amount                  |    |            |                  |

**Break event point from the first year  
( 25work days / months x 12 = 300 days) (see appendices)**

**Small to MidScale Enterprises (x Rp 1.000)**

| Descriptions | Banyaknya (1) | Harga / Unit (2=Rp.) | Jumlah (3=1x2:Rp.) |
|--------------|---------------|----------------------|--------------------|
| b. Sale      | 20 umkm       | 200jt/bln            | 48.000.000         |



|                         |     |  |                  |
|-------------------------|-----|--|------------------|
| b. Operational Expenses | 90% |  | 43.200.000       |
| c. Gross                |     |  | 4.800.000        |
| d. Operational Cost     | 50% |  | 2.400.000        |
| e. Before Tax Earnings  |     |  | <b>2.400.000</b> |
| f. Tax(...% x e)        |     |  | <b>240.000</b>   |
| g. After Tax Earnings   |     |  | <b>2.160.000</b> |
| h. Break Even Point     |     |  |                  |
| Amount(III= a s/d e)    |     |  |                  |

**Five Year Cash Flow Forecasting (in Rp.000)**

|             | Year |   |   |   |   |
|-------------|------|---|---|---|---|
| Description | 1    | 2 | 3 | 4 | 5 |
|             |      |   |   |   |   |

|  |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>a. (in flow)</b>                      | 114.000.000 | 125.400.000 | 131.670.000 | 138.253.500 | 145.166.175 |
| <b>b. (out flow)</b>                     | 99.305.943  | 104.271.240 | 106.356.665 | 109.547.365 | 112.833.786 |
| <b>c. Net Cash Flow<br/>(a-b)</b>        | 14.694.057  | 21.128.760  | 25.313.335  | 28.706.135  | 32.332.389  |
| <b>d. Beginning<br/>Cash Opname</b>      | 900.000     | 15.594.057  | 36.722.817  | 62.036.152  | 90.742.287  |
| <b>e. Last Cash<br/>Opname<br/>(c+d)</b> | 15.594.057  | 36.722.817  | 62.036.152  | 90.742.287  | 123.074.676 |