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# Feasibility Analysis of Sinjai's Special Minas Beverage Production

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**Abstract** - Sinjai Regency is a city that produces many specialty drinks, one of which is Minas (Sinjai Typical Drink) which is a type of fermented drink because it is made from cassava tapai and has a thick yellow texture. This research focuses on the development of the Minas business, which is vulnerable to the risk of rising raw material prices and declining selling prices. The purpose of this research is to do a feasibility study of the Minas business to improve the economy of the people engaged in the business. This study uses a 5 aspect approach, namely, (1) market aspects, (2) technical aspects, (3) management aspects, (4) environmental aspects, (5) socio-economic aspects of culture. The financial aspect of this study shows the PP value for the Sinjai specialty beverage business is 4.63 years, and a positive IRR value of 1.41%, which means that the business is feasible. The Net B/C value of the Minas production business is 4.63. This means that for every Rp. 1 spent the business will generate a net profit of Rp. 4,63.

**Keywords** : Sinjai specialty drinks, mina's business feasibility, financial aspects, non-financial aspects

## INTRODUCTION

Sinjai Regency, South Sulawesi is also known as the city of a thousand mosques. Most of the population are devout Muslims. Liquor is prohibited from circulating in Sinjai. The prohibition of consuming alcoholic beverages is very clearly stated in the local regulations. The Sinjai people who work as fishermen need a warm drink, so culinary innovations were born. The typical drink of Sinjai residents is commonly called Minas (Original Drink of Sinjai). This drink is made as a substitute for liquor or alcohol. This drink is believed to have properties and increase energy after being tired of working.

Minas (a typical Sinjai drink) is a type of fermented beverage because it is made from cassava tapai and has a thick, yellow texture. This typical Sinjai drink is best consumed at night. For the body in the middle of the cold night. Especially fishermen at sea or who arrive at the fish auction at night. The Tourism Office has visited Mina outside the area online, featuring

some tourist attractions and special culinary delights in Indonesia.

Sinjai. This drink only lasts up to only seven days because it does not use preservatives. In addition, Minas is a highly nutritious health drink because it contains protein, fat, carbohydrates, calcium, iron, and several other ingredients that are good for the body. At first, this drink was named *irex* because it was considered an energy booster and body warmer. However, in subsequent developments, it changed its name to Minas as an acronym for the typical Sinjai drink because it is only produced in Sinjai [1].

This research is focused on the development of the mina business, where in business development there are often risks such as rising raw material prices, operational costs and decreasing production selling prices. The risk of a business is directly proportional to the size of the tofu business. The bigger the business that is run, the greater the risk that will arise, so there must be proper business management, especially from

the financial aspect.

Business studies are research and assessments about whether or not a project can be carried out successfully (profitably). Assessing an assessment, must first conduct an assessment of the investment to be used, then in a written report, the research report can be used to determine the extent to which the investment has been made. Studies can be measured based on financial and non financial aspects. The financial aspect can be assessed from the analysis of investment criteria, because it is very necessary to see future business developments, while the non-financial aspects are carried out to measure the existence of the business from a social and environmental perspective [2].

All data, facts and various opinions found in the study can be used as a basis for making decisions on the establishment of minas, besides that, the consistency and existence of minas encourage the feasibility of conducting the business feasibility analysis. This study examines several important aspects of a beverage industry, namely minas (original drink of Sinjai).

## MATERIALS AND METHODS

The data used in this study are primary and secondary data. Primary data were obtained from interviews with Minas and residents around Sinjai related to the study of business aspects. Meanwhile, secondary data were obtained from agencies related to this research, namely the Central Statistics Agency, the Industry and Trade Office of Sinjai Regency.

The data and information obtained were processed using a questionnaire and Microsoft Excel. Data analysis was carried out qualitatively and quantitatively including the stages of data processing and data interpretation descriptively [3], qualitative analysis is used to determine the performance of the production business unit, such as investment, expenditure, and product entry from entry to marketing produced by the Minas business. The right business analysis corresponds to the right analysis and analysis. The analysis does not examine various aspects ranging from market, technical, management, legal, socio-economic-cultural and environmental aspects. Quantitative analysis was carried out for the

financial feasibility of the production business. Quantitative analysis is carried out to determine whether the business is feasible in terms of financial aspects with four investment criteria.

### Market And Marketing Aspcts

The market aspect studied includes the marketing mix. The definition of the marketing mix is a combination of variables or activities that are the core of the marketing system, namely product, price, promotion, and distribution [4].

(1). Product, this drink is made as a substitute for liquor or alcohol. This drink is believed to have properties and increase energy after tired of working. Making this minas drink is not difficult. The basic ingredients needed to make ten bottles of mina only need about 15 kilograms of cassava tape. It also added milk, eggs, coconut water, honey, a little palm wine, durian and other fruits. Aroma This drink follows the season, when it is durian season, the aroma of durian fruit is very pronounced in this drink.

(2). Price, the benchmark for Minas prices is set according to the price of cassava tape. The price of minas per bottle is IDR 18,000. Sales distribution channel, i.e. buyers come directly to the sales kiosk and also sold online in one of the existing online marketplaces.

(3). Promotion, can be done directly or indirectly. Direct promotion is like a promotion that is intentionally done by the seller while promotion is not directly through intermediaries. Currently, Minas businesses carry out direct promotions such as using social media, in order to reach many people.

(4). Distribution, the product of the minas business is distributed in several ways, such as by consumers who come directly to the minas-making factory, market it to the market and also distribute it online.

### Technical Aspect

The feasibility of the Sinjai beverage business unit from the technical aspect can be seen from the technical location, technical production business, production area, layout, and technical selection of technology and equipment applied. From a technical point of view, the Sinjai specialty beverage business unit is feasible to run because it is located in a market environment, on the edge of the main highway, not far from residential areas, guarantees the required

inputs, the location of the target market, the availability of electricity and air power. needed for the operational activities of the mina production business, the availability of adequate manpower and facilities as well as the support from the government and related agencies that assist the operational activities of the Sinjai beverage business unit [5], making a typical Sinjai drink requires the basic ingredients needed to make only ten bottles of mina it takes about 15 kilograms of cassava tape. It also added milk, eggs, coconut water, honey, a little palm wine, durian, and other fruits.

Raw materials are considered one of the main concerns because if there is a shortage it will affect the production process. The processes and technologies used in production are based on the ease of process and production costs. This is because the process and technology are also used as the basis for the selection of production tools and machines.

The land with an area of 112 m<sup>2</sup> owned is used for a business building for a typical Sinjai beverage factory, including a garage, production area, and place of sale can be seen in the appendix. If viewed from the area of production, this production business is feasible to run.

In addition, if viewed from the layout of the production area, the Mina business unit is feasible to run because the existing factory construction can ensure the safety of the employees in it. In the mina production business unit, the technology, and equipment are used to support the mine production business so that with the existing equipment so far, the production business unit is feasible to run. It can be said that when viewed from the technical aspect as a whole, the mina production business unit is feasible to run.

### **Management Aspect**

A business entity is a collection of people and capital that has activities or activities engaged in a trade or the business world. There may be differences in the management structure between companies. This is adjusted to the scale of the business, the company's strategy, and the circumstances of the company's employees [2].

The form of business entity is the name attached to one company while the business scale is the name attached to each business unit. So when viewed from the Sinjai specialty beverage business as an individual business entity and the business scale, the

Sinjai specialty beverage production business unit is on a business scale that requires a license.

### **Legal Aspect**

The legal requirements for each type of business are different, depending on the complexity of the business. The existence of regional autonomy causes the legal provisions and permits from one region to another to vary [6], therefore, an understanding of the legal provisions and investment licensing for each region is very important for analyzing the legal aspects.

The analysis of the legal aspect consists of the form of business that will be used, guarantees that can be given if you want to lend funds, deeds, certificates, and permits needed to run a business. The permits that must be obtained are business location permits and production business permits. The location permit that has been obtained is carried out through a lengthy employee process.

Various stages must be carried out by the owner such as making a Business Domicile Certificate (SKDU) at the District level. After there is a statement from the district, a certificate is used as evidence in the issuance of a principle permit at the Industry Office of Sinjai Regency. After the proof of the principle, a permit is issued, and the permit is continued to the next agency, namely the Ministry of Trade to obtain proof of the Production Registration Certificate (TDP). At the same time, the owner also permits the Industry and Trade Office of Sinjai Regency to obtain a Business and Trade Permit (SIUP). After going through several stages, you will have the legality to carry out a typical Sinjai production business when viewed from the business location [7].

### **Environmental Aspect**

Environmental Impact Analysis (AMDAL) is the result of a study on the impact of an activity that is planned and is estimated to have a significant impact on the environment. This analysis includes the entire activity of making 5 (five) documents consisting of Presentation of Environmental Information, Terms of Reference, Environmental Impact Analysis, Environmental Monitoring Plan, and Environmental Management Plan [8].

### **Financial Aspect**

There are four investment criteria used to analyze the financial aspect of a business, including Net Present Value (NPV), Internal Rate of Return (IRR), Net B/C ratio, and Payback Period (PP) [9], profit and

loss analysis is used to determine business developments in a certain period and will make it easier for companies to calculate the annual cash flow obtained. The variable components included in the loss consist of the company's principal and side income, the company's operational costs which include the investment features of the invested goods, and interest expense (if the company makes credit).

### Fixed cost

Fixed costs are company costs whose amount is not determined by the company's activities or is not related to production or sales, fixed costs such as salaries paid.

Tabel.1 Needs For Payroll

No	Description	Cost/Mont	Salary/Years
1	Maintenance Fee	500.000	6.000.000
2	Administratiton Fee	200.000	2.400.000
Total			8.400.000

Tabel.2 List of other costs

N	Descri	Tot	Salary/	Total	Total
o	ption	al	Month	/Mont	Salary/
				h	Year
1	Owner	1	2.500.000	2.500.000	30.000.000
2	Karya wan	3	1.500.000	4.500.000	54.000.000
Total					84.000.000

So, total Fixed Cost = Rp 84.000.000+8.400.000  
= Rp 92.400.000

### Variable cost

Variable costs are costs that are always changing, issued by the company/business actor. Variable costs in the production process of typical Sinjai drinks are costs that are influenced by the size of the amount of production, some of the variable costs in the manufacture of typical Sinjai drinks are the cost of raw materials, costs of auxiliary materials, and labor costs. The number of variable costs in one production process for typical Sinjai drinks can be seen in the Table 3.

Tabel.3 variable Cost

No	Description	Cost/Month	Cost/Year
1	Raw material	335.000	4.020.000
2	Auxiliary Material	85.000	1.020.000
3	SupplementaryMatrial	88.500	1.062.000
4	Listrik	400.000	4.800.000
Total			10.902.000

Based on the table above, the total variable costs for the production of typical Sinjai drinks are Rp. 10,902,000. Then the total cost of production needed to produce a typical Sinjai drink is variable costs plus fixed costs, which is Rp.103,302,00.

### Profit and Loss Projected Calculation

The profit and loss results in the present condition without changes indicate that the total net profit (EAT) business unit obtained from the Sinjai specialty beverage business unit is Rp. 97,358,400.

Tabel 4. Projected Profit And Loss

No	Uraian	Tabel Proyeksi Rugi Laba				
		1	2	3	4	5
1	Hasil Penjualan	Rp 225.000.000	Rp 225.000.000	Rp 225.000.000	Rp 225.000.000	Rp 225.000.000
2	Total Biaya Produksi	Rp 103.302.000	Rp 103.302.000	Rp 103.302.000	Rp 103.302.000	Rp 103.302.000
3	Laba Kotor	Rp 121.698.000	Rp 121.698.000	Rp 121.698.000	Rp 121.698.000	Rp 121.698.000
4	HPP 20%	Rp 24.339.600	Rp 24.339.600	Rp 24.339.600	Rp 24.339.600	Rp 24.339.600
5	Laba Bersih	Rp 97.358.400	Rp 97.358.400	Rp 97.358.400	Rp 97.358.400	Rp 97.358.400
6	Bunga Bank	Rp 25.000.000	Rp 20.000.000	Rp 15.000.000	Rp 10.000.000	Rp 5.000.000
7	Net Cash Flow	Rp 72.358.400	Rp 77.358.400	Rp 82.358.400	Rp 87.358.400	Rp 92.358.400

**Calculation Payback Period**

The PP calculation is used to see the period of capital in the Minas business. The results of the financial analysis show that the value for the typical Sinjai beverage business is 4.63 years. This shows that the business project can return the capital before the project life ends and it also states that the project is feasible to operate.

**Net Benefit-Cost Ratio (Net B/C)**

The results of the financial analysis show that the NET B/C value of the production business is 4.63. This shows every Rp. 1 spent to run the project will generate a net benefit of Rp. 4.63. This also shows that the NET B/C value generated is more than 1, so this project is feasible to run.

**Internal Rate of Return (IRR)**

IRR is a method used to measure the interest rate that equates the present value with future cash flows [10], the financial results show that the IRR value of the Sinjai beverage business is 1.41%. whereas the IRR is 0. This shows a more typical level of invested capital which is 1.41% and the project is feasible to operate because it has a profit where the IRR is greater than 0.

**CONCLUSION**

Based on the results of research and discussion, it can be concluded that the typical Sinjai business model is feasible. The financial analysis shows that the PP value for the Sinjai specialty beverage business was 4.63 years and the IRR value was positive at 1.41%. The NET B/C value of the minas production business is 4.63. This shows every Rp. 1 spent to run the project will generate a net benefit of Rp. 4,63.

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