

Analysis Of Income And Feasibility Of Msmes In Watutau Village, Poso District (Case Study On: Alamanda Accessories Craftsman Business)

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ABSTRACT

This research aims to analyze: the amount of business income in the Alamanda Craftsmen business, the feasibility of the business in the Alamanda Accessories Craftsmen Business. This research was conducted in Watutau Village, Lore Peore District, Poso Regency, from December 2023 to February 2024. The research method used was a descriptive method. The data collected includes secondary data and primary data. Primary data was obtained by direct interviews with Alamanda Accessories Crafts business owners, while secondary data was obtained from books and financial reports. The data analysis used is analysis including production costs, income, business feasibility in the Alamanda Accessories Craftsman Business, Lore Peore District. The research results show that the monthly production costs of the business include fixed costs of IDR 3,228,333, variable costs of IDR 20,010,000, total costs of IDR 23,238,333, while the monthly net income of the Alamanda Accessories Craftsmen business is IDR 14,761,667. Feasibility of the Alamanda Accessories Craftsman Business, Lore Peore District, Watutau Village, Poso Regency, can be said to be feasible to operate with an R/C Ratio of 1.6.

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1. INTRODUCTION

The economic crisis in Indonesia has caused a significant decline in the national economy. Many large-scale companies in various sectors, including industry, trade and services experienced stagnation and even stopped operating in 1998. However, in this condition, Micro, Small and Medium Enterprises (MSMEs) emerged as a savior that could recover the economy from the downturn that had occurred. caused by the monetary crisis in various economic sectors (Gonibala et al., 2019).

MSMEs have an important role in the economy because they can contribute to state income. The MSME sector contributes to economic growth, creates jobs and is a source of oil and gas exports (Bahasoan et al., 2024). MSMEs can also stimulate low-income people to see opportunities and be more creative in carrying out productive economic activities. It is proven that Small and Medium Enterprises and Micro Enterprises were Resilient when Indonesia was hit by the economic crisis in 1998 and 2008 (Purwanto, 2020).

The MSME sector in Indonesia is regulated in Law Number 20 of 2008, Government Regulation of the Republic of Indonesia Number 7 of 2021 concerning the Facilitation, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises to serve as guidelines for empowering and developing MSMEs in this country. The government has promoted the creative economy to develop creative industries in Indonesia. The creative industry is one of the largest GDP producers in Indonesia. The government holds many programs that support MSMEs through State-Owned Enterprises (BUMN).

MSMEs play an important role in reviving the economy, because they have flexibility, high adaptability, and are able to innovate in overcoming the challenges they face. What's more, MSMEs tend to be more connected to local markets, so they are less affected by global economic fluctuations. Through appropriate support from the government, MSMEs can become the main driving force in generating economic growth. Steps such as providing capital, entrepreneurship training, market facilitation, and technical assistance will help MSMEs to develop and contribute significantly to national economic growth.

This research observed an MSME in Watutau Village, Poso Regency called Alamanda Crafts. This MSME is involved in accessories that use natural materials and consists of several craftsmen. UMKM Alamanda empowers women in their environment which includes housewives who understand the manufacture of the accessories they produce, Alamanda accessory craftsmen have sold their products outside the city and have even reached Germany through tourists who have visited the Napu area, especially in Watutau Village. . of course to improve the skills and standard of living of the people in the village. However, on the business development side, Alamanda MSME players still have limited information regarding financing for their products, whereas creditors or financial institutions also need information regarding the financial aspects of MSMEs through products that have the potential to be financed. Therefore, the aim of this research is to determine the amount of income and feasibility of the business.

Ramadan et al. (2022) researched the Income and Feasibility Analysis of Coconut Shell Craft Businesses (Case Study of Fitri Jaya Lestari Craftsmen in Karanganyar Village, Cijeungjing District, Ciamis Regency). The research results show that: (1) The monthly income obtained by business actors from shell crafts is IDR 1,607,069. (2) The R/C value in Fitri Jaya Lestari's craft business is 1.45, which means that every Rp. 1 spent will generate revenue of 1.45. Therefore, Fitri Jaya Lestari's craft business can be considered worthy of business because the R/C value is >1.

Qomariyah & Khusnia (2021) researching MSME Income Analysis (Case study of Java Fiber Banjardowo Jombang). The research results show that for 5 months, the business production cost structure was: average fixed costs of IDR 1,987,500, average variable costs of IDR 124,918,850, total costs of IDR 126,906,350. The average value of income for 5 months of the Java Fiber business is IDR 216,712,700, while the net income for 5 months of the Java Fiber Banjardawo Jombang business is IDR 89,806,350. The feasibility of the Java Fiber Banjardawo business, Jombang District, can be said to be feasible with an R/C ratio value of 1.71.

2. RESEARCH METHODS

The research method used is a descriptive method. Descriptive research aims to provide a systematic, factual and accurate description of the facts, nature and relationships between the phenomena being studied. (Ibrahim, 2021). The unit of analysis is the unit observed, namely the form of business and organization, production costs and financial reports and sales reports. The research was conducted in Watutau Village, Lore Peore District, Poso Regency. Research begins with data collection. The data obtained was then analyzed using the income method and business feasibility through the Revenue of cost ratio (R/C) criteria.

According to Daljono (2014) that costs are a sacrifice of economic resources measured in units of money, to obtain goods or services that are expected to provide profits or benefits now or in the future. Production costs consist of fixed costs, namely equipment depreciation, and variable costs, namely labor, stationery, fuel and electricity credits. Adapun rumusnya sebagai berikut:

$$TC = TFC + TVC$$

Information:

TC = Total Cost

TFC = Total Fixed Costs

TVC = Total Variable Costs

Revenue is the amount of production multiplied by the price applicable in running the business (Soekartawi, 2002). Mathematically, the amount of revenue can be written as follows:

$$TR = P \times Q$$

Information:

TR = Total Revenue

P = Price

Q = Production quantity Pendapatan

MSME income is income obtained from the results of the business carried out. Revenue is the result of the difference between the total revenue obtained from product sales and all costs incurred during the production process. Income can be calculated using the formula from Suratiyah in Agustin et al. (2020) as follows:

$$\pi = TR - TC$$

Keterangan:

π = Income

TR = Total Revenue

TC = Total cost

According to Tachrudin & Hadid (2021) One way to determine business feasibility is through R/C ratio analysis. R/C ratio is a ratio that compares total revenue with total costs. With the following formulation (Soekartawi, 2002):

$$R/C \text{ Ratio} = TR/TC$$

Criteria:

If $R/C > 1$, then the business is worth pursuing and developing

If $R/C < 1$, then the business is not feasible to implement and develop

If $R/C = 1$, then the business is at the break-even point.

3. RESULTS AND DISCUSSIONS

This research aims to determine the amount of income and feasibility of the business of Alamanda accessories craftsmen in Watutau Village, Poso Regency, as assessed by the R/C Ratio. The discussion of each variable is as follows:

Production Cost Analysis

Table. 1 Fixed Costs of Alamanda Accessories Craftsman Business (Month)

Production tools	Units	Unit price	Total Price/unit	Economical Age (Months)	Depreciation (Rp)
Polishing Machine	2	3.000.000	6.000.000	12	500.000
Cutting Grinding Machine	1	3.000.000	3.000.000	12	250.000
Ordinary Grinding Machine	2	1.000.000	2.000.000	12	166.666
Fine Sandpaper	1	500.000	500.000	3	166.666
Coarse Sandpaper	1	500.000	500.000	3	166.666
Woven Lebel	1	500.000	500.000	1	500.000
Small Prusik Rope	100	5.000	500.000	1	500.000
Portable Drilling Machine	2	500.000	1.000.000	12	83.333
Gloves	16	20.000	320.000	1	320.000

Hacksaw & Saw Blades	3	250.000	750.000	6	125.000
Rattan Knife	10	200.000	2.000.000	12	166.666
Rattan Knife Clamp	5	100.000	500.000	12	41.666
Wood saws	2	200.000	400.000	6	66.666
Machete	2	150.000	300.000	12	25.000
Raut Knife	10	30.000	300.000	6	50.000
Gurinda's Eyes	2	100.000	200.000	2	100.000
Total	-	-	-	-	3.228.333

Source: Data processed

Based on Table. 1 shows that the fixed costs of the Alamanda accessories craftsman business consist of polishing machines, cutting grinding machines, regular grinding machines, fine sandpaper, coarse sandpaper, woven labels, small prusik rope, portable drilling machines, gloves, hacksaws and saw blades, rattan knives, rattan knife clamps, wood saws, machetes, sharpening knives and grinding blades so that the monthly depreciation of equipment used in production activities at the Alamanda Accessories Craftsmen business is IDR 3,228,333.

Table.2 Variable Costs of Alamanda Accessories Craftsman Business (Month)

Variable Costs	Unit	Amount/Month (Rp)
Stationery	1 Paket	830.000
Fuel	10 Liter	130.000
Electricity pulse	4 vocer	200.000
Raw Material Costs		700.000
a) Horns	-	300.000
b) Jade	-	400.000
Glue	2 Kaleng	150.000
Labor	180 (HOK)	18.000.000
Total		20.010.000

Source: Data processed

Based on Table 2, it shows that the costs incurred are stationery costs, amounting to Rp. 830,000, fuel costs Rp. 130,000, electricity costs Rp. 200,000, raw material costs 700,000 and the monthly labor wages amounting to Rp. 18,000,000. This is due to the large number quantity produced per month so labor costs tend to be large.

Table.3 Total Business Costs for Alamanda Accessories Craftsmen (Month)

Type of Cost	Amount/month (Rp)
Fixed cost	3.228.333
Depreciation	3.228.333
Variable Costs	20.010.000
Stationery	830.000
Fuel	130.000
Electricity pulse	200.000
Raw material	700.000
Glue	150.000
Labor	18.000.000
Total	23.238.333

Source: Data processed

Based on Table 3, it shows that the total costs for the Alamanda Craftsman Business per month are IDR 23,238,333 due to the large number of orders or quantities produced so that monthly spending on raw materials and wages for the production process tends to be large.

Total Revenue Analysis

Table.4 Total Revenue from Alamanda Accessories Craftsmen Business (Month)

Type Product	Quantity (Units/Month)	Price (p)	Total Revenue /Month (Rp)
Eha bracelet	50	30.000	1.500.000
Jade Bracelet	100	150.000	15.000.000
Black Seed Bracelet	50	100.000	5.000.000
Eha ring	50	15.000	750.000
Buffalo Horn Jade Ring	20	150.000	3.000.000
Buffalo Horn Ring	35	50.000	1.750.000
Shell Ring	50	30.000	1.500.000
Kalide Seed Bag (K)	15	50.000	750.000
Kalide Seed Bag (B)	5	100.000	500.000
Rattan Plate	50	65.000	3.250.000
Bamboo Teapot 1 Set	15	250.000	3.250.000
Large Pandan Mat	5	150.000	750.000
Small Pandan Mat	5	100.000	500.000
Total	450	-	38.000.000

Source: Data processed

Based on Table 4, it shows that the total income from the Alamanda Accessories Craftsmen business is IDR 38,000,000 per month. The amount of income earned by Alamanda Accessories Craftsmen per month is influenced by the quantity produced and the prices set by the business actors.

Income Analysis

Table.5 Business Income of Alamanda Accessories Craftsmen (Months)

Description	Amount (Rp/Month)
Total Revenue (TR)	38.000.000
Total Cost (TC)	23.238.333
Total income	14.761.667

Source: Data processed

Based on Table 5 above, it shows that the Alamanda accessories craftsman business with total revenues of IDR 38,000,000 has total costs of IDR 23,238,333. So the total amount of revenue is minus the total costs. The income of the Alamanda accessories craftsman business per month is IDR 14,761,667. The large income earned by the Alamanda Accessories Craftsmen business is due to the price and demand for existing products, in this case the consumers who buy are not only from the surrounding area but some also come from abroad, this indicates that the product has gone international.

Business Feasibility Analysis

Revenue Cost Ratio (R/C Ratio)

Revenue Cost Ratio is a feasibility analysis method with a comparison between total income and total costs incurred (Asnidar & Asrida, 2017)

$$\frac{R}{C} \text{ Ratio} = \frac{TR}{TC}$$

$$\frac{R}{C} \text{ Ratio} = \frac{38.000.000}{23.238.333}$$

$$\frac{R}{C} \text{ Ratio} = 1,6$$

The R/C Ratio value in the Alamanda Accessories Craftsman Business, namely with total revenue of IDR 38,000,000 and total costs of IDR 23,238,333. From the total revenue divided by the total costs, the R/C Ratio value of the Alamanda Accessories Craftsman Business obtained is 1.6. Based on the criteria, the R/C ratio value is > 1 , which means that every expenditure of IDR 1 will generate revenue of 1.6. In this way, the Alamanda Accessories Craftsman Business is profitable and worthy of development.

Income

Every business has production costs that vary depending on the level of demand. To find out production costs accurately, the first step is to calculate the total costs consisting of fixed costs and variable costs. In the Alamanda Accessories Craftsman business, the monthly fixed costs are IDR 3,228,333. and variable costs IDR 20,010,000, so the total costs or production costs of the Alamanda Accessories Craftsmen business are IDR 23,238,333. Income is the difference between Alamanda Accessories Craftsmen's business revenues minus production costs which are calculated and expressed in rupiah units (Nurjaman et al., 2017). So with a total monthly business income of IDR 38,000,000, it is found that the monthly income of the Alamanda Accessories Craftsmen business is IDR 14,761,667. so that this business is profitable to run.

R/C Ratio Analysis

Based on the results of research on the Alamanda accessories craftsman business in Watutau Village, Lore Peore District, Poso Regency in 2023, it shows that production costs consist of a total cost of IDR 23,238,333, the revenue obtained is IDR 38,000,000. so that the assessment criteria result is 1.6, which means that for every Rp. 1 spent, you will receive income of Rp. 1.6, so the business is worthy of development. This is in line with research conducted by Qomariyah & Khusnia, (2021) MSME income (Java Fiber Banjardowo Jombang case study) with a criterion result of 1.71. When compared with the criteria values for craftsmen's businesses in Watutau Village, the results of these criteria are greater, this is due to the large amount of production, the price level set and the productivity of different businesses.

CONCLUSION

Based on the results of research on the Alamanda accessories craftsman business in Watutau Village, Lore Peore District, Poso Regency in 2023, it shows that the monthly production costs consist of a total cost of IDR 23,238,333, the income obtained is IDR 38,000,000, so the income earned by the accessories craftsmen business is IDR 14,761,667 per month. With a business feasibility value of 1.6 and more > 1 , this indicates that the Alamanda accessories craftsman business is profitable and worthy of development.

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