

CHAPTER 5

CONCLUSION

5.1 FEASIBILITY

In determining whether a business model is feasible or not, investors and/or stakeholders would assess the credibility and viability of 5 important dimensions:

- Market: Description of the industry, the current and future market potential, competition, sales estimations and prospective buyers.
- Product and service: The details of product and/or service offerings, the value propositions and differentiation against the competitors.
- Financial: A projection of the amount of funding or start-up capital needed, and what is the return on investment.
- Technical: The details on how a company will deliver goods or services, including business location, technology needed, materials and labour.
- Organizational feasibility: A definition of the corporate and legal structure of the business. This may include information about the founders, their professional background and the skills they possess necessary to get the company off the ground and keep it operational.

It is used to determine if a business or specific project is achievable or making sense. Specifically for start-up business, feasibility study helps determine whether it is viable before we invest money and time into the business. In other words, it provides valuable information for “Go/No go decision”. Additionally, it may increase the

probability of business success by identifying weaknesses early. This study result will become the guidance for angel investors to support the financing plan since the establishment of Koeali Ketjil.

5.1.1 MARKET

As mentioned in earlier chapters that Koeali Ketjil does not belong to one clear-cut market, as it is a mixture of edutainment and culinary industry or namely cross-industries. Nowadays, customer experience plays an important role in optimizing the brand awareness. Taking this chance, Koeali Ketjil makes use of this phenomenon to offer a value proposition that focuses on customer experience, along with Indonesian food and edutainment concept. Having almost no direct or head to head competitor, it may be regarded as an opportunity and also as threat at the same time.

Therefore, we anticipate and come out with several strategies as elaborated in earlier chapters by doing aggressive promotion through omni-channel, customer acquisition and retention as a holistic and comprehensive approach of customer experience. As the new comer in this industry, we are sure that Koeali Ketjil will be able to grasp a piece of market share and then it will be steadily growing as long as we focus on customer experience and make it embedded to the heart of all members of Koeali Ketjil.

From perspective of future market potential, BKPM (2017) stated in its investment report for entertainment and tourism that “Other services sector trend 2013-2016” have shown CAGR+51.8%. If we combine this information and the market outlook of Indonesia (BPS, January 2018) with GDP growth 2017 – 2019 at 5.0% –

5.5% and inflation rate 2017 – 2019 at 3% – 4%, we are convincingly certain that Koeali Ketjil can become a new edutainment choice in 5 years to come.

5.1.2 PRODUCT AND/OR SERVICE

Koeali Ketjil offers a service of edutainment that is fairly new to Greater Jakarta market. Although other edutainment or entertainment businesses have been in existence, Koeali Ketjil has a strong key differentiator in which it focuses on customer experience, which is not offered by any other direct or indirect competitors. We have also listed a number of direct and indirect competitors and their key features, and Koeali Ketjil has clearly focused its edutainment service into a specific cooking activity that highlights only Indonesian meal as its core product.

The competitive advantages of Koeali Ketjil are:

- A brand new concept or choice of spending quality time
- Promoting Indonesian food in a different yet healthy way
- Leading in providing customer experience

5.1.3 FINANCIAL

As explained in details in earlier chapter, Koeali Ketjil would need a total of IDR 3 billion as initial investments. The total capital investment structure is comprised of IDR 1.5 billion will be coming in from three founders' investment, and the other IDR 1.5 billion will come from angel investor(s)' fund. This capital investment is used for construction of the kitchen facility, labor cost, initial marketing program as well procurement of materials. Marketing campaign or program will gradually decrease in

the following years due the hope of established brand awareness of Koeali Ketjil in the future.

Based on our pessimistic five-year projection, net income or earning after tax (EAT) will be positive in Year 3 (2%) and will eventually reach as high as 12% in Year 5. Cash management will expect negative value only in the first year of operation, and by the end of the fifth year, it is expected that the cash would be 239 million Rupiah. ROI percentage in the beginning would be negative as well, but by the end of fifth year would reach 44% with quick ratio of 8.3% and debt-to-equity ratio of 0.14%. The breakeven point will be reached within only 1.8 years and the payback period is 5 years and 4 months.

5.1.4 TECHNICAL

Koeali Ketjil has carefully chosen a very suited location, The Flavor Bliss, in which we have put many considerations that we believe will be able to help Koeali Ketjil to go far in business. This location is quite strategic, being very close to many other centers of entertainment activities (Living World Mall, IKEA, to name a few) and although it is located at the outskirts of Jakarta, it has a direct toll access. The Flavor Bliss is known as established one stop culinary center with focuses on not only the activities of eating, but also play and shop. There are approximately 20 other F&B businesses running there, including children indoor playground, paintball and futsal arenas. Koeali Ketjil fits very well to this environment where entertainment is also a focus amidst the highlight of culinary. Having their own management and marketing strategies, Flavor Bliss will also help Koeali Ketjil reach more customers.

Since Koeali Ketjil has customer experience as one of its key value proposition, we understand that an excellent customer relationship and interaction need to be established. As mentioned in earlier parts on this chapter, Koeali Ketjil will implement POS and CRM systems to ensure that the services and customer engagements are well taken care of. The POS system will help us avoid any mishaps or slow responses in serving customers (managing bookings and reservations, allocating customers on tables, ordering and serving sequences, and billing system). CRM will assist us in creating a personalized and customized communication to our customers based on data such as their frequency of visits, their upcoming birthdays, and other preferences for us to proactively suggest information on upcoming events and promotions.

Raw material is also another technical aspect that we look carefully into, since we have stated that healthy and safe food is what we offer to the customers. To ensure this, we have projected a partnership with various established and licensed suppliers or vendors. The license and certification that we look into include certification of Halal and certification of food safety.

Last but not least, manpower in Koeali Ketjil is also important factor that we have taken into consideration, in which we carefully select competent and skillful collaboration of team members that are capable in each of their respective task. We do not only consider this in the upper management level, but also down to the ground-end team who will be making direct interactions with our customers.

5.1.5 ORGANIZATIONAL

Legal related preparations are set up prior to starting day of the operations including all licenses and halal certification. Regarding the founders and their professional background and the skills they possess, here are the list:

- Jenny Jatemin has more than 20 years of experiences in Finance and Accounting including taxation, purchasing and budgeting. She will hold the position of President Director.
- Adi Kurnia has more than 10 s of experiences in marketing, new product development and food processing in the Food Ingredients industry. He will be in charge of Human Capital and Legal/Compliance
- Pamela Muljono is from creative industry background. Other than working as an architect, she has been involved in various graphic design, advertising and branding projects for almost 10 years. She will be in charge of Commercial division.

These founders will be managing PT Koeali Ketjil Indonesia directly even in daily operations in the first 5 years to ensure everything is on track and aligned with the plan and business model. They will keep monitoring the trend and adapt quickly to the changes of customer preference or demand.

5.2 BUSINESS MODEL LIMITATION

The business idea of Koeali Ketjil is planned based on market demography of a metropolitan, developed city like Greater Jakarta. This business model might not work as well in other cities, especially those with much lower development index. In developed cities such as Jakarta, the population is much more exposed to international influence, including food preference; hence there is higher chance that the younger generations would need an incline boost for their interest towards Indonesian food. In less developed cities, the majority of population would likely still be familiar with Indonesian food in their day-to-day encounters. Therefore we understand that this business model would only suit bigger cities such as Jakarta, Surabaya, Bali and the likes.

Koeali Ketjil designs and curates recipe choices for customers to select from, so as to allow effective preparation of ingredients and instruction sheets. However, since customer experience is a key value in our business, in the case where customers demanded to cook a meal that is not listed or available in Koeali Ketjil's selection, we would accept the request, but only through prior reservation. Koeali Ketjil would need one day to make the ingredients available based on customers' recipes.

Lastly, we would like to stress that the business model offers the value edutainment, which means entertainment with the value of education. Koeali Ketjil is not aiming to make customers good or be expert in cooking, since it is not a cooking school. Its educational aim is to share the awareness and knowledge on various kinds of Indonesian meals rather than sharing knowledge on the technical aspects of cooking.

5.3 FUTURE DEVELOPMENT

In this paper we have projected and laid out in details programs and goals within the first five-year of running Koeali Ketjil. As we have also explained in our feasibility studies, we believe that the steps and strategies we have chosen will be able to bring Koeali Ketjil to good, if not great performance. Even so, we believe that there is still a room for improvement and for bigger things to come for Koeali Ketjil beyond the five-year term.

We have looked into several future development plans as follow:

- a. Innovation on product and service – Koeali Ketjil must constantly research and develop new recipes to be added periodically according to the themes that we plan to change every few months or so. New recipes must be introduced in order to maximize the chances of customers returning for second and consecutive visits. Other innovation is related with cutting edge technology, which might be highly utilized in the process of innovation. Technology advancement, especially social media, has helped in driving the growth of F&B sector by increasing consumer demand and expanding its reach as well as customer base (Global Business Guide, 2017)
- b. Augmented Reality is one of possible technology which is planned to be used in Koeali Ketjil. Augmented Reality (AR) is a technology enriching the real world with digital information and media, such as 3D models and videos, overlaying in real-time the camera view of your smartphone, tablet, PC or connected glasses. It

turns the environment around us into a digital interface by placing virtual objects in the real world, in real-time. Augmented Reality can be seen through a wide variety of experiences. This advanced technology is surely can attract more customers (Millennial and Gen-Z) to come to Koeali Ketjil.

- c. Sponsorship and Partnerships – Koeali Ketjil must keep on expanding its range on relationship and partnerships with corporates, and food communities in order to ensure high frequency of events, since they are also important contributors to Koeali Ketjil’s revenue stream. Not only Koeali Ketjil must add on its list of partners, but we also can work on continuous programs or contracts where particular partners can host events for different sets of groups in Koeali Ketjil periodically, for example once in every 2 months, in order to ensure sustained revenues from event programs. By the fourth year or towards the end of our five year stage, we believe that Koeali Ketjil would by then be having strong brand awareness. Hence, Koeali Ketjil would then be able to propose to established food brands to place sponsorship programs on aspects of our product and service as we have garnered some related information through interview in Chapter 2.6.4. We would be able to propose for brand logo placements in various spots of our kitchen facility or in our merchandising items, in return for amount of money.
- d. Introduction of new line of products – Koeali Ketjil could also add another source of revenue stream by launching a set of merchandise items to be sold towards the end of our five year stages, with the hope that by then, brand awareness has been created well enough among our customers. Merchandise line

could include cooking-related items such as aprons, recipe books, tumblers, wooden utensils, etc.

- e. Branch in Bali – We look forward to opening a new branch in Bali, which will still hold the same basic business concept, but with slightly different customer segment as well as value propositions. We believe Koeali Ketjil in Bali could attract international tourists due to the features of highlighting Indonesian cuisine. The international tourists in Bali would most definitely be interested in seeing and doing activities related to local values. We believe they look forward to learn a thing or two about Indonesia, and one of them could be through food or culinary element. Koeali Ketjil in Bali could become a tourist destination with the aim of spreading the knowledge of Indonesian culture through culinary approach, added with the entertainment values of fun cooking activity. Not only could international tourist visitors come and learn about Indonesian food, local ingredients and the local taste, they can do so through a an experiential activity done together with their family or friends. The pricing could be set higher due to the customers' buying power or ability. We might even be able to provide a set of higher-end offerings, for example through the higher quality of infrastructure, complexity of ingredients, number of staff members, and for it being hosted by renowned chef as a partner, to name a few. For this, we might even be able to give a different call sign for this more premium branch, perhaps "*Koeali Ketjil World*".
- f. Strategic Alliance – in which we would have investors or venture capitals to fund this project and have shares in it. These investors may come from various

F&B industries, which will contribute to improvements in Koeali Ketjil. Assuming these investors are well established, they would have had strong and efficient operation and marketing strategies that would eventually be shared and applied in Koeali Ketjil.

- g. Franchise licensing – would be a viable option after brand awareness has been established. We believe that by then, Koeali Ketjil would be well exposed and popular, creating interests for investors to open up their own branches of Koeali Ketjil under our licensing.

5.3 CONCLUSION

After extensive analysis and elaborations being laid out in this paper, we can look back to this paper's objectives and now conclude:

1. The proposed business idea as a solution to help solve or lessen the problems of declining interest towards Indonesian food amongst the “gadget generation” of Jakarta is an edutainment which involves cooking activity in a co-cooking studio or kitchen. This business idea incorporates three values: Indonesian cooking, edutainment and customer experience.
2. Through research, we understand that cooking is not within the top considerations of fun activity amongst the Gen Zs, but when further asked about the possibility of a co-cooking facility where they can do light or casual cooking activity with friends and family, their interest

level increased. The market research and survey results showed that there is a window of opportunity to attract the younger generations to try this new approach in order to heighten their knowledge and exposure to Indonesian food

3. Upon analysing the customer profile and their jobs to be done, we design a series of value propositions which include: various fun cooking activities (cooking class/workshop, contest, team-building, free casual cooking), modern and instagrammable kitchen facility, healthy Indonesian food, and memorable experience. From this value propositions, we further branched out the details into a Business Model Canvas (BMC) where determined several important factors to be included in our business. Our customers would include the Gen Zs and the Millennials, including customers from corporations, food communities and schools to join or organize events in our facility. Key partner includes our raw food material suppliers, some sponsors (food brands) and our investors. The cost structure of this business idea include infrastructure investment cost, operational cost, procurement of raw materials, as well as cost of marketing activities.
4. The business plan of this co-cooking studio includes these key success factors to consider:
 1. Location - in an established one-stop culinary center, Flavor Bliss, whose concept of “Eat, Play, Shop!” is aligned with Koeali Ketjil’s business idea

2. Marketing strategy - which includes online and offline marketing promotion, membership and loyalty program, events and partnerships with various organizations.
3. Operation strategy – which aims to deliver and provide excellent customer experience using POS and CRM as the IT enabler .
4. Human capital and organization structure – that implements performance management and learning / development programs to ensure a high quality people management
5. Financial planning which includes 3 billion rupiah as an initial investment, and is expected to reach positive Net Present Value (NPV) of 239 million rupiah at the end of 5-year term, with cash of 2.7 billion rupiah (through pessimistic estimation). BEP is reached within 1.8 years, and payback period is within 5.3 years. Through “share of wallet” analysis, Koeali Ketjil is determined to be competing within market of leisure / entertainment as big as 353 billion rupiah annually.

We believe that the business model proposal of Koeali Ketjil can creatively contribute to make a positive change by offering value propositions that combine Indonesian food, edutainment and experience values. Upon completing the business plan, we further tested it by analyzing the feasibilities of this business concept. In terms of industry / market, Koeali Ketjil does not have a fixed market yet due to the fact that it offers value propositions that are still quite new in Greater Jakarta environment. Although there are several indirect competitors, Koeali Ketjil’s value proposition has

been focused and fine-tuned to be edutainment focusing in Indonesian food, with a number of key differentiators that will help Koeali Ketjil rise above other competitors.

Innovations of product and service, which include the development and additions of wide variations of Indonesian meals from all across the nation, have been considered for future development. Partnerships are also to be further explored and widened to garner bigger exposure and market share.

By the end of our five-year projection, we believe that Koeali Ketjil will be able to sustain and in fact even be able to expand its business by opening a new branch in Bali. We believe that Koeali Ketjil would be able to sustain and highly contribute in Indonesian creative culinary industry, creating positive values not only for the customers, but also for Indonesian culture and culinary industry.