

## **CHAPTER V**

### **CONCLUSION**

LUP is a new business model for SME promoter in Indonesia. This type of business can boost SME business on two sides, one is helping in the area of sales and the other one is the area of funding. The mission is unique yet very useful to endorse SME business.

#### **5.1. Feasibility of the Business Model**

A feasibility study enables us to give broader perspective of the main business idea. From this step we can further examine if the business idea make sense, to identify any issues or areas for further development. The analysis of the business model can be analyzed into 3-view points industry and market perspective; product and service perspective; and financial perspective.

#### **Industry and Market Perspective**

From this perspective, this business model is facing indirect competition from other big online sellers; they are OLX.com, blibli.com, and zalora.com. They have been sometime in the business and already got name in the business. At this moment they are focusing on different types of products but in the future, when this kind of business has growth, it's possible that they will look it as a way to grow and try to copy the business model.

In order to stay ahead of competition having wide networking with SMEs is the key that cannot be copy or emulated easily.

#### **Product and Service Perspective**

The ideal is to have a mutually beneficial relationship between LUP and SME and Banks. All parties will have an equal benefit with low risk. For SMEs, the partnership will help them to get more orders, increase brand name and value, and also provide them with financial link to financial institution. For banks, the partnership will help in assisting in getting more network with legible SMEs who are bankable and need financing.

This business model is also beneficial to mass market in the way that giving them other option of product produce by SMEs with good quality and reasonable price. In the end will bring good to community.

### **Financial Perspective**

As the main objectives of the feasibility study, we see that the NPV of the project, using 5 years business plan, at conservative scenario, the NPV is positive at 17 million rupiah and break-even is achieved at year 5. While using best scenario the NPV is increased to 89 million rupiah and break-even achieved faster at year 4.

Both the NPV and IRR are giving positive result. NPV is positive and IRR is higher compare to bank interest rate meaning that the project is feasible.

### **5.2. Future Possible Growth and Expansion**

There are some possible areas to be developed in the future.

#### **Technology**

First and foremost is technology. Technology development is fast. Every year many IT vendors and developers introduce new technology to market. For LUP, technology is one way to make it possible to provide and introduce its product to mass market all over Indonesia. That's why in order to lead the business, LUP at any stage must stay abase with new technology. Couple with sales and marketing technique is the way to stay on top

#### **Collaborative actions with more business school**

The need to have knowledge in business management are most important to leverage SMEs businesses.

**Collaborative actions with big supermall and supermarket**

In future, plan to have B2B such as SMEs with Big Supermarket or supermall