

The Planning Of Material Supplier Business Of Sari Endah Nature

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Abstract

External environment of Sari Endah consists of economic, politics, social, competition, consumers and technology. Beside that, there is internal environment with key business success. SWOT analysis indicates strength is bigger than weakness and opportunity of this business is bigger than threat. Alternative of strategy based on it's position is Vertical Integration strategy. Marketing plan based on geographic and behavior segmentation. Bandung city, Bandung region, Cianjur as business market and individual as consumer market in the target market. Positioning, as competitive truck for natural material transportation with product quality and competitive price. Product is offered to consumers directly but there is no promotion except word of mouth strategy. Employees consist of driver and staff, administration, finance and marketing staff. Physical evidence such as office to support process which has standard operation procedure. Operation planning focuses on facility, material, process and technology. Meanwhile human resources planning is started from recruitment and rewarding. Business management system consist of quality management, risk management and innovation management. Capital to buy the truck and for operational cost is from the company it self. Based on Timmon criteria, payback period is 22 months, gross profit margin 41%, nett profit margin 35%, IRR 19% and is bigger than deposito interest 7%. Return on investment 62% and profit after tax 32%. These indicate that the investment by buying two trucks is higher potential and feasible.

Key words: Business plan, Business environment, IRR, Pay back Period, ROI, Gross Profit margin, Nett Profit Margin

Introduction

The development of housing construction, public facilities and various buildings in Bandung City, also followed by increasing of natural materials such as sand, bricks, cement and other building intended for them. This is clearly seen in the emergence of small-scale housing, moderate to elite housing in various places in Bandung. Other wise is construction of various office buildings and a new shopping center or just a renovation. Truck transportation service required to support this industry. In 2007, demand or ritase road trucks, which have increased an average of 60 a week (2007 annual report the company Sari Endah). It was also increased in 2008. Management of Sari Endah can not fulfill demand for materials and services suppliers of transportation even collaborate with other truck owners. The consumers become unsatisfied. Management considers buying two more truck Rp. 440.000.000. As a small company, management needs to calculate the investment because they will use their own fund since finding hard to get loan from bank.

Research Problems

1. How is the business environment of Sari Endah?.
2. How is the business plan of Sari Endah include marketing planning, operations, human resources, and financial?

Research Objectives

1. To study the business environment of Sari Endah.
2. To make a business plan of Sar Endah related to natural materials marketing planning, operations, human resources, and finance.

Research Benefit

Academic

This research is expected to be useful for the development of entrepreneurship knowledge and to provide additional knowledge and insights related to business planning issues, particularly in terms of aspects of entrepreneurship.

Practical

For practical purposes, this research is expected to provide valuable input to the suppliers of natural materials Sari Endah.

Literature Review

Entrepreneurs are people who have the ability to see and assess business opportunities, gathering resources needed to take advantage of it and take appropriate action to ensure success (Meredith. et al., 2002; 5). Thomas W. Zimmerer (1996:51), entrepreneurship is "applying creativity and innovation to solve the problems and to exploit opportunities that people face everyday". Entrepreneurship is the application of creativity and innovation to solve problems and efforts to take advantage of opportunities faced every day.

To create or expand business, companies need to create a Business Plan and according to Max Coulthard (1996:3) "Business plan is a detailed study of the organization's activities, which high-lights where the organization has been, where it is owe and where it might get to in the future, and incorporates an action program to achieve these results ". Business plan or business plan is essentially a study of current activity or organization will be the future and develop activities to obtain the desired results and poured in a planning document

Research Method

Object of this research is the management of natural material supplier in Jl Sari Endah No. 2 Bandung and examined by using descriptive method. Source and method of determining the primary data the data obtained from observations and interviews in companies with marketing management. Secondary data obtained from the data obtained from Sari Endah. Data Collection technique: Primary data: Observation and Interview. Secondary data: Collecting materials or reports from Sari Endah and text books, magazines, journals, and data from the Internet. SWOT Analysis is used to analyze data.

RESEARCH RESULTS AND DISCUSSION

1. Business environment of Sari Endah

Macro external environment

- The economic environment, which currently unstable due to high inflation in Bandung make purchasing power of people in Bandung become low.
- Bandung political conditions since 2008 election began to heat up due to the West Java governor and the mayor of Bandung, This is also related to the election of the president and members of the House of Representatives (DPR) in 2009.
- Environmental technologies are supported by a vehicle that is tough and fit to provide services to consumers.
- Social Environment, Bandung city residents currently require residential and public facilities.

Micro external environment

- Competition is already high because the companies already doing business for years.
- Consumer consists of individual and business customers such as developers and contractors

Company Internal Environment

Sari Endah internal environment is a key company business success is customer satisfaction, ultimately, the long-term business relationships, the correspondence between the promised goods to the post, the best quality goods at the time of capture and a fleet of new trucks

SWOT Analysis

After analyzing the external and internal environments and the key to the success of Sari Endah, then performed the analysis of the strength (Strength) and Weakness (Weakness) derived from the company's internal environment and opportunities (Opportunity) and threat (Threat) from the environment outside the company. Following a SWOT analysis of Sari Endah before buying two new trucks to improve services to consumers.

Table 1.1: Analysis of Strengths and Weaknesses

No	Kekuatan (Strength)	Weight	Rating	Total
1	Business experience	0.1	9	0.9
2	Capital support	0.1	9	0.9
3	Existing customers	0.05	8	0.4
4	Business processes already known details	0.05	7	0.35
5	Vehicles are still young	0.025	7	0.175
6	Employee who is loyal	0.0125	8	0.1
7	Employees who have been skill	0.0125	8	0.1
8	Company's image in the eyes of consumers	0.05	8	0.4
9	Relationships with customers	0.05	8	0.4
10	Good relationships with suppliers	0.025	7	0.175
11	Good relationships with competitors	0.025	7	0.175
Sub Total		0.5	86	4.075
(Weakness)		Weight	Rating	Total
1	One man show	0.125	7	0.875
2	Management is simple (families)	0.125	8	1
3	Limited sales force	0.075	5	0.375
4	No financial power	0.075	5	0.375
5	Operating systems have not ordered	0.025	6	0.15
6	Financial recording not yet standard	0.025	8	0.2
7	Limited number of vehicles	0.025	7	0.175
8	The market can not be achieved all	0.025	7	0.175
Sub Total		0.5	53	3.325
Total		1	139	7.4

Table 1.2: Opportunities and Threats Analysis

No	Peluang (<i>Opportunity</i>)	Weight	Rating	Total
1	People's purchasing power	0.125	9	1.125
2	Government purchasing power	0.125	9	1.125
3	The political situation	0.05	8	0.4
4	The existence of Bandung city development policies	0.05	8	0.4
5	Support from the truck dealer	0.025	8	0.2
6	Support from leasing to buying a truck	0.025	6	0.15
7	Building of public facilities	0.05	8	0.4
8	Support materials owner	0.05	8	0.4
	TOTAL	0.5	64	3.4
N0	(<i>Threat</i>)	Weight	Rating	Total
1	Fuel Increase	0.15	8	1.2
2	Operational cost increases vehicle	0.1	7	0.7
3	Increase materials from suppliers	0.07	7	0.49
4	Charges from various parties	0.06	6	0.36
5	The increase in interest rates	0.025	7	0.175
6	Good consumer demand, low prices	0.025	8	0.2
7	Price competition with other companies	0.025	8	0.2
8	Road conditions are not good	0.025	5	0.125
9	Stuck on the way	0.02	5	0.1
	Sub Total	0.5	69	3.5
	TOTAL	1	133	6.9

Based on the above SWOT analysis, which was made a SWOT matrix can be seen below as the basis for strategy selection:

Figure 1.2: SWOT matrix
Internal Resources

		7,4		
Market Attractiveness	9			
	6,9	Vertical Integration Strategy (Growth)	Horizontal Integration strategy (Growth)	Retrenchment (Turn around)
	6		Horizontal Integration strategy (Stability)	Retrenchment (Captive)
	3	Horizontal Integration strategy (Stability)	Difersification (Conglomerate)	Retrenchment (Liquidation)
	0	6	3	0

Based on a SWOT analysis presented above, it appears that the company internally, there is greater strength than weakness to develop Material Supplier. Likewise with the opportunities that make this industry more attractive to companies. The company's position is Vertical Integration strategy which means that the company could develop a vertical company with one of them is the addition of the fleet. With the support of capital owned by the company, then management can increase the business with the addition of the truck fleet.

3. Business Planning

2.1 Goals and Business Strategy

2.1.1 Business Goals

Business targets to be achieved by the company is to increase the company's revenue from existing customers and also new customers. Revenue from the company's new fleet is expected to increase corporate earnings, increasing the number of customers, consumer demand, customer retention and customer satisfaction in the form of precision delivery and quality of goods in accordance with their request

2.1.2 Business Strategy

The Company has a business strategy to achieve corporate goals is to offer a new fleet, providing a fast service in accordance with the request consumer, sand and bricks with the best quality, competitive price compared to competitors and maintain long-term relationships with customers

Marketing Planning

2.2.1 Objective of Marketing Planning

The purpose of marketing planning is to meet customer demand, get new customers (new customers), retain existing customers, improving customer transactions, providing satisfaction to consumers and create loyal customers to the company.

2.2.2 Marketing Strategy

Marketing strategy is to achieve marketing objectives above, descended into segments (Segmentation), the target market (Targeting) and the position of consumer mind

• Segmentation

Segmentation is the grouping of consumers based on geography of cities in West Java and in the business market and consumer market segments based on behavior. Consumer buying behavior is to find a variety of quality products, low prices, but the payment is a business standard is to counter the bill. They will move easily to competitor if they offer products with lower prices. However, they do not understand the quality of goods.

• Target Market

Target markets to be served is the city of Bandung, Bandung regency, regency of Cianjur contracting company, development (developer) houses, companies that build or make renovations to the office or factory as the business market. In addition, individuals of a household consumer market. The second type is the target market that the market has been and will continue to be developed by the Material Supplier management Sari Endah to achieve company goals.

• Positioning

Transport companies with superior material and product quality but the best service at competitive rates

2.2.3 Marketing Mix

Marketing strategy set above, set forth in the marketing mix (marketing mix) that can be seen below,

1. Products and services offered

Product Variations	:	Sand, Bricks, rental trucks for other parties
Quality	:	The goods are delivered to consumers the best goods in accordance with consumer demand
Brand	:	Sari Endah
Size	:	The company offers trucks in size
Services	:	Delivery time is quickly adjusted to the availability of goods from suppliers
Warranty	:	Goods are sent in accordance with earlier agreements and the agreed timetable..
Returns	:	Warranty items not in accordance with the initial agreement, replaced with new ones with no additional cost

2. Price

List Price	:	Prices of products according to price list
Discount	:	Company does not provide discounts to consumers because the price was below the competition
Payment period	:	One-month payment period upon receipt (bill counter)
Terms of Payment	:	Loans made by the consumer directly to the company if the goods are received in accordance with the Compact

3. Distributions

Distribution channels	:	In cooperation with other transport companies owners
Business scope	:	Bandung City, Kabupaten Bandung, Garut, Cianjur, Bogor

Location	:	Bandung
Transport	:	Using own transport fleet

3. 3. Promotions

Advertising	:	No advertising
Personal Selling	:	Direct to meet with the contractors and consumers to offer
Public Relations	:	Creating a company profile to be distributed to the business relationship

5. Employees

They are the people who are involved in running a company truck driver Sari Endah, assistant, personnel administration, finance and billing, and marketing. Marketing strategy and marketing programs are determined by the ability and expertise of these employees. Achievement goals to help the company, management already has the workforce is equipped with good service, fast, friendly, thorough and accurate will create customer satisfaction and loyalty to the company that ultimately will enhance the company's good name. Employees are also trained to provide good relations with customers

6) Physical facilities (physical evidence). Supported by the office of the company that's still part of the house, however, the company's office has been prepared with a variety of supporting equipment.

7) Process (process), to ensure that the process in accordance with customer expectations, the company has made the Standard Operation Procedures have been implemented by the company since 2006

Consumers ask the marketing staff for delivery of goods
Marketing staff to record and deliver orders to the operation
Preparing operations to contact suppliers to check the availability of goods to be sent. Then make an order to the driver and the road kernet to pick up and deliver goods to consumers. The transaction is immediately recorded
Kernet driver and demanded money to finance road and went straight to the supplier with a letter of the street. After the truck is filled, paid directly to the supplier. Then off to the consumer
The driver meet customers to bring an introduction letter and request a sign terima barulah derived products. Payment can be made directly to the driver but the company will be billing by the financial
The driver and his assistant to submit a letter of receipt by the consumer. And document the operation of the document. Meanwhile, financial documents or money received, directly submitted to the accounting and finance.

2.2.3 Operation Planning

To achieve the objectives of the company, management will run the operation effectively and efficiently. Effectively means that the achievement of predetermined targets, while efficiently utilizing various means management resources sparingly.

Operations Planning Objectives

In determining the goals that must exist in a production, then we need to review the business mission, and what makes this business a success. The point in this production planning must be able to explain how a product or service will be provided, as well as what resources are needed so that the production process can be run effectively and efficiently. Some things that can be used as a reference in determining a production plan including employee productivity, determine priorities of expenditure and replacement cost, machine tools, and others.

Operations Strategy

Sari Endah operating strategy is focused on several things like that presented by Max Coulthard (1996:97) that there are several factors that must be taken into consideration in the strategy:

1. Facilities

Supporting facilities are the office that serves as the company's central administration. In this case, the office become a place to receive information from customers and then distributed to employees. Supporting facilities must have a telephone, fax machine, Stationery Office, desk, computer and printer. Another facility is a garage for trucks used to store the truck after delivering the goods or before departure. This garage also serves as a place to repair small parts of the truck and save the equipment truck.

2. Material

Material is a product delivered to customers such as sand and bricks. Availability of materials becomes very important because it is offered to consumers.

3. Process

The process is very standardized operations with the procedures that have been created and disseminated to the employees at the office and field.

4. Technology

Technology is a means of supporting this very important moment. Some of the technologies associated with this business is the truck that has the latest technology to support the freight transportation process from supplier to consumer.

Financial Planning

Financial planning aspect will be explained about the picture of economic conditions and corporate profits as a reference and consideration in the realization of investment plans Sari Endah to purchase two additional trucks in the operation of this business.

Financial Planning Objectives

Financial plan will help the company to calculate the costs required for the development and business operations, taking into account the expected benefits and other financial planning activities.

Funding Strategy

To make an investment purchase of two trucks, the company will use the funding sources of corporate funds used to purchase a second truck.

Summary of Initial Costs

Initial cost required for buying two trucks and their operational costs for the first month and one-time transportation of these goods can be seen in the following table:

Table 1.3: Cost Initial Investment

No	FACTS	TOTAL		
1	Buying Trucks	220,000,000	2	440,000,000
2	Raw materials	240,000	1	240,000
3	Raw materials	240,000	1	240,000
4	Diesel trucks 1	75,000	1	75,000
5	Diesel trucks 2	75,000	1	75,000
6	Subsidized food assistant of driver 1	20,000	1	20,000
7	Subsidized food assistant of driver 2	20,000	1	20,000
8	Toll Trucks 1	5,000	1	5,000
9	Toll Trucks 2	5,000	1	5,000
10	Field Coordination costs Trucks 1	20,000	1	20,000
11	Field Coordination costs Trucks 2	20,000	1	20,000
12	Truck driver salaries 1	25,000	1	25,000
13	Truck driver salaries 2	25,000	1	25,000
14	Salary driver assistant Trucks 1	20,000	1	20,000
15	Salary driver assistant Trucks 2	20,000	1	20,000
16	Service costs	300,000	1	300,000
17	Spare parts replacement costs	2,000,000	1	2,000,000
18	Salaries financial staff	400,000	1	400,000
19	Administrative staff salaries	400,000	1	400,000
20	Marketing staff salaries	400,000	1	400,000
21	Stationary Office	20,000	1	20,000
22	Electricity	20,000	1	20,000
23	Phone	20,000	1	20,000
24	Water	20,000	1	20,000
25	Other	200,000	1	200,000
TOTAL INITIAL COST				444,590,000

The need for initial funds for the investment of two trucks was Rp. 444,590,000 are used to purchase two trucks, sand raw material and operating costs such as salaries and driver assistant, employee salaries, electricity, water, telephone and others in the first month of operation of the truck.

Revenue Prediction

Companies earn revenue from the delivery of sand, bricks and other transportation companies and transportation of various types of rental demand from the community such as moving homes, offices and others.

Table 1.4. Revenue Prediction

Year	Optimis	Pessimistic	Moderate
Year I	861,120,000	794,880,000	728,640,000
Year II	947,232,000	874,368,000	801,504,000
Year III	1,041,955,200	961,804,800	881,654,400
TOTAL	2,850,307,200	2,631,052,800	2,411,798,400

Some of the assumptions used are:

1. Optimist

- a. Truck road for 26 days every month
- b. An increase in the second year by 10%,

2. Moderate

- a. Truck road for 24 days every month
- b. An increase in the second year by 10%,

3. Pessimistic

- a. Truck road for 22 days every month
- b. An increase in the second year by 10%

Profit and Loss Projection

Table 1.5: Profit and Loss Projection

YEAR	DESCRIPTION	OPTIMIS	MODERAT	PESIMISTIC
TAHUN I	TOTAL REVENUES	861,120,000	794,880,000	728,640,000
	TOTAL DIRECT EXPENSES	505,440,000	466,560,000	427,680,000
	TOTAL INDIRECT COSTS	51,360,000	51,360,000	51,360,000
	TOTAL EARNING BEFORE TAX	304,320,000	276,960,000	249,600,000
	Taxes 10%	30,432,000	27,696,000	24,960,000
	TOTAL EARNING AFTER TAX	273,888,000	249,264,000	224,640,000
YEAR	DESCRIPTION	OPTIMIS	MODERAT	PESIMISTIC
TAHUN II	TOTAL REVENUES	947,232,000	874,368,000	801,504,000
	TOTAL DIRECT EXPENSES	555,984,000	513,216,000	470,448,000
	TOTAL INDIRECT COSTS	56,496,000	56,496,000	56,496,000
	TOTAL EARNING BEFORE TAX	334,752,000	304,656,000	274,560,000
	Taxes 10%	33,475,200	30,465,600	27,456,000
	TOTAL EARNING AFTER TAX	301,276,800	274,190,400	247,104,000
YEAR	DESCRIPTION	OPTIMIS	MODERAT	PESIMISTIC
TAHUN III	TOTAL REVENUES	1,041,955,200	961,804,800	881,654,400
	TOTAL DIRECT EXPENSES	611,582,400	564,537,600	517,492,800
	TOTAL INDIRECT COSTS	62,145,600	62,145,600	62,145,600
	TOTAL EARNING BEFORE TAX	368,227,200	335,121,600	302,016,000

	Taxes 10%	36,822,720	33,512,160	30,201,600
	TOTAL EARNING AFTER TAX	331,404,480	301,609,440	271,814,400

Profit after tax loss was the first year is the optimistic condition is Rp. 273,888,000, on the condition of moderate Rp. 249,264,000 and Rp pessimistic conditions. 224,640,000. For more details, profit and loss can be seen in the table attached.

Projected Pay Back Period

Investment analysis using the method of pay-back period used to determine how much capital is invested in a business can be returned.

Table 1.6: Projected Pay Back Period

Description	Optimis	Moderat	Pesimistic
Initial Cost	444,590,000	444,590,000	444,590,000
Profit / month	21,024,000	18,972,000	16,920,000
Month	21.15	23.43	26.38
	22	24	27

Based on the above calculation results, the conclusions that can be obtained to cover the initial investment, Sari Endah optimistic conditions took 33 months, whereas in moderate conditions during the period of 37 months and 43 months pessimistic for

Projected Break Even

Estimated costs for one-month stay is

Table 1.7: Fixed Costs For One Month

No	DESCRIPTION	PERHARI		Biaya Tetap
1	Service costs	300,000	2	600,000
2	Cost of replacing spare parts	2,000,000	2	4,000,000
3	Salary of financial staff	400,000	1	400,000
4	Administrative staff salaries	400,000	1	400,000
5	Marketing Staff Salaries	400,000	1	400,000
6	Stationery	20,000	1	20,000
7	Electricity	20,000	1	20,000
8	Phone	20,000	1	20,000
9	Water	20,000	1	20,000
10	Other	200,000	2	400,000
TOTAL				Rp. 6,280,000

Based on the above table, fixed cost is Rp. 6,280,000 consisting of two trucks service costs that will be purchased, spare part replacement costs, salary finance, administration and marketing, Stationary Office, electricity, telephone and water etc., which must be issued regularly by the company every month, and is not influenced by the production company. The variable costs incurred by

Table 1.8: Cost of variables for One Month

No	DESCRIPTION	PERDAY	Variable Cost	
1	Raw materials	240,000	52	12,480,000
2	Raw materials	240,000	52	12,480,000
3	Diesel Trucks 1	75,000	52	3,900,000
4	Diesel truck 1 2	75,000	52	3,900,000
5	Subsidized food for driver assistant Truck1	20,000	52	1,040,000
6	Subsidized food for driver assistant Truck2	20,000	52	1,040,000
7	Toll Trucks 1	5,000	52	260,000
8	Toll Trucks 2	5,000	52	260,000
9	Field Coordination costs Trucks 1	20,000	52	1,040,000
10	Field Coordination costs Trucks2	20,000	52	1,040,000
11	Truck driver salaries 1	25,000	52	1,300,000
12	Truck driver salaries 2	25,000	52	1,300,000
13	Driver assistant of truck 1 salary	20,000	52	1,040,000
14	Driver assistant of truck 2 salary	20,000	52	1,040,000
TOTAL				42,120,000

Variable costs companies each month with the assumption of two ritase road trucks a day is Rp. 42,120,000 consisting of raw materials, diesel fuel, food allowance and driver assistant, tolls, fees and field coordination and driver assistant salaries are paid directly after the completion of sand delivered to the consumer..

Fixed cost per unit = $\frac{\text{Fixed Cost}}{\text{Number of units}}$

Fixed Cost per unit

Table 9.1 Fixed cost per unit

Optimistic	Moderat	Pesimistic
<u>6,280,000</u>	<u>6,280,000</u>	<u>6,280,000</u>
104	96	88
=	=	=
60,384.62	65,416.67	71,363.64

Variable cost per unit = $\frac{\text{variable cost}}{\text{Number of unit}}$

Table 1.10 Variable cost per unit

Optimis	Moderat	Pesimitic
$\frac{42,120,000}{104}$	$\frac{38,880,000}{96}$	$\frac{35,640,000}{88}$
=	=	=
405,000.00	405,000.00	405,000.00

Variable costs incurred by the company is Rp. 405,000.00,

Selling Price Break Even Point is:

$$= \frac{\text{Profit} + (\text{Variable Cost per unit} \times \text{Number of Items}) + \text{Fixed Costs}}{\text{Number of Products}}$$

Table 1.11: Table Sale Price Break Event

Optimis	Moderat	Pesimistic
$\frac{0 + \text{Rp } 42,120,000 + \text{Rp } 6,280,000}{104}$	$\frac{0 + 38,880,000 + \text{Rp } 6,280,000}{96}$	$\frac{0 + 35,640,000 + \text{Rp } 6,280,000}{88}$
$\frac{48,400,000}{104}$	$\frac{45,160,000}{96}$	$\frac{41,920,000}{88}$
=	=	=
465,384.62	470,416.67	476,363.64

Selling price break even point on the optimistic condition is Rp. Moderate conditions 465,384.62 Rp. 470,416.67 and 476,363.64 pessimistic

4.3.4.8 Investment Evaluation projection

Gross Profit Margin Projection

Gross Profit Margin Projection = $\frac{\text{Gross profit}}{\text{Sales}}$

Optimistic	$\frac{355,680,000}{861,120,000}$	= 0.41 = 41%
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It means every sales Rp 1 will create gross profit 41%

Nett Profit Margin Projection

Nett Profit Margin Projection = $\frac{\text{Nett Profit before tax}}{\text{Sales}}$

Optimistic	$\frac{304,320,000}{861,120,000}$	= 0.35 = 35%
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This means every sale of Rp will create nett profit 35% profit after tax

Tabel 1.12: Nett Present Value dan IRR

NPV dan IRR	Biaya
Initial cost	-444,590,000
Net cash flow	273,888,000
2	301,276,800
3	331,404,480
NPV	-1.77611213
IRR	44%

Tabel 1.13: Investment evaluation

No	Criteria	Year/percent	Compare with Timons Criteria
1	Payback Periods	23 months	Lower potential
2	Gross Profit Margin	41%	Higher potential
3	Net Profit Margin before tax	35%	Higher potential
4.	Net Profit Margin after tax	32%	Higher Potential
5.	IRR	19%	Higher Potential
6.	Return on Investment	62%	Higher Potential

Timmon criteria, the payback period is 22 months, gross profit margin of 41%, net profit margin of 35%, the IRR of this investment is 19% larger than the 7% deposit and return on investment 62% and profit after tax 32%. This illustrates that this investment include higher potential and feasible to run.

Human Resource Planning

HR Planning Objectives

This section will explain the purpose of human resource planning Sari Endah, as follows: provide work assignments, responsibilities and authorities, knowing the extent to which needs the necessary resources, provide clarity on career path and payroll system for each employee and set up the environment solid work and become part of the family Sari Endah.

Human Resources Planning Strategy

Employee Recruitment System

An employee recruitment system is based on the required level of need. Recruitment process is conducted in accordance with the employee selected the entry application and letters to choose in accordance with the skills needed for company

Payroll System

Remuneration and incentives to employees is a system of compensation for his services Sari Endah. Forms are basic salary, allowances and bonuses.

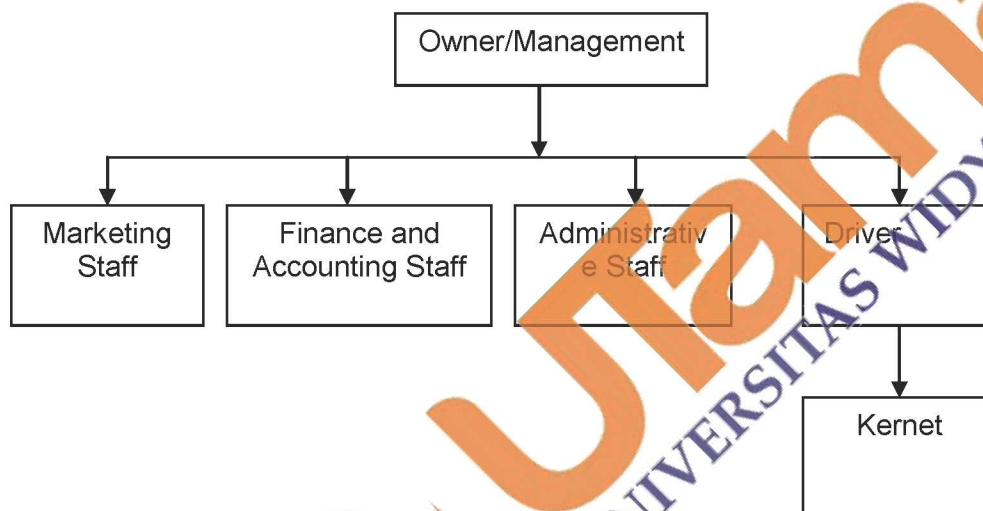
Division of Labor

Division of labor is based on the positions and functions. Division of work done to enable every employee to perform duties, responsibilities and authority are clear and well coordinated. Description of each employee's job sharing Sari Endah is as follows salespeople, accounting and finance personnel, personnel administration, drivers and driver assistant.

4.7.3 Organizational Structure

Organizational structure owned by Sari Endah already described above and for this investment, does not require a new organizational structure. With the existing structure, are able to run and develop the company

Figure : Organization Structure



4.9 Business Management System

Business management system will be explained on Quality Management, Risk Management and Innovation Management.

4.9.1 Quality Management

Management qualifications possessed Sari Endah is qualifying each section includes existing functions, where each part has a performance standard of each dengan goals and objectives have been set. Sari Endah customer satisfaction excellence among the most important, long-term business relationships, the correspondence between the promised goods to the post, the best quality goods at the time of capture and a fleet of new trucks

Strategies for achieving Quality Objective:

- Creating the satisfaction of consumer needs
- Develop an internal process for management to achieve purposes.

The two things can be done with some of them are:

1. Customer Orientation

- a. Faster service to consumers

- b. Maintaining good relations with customers
- c. Provide understanding continuously to the employee to provide the best service to consumers.

2. Internal processes

Business processes provided by Sari Endah to consumer demand, recording, giving the task to the driver and driver assistant controlled directly by the management so that the process is not appropriate or have problems, can be directly taken anticipatory action.

3. Auditing system

The system established by Sari Endah management needs to have a good control system, to avoid any possibility of fraud from both inside and outside, then do the following steps:

- a. Creating a clear operating system and can be implemented by all employees
- b. Every week to evaluate issues related to work system

4. Auditing staff

Sari Endah management team supported by a small but still needed cooperation in accordance with the work that has been given to each staff. To maintain the quality of work, Sari Endah management emphasize several qualifications that are considered ideal employees, which provide an understanding of them is the vision and mission Sari Endah to employees, provide insight into corporate values, provide periodic training on the functions, duties and powers of each employees, placing honesty and friendliness as the main capital, has a spirit and high motivation to work together to build a better company again and accept criticism and suggestions for improvement.

5. Auditing Supplier / Provider

Sari Endah management audit of the supplier or provider of sand that became the raw material provider to the consumer. Management regularly monitors the availability of raw materials and quality. Likewise, the communication with the purpose to clarify the sand supplier specifications required by customers.

Risk Management

Management companies also face risks in this business is

Table 1:14: Risk Management

No	Risk	Solution
1.	Late payment of installments that forfeiture	Income set aside each month for the initial installment of vehicles
2.	Decreasing consumer demand	Cooperate with other transport companies Maintaining good relations with customers
3.	Staff motivation is low	Management of family approach to employees
	Negotiation skills with customers that have not been well honed	Management provides direct training to the team in order to improve their negotiation skills.
4	Too late to charge to the consumer so that the time will be paid next month	Using the financial strength and computerized systems to help make planning your billing to the consumer

5	Increasing fuel	Management calculating fixed costs and fixed costs with sedetail not possible in the hope that the decision is a decision to raise prices that are not random because it would harm consumers
6	The increase in vehicle spare parts	In cooperation with the drivers to be more careful and use the vehicle properly to reduce the risk of wear or damage to the vehicle spare parts
7	Tariff wars with competitors	Maintaining good relations with customers constantly and openly with consumers about the costs of management so that consumers understand the changes in the price offered by competitors

Innovation Management

To develop this Sari Endah business, management innovation management is also implementing a service at a price below the market price, providing quality goods, open and honest with customers, providing new goods change with no additional fees for items not in accordance with the agreement, apply the Customer Relationship Management in maintaining long-term relationships with customers, in cooperation with other truck owners to exchange various business when the vehicle on the condition there is no timetable for the road. It aims to fill the idle capacity of the truck so as to keep the road and vice versa, in cooperation with other truck owners with the services they ask for help when loading a truck full of so consumers are not disappointed at the request of Sari Endah services.

Conclusion

1. External environment of business of Sari Endah is the economic environment, which currently unstable due to high inflation in the city of Bandung. This makes people purchasing power in general is low. Bandung political conditions since the start of the 2008 election began to heat up due to the West Java governor and the mayor of Bandung, This is also related to the election of the president and members of the House of Representatives (DPR) in 2009. Technological environment that is supported by a powerful vehicle and fit to provide services to consumers. Social Environment, Bandung city residents currently require residential and public facilities. Micro external environment consists of competition was high because the companies already doing business for years. Consumer consists of individual and business customers such as developers and contractors.
2. Sari Endah internal environment is a key company business success is customer satisfaction, ultimately, the long-term business relationships, the correspondence between the promised goods to the post, the best quality goods at the time of capture and a fleet of new trucks.
3. Based on SWOT analysis of external environmental conditions and internal company internally, there is a greater power than the company's weaknesses. Likewise with the opportunities that make this industry more attractive. The company's position is Vertical Integration strategy which means that the company could develop a vertical company with one of them is the addition of the fleet. With the support of capital owned by the owner
4. **Business planning Sari Endah**
 - a. Business strategy is to offer a new fleet, providing a fast service in accordance with consumer demand, sand with the best quality, competitive price compared to competitors and maintain long-term relationships with customers.

- b. Marketing plan consists of segmentation based on geography and the behavior of cities in West Java and in the business market and consumer markets. Target markets to be served is the city of Bandung, Bandung regency, regency of Cianjur contracting company, development (developer) houses, companies that build or make renovations to the office or factory as the business market. In addition, individuals of a household consumer market. Positioning, as a transportation company with superior material and product quality but the best service with competitive price marketing mix consists of products offered and trucking sand to the other party. Competitive rates. The distribution point is a direct and cooperate with other transport company owner. The Company does not make promotion through advertising because consumers already have fixed. Apply the concept of living word of mouth alone. Employees consisting of a truck driver, driver assistant, personnel administration, finance and billing, and marketing. Physical facilities / facilities supported by that office was combined with home and have been prepared with a variety of supporting equipment. Process (process), to ensure that the process in accordance with customer expectations, the company has made Standard Operation Procedure.
- c. Operations Planning, focused on a few things that facilities, materials, processes, technology
- d. Financial Planning Strategy consists of capital from corporate funds. Initial costs required Rp. 444,590,000 to buy two trucks, the raw material of sand and operational costs such as salaries and kernel driver, employee salaries, electricity, water, telephone and others in the first month of operation of the truck. Projected first year revenue company in the optimistic condition is Rp. 861,120,000, moderate Rp. Rp 794,880,000 and pessimistic. 728,640,000. Projected Profit and Loss after tax in the first year is optimistic conditions Rp. 273,888,000, moderate Rp. Rp 249,264,000 and pessimistic. 224,640,000. Projected pay back period is to cover the initial investment, Endah Sari Supplier optimistic conditions took 22 months, moderate for 24 months and pessimistic during the 27 months. Timmon criteria, can be seen that the payback period for investment is two trucks for 22 months and including the Lower potential for less than three years. As for the criteria for gross profit margin of 41%, including higher potential for above 40%. Likewise, the net profit margin is also higher potential for 35. IRR of this investment is 19% which far compared to the current value of the deposit 7% a year. Return on investment is for 62% which means that the higher the investment potential and profit after tax 32%. This indicates that the investment is eligible to run
- e. Human Resource Planning starting from recruitment processes in accordance with a signed letter of application and then selected in accordance with the necessary skills and incentives Payroll company consists of basic salary allowances and bonuses and awarded on the basis of positions and functions.
- f. Business management system consists of Quality Management, Risk Management and Innovation Management.

Suggestions

1. This business includes the business services that are related to humans that provide services to consumers. Therefore, the standard operating is stated by management is expected to be executed by the employee in accordance with the positions and functions. Standard operation is made as clear as possible so that everyone involved in this business process can be understood easily and are able to run well in accordance with the company management's expectations.
2. Training employees is very important because the education level of labor involved is not high enough to be senior high school. This requires a good understanding of the systems and operations and services to consumers. Training managerial and corporate values become very important for the consistency of management run the company and serve consumers.
3. Emphasis on the need to maintain the business who owned the market because of competition between firms is high. Each company offers the best services for consumers so that consumers can

affect existing or potential customers to switch to competitors. Visits to the consumer routinely in order to hear their opinions about the services that were provided, gathering with the consumer in order to appreciate and thank you to customers and gather feedback from consumers of the future company. This will be able to retain existing customers and will even increase the consumer who does the reference to other potential customers.

4. In business materials suppliers at this time, required cooperation with competitors, rather than away from the competition. This cooperation aims to fill the idle capacity of the vehicle caused by the lack of demand for services to the company. In this case, the company could still earn income from such cooperation. Vice versa, the company may also request assistance to partners who have a vehicle that was not the way to serve consumers that can not be served by the company for its full schedule of road vehicles.
5. For other researchers, natural material industry is more worthy to be studied as one kind of business to invest. However, there is one aspect that is often overlooked by entrepreneurs supplier material is customer satisfaction which is part of marketing but not examined in this study. Therefore, further research is expected to do research on aspects of customer satisfaction.

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