

CHAPTER 3

RESEARCH METHODOLOGY

The brief overview of the methodology can be seen through Figure 3.1. and Figure 3.2. about research methodology flow chart. Further explanation of the flow chart can be seen in the following sub chapters in chapter 3.

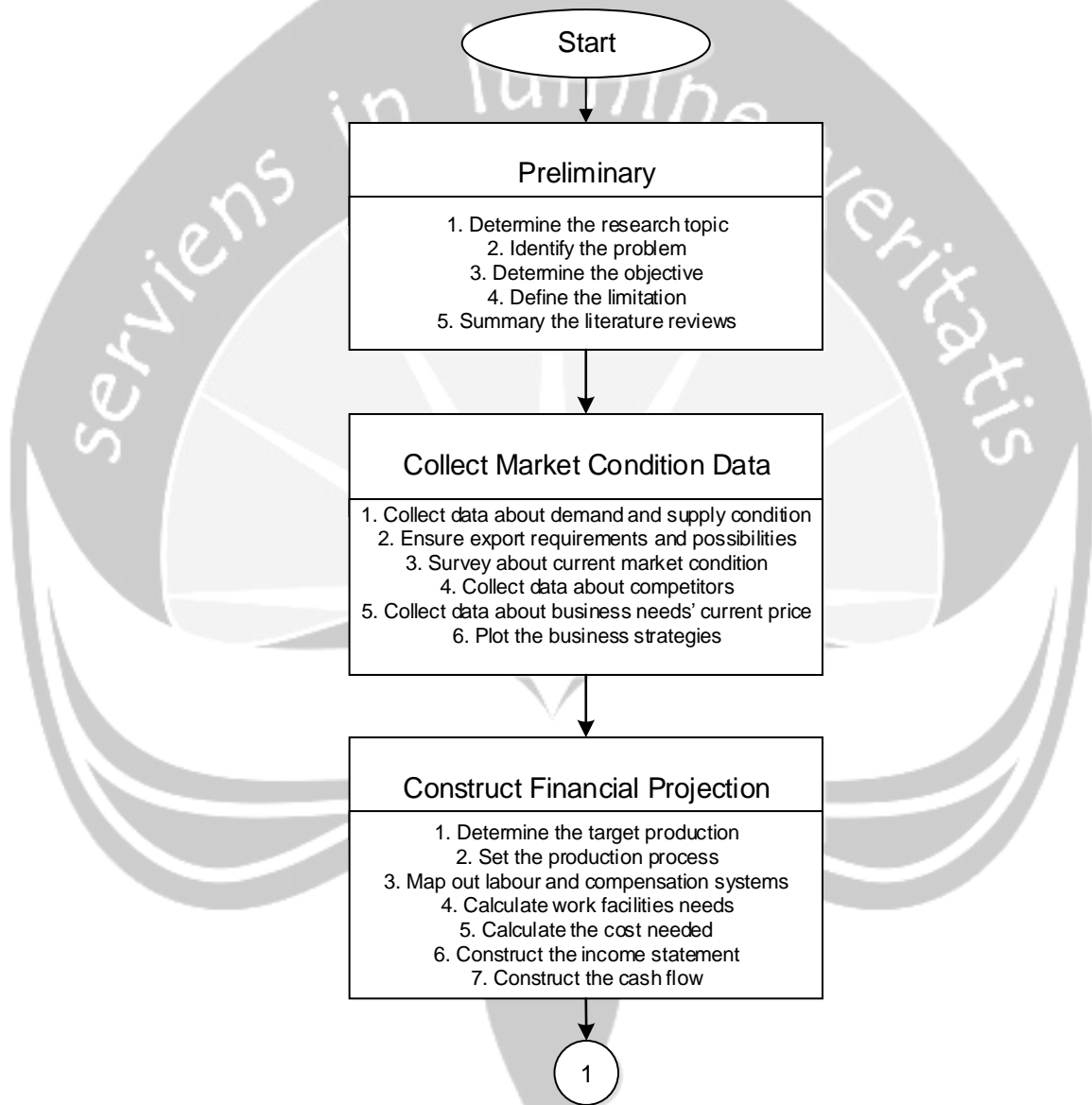


Figure 3.1. Research Methodology Flow Chart

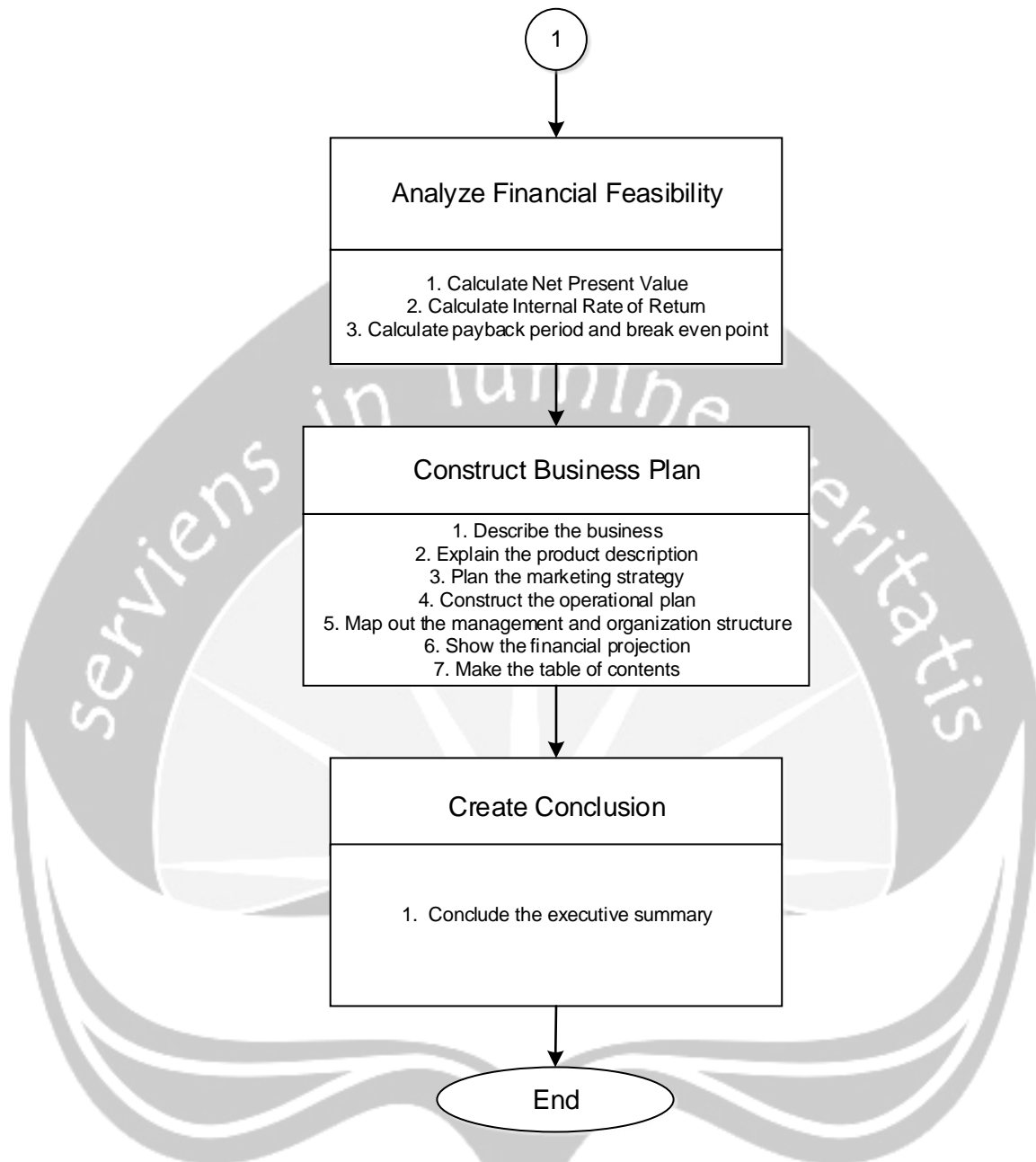


Figure 3.1. Continuation

3.1. Preliminary

The first thing to do in doing this research is determining the research topic by looking forward for problem's background. It is necessary to be explained in the background why this research is conducted. The background should cover explanation regarding why exporting, why salted duck eggs, why Singapore as the target market, and why business plan. Knowing the background leads into identifying the problem and knowing the problem leads into determining the objective of this research. The limitation needs to be defined so this research

does not biased and stay focused on the topic. Summarize some literature reviews will be good to compare this research with the previous research existing and get more knowledge related to this research.

3.2. Collect Market Condition Data

Data regarding supplies that Indonesia is able to provide and Singapore's market demand or market absorption is collected in order to be able to see the gap between supply and demand. It is used to prove that the business opportunity does exist, and then it is important to set the target production and sales. After the gap is proven, export possibilities and requirements need to be ensured by asking Agri-Food and Veterinary Authority of Singapore (AVA). The next step is doing survey about current market condition by checking how Singaporeans sell salted egg, for what occasion, the price, and where. The competitor's data also needs to be collected in order to plot the business strategy later. Collecting data is done by checking Singapore's official website for statistical data which is www.singstat.gov.sg, AVA's website, contacting Indonesian Embassy in Singapore, and another websites in the internet. Interviewing salted egg businessman and Indonesia government is important especially when it comes to supply condition and export regulation. The price list of materials and work facilities may be needed in running the business is made by searching suppliers in the internet, asking the shops, workshops, and suppliers. The competitive advantage is analysed using value chain. The marketing strategy is concluded by analysing on SWOT analysis and marketing 4P.

3.3. Construct Financial Projection

Target production can be determined because the data about demand in Singapore is known. Target production determination also considers the supply, shipping, and machine capacity. The production process is made by making the flow of the production process. Labors needed are known after knowing the production process. The compensation system follows the government regulations. The organization structure can be constructed. The work facilities are known also after knowing the production process. The work facilities include the plant area, plant location, and plant layout. Material cost, work facilities cost, shipping cost, and other related costs are calculated using the price list in the

previous data. After all components of the cost are known, the income statement and cash flow are constructed.

3.4. Analyze Financial Feasibility

The financial feasibility is predicted by calculating the projection data from income statement and cash flow. The financial feasibility tools used are Net present Value (NPV), Internal Rate of Return (IRR), and payback period. Breakeven point is calculated to know how many the eggs must be sold until the capital is returned.

3.5. Construct Business Plan

Making business plan based on the theory is taken from several books and comparison of existing business plans. By combining the business plan about export and business plan other startup business can lead to new business plan about exporting salted duck eggs to Singapore.

Making business description will be very important so investor will know the business model. Product description is explained for describing the product that will be sold. Marketing plan is made by analyzing the market, competitor, and business strategies. Operational plan is made by summarizing previous explanation about production process and work facilities. Management and organization is also made by previous data. The financial projection has been made is shown with the feasibility analysis. After all of these are complete, then the table of contents can be constructed.

3.6. Create Conclusion

The executive summary is very important because it attracts the investor to look forward for the business plan. The executive summary concludes the business plan and also becomes the answer of the problem in this research.