

## CHAPTER 2

### Literature Review

Increased business competitions emphasize the need to understand the market needs. A research should be done to analyze the potential of the business. Feasibility study is a research about the feasibility of a business, usually an investment. The meaning of feasible in this term is an estimating of the profit that will be generate after running the business. It is important to know that the company will not have a loss; it can be done by using Break Even Point (BEP). BEP is a condition where company does not have profit or loss. Based on the feasibility study we can generate a business plan which is a set business goal, the reasons why they are believed attainable, and the plan for reaching those goals.

Buntoro (2006) has done a research, titled Analisis Warung Internet, about the feasibility of Warung Internet Business. This business has a lot of competitors and most investor are indecisive about the feasibility this business as a short time investment, because the computer lifetime is limited by rapidly growing of technology development. The research objective is to know the feasibility of this business, Profitable or not, based on calculation of BEP method.

This research studies about proper souvenir manufacturing conducted in Jogja Artistic Symbolic Souvenir (JASS), a planned business unit in Atma Jaya University of Yogyakarta (UAJY). As new comer in souvenir business, JASS has to be different than other

souvenir industries. Spin casting technology will be used as a starting point. It will support the need of mass production method in souvenir manufacturing.

By calculating BEP, JASS Company will know about the feasibility of the souvenir business. Based on the result of BEP analysis, JASS can generate a business plan to set the business goals and plan how to reach those goals.

Table 2.1 Comparison of Previous and Present Research

Description	Researcher	
	Buntoro (2006)	William (2009)
Object of research	Warung Internet	Jogja Artistic Symbolic Souvenir
Research objectives	Feasibility Analysis for warung internet	Obtain a business plan of souvenir manufacturing in UAJY
Research Outputs	Feasibility analysis	Business Plan