

Chapter V

Conclusion and Recommendation

5.1. Conclusion

Based on the analysis and facts, which really happened in the field, now the researcher able to make conclusions. The researcher concludes that:

- Based on fact that the property development in Indonesia, especially in Jakarta is very massive, Marga Agung need to do the expansion to furniture industry.
- Based on fact that Marga Agung has several competitive advantages, and has the ability to compete with their competitors, which are already exist in the market, so there is no reason for Marga Agung not to enter this market.
- Since Marga Agung has a good reputation, good relationship with many architects and contractors, good material supply, good machineries and skilled worker, so Marga Agung has a good and supporting environment to starts their expansion to furniture industry.
- Based on calculation that the NPV is Rp 14,731,287,639. So this expansion is feasible because the value is positive.
- Based on calculation, the payback period are 2 years 8 months and 21 days, with all the investment, which is Rp 19,681,750,000. So this expansion is feasible.

5.2. Recommendation

We can see in the conclusion that Marga Agung has big opportunity to develop and expand its business through product development. For that reason, the researcher recommends several things below:

- Always try to find possibilities to explore international market. Marga Agung can do marketing through internet or looking for a partners who have showroom in their country where Marga Agung can display its products.
- When a series of new products are ready maybe it is good to join or held an exhibition, whether it is local or international exhibition, it is very good to promote Marga Agung product.

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SALARY

No	Position	Quantity	Salary (Rp)/Month	Total Salary (Rp)/Month	2009	2010	2011	2012	2013
1	Marketing Manager	1	7.500.000	7.500.000	90.000.000	103.500.000	103.500.000	119.025.000	119.025.000
2	Financial Manager	1	6.000.000	6.000.000	72.000.000	82.800.000	82.800.000	95.220.000	95.220.000
3	Operation Manager	1	6.000.000	6.000.000	72.000.000	82.800.000	82.800.000	95.220.000	95.220.000
4	HRM	1	3.000.000	3.000.000	36.000.000	41.400.000	41.400.000	47.610.000	47.610.000
5	Sales Person	5	2.500.000	12.500.000	150.000.000	172.500.000	172.500.000	198.375.000	198.375.000
6	Administrator	2	1.500.000	3.000.000	36.000.000	41.400.000	41.400.000	47.610.000	47.610.000
7	Design	4	1.500.000	6.000.000	72.000.000	82.800.000	82.800.000	95.220.000	95.220.000
8	PPIC	1	1.500.000	1.500.000	18.000.000	20.700.000	20.700.000	23.805.000	23.805.000
9	Production	2	1.500.000	3.000.000	36.000.000	41.400.000	41.400.000	47.610.000	47.610.000
10	QC	2	1.000.000	2.000.000	24.000.000	27.600.000	27.600.000	31.740.000	31.740.000
11	Labor (Rough Mill)	23	750.000	17.250.000	207.000.000	238.050.000	238.050.000	273.757.500	273.757.500
12	Labor (Smooth Mill)	32	1.000.000	32.000.000	384.000.000	441.600.000	441.600.000	507.840.000	507.840.000
13	Labor (Finishing)	18	1.000.000	18.000.000	216.000.000	248.400.000	248.400.000	285.660.000	285.660.000
14	Labor (PPIC)	10	750.000	7.500.000	90.000.000	103.500.000	103.500.000	119.025.000	119.025.000
15	Labor (Installation)	20	750.000	15.000.000	180.000.000	207.000.000	207.000.000	238.050.000	238.050.000
16	Security	4	850.000	3.400.000	40.800.000	46.920.000	46.920.000	53.958.000	53.958.000
		127			1.723.800.000	1.982.370.000	1.982.370.000	2.279.725.500	2.279.725.500

MATERIAL

No	Year	Quantity	Description	Price/m3	Price
1	2009	480,54	Finger-joint board	5.500.000	2.642.970.000
2	2010	552,62	Finger-joint board	5.775.000	3.191.380.500
3	2011	635,52	Finger-joint board	6.063.750	3.853.634.400
4	2012	730,84	Finger-joint board	6.366.938	4.653.212.603
5	2013	840,48	Finger-joint board	6.685.284	5.618.847.812

SECONDARY MATERIALS

No	Description	Year	Quantity	Price/m3	Price
1	Paint, Vineer, Hardware	2009	432,49	4.500.000	1.946.205.000
2	Paint, Vineer, Hardware	2010	497,36	4.725.000	2.350.026.000
3	Paint, Vineer, Hardware	2011	571,97	4.961.250	2.837.686.163
4	Paint, Vineer, Hardware	2012	657,76	5.209.313	3.426.477.390
5	Paint, Vineer, Hardware	2013	756,43	5.469.778	4.137.504.267

ELECTRICITY

No	Year	Quantity (kVA)	Price/kVA	Price
1	2009	245	79.843	234.738.420
2	2010	245	84.075	247.179.556
3	2011	245	88.531	260.280.073
4	2012	245	93.223	274.074.917
5	2013	245	98.164	288.600.887

TRANSPORTATION

No	Description	Quantity	Year	Price/Delivery	Price
1	Yogya-Jakarta	60	2009	1.800.000	108.000.000
2	Yogya-Jakarta	60	2010	2.145.600	128.736.000
3	Yogya-Jakarta	60	2011	2.557.555	153.453.312
4	Yogya-Jakarta	60	2012	3.048.606	182.916.348
5	Yogya-Jakarta	60	2013	3.633.938	218.036.287

TELEPHONE & INTERNET

No	Description	Year	Price
1	Phone + Internet	2009	15.600.000
2	Phone + Internet	2010	15.600.000
3	Phone + Internet	2011	15.600.000
4	Phone + Internet	2012	15.600.000
5	Phone + Internet	2013	15.600.000

MARKETING INCENTIVE (company policy)

No	Description	Year	Omzet	Incentive
1	1.5 % per RAB deal	2009	14.272.170.000	214.082.550
2	1.5 % per RAB deal	2010	17.233.645.275	258.504.679
3	1.5 % per RAB deal	2011	20.809.626.670	312.144.400
4	1.5 % per RAB deal	2012	25.127.624.203	376.914.363
5	1.5 % per RAB deal	2013	30.341.606.226	455.124.093

GASOLINE (Marketing)

No	Year	Quantity	Price/litre	Price
1	2009	18.720	6.000	112.320.000
2	2010	18.720	7.152	133.885.440
3	2011	18.720	8.525	159.591.444
4	2012	18.720	10.162	190.233.002
5	2013	18.720	12.113	226.757.738

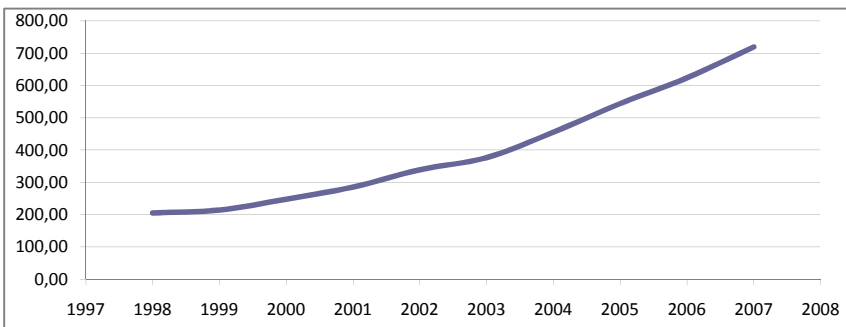
COST SUMMARY

No	Year	Fix Cost	Variable Cost	Total Cost
1	2009	2.194.458.420	4.803.257.550	6.997.715.970
2	2010	2.507.770.996	5.799.911.179	8.307.682.175
3	2011	2.571.294.829	7.003.464.963	9.574.759.792
4	2012	2.942.549.766	8.456.604.356	11.399.154.122
5	2013	3.028.720.412	10.211.476.172	13.240.196.584

APPENDIX III : Sales Data

Historical Data of Marga Agung

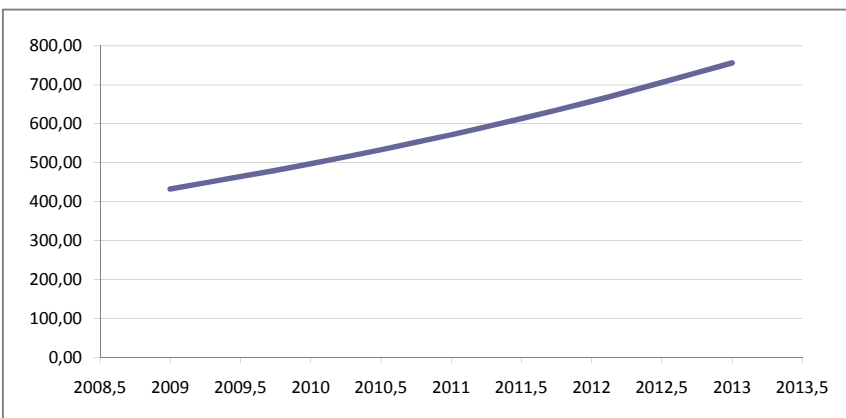
Year	Sales (m3)
1998	204,58
1999	213,79
2000	247,27
2001	284,88
2002	338,55
2003	376,37
2004	455,11
2005	543,90
2006	623,80
2007	719,61



2009	MA 2007 (m3)	Percentage (%)	Quantiy (m3)
Pesimistic	719,61	54,99	395,71
Optimistic	719,61	65,21	469,26
Moderate	719,61	60,10	432,49

of Marga Agung Furniture Indust

Year	Sales (m3)	15% increase
2009	432,49	
2010	497,36	
2011	571,97	
2012	657,76	
2013	756,43	



REVENUE

No	Year	Quantity (m3)	Price/m3	Omzet
1	2009	432,49	33.000.000	14.272.170.000
2	2010	497,36	33.000.000	16.412.880.000
3	2011	571,97	33.000.000	18.875.010.000
4	2012	657,76	33.000.000	21.706.080.000
5	2013	756,43	33.000.000	24.962.190.000

APPENDIX IV : Quotation

Projected Sales of Furniture in Average

Description	Length	Width	Thick	Quantity	Volume	Price	Room Quantity	Total Price
MASTER BEDROOM							1	
Wardrobe (A & B)	2650	800	18	16	0,611			
	4000	800	18	4	0,230			
	4000	100	18	2	0,014			
	4000	2650	18	2	0,382			
	1000	800	18	20	0,288			
	1000	800	18	8	0,115			
	950	800	18	8	0,109			
	800	450	18	8	0,052			
	1000	800	18	16	0,230			
	1000	250	18	40	0,180			
	800	250	18	40	0,144			
	2650	1050	18	8	0,401			
					2,757			
TV Cabinet	2655	400	80	1	0,085			
	950	400	30	2	0,023			
	265	100	30	1	0,001			
	950	100	30	2	0,006			
	2655	950	15	1	0,038			
	950	400	20	2	0,015			
	800	400	20	3	0,019			
	870	820	30	3	0,064			
					0,251			
Book Cabinet	3000	400	18	6	0,130			
	2800	400	18	2	0,040			
	2800	100	18	1	0,005			
	3000	2800	18	1	0,151			
	1280	400	18	12	0,111			
	900	640	18	4	0,041			
					0,478			
Working Table	1500	700	100	1	0,105			
	1500	700	18	1	0,019			
	1500	100	18	2	0,005			
	700	100	18	2	0,003			
	750	60	60	4	0,011			
					0,143			
Make up Table	1500	700	100	1	0,105			
	1500	700	18	1	0,019			
	1500	100	18	2	0,005			
	700	100	18	2	0,003			
	750	60	60	4	0,011			
					0,143			
Side Table	550	450	80	4	0,079			
	550	550	18	2	0,011			
	550	200	18	8	0,016			
					0,106			
Bed	2200	2200	50	1	0,242			
	2200	350	50	4	0,154			
	2200	600	50	1	0,066			
					0,462			
				TOTAL	4,339		4,339	
BEDROOM							4	
Wardrobe (A)	2400	600	18	4	0,104			
	1500	600	18	2	0,032			
	1500	100	18	2	0,005			
	2400	1500	18	1	0,065			
	600	300	18	6	0,019			
	900	600	18	4	0,039			
	1200	600	18	2	0,026			
	600	600	18	2	0,013			
	1200	900	18	1	0,019			
	600	280	18	2	0,006			
	600	600	18	2	0,013			
	600	280	18	4	0,012			
	600	280	18	4	0,012			
	2400	750	18	2	0,065			
					0,431			
Wardrobe (B)	2400	600	18	4	0,104			
	1600	600	18	2	0,035			
	1600	100	18	1	0,003			
	2400	1600	18	1	0,069			
	800	600	18	3	0,026			
	850	600	18	2	0,018			
	800	600	18	3	0,026			
	1050	600	18	2	0,023			
	600	220	18	12	0,029			

	800	220	18	12	0,038			
	2400	800	18	2	0,069			
					0,439			
Bed	2200	2200	50	1	0,242			
	2200	350	50	4	0,154			
	2200	600	50	1	0,066			
					0,462			
TV Cabinet	2655	400	80	1	0,085			
	950	400	30	2	0,023			
	265	100	30	1	0,001			
	950	100	30	2	0,006			
	2655	950	15	1	0,038			
	950	400	20	2	0,015			
	800	400	20	3	0,019			
	870	820	30	3	0,064			
					0,251			
Side Table	550	450	80	4	0,079			
	550	550	18	2	0,011			
	550	200	18	8	0,016			
					0,106			
Study Table	1500	700	100	1	0,105			
	1500	700	18	1	0,019			
	1500	100	18	2	0,005			
	700	100	18	2	0,003			
	750	60	60	4	0,011			
					0,143			
Make up Table	1500	700	100	1	0,105			
	1500	700	18	1	0,019			
	1500	100	18	2	0,005			
	700	100	18	2	0,003			
	750	60	60	4	0,011			
					0,143			
				TOTAL	1,974		7,894	
KITCHEN & PANTRY							1	
Cabinet (A)	2600	800	18	4	0,150			
	900	800	18	4	0,052			
	1800	800	18	4	0,104			
	1800	100	18	4	0,013			
	860	800	18	8	0,099			
	900	800	18	4	0,052			
	600	450	18	4	0,019			
	2600	900	18	2	0,084			
	1800	800	80	2	0,230			
	2600	800	18	4	0,150			
	1250	800	18	4	0,072			
	4100	800	18	5	0,295			
	1000	800	18	6	0,086			
	4100	100	18	3	0,022			
	860	800	18	6	0,074			
	800	600	18	2	0,017			
	600	500	18	6	0,032			
	900	500	18	4	0,032			
	2600	625	18	4	0,117			
	800	220	18	12	0,038			
	600	220	18	12	0,029			
	4100	800	80	1	0,262			
					2,031			
Cabinet (B)	2600	800	18	10	0,374			
	5245	800	18	2	0,151			
	2600	100	18	2	0,009			
	5245	100	18	1	0,009			
	860	540	18	4	0,033			
	1243	540	18	2	0,024			
	1243	860	18	2	0,038			
	1243	100	18	2	0,004			
	800	700	18	4	0,040			
	800	350	18	10	0,050			
	540	220	18	12	0,026			
	1243	220	18	12	0,059			
	2600	625	18	4	0,117			
	1243	540	80	2	0,107			
	860	540	18	6	0,050			
	4600	540	18	1	0,045			
	4600	860	18	1	0,071			
	4600	100	18	1	0,008			
	540	220	18	12	0,026			
	950	220	18	12	0,045			
	860	474	18	6	0,044			
					1,334			
				TOTAL	3,365		3,365	
LIVING ROOM							2	
Coffee Table	2500	1200	150	1	0,450			

TV Cabinet	3000	600	80	1	0,144			
	800	600	80	6	0,230			
	3000	800	20	1	0,048			
	3000	600	20	2	0,072			
					0,494			
Shelves	3000	2700	20	2	0,324			
	3000	550	20	5	0,165			
	2700	550	20	4	0,119			
					0,608			
				TOTAL	1,552		3,104	
BATHROOM							6	
Wash Bak Cabinet	1500	600	50	2	0,090			
	1500	900	20	2	0,054			
	900	600	20	4	0,043			
					0,187		1,123	
				TOTAL	33.000.000	19,826	654.251.763	

Marga Agung sales in average

Description	Length	Width	Thick	Quantity	Volume	Total Volume	Price	Total Price
Main Entrance				1				
Door	300	95	6	2	0,342			
Frame	306	20	6	2	0,073			
Frame	202	20	6	1	0,024			
Architrave	321	15	4	4	0,077			
Architrave	232	15	4	2	0,028			
						0,545		
Bedrooms				5				
Door	230	92	5	1	0,106			
Frame	235	15	5	2	0,035			
Frame	102	15	5	1	0,008			
Architrave	250	15	4	4	0,060			
Architrave	132	15	4	2	0,016			
Parquet	1200	800	1,8	1	1,728			
						9,763		
Bathrooms				6				
Door	230	65	5	1	0,075			
Frame	235	15	5	2	0,035			
Frame	75	15	5	1	0,006			
Architrave	250	15	4	4	0,060			
Architrave	105	15	4	2	0,013			
						1,129		
Living Rooms				3				
Kong Liong	300	30	6	2	0,108			
Kong Liong	200	30	6	1	0,036			
Architrave	320	20	4	4	0,102			
Architrave	240	20	4	2	0,038			
						0,854		
Garage				1				
Door	270	60	5	10	0,810			
Frame	276	20	6	2	0,066			
Frame	612	20	6	1	0,073			
Architrave	291	15	4	4	0,070			
Architrave	642	15	4	2	0,077			
						1,097		
Rooms				15				
Door	230	92	5	1	0,106			
Frame	235	15	5	2	0,035			
Frame	102	15	5	1	0,008			
Architrave	250	15	4	4	0,060			
Architrave	132	15	4	2	0,016			
						3,368		
Windows				20				
Window frame	170	10	5	4	0,034			
Window frame	60	10	5	4	0,012			
Frame	182	15	6	4	0,066			
Frame	264	15	6	2	0,048			
Architrave	212	15	4	2	0,025			
Architrave	102	15	4	2	0,012			
						3,934		
						20,690		

CASH FLOW

	2009	2010	2011	2012	2013
Omzet	14.272.170.000	17.233.645.275	20.809.626.670	25.127.624.203	30.341.606.226
FC	2.194.458.420	2.507.770.996	2.571.294.829	2.942.549.766	3.028.720.412
VC	4.803.257.550	5.799.911.179	7.003.464.963	8.456.604.356	10.211.476.172
Depr	598.663.333	598.663.333	598.663.333	598.663.333	598.663.333
EBIT	6.675.790.697	8.327.299.767	10.636.203.545	13.129.806.749	16.502.746.309
T	1.427.217.000	1.723.364.528	2.080.962.667	2.512.762.420	3.034.160.623
NI	5.248.573.697	6.603.935.239	8.555.240.878	10.617.044.329	13.468.585.686
CF	5.847.237.030	7.202.598.572	9.153.904.211	11.215.707.662	14.067.249.019

PAYBACK PERIOD

Year	Cash Flow	Balance
2009	5.847.237.030	5.847.237.030
2010	7.202.598.572	13.049.835.602
2011	9.153.904.211	22.203.739.813
2012	11.215.707.662	33.419.447.475
2013	14.067.249.019	47.486.696.494

8,693883062
2 years 8 months and 21 days

TOTAL INVESTMENT 19.681.750.000

BEP

n = fix cost/sales price-var cost

Year	BEP (m3)	BEP/month (m3)	Percentage
2009	127,58	10,63	16,31%
2010	135,13	11,26	17,28%
2011	131,33	10,94	16,78%
2012	139,72	11,64	17,86%
2013	136,31	11,36	17,43%

INFLATION RATE

Year	Inflation Rate (%)
2009	7,50

DEPOSIT RATE

Year	Deposit Rate (%)
2009	13,00

LOAN RATE

Year	Loan Rate (%)
2009	18,00






Year	Cash Flow	PV
t = 0	-19.681.750.000	-19.681.750.000
t = 1	5.847.237.030	5.174.546.044
t = 2	7.202.598.572	5.741.867.484
t = 3	9.153.904.211	6.693.255.864
t = 4	11.215.707.662	7.660.479.245
t = 5	14.067.249.019	9.142.889.002
		14.731.287.639

$$NPV = Rt / (1 + i)^t$$




APPENDIX I : List of Investment

No	Investment	Description	Qty	Price/Unit	Price	Salvage Value	Economic Life	Depreciation
1		Double planner Delta	2	25.000.000	50.000.000	5.000.000	15	3.000.000
2		Cross cut Delta	2	14.000.000	28.000.000	2.800.000	15	1.680.000
3		Single rip Saw Stop	2	25.000.000	50.000.000	5.000.000	15	3.000.000
4		Spindle Carba	1	20.000.000	20.000.000	2.000.000	15	1.200.000
5		Chisel Delta	2	2.500.000	5.000.000	500.000	15	300.000
6		Hot Press Joos	1	150.000.000	150.000.000	30.000.000	20	6.000.000
7		Hydraulic Press Carba	1	350.000.000	350.000.000	70.000.000	20	14.000.000
8		Finger-joint cut	2	40.000.000	80.000.000	16.000.000	20	3.200.000
9		Finger-joint press	2	40.000.000	80.000.000	16.000.000	20	3.200.000

10		WBS Technosand	1	400.000.000	400.000.000	80.000.000	20	16.000.000
11		Lathe Jet	1	12.000.000	12.000.000	1.200.000	15	720.000
12		Air nailer B-Cable	8	1.500.000	12.000.000		5	2.400.000
13		Hand planer Makita	2	2.000.000	4.000.000		5	800.000

14		Hand sander Bosch	2	2.300.000	4.600.000		5	920.000
15		Forklift 5 tons 2001 Nissan	1	90.000.000	90.000.000	18.000.000	10	7.200.000
16		Handlift 2 tons Krisbow	2	2.400.000	4.800.000		20	240.000
17		Gen set 171,000 Watt Mercedes Benz	1	120.000.000	120.000.000	24.000.000	20	4.800.000
18		Compressor Grip Rite	4	2.500.000	10.000.000		10	1.000.000

19		Dust collector Powermatic	4	9.000.000	36.000.000	3.600.000	10	3.240.000
20		Spray gun Schutz	3	250.000	750.000		5	150.000
21		Chain saw Stihl	1	5.000.000	5.000.000		15	333.333
22		Saw mill 2003 Tong Yang	1	90.000.000	90.000.000	18.000.000	20	3.600.000

23		Truck Mitsubishi	1	150.000.000	150.000.000	30.000.000	15	8.000.000
24		Hand drill Dewalt	8	400.000	3.200.000		5	640.000
25		Car 2005 Honda Jazz	6	130.000.000	780.000.000	156.000.000	10	62.400.000
26		Press equipment	32	200.000	6.400.000		10	640.000
27		Land	7,000 m ²	500.000	3.500.000.000			
28		Building	3,500 m ²		3.500.000.000		30	116.666.667
29		Show room	1,000 m ²	10.000.000	10.000.000.000		30	333.333.333
30		Legal permit			140.000.000			
				TOTAL	19.681.750.000			598.663.333