



Comprehensive Analysis of Business Catering Samarinda's Business Feasibility to Assess Its Potential and Sustainability

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Abstract

This study aims to analyze the feasibility of a catering business in Samarinda by reviewing four main aspects, namely marketing, operations, legality, and finance. The background of this study is based on the increasing trend of culinary businesses in Indonesia that utilize digital marketing strategies as the main means of expanding their market reach. The research method uses a mixed method approach, namely qualitative and quantitative. The qualitative approach was used to analyze business strategies, operational activities, and the implementation of business legality, while the quantitative approach was applied to assess financial feasibility through the indicators of NPV, IRR, PP, and BEP. The results show that the business is feasible with a positive NPV of IDR 264,833, an IRR of 14.60%, a payback period of 2.3 years, and a BEP at 58% of production capacity. In addition to being financially feasible, this business has also fulfilled legal aspects through the establishment of the business entity and the ownership of an NIB and NPWP. This study emphasizes the importance of integrating digital marketing strategies with business feasibility analysis to create a competitive, innovative, and sustainable culinary business in the competitive digital era.

Keywords: Business Feasibility, Digital Marketing, Financial Analysis, Catering, SMEs.

Introduction

The culinary industry in Indonesia is one of the business sectors that has experienced rapid growth in recent years. Changes in people's lifestyles, especially in urban areas, have increased the demand for ready-to-eat and convenient foods (Adeosun et al. 2022; Rei et al. 2025). One type of business that has gained significant attention is catering, as it is able to provide a wide selection of menus with fast and efficient service. Catering is now not only needed for large events, but also for daily consumption in households, offices, and even healthy

meal subscription services. According to the Badan Pusat Statistik (2024), in 2023 the number of food and beverage businesses in Indonesia reached 4.85 million, indicating the huge market potential that exists.

The growth of the catering industry has been further strengthened by the implementation of effective digital strategies through social media such as Instagram, TikTok, and Facebook (Fuciu 2022; Zeqiri et al. 2025). These platforms have become the main means for businesses to introduce their products to a wide audience in an attractive way, through visual content, short videos, customer testimonials, and collaborations with influencers. According to research by Dogra & Kaushal (2023) digital promotion is able to build brand image and attract consumer attention at a relatively efficient cost compared to conventional promotion methods. This phenomenon is also experienced by catering businesses that utilize digital marketing strategies to expand their market and enhance competitiveness amid the increasingly intense competition in the culinary industry.

Several studies show that the application of digital marketing in the culinary business has a positive impact on increasing sales and brand awareness according to (Hien & Nhu 2022; Sharabati et al. 2024). The use of Instagram is considered effective in strengthening brand identity, while video content on TikTok is able to attract audience attention and increase purchasing interest. According to Boyland et al. (2020), exposure to digital food marketing can influence consumption behavior and shape perceptions of brands through interactive and entertaining content. In line with this, Jamil et al. (2022); Wibowo et al. (2021) explain that social media marketing activities (SMMA) and customer experience have a significant influence on consumer satisfaction, loyalty, and purchase intent. These results are reinforced by the findings of Anas et al. (2023), which confirm that SMMA elements such as customization, entertainment, and interaction can increase customer satisfaction and encourage purchase intent, while trendiness only affects satisfaction. These findings show that the success of digital marketing does not only depend on trends, but on the ability of businesses to build relevant and engaging interactions with consumers. This can be seen through the company's efforts to actively utilize social media by creating consistent content such as menu photos, cooking videos, and direct interactions with customers. This strategy reflects the effective application of digital marketing in increasing customer trust, satisfaction, and loyalty.

However, there is still a gap in research related to the application of digital marketing strategies in catering businesses that are studied in conjunction with comprehensive business feasibility analyses. Most studies only highlight promotional aspects without considering strategic, operational, legal, and financial factors that affect business sustainability. According to Agustin et al. (2023); Chou et al. (2022); Krisdianto et al. (2023), they emphasize the importance of feasibility analysis that covers marketing, operational, and financial aspects to minimize risks and increase the chances of success. Therefore, this study focuses on analyzing the feasibility of a catering business by reviewing four main aspects, namely marketing, operations, legality, and finance. These four aspects are the main focus in assessing the potential for sustainability and business development prospects. This approach is expected to provide a comprehensive picture of the level of business feasibility.

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The novelty of this research lies in combining four aspects of business feasibility, namely marketing, operations, legal, and finance, in the context of modern catering businesses. This approach provides a comprehensive picture of the role of digital marketing not only as a promotional tool but also as part of sustainable business planning and management. The object of this study is Katering Ramadhan, a catering business that provides daily menus, buffets, and special services and actively promotes itself through social media. This study is expected to offer useful help to people in the food industry when creating better ways to market their businesses and manage them effectively, as well as academic contributions to the development of marketing management science and business feasibility studies in the culinary sector.

Literature Review

A business feasibility study, according to Syahputra et al. (2023), is a comprehensive assessment to determine the feasibility of a business idea and serve as the basis for strategic decision-making, in line with Kasmir & Jakfar (2013), who state that this study thoroughly examines a venture or business to assess whether it is feasible to implement. In this process, a thorough analysis is conducted on financial, marketing, operational, and legal aspects in order to produce appropriate and sustainable decisions. From a financial management perspective, Sudiantini & Apiti (2022) explain that this activity includes planning, collecting, managing, and allocating funds efficiently to achieve company objectives. In feasibility studies, analyses such as NPV, IRR, PP, and BEP are used to assess business profitability and risk so that investment decisions provide optimal returns and maintain the company's financial stability.

In addition, operational management focuses on managing company resources to produce and distribute products or services efficiently. Efficiency in the production and distribution processes is an important factor in improving productivity, product quality, and customer satisfaction, which ultimately affects business continuity. From a business law perspective, Malian (2018) explains that business law is a set of rules that regulate commercial, industrial, and financial activities so that they run in accordance with regulations. The proper application of business law helps business actors maintain compliance with regulations, minimize legal risks, and create an orderly and ethical business system, thereby supporting business continuity.

According to Kotler & Keller (2012), marketing management includes analysis, planning, implementation, and control of programs to create a profitable exchange between companies and target markets. This is in line with Bag et al. (2020), who highlight the role of big data and artificial intelligence in marketing decision-making. Meanwhile, Kauffmann et al. (2020) emphasize the importance of data analytics in understanding consumer behavior and supporting more effective marketing strategies. As technology advances, the concept of marketing is transforming into the digital era. Ayesha et al. (2022) state that digital marketing aims to increase sales and strengthen brands through digital technology. In line with this, Olson et al. (2021) emphasize the importance of alignment between business strategies and digital tactics such as content marketing and SEO, while Hofacker et al. (2020) highlight the role of digitalization in strengthening business relationships and collaboration in the modern era.

Several previous studies have highlighted important factors that influence the performance and sustainability of MSMEs. For example, Abdallah et al. (2024) emphasized that financial literacy has a significant influence on improving MSME performance, especially when supported by adequate financial access. Furthermore, research by Hairudinor & Rusidah (2023) shows that the application of digital marketing can improve the sustainable performance of MSMEs through a positive influence on consumer purchase intentions and decisions. In general, previous studies show that the integration of feasibility analysis and marketing strategy can provide a strong basis for business decision-making, but most are still carried out separately or limited to one particular aspect.

This study differs from previous studies that tend to focus on financial aspects or digital promotion separately, as it comprehensively integrates business feasibility studies with digital marketing strategies through four aspects of business feasibility. This approach allows for the evaluation of business feasibility not only from a financial perspective, but also from a digital marketing strategy that is relevant to modern consumer behavior. By making digital marketing a strategic variable that is analyzed alongside marketing, operational, legal, and financial aspects, this study contributes academically to the literature on digital-based feasibility studies while offering practical guidance for business actors in designing mature and sustainable strategies amid competitive business competition.

Research Method

This study uses a business feasibility study design with a mixed method approach (qualitative and quantitative). The qualitative approach is used to gain an in-depth understanding of operational processes, marketing strategies, and business management, in line with the research by Traynor et al. (2024), which highlights managerial and business strategy aspects through descriptive analysis. Meanwhile, the quantitative approach applied in Cardoso et al. (2020) research assesses the financial aspects of a business through feasibility calculations such as NPV, IRR, PP, and BEP. According to Clark (2019), the use of a mixed method allows researchers to gain a more comprehensive understanding by combining the power of statistical data with the depth of contextual insight.

Participants in this study included business owners, several production and service employees, and regular customers. The sampling technique used was purposive sampling, which is the deliberate selection of respondents based on their roles and knowledge of business operations. According to Campbell et al. (2020), this method was chosen because it was able to produce relevant and representative data according to the research needs.

Data collection techniques in this study were conducted through direct observation, in-depth interviews, and documentation. Observations were made by directly observing production activities, packaging processes, and customer service at the business location. According to Chou & Lu (2022), the direct observation approach allows researchers to gain a real understanding of operational conditions. In-depth interviews were conducted face-to-face and online using semi-structured guidelines, allowing researchers to explore broader information while remaining focused on the research topic. Meanwhile, documentation was

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carried out by collecting supporting data such as financial reports, order records, and archives of business marketing activities. This is in line with Takona (2024) view, which emphasizes the importance of balance between flexibility and structure in the qualitative data collection process so that the results obtained are in-depth.

The analysis technique used in this study is a mixed method, which is a combination of qualitative and quantitative analysis. According to previous research by Garrido-Moreno et al. (2024), the mixed-methods approach provides a more comprehensive understanding because it combines the strengths of quantitative data and the depth of qualitative analysis. Qualitative analysis was conducted to describe internal conditions (management, production, marketing) and external conditions (customers, competitors, business environment). Meanwhile, data was processed using a quantitative approach through the calculation of investment indicators such as NPV, IRR, PP, and BEP. As shown in the research by Abuk & Rumbino (2020), the results of this analysis can be used to assess the financial feasibility and sustainability prospects of a business.

Financial feasibility analysis is carried out using the following formula:

1. Net Present Value (NPV)

$$NPV = \sum \frac{CF_t}{(1 + r)^t} - I_0$$

Explanation:

CF_t = Cash flow in period t

r = Discount rate

t = Time period (Years)

n = Number of periods

I_0 = Initial investment

(Source: Schoenmaker & Schramade 2023)

2. Internal Rate of Return (IRR)

$$IRR = r_1 + \frac{NPV_1}{NPV_1 - NPV_2} \times (r_2 - r_1)$$

Explanation:

r_1 = Discount Rate at NPV1 (%)

r_2 = Discount Rate at NPV2 (%)

NPV_1 = Positive NPV Value (Rp)

NPV_2 = Negative NPV Value (Rp)

(Source: Berawi et al. 2021)

3. Payback Period (PP)

$$PP = \frac{\text{Initial Investment}}{\text{Annual Net Cash Flow}}$$

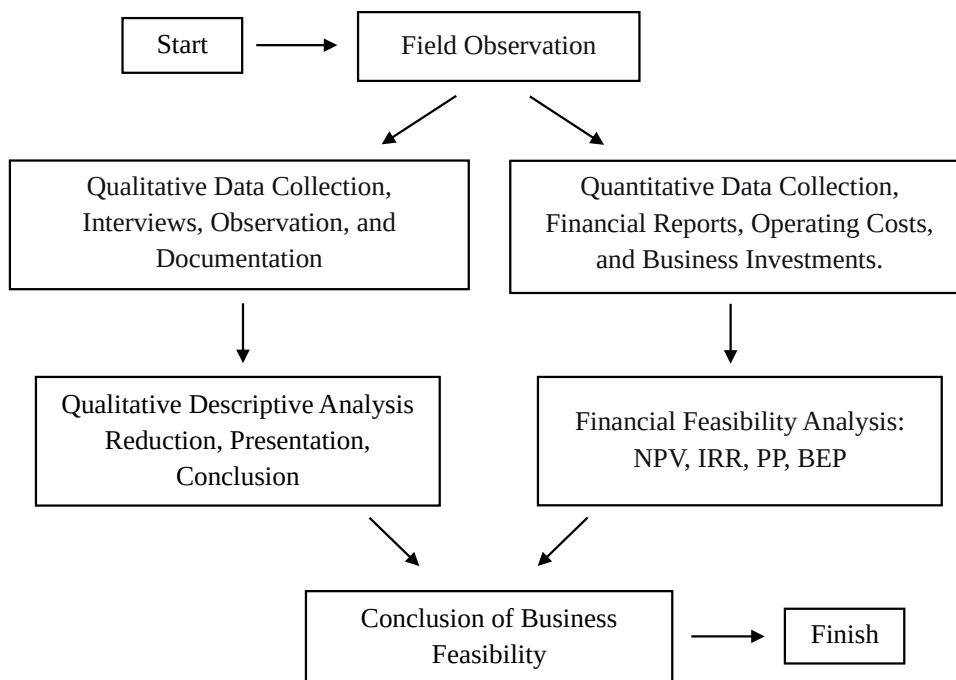
(Source: Widhiastuti et al. 2024)

4. Break Even Point (BEP)

$$BEP = \frac{\text{Fixed Costs}}{\text{Selling Price} - \text{Variable Costs}}$$

(Source: Ferisanti et al. 2023)

The stages of the research method used in this study can be illustrated through the following flowchart:



(Source: Clark, 2019)

Result and Discussion

Marketing Aspect Analysis

An analysis of the marketing aspects can be seen through the application of the STP (Segmenting, Targeting, Positioning) concept and the 7P marketing mix. This catering business has a broad market segmentation, serving the general public who need ready-to-eat meals as well as customers who order catering for large events. This business actively sells its products at the GOR Sempaja bazaar every weekend, which is visited by various groups of people, offering practical, delicious, and affordable dishes. In addition, it also provides professional

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catering services for celebrations, weddings, office events, campus activities, and various other occasions.

The target market includes active people in Samarinda who need practical food solutions. At the GOR Sempaja bazaar, the main target is weekend visitors looking for fast and affordable food, while for catering services, the target includes families, companies, and educational institutions that hold various large events. The business positions itself as a practical, flexible, and reliable catering service for daily consumption and large events. Known for its consistent presence at the GOR Sempaja bazaar every weekend, it emphasizes delicious flavors, affordable prices, and clean and neat presentation. The name chosen also reinforces a positive, warm, and memorable image in the eyes of consumers.

The marketing mix aspect applies important elements consisting of 7Ps: product, price, place, promotion, people, process, and physical evidence. The following is an explanation of the analysis of the marketing mix. This catering business focuses on providing quality dishes for various events such as weddings, buffets, and religious activities such as breaking the fast together and halal bihalal. The products offered include a variety of menus that can be tailored to the tastes and needs of customers. Each dish is prepared from fresh ingredients with a distinctive home-cooked flavor but professionally packaged to look appealing. Pricing is flexible and competitive, with package options that can be tailored to the scale of the event and the customer's budget.

The production process is carried out in a hygienic and efficiently organized kitchen, capable of handling large orders without compromising quality. Delivery is made directly to the event location to ensure timeliness and customer satisfaction. Efforts to expand the market are carried out through participation in various bazaars and active promotion on social media, reinforced by positive testimonials from previous customers. This promotional strategy helps build trust while enhancing a positive image in the eyes of the public.

Operational activities are carried out by a solid team with a work culture based on family values, cooperation, and responsibility. Every stage of work, from order receipt to delivery, is carried out in a structured and professional manner to maintain service quality. This quality is evident in the attractive presentation of food, hygienic packaging, and elegant buffet decorations. The existence of business legality also strengthens credibility and professional image in the eyes of customers, while also serving as an important basis for maintaining consumer trust and loyalty.

Operational Analysis

The operational techniques used in serving portions are adjusted to consumers' daily consumption patterns. On weekdays, portions are distributed in a structured manner, namely 160 portions in the morning, 200 portions at noon, and 160 portions in the evening, taking into account that lunchtime tends to have the highest demand. Meanwhile, on weekends (Saturday–Sunday), the number of portions is projected to be around 120 portions per meal time because these are considered holidays with more flexible consumer activities, resulting in a decrease in visitation rates.

The catering business implements a raw material procurement logistics system through a combination of supplies from regular suppliers and direct purchases at the market. Staples such as chicken, rice, and spices are obtained regularly from regular suppliers to maintain continuity of supply, while fresh ingredients such as vegetables and fruits are purchased directly at Segiri Market to ensure quality is maintained. This is in line with the research by Dua & Sahu (2024), which confirms that raw material procurement is an important part of inbound logistics that affects supply chain efficiency and product quality.

Legal Analysis

This catering business has a clear legal basis as a Commanditaire Vennootschap (CV) business entity and is registered with a Business Identification Number (NIB) and Taxpayer Identification Number (NPWP). With this legality, the business is officially recognized by the government to carry out business activities in the field of culinary services and catering in accordance with applicable regulations. In its operations, this business always complies with its tax obligations through regular tax payments and reporting, where every transaction with customers includes tax components. This compliance reflects the business's commitment to transparency, accountability, and legal and administrative responsibility in carrying out its business activities.

With complete business legality, compliance with tax obligations, and consumer involvement in a legitimate transaction system, this business is committed to providing catering services that are not only halal and high-quality, but also safe, official, and legally accountable. This is in line with the research by Wang et al. 2024), which explains that the sustainability of modern businesses is not only determined by economic aspects, but also by social responsibility, legal compliance, and the application of technology that supports transparency and managerial efficiency. The study emphasizes the importance of integrating the principles of legality and digital innovation to create a sustainable business ecosystem.

Financial Analysis

1) Fixed Costs

From the interviews, we obtained the investment costs used to provide facilities that support catering activities. The largest investment cost was for the purchase of a car priced at IDR 400,000,000, with an initial cash payment of IDR 100,000,000 and the remaining IDR 300,000,000 paid in monthly installments. The smallest investment cost was for the purchase of five knives at a price of IDR 100,000. The investment costs for the catering business can be seen in Table 1.

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Table 1. Fixed Costs for the Catering Business

	Description	Quantity	Price	Total Price	Depreciation	Cost		
						Daily	Monthly	Annually
1	Gas Stove	4	300.000	1.200.000	5 Years	851	20.000	240.000
2	Cooking Gas	3	600.000	1.800.000	5 Years	1.277	30.000	360.000
3	Big Pan	4	200.000	800.000	8 Years	355	8.333	100.000
4	Large Frying Pan	4	100.000	400.000	8 Years	177	4.167	50.000
5	Rice Cooker	2	500.000	1.000.000	3 Years	1.182	27.778	333.333
6	Knife	5	20.000	100.000	5 Years	71	1.667	20.000
7	Spatula	5	25.000	125.000	5 Years	89	2.083	25.000
8	Spoon	10	40.000	400.000	5 Years	284	6.667	80.000
9	Big Ladle	5	50.000	250.000	5 Years	177	4.167	50.000
10	Stainless Steel Basin	10	50.000	500.000	3 Years	591	13.889	166.667
11	Table	2	300.000	600.000	5 Years	426	10.000	120.000
12	Blender	2	1.000.000	2.000.000	5 Years	1.418	33.333	400.000
13	Dispenser	1	300.000	300.000	10 Years	106	2.500	30.000
14	Container	10	75.000	750.000	2 Years	1.330	31.250	375.000
15	Cormorant	3	200.000	600.000	5 Years	426	10.000	120.000
16	Showcase Refrigerator	1	3.000.000	3.000.000	3 Years	3.546	83.333	1.000.000
17	Storage Rack	2	150.000	300.000	5 Years	213	5.000	60.000
18	Freezer	1	4.000.000	4.000.000	5 Years	2.837	66.667	800.000
19	Car	1	400.000.000	400.000.000	10 Years	141.844	3.333.333	40.000.000
20	Dining Table	7	300.000	2.100.000	5 Years	1.489	35.000	420.000
21	Chair	30	75.000	2.250.000	5 years	1.596	37.500	450.000
Total						160.284	3.766.667	45.200.000

2) Variable Costs

The total cost of production is the sum of fixed and variable costs. The fixed costs consist of labor, operational, production, electricity, water, Wi-Fi, and house rental expenses. Meanwhile, variable costs consist of rice, chicken, carrots, tomatoes, shallots, garlic, yellow noodles, cabbage, large red chilies, oyster sauce, cooking oil, sugar, salt, sweet soy sauce, mushroom broth, onions, ground pepper, gallon water, rice paper, and plastic. The total costs catering business can be seen in Table 2.

Table 2. Variable Costs for the Catering Business

	Description	Quantity	Price	Depreciation	Cost		
					Daily	Monthly	Annually
1	Rice	25	14.000	1 Day	350.000	7.000.000	84.000.000
2	Chicken	40	25.000	1 Day	1.000.000	15.000.000	180.000.000
3	Beef	3	100.000	1 Day	300.000	7.050.000	84.600.000
4	Fish	5	30.000	1 Day	150.000	1.050.000	12.600.000
5	Flour	2	15.000	1 Day	30.000	90.000	1.080.000
6	Carrot	2	15.000	1 Day	30.000	705.000	8.460.000
7	Tomato	3	15.000	1 Day	45.000	1.057.500	12.690.000
8	Shallot	4	35.000	1 Day	140.000	3.290.000	39.480.000
9	Garlic	2	30.000	1 Day	60.000	1.410.000	16.920.000
10	Noodle	10	15.000	1 Day	150.000	750.000	9.000.000
11	Rice Noodle	5	25.000	1 Day	125.000	2.937.500	35.250.000
12	Egg	5	50.000	1 Day	250.000	5.875.000	70.500.000
13	Tempe	1	20.000	1 Day	20.000	200.000	2.400.000
14	Peanuts	1	30.000	1 Day	30.000	90.000	1.080.000
15	Long Beans	1	10.000	1 Day	10.000	40.000	480.000
16	Cassava Leaf	2	5.000	1 Day	10.000	30.000	360.000
17	Cabbage	4	12.000	1 Day	48.000	1.128.000	13.536.000
18	Red Chilli	3	25.000	1 Day	75.000	1.762.500	21.150.000
19	Oyster Sauce	1	10.000	1 Day	10.000	235.000	2.820.000
20	Palm Oil	4	19.000	1 Day	76.000	1.786.000	21.432.000
21	Sugar	1	18.000	1 Day	18.000	423.000	5.076.000
22	Salt	250	3.000	1 Day	3.000	70.500	846.000
23	Sweet Soy Sauce	1	10.000	1 Day	10.000	235.000	2.820.000
24	Mushroom Broth	200	15.000	1 Day	15.000	352.500	4.230.000
25	Onion	1	20.000	1 Day	20.000	470.000	5.640.000
26	Pepper	10	5.000	1 Day	5.000	117.500	1.410.000
27	Mineral Water	4	6.000	1 Day	6.000	141.000	1.692.000
28	Foodwrap	1	25.000	1 Day	25.000	587.500	7.050.000
29	Plastic	1	15.000	1 Day	15.000	352.500	4.230.000
30	Salary	3	70.000	1 Day	210.000	4.935.000	59.220.000
31	Electrical Fee		500.000	1 Month	20000	500.000	6.000.000
32	Water Fee		500.000	1 Month	20000	500.000	6.000.000
33	House Rental Fee		3.000.000	1 Month	120000	3.000.000	36.000.000
34	Operational Cost		1.500.000	1 Month	60000	1.500.000	18.000.000
Total					3.456.000	64.671.000	776.052.000

3) Revenue

The source of revenue for the catering business comes from catering sales. On average, 350 portions are sold per day. The selling price per portion is IDR 9,000. Average daily sales are IDR 3,150,000. The average monthly sales are IDR 74,025,000. The average annual sales are IDR 890,946,000.

4) Profit and Loss Statement

The income statement is prepared to assess the financial performance of the business during a specific period, particularly regarding revenue and expenses incurred. This report helps determine whether the business is profitable or loss-making, serving as a crucial basis for business decision-making.

Table 3. Profit and Loss Statement

Sales Revenue		Rp74.025.000
Variable Production Costs		
Raw Material Costs	Rp54.236.000	
Operating Costs	Rp 1.500.000	
Fixed Costs		
Employee Salaries	Rp 4.949.700	
House Rent	Rp 3.000.000	
Car Installments	Rp 3.000.000	
Electricity and Water Costs	Rp 1.000.000	
Total Costs		Rp67.685.700
Net Profit		Rp 6.339.300

5) NPV

NPV is used to assess the feasibility of an investment by calculating the difference between the present value of the cash flow received and the initial investment value. Through NPV, it can be determined whether the investment will be profitable (positive NPV) or detrimental (negative NPV).

$$NPV = \sum \frac{CF_t}{(1 + r)^t} - I_0$$

Discount 14% (Positive)

$$\begin{aligned} &= 77.645.760 / 1 + 0,14 + 77.645.760 / (1 + 0,14)^2 + 77.645.760 / (1 + 0,14)^3 - 180.000.000 \\ &= 68.110.316 + 59.745.891 + 52.408.676 \\ &= 180.264.883 - 180.000.000 \\ &= 264.883 \end{aligned}$$

Discount 15% (Negative)

$$\begin{aligned} &= 77.645.760 / 1 + 0,15 + 77.645.760 / (1 + 0,15)^2 + 77.645.760 / (1 + 0,15)^3 - 180.000.000 \\ &= 67.518.052 + 58.711.350 + 51.053.348 \end{aligned}$$

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$$= 177.282.750 - 180.000.000$$

$$= -2.717.250$$

6) IRR

IRR is the rate of return on an investment that makes the NPV equal to zero. IRR helps assess the percentage of profit from a project or venture, so that it can be used as a consideration in comparing the feasibility of several investment alternatives.

$$IRR = r_1 + \frac{NPV_1}{NPV_1 - NPV_2} \times (r_2 - r_1)$$

$$= 14\% + 1.793.838 / 264.883 - (-2.717.250) \times (15\% - 14\%)$$

$$= 14\% + 1.793.838 / 2.982.133 \times 1\%$$

$$= 14\% + 0,602 \times 1\%$$

$$= 14,60\%$$

7) PP

Payback Period is the period of time required to recoup the initial investment through cash inflows obtained from a business or project. This method is used to assess how quickly the invested capital can be recovered, making it easier to see the level of risk and liquidity of the investment.

$$PP = \frac{\text{Initial Invesment}}{\text{Annual Net Cash Flow}}$$

$$= 180.000.000 / 77.645.760 = 2 \text{ Years } 3 \text{ Months}$$

8) BEP

BEP is the point at which total revenue equals total costs, so that the business neither makes a profit nor a loss. BEP analysis is important to determine the minimum sales that must be achieved in order for the business to cover all operating costs.

Table 4. Break Even Point Analysis

Description	Price (IDR)
Selling Price	Rp 9.000
Variable Cost	Rp 6.594
Fixed Costs	Rp 11.949.700

This BEP unit helps determine the minimum sales target in terms of product quantity (units) to reach the BEP

$$BEP = \frac{\text{Fixed Costs}}{\text{Selling Price} - \text{Variable Costs}}$$

$$= 11.949.700 / (9.000 - 6.594)$$

$$= 11.949.700 / 2.406$$

$$= 4967 \text{ Unit}$$

BEP rupiah is useful for determining the sales value in rupiah needed to reach the break-even point.

$$BEP (Rp) = \text{Selling Price} \times BEP (\text{Unit})$$

$$= \text{Rp. } 9.000 \times 4.967$$

$$= \text{Rp}44.703.000$$

BEP (%) makes it easy to see how much sales are in percentage terms (%) of production capacity or the target that must be achieved for the business to break even.

$$BEP (\%) = \frac{BEP \text{ Unit}}{\text{Unit Capacity}} \times 100\%$$

$$= 4.967 / 8.500 \times 100\%$$

$$= 0,584 \times 100\%$$

$$= 58\%$$

9) Feasibility Criteria for Catering Business

Table 5. Feasibility Criteria for Catering Business

	Feasibility Criteria	Result
1	NPV (+)	Rp 264.833
2	NPV (-)	-Rp 2.717.250
3	IRR	14,60%
4	PP	2,3 Years
5	BEP (Unit)	4.967
6	BEP (Rp)	Rp 44.703.000
7	BEP (%)	58%

The feasibility assessment of the catering business was conducted using several financial indicators commonly used in business feasibility studies, namely NPV, IRR, PP, and BEP. This analysis aims to assess the extent to which the catering business is able to provide economic benefits and financial profits within a certain period of time.

1. NPV

Based on the analysis results, a positive NPV of IDR 264,833 and a negative NPV of IDR – 2,717,250 were obtained. A positive NPV value indicates that the catering business project provides a net profit after taking into account capital costs and time value of money. Although the NPV value is relatively small, this condition still shows that the investment is capable of providing net benefits or economic added value.

However, the existence of a negative NPV scenario indicates that the feasibility of the business is still sensitive to changes in financial variables, such as increases in raw material prices,

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fluctuations in demand, or production cost efficiency. Therefore, business actors need to control costs and manage operations effectively so that profit potential can be optimized.

2. IRR

The analysis shows that the IRR for this catering business is 14.60%. Compared to the general interest rate in the capital market or the benchmark interest rate of around 10–12%, this IRR is higher, meaning that this project is financially profitable and feasible. A return rate of 14.60% also indicates that investing in the catering business can provide greater returns than if the capital were placed in passive investments such as bank deposits.

3. PP

The calculation results show that the catering business has a payback period of 2.3 years. This period is considered very fast for micro and small businesses, where the payback period generally ranges from 3–5 years. This shows that this catering business is efficient in generating cash inflows and has the potential for a quick return on investment, so the risk of loss is relatively low.

The calculation results show that the catering business has a capital return period of 2.3 years. This period is considered very fast for micro and small businesses, where the capital return period generally ranges from 3–5 years. This shows that this catering business is efficient in generating cash inflows and has the potential for a quick return on capital, so the risk of loss is relatively low.

4. BEP

Based on the calculation results, the following is obtained:

- BEP Unit = 4,967 units,
- BEP Rupiah = IDR 44,703,000, and
- BEP Percentage = 58%.

This means that the catering business will reach its break-even point when it sells at least 4,967 portions or reaches 58% of its sales capacity with a minimum sales value of IDR 44,703,000. This condition shows that the catering business has a fairly good level of efficiency, because the sales level required to break even is not too high and can be achieved with stable market demand.

5. Comprehensive Feasibility Assessment

Based on all indicators, the catering business can be categorized as financially feasible. This is shown by a positive NPV value indicating that the project provides economic added value, an IRR of 14.60% which exceeds the benchmark discount rate, a relatively short Payback Period of 2.3 years, and a BEP of 58% showing a realistic break-even point. This financial viability is supported by high market potential, when demand for catering services increases due to changes in consumer behavior. With effective marketing strategies and operational cost efficiency, this catering business has the potential to generate sustainable profits. However,

from an academic perspective, it should be noted that profit margins are still relatively slim (low NPV), thus a sensitivity analysis of changes in raw material prices, labor costs, and sales volume should be conducted in future research. Moreover, implementing product innovation and improving service quality can enhance the business's competitiveness in the long term.

Conclusion

Based on the results of research covering marketing, operational, legal, and financial aspects, it can be concluded that Katering Ramadhan is feasible to run and develop further. From a financial perspective, the analysis shows that this business has a positive NPV of IDR 264,833, an IRR of 14.60%, a payback period of 2.3 years, and a BEP at 58% of production capacity, indicating that this business is efficient and has promising profit prospects. From a marketing perspective, the implementation of digital marketing strategies has proven to be effective in increasing brand visibility, attracting new customers, and expanding the market reach digitally. Meanwhile, from a legal perspective, this business has a clear legal basis through the establishment of the CV Candra Boga Sari business entity and the possession of a NIB and NPWP.

To strengthen consumer confidence and support future business development, it is recommended that the business immediately complete halal certification and PIRT permits as a form of assurance of the safety, cleanliness, and halal status of its products. With these strengthening measures, the business is expected to enhance competitiveness, improve professionalism, and serve as a model for other culinary SMEs in creating sustainable, trustworthy, and adaptable enterprises in the digital age.

Declaration of conflicting interest

The authors declare that there is no conflict of interest related to the study, analysis, or discussion of the catering business examined in this work. All information and evaluations presented were conducted objectively and solely for academic and research purposes.

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