

BUSINESS IMPLEMENTATION PROJECT ON LOVERA ALOE VERA

DRINK

BUSINESS DESIGN AND IMPLEMENTATION

Presented as Partial Fulfillment of the Requirements

To Obtain the Bachelor Degree in Management Department



By

HAJRIN FAUZIYAH

Student Number: 14311359

DEPARTMENT OF MANAGEMENT

INTERNATIONAL PROGRAM

FACULTY OF ECONOMICS

UNIVERSITAS ISLAM INDONESIA

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FINAL REPORT
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BUSINESS DESIGN AND IMPLEMENTATION

Written By:

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August 3rd, 2018

Language Advisor



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August 15th, 2018

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Defended before the Board of Examiners
Declared Acceptable

Board Examiners

Examiner I



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August 24th, 2018

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August 24th, 2018

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DECLARATION OF AUTHENTICITY

Here in, I declare the originality of this project implementation. I have not presented anyone else's work to obtain my university degree, nor have I presented anyone else's words, ideas or expression without acknowledgement. All quotation are cited and listed in the bibliography of this project.

If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation for its consequence.

Yogyakarta, August 3rd, 2018



Hajrin Fauziyah

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Bismillahirrahmanirrahim

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Hajrin Fauziyah

TABLE OF CONTENTS

Cover	1
Page of Title.....	ii
Approval Page	Error! Bookmark not defined.
Legalization Page.....	Error! Bookmark not defined.
Declaration of Authenticity	Error! Bookmark not defined.
Acknowledgement	v
Table of Contents.....	ix
List of Figures.....	xi
List of Tables	xii
List of Appendices.....	xiii
Abstract (in English).....	xiv
Abstract (in Bahasa Indonesia).....	xv
CHAPTER I INTRODUCTION	1
1.1. Business Background	1
1.2. Systematics of Writing	2
CHAPTER II BUSINESS IMPLEMENTATION PROCESS.....	4
2.1 Business Profile	4
2.2 Business Implementation.....	6
2.2.1 Organizational Aspect	6

2.2.2	Operational Aspect	14
2.2.3	Marketing Aspect	20
2.2.4	Financial Aspect	27
CHAPTER III GAP-ANALYSIS AND IMPLEMENTATION		31
3.1	Problem Identification	31
3.2	Theoretical Review	33
3.3	Problem Solution	35
CHAPTER IV CONCLUTIONS AND RECOMMENDATIONS		37
4.1	Conclusions	37
4.2	Recommendations	38
REFERENCES		39
APPENDICES.....		40

LIST OF FIGURES

Figure 2.1 Production Place.....	5
Figure 2.2 Organizational Structure.....	6
Figure 2.3 Selection process	11
Figure 2.4 Digital Scale	16
Figure 2.5 Refrigerator	16
Figure 2.6 Thermos.....	17
Figure 2.7 Production Process	17
Figure 2.8 Product Life Cycle.....	22
Figure 2.9 Ansoff Matrix	26
Figure 2.10 Performance Diagnosis.....	33

LIST OF TABLES

Table 2.1 Raw Materials	13
Table 2.2 Production Report	27
Table 2.3 Initial Outlays	27
Table 2.4 Income Statement	29

LIST OF APPENDICES

Appendix 1 Lovera Team	39
Appendix 2 Aloe Vera Garden	39
Appendix 3 Raw Materials	40
Appendix 4 Production Process	41
Appendix 5 Packaging Design.....	42
Appendix 6 Product.....	43
Appendix 7 Stock.....	44
Appendix 8 Distribution.....	45
Appendix 9 Lab Result.....	46

ABSTRACT

Lovera is a beverage product business from Aloe Vera leaves opened on April 2018 in Sleman Yogyakarta. The Marketing of Lovera was conducted through online marketing, as simple marketing that had big influence to the customers. Many buyers from several region such as Depok, Tangerang, Solo, Malang, Surabaya, Riau, Borneo and Makassar were interested and ordered Lovera product. Many of them also bought again the product because they were addicted by the taste of Lovera. Employees at Lovera were also active to support the business running through their performance. Human resources had to do the continuous learning to improve the production process becoming simpler, to solve the problem happened then gave the maximum result for Lovera business.

Keyword: Lovera, Beverage product, Production process

ABSTRAK

Lovera adalah sebuah bisnis produk minuman terbuat dari daun lidah buaya yang dibuka pada April 2018. Pemasaran Lovera dilakukan melalui pemasaran online, sebagai cara pemasaran yang sederhana yang memiliki pengaruh yang besar kepada konsumen. Banyak pembeli dari beberapa daerah seperti Depok, Tangerang, Solo, Malang, Surabaya, Riau, Kalimantan, dan Makasar tertarik dan memesan produk Lovera. Banyak konsumen yang ketagihan karena cita rasa Lovera. Karyawan di Lovera juga aktif mendukung berjalannya bisnis melalui kinerja mereka. Sumber daya manusia harus terus melakukan pembelajaran berkelanjutan untuk meningkatkan proses produksi menjadi lebih simpel, untuk menyelesaikan masalah yang terjadi hingga memberikan hasil yang maksimal untuk bisnis Lovera.

Kata Kunci: Lovera, Produk Minuman, Proses Produksi

CHAPTER I

INTRODUCTION

1.1. Business Background

Indonesia is one of the world's biggest aloe vera producers. Pontianak at West Borneo is the center of Aloe Vera in Indonesia. Pontianak Aloe Vera is the kind of aloe vera which has thick leaves. Thus, it will be beneficial for production process. From 2009-2016, Pontianak could cultivate aloe vera from 6,000-11,000 ton per year (Ellyta & Susi, 2016). Some of the areas in Indonesia that started to cultivate aloe vera are Bandung, Bogor, Depok, and Yogyakarta.

According to IMARC Group (2017), the global Aloe Vera gel market was worth US\$ 465 Million in 2016, growing at a CAGR of around 11% on 2009-2016. The market has been growing steadily over the last decade driven by varied and increasing usage of Aloe Vera gel in food, health care and cosmetic industries (Linker, 2017). Thus, conducting business in term of Aloe Vera product will have good opportunity to grow up recently.

In the last decade, processed product from Aloe Vera is famous in Indonesia, especially cosmetic product and some of food and beverage product. But most of them were import products from foreign country such as South Korea and Singapore.

Indonesia has already started to produce Aloe Vera product. In cosmetic product, there are Wardah and Body Shop which produce Aloe Vera gel. Pontianak could also export aloe vera drink until 500 ton per month (Aprionis, 2014).

Therefore, this business will also take an opportunity to produce Aloe Vera product as fresh drink with many health beneficial in Sleman at Yogyakarta.

1.2. Systematics of Writing

The systematics of writing for this business and implementation report consist of three parts. First part is about preliminary statement that consists of page of title, approval page, legalization page, acknowledgment, list of tables, list of appendices, abstract in english and in bahasa indonesia.

The second part is about thesis content that is divided into four chapters with the explanation below:

Chapter I Introduction. This chapter contains the business background and systematic of writing. Business background explains about the reason for conducting this business project while systematics of writing explains about each chapter reported.

Chapter II Business Implementation Process. This chapter contains the business profile and business implementation. Business profile explains about the type of business, business location, and business development in general. Business implementation contains the four aspect business implementation which are organizational, operational, marketing and financial.

Chapter III Gap-Analysis and Implementation. This chapter contains three parts which are problem identification, theoretical review and problem solution. Problem identification explain about the problem happen in business implementation process. Theoretical review explains about literature review related with the problem. Problem solution explain about the approach which used to solve the problem.

Chapter IV Conclusions and Recommendations. Conclusions explain about business implementation in general. Recommendations contain advices for businessman for conducting business project.

The third part contains the reference and appendices. References contain list of sources. Appendices contain the progress report and business documents.

CHAPTER II

BUSINESS IMPLEMENTATION PROCESS

2.1 Business Profile

Lovera was the kind of business in term of beverage industry. This business had the purpose to increase welfare of Aloe Vera farmer in Indonesia and produce our own Aloe Vera product in Indonesia.

The word Lovera was taken from love and aloe Vera. This name had the purpose to introduce Aloe Vera that could be consumed and made one who tasted this product would like the Aloe Vera drink from Lovera by providing fresh drink with cubes from Aloe Vera leaves.

Lovera business started from April 2018 in Jl. Jodipati, Number 26, Mancasan Kidul, Depok, Sleman, Yogyakarta. The business idea came from the writer whose hometown was in West Borneo which was the biggest Aloe Vera producer in Indonesia. There were some Aloe Vera drink producer in West Borneo but it was not well known by the society especially in Java Island. Thus, the writer had the idea to make the product with some variety and interesting packaging to introduce Aloe Vera drink to the customer.

Location

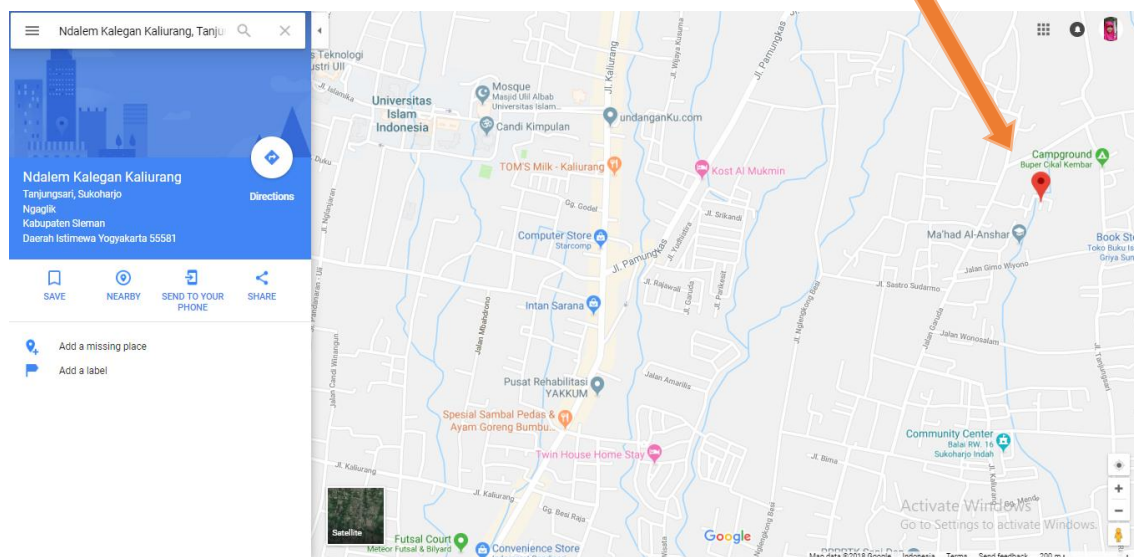


Figure 2.1 Production Place
Source: Google Maps, 2018

Lovera had good business prospect in Yogyakarta. There was an Aloe Vera association which include Aloe Vera farmers and also aloe vera producer in Yogyakarta. Yogyakarta was student city which consist of students from many regions in Indonesia. The students activities were so plenty, but the climate become hot because of air pollution in Yogyakarta. Thus, they needed fresh drink for their daily activities. Lovera was the solution for students in Yogyakarta to get fresh drink with cubes from Aloe Vera leaves. It also had attractive packaging to make them interested and proud to buy Lovera. Lovera was provided in several faculties in UII Yogyakarta. It also get orders from several online shops for the customer in Indonesia such as:

1. Faculty of Mathematics and Science, Faculty of Industrial Engineering, Faculty of Psychology, Social Culture at UII and some of students community

2. Shopee, Tokopedia, Buka Lapak
3. Instagram (User Id : Loveradrink)

2.2 Business Implementation

2.2.1 Organizational Aspect

a. Organizational Structure

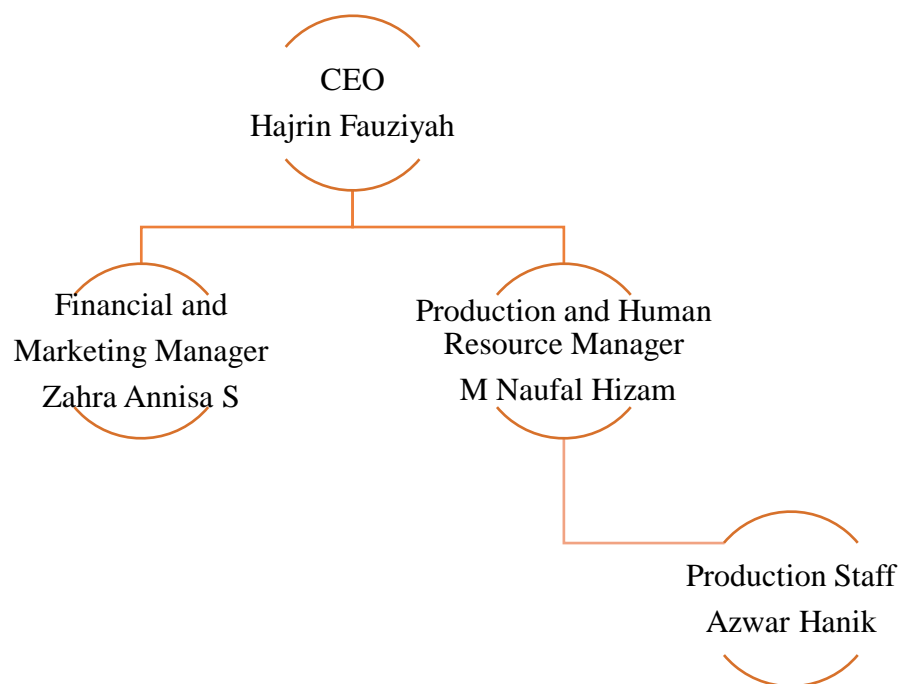


Figure 2.2 Organizational Structure

Source: Aloe Vera Industry, 2018

b. Vision, Mission and Value of the Organization

1. Vision

Promoting Indonesian Aloe Vera and increase the welfare of Aloe Vera farmers in Indonesia.

2. Mission

- a. Provide Indonesian original Aloe Vera Product
- b. Process products with Aloe Vera as the raw material with many benefits
- c. Supply the raw materials from the original farmers in Indonesia

3. Value

Values and belief of Lovera were:

a. Passion

The member of this company would like to do the job base on their passion, their interest on Aloe Vera product development.

b. Learning

In this company, I increased the knowledge on Aloe Vera to make improvement in the product creation and be the professional one.

c. Sharing

The company shared every single thing about Aloe Vera benefits and proud to use national product.

c. Total of Employee Needed

Lovera had team that consisted of four people with different job and position. Thus, it consisted of CEO, marketing and financial manager, production and human resources manager and production staff. There were 6 job positions in this business that consist of 4 people. Thus, there were 2 people who had double job.

d. Job Description

- **CEO**

As owner of the business, one decided the strategy needed in the business, controlled managers decision, did meeting with managers once a week, checked marketing and operation target, checked financial report, and checked employee's performance.

- **Financial and Marketing Manager**

This manager conducted marketing and financial manager function, created strategy in the marketing and financial needed, created the SOP needed, conducted market research continuously, did promotion, sold the product in target, set an effective financial control, set the cash flow, did documentation on all of financial transaction, created financial report, did meeting with CEO once a week.

- **Production and Human Resource Manager**

This manager focused on human resources and production manager function, created the strategy in the human resources and production needed, created the SOP needed, did quality control, controlled production staff, did controlling, supplied chain control, did inventory control, recruited production staff, conducted performance appraisal for employee, conducted training and development needed for employee, controlled compensation pay system, created an equitable and diverse workplace, and had meeting with CEO once a week.

- Production Staff

This staff conducted production process until packaging and saved once a week, put the product in the store, sent the product ordered by online consumer to the closest delivery and logistic company, and came to the office from Monday to Friday (8 am until 5 pm).

e. Job Requirement

- CEO

- At least the last year in bachelor's degree of management field
- Maximum of 25 years old
- Entrepreneur spirit, not a "corporate person" and very outgoing, humble, natural and capable to interact easily with others
- Has critical thinking
- Brave to take risk

- Financial and Marketing Manager

- At least the last year in bachelor's degree of any field
- Maximum of 25 years old
- Proactive and has high initiative
- Good analytical skills and creative problem solving skills
- Entrepreneur spirit, not a "corporate person" and very outgoing, humble, natural and capable to interact easily with others
- Careful in term of finance
- Willing to learn basic finance
- Active in social media
- Familiar with online shop

- Proficient user of excel, corel draw, and selling product in online applications
- Production and Human Resource Manager
 - At least the last year in bachelor's degree of industrial engineering or operation management field.
 - Maximum of 25 years old
 - Proactive and has high initiative
 - Good analytical skills and creative problem solving skills
 - Entrepreneur spirit, not a “corporate person” and very outgoing, humble, natural and capable to interact easily with others
 - Familiar with logistics, warehousing and production controlling
- Production Staff
 - At least senior high school graduated
 - Maximum of 25 years old
 - Proactive and has high initiative
 - Discipline, detail oriented

f. Recruitment Process

- Recruitment

According to Zainal et al. (2015), recruitment is the process of determining and attracting the applicants who are capable to work in an organization. As a new and small business, it is needed to conduct external recruitment by finding out preferable people to become the part of Lovera business team from several recommendation of CEO's friends.

- Selection and placement process

According to Snell and Bohlander (2013), selection is the process of choosing individuals who have relevant qualifications to fill the existing or projected job opening. In this business, the selection process will be:



Figure 2.3 Selection Process
Source: Aloe Vera Industry, 2018

g. Performance Appraisal

According to Mathis and Jackson (2008), performance appraisals are used to assess an employee's performance and to communicate that performance to the employee. In this business I used customer appraisal, 360-degree appraisal for ceo and manager, rating appraisal for manager and production staff.

h. Compensation System

According to Snell and Bohlander (2013), compensation consists of three main components which were direct compensation, indirect compensation and

nonfinancial compensation. In this business compensation, the packages for each position were:

a) CEO

- Direct compensation

The direct compensation for CEO, as the owner, she used profit sharing system which got 60% from the business profit or loss each month.

- nonfinancial

Nonfinancial compensations for CEO as the owner were the comfortable work environment, organizational support and flexible working time.

b) Financial and Marketing Manager

- Direct compensation

The direct compensation for financial and marketing manager, they did not get basic payment but use profit sharing system which got 20% from the business profit or loss each month.

- Indirect compensation

Indirect Compensation for financial and marketing manager was bonus if the total sale was greater than the target.

- Nonfinancial

Nonfinancial compensations for financial and marketing manager were comfortable work environment, organizational support and flexible working time.

c) Production and Human Resource Manager

- Direct compensation

The direct compensation for production and human resource manager, they did not get basic payment but used profit sharing system which got 20% from the business profit or loss each month.

- Indirect compensation

Indirect Compensation for production and human resource manager was bonus if the total sale was more than the target.

- Nonfinancial

Nonfinancial compensations for production and human resource manager were comfortable work environment, organizational support and flexible working time.

d) Production Staff

- Direct compensation

The direct compensation for production staff related to basic payment was Rp 800.000, - each month.

- Indirect compensation

Indirect Compensations for production and human resource manager was bonus if the total sale was greater than the target.

- Nonfinancial

Nonfinancial compensations for production and human resource manager were comfortable work environment and organizational support.

2.2.2 Operational Aspect

a. Raw Materials

Table 2.1 Raw Materials

Number	Raw materials	Quantity Need	Restock Period
1	Aloe Vera	50 kilos	A week
2	Water	7 Gallons	A week
3	Key Lime	1 kilos	A week
4	Lime Paste	1 pcs	A week
5	Sugar	70 kilos	A month
6	Flavor	28 pcs	A month
7	Natrium Benzoat	1 pcs	A month
8	Citric Acid	4 pcs	A month
9	Bottle	1680	A month
10	Sticker	1680	A month

Source: Aloe Vera Industry, 2018

To produce Lovera needs raw material that consisted of: Aloe Vera, water, sugar, natrium benzoat, citric acid, sugar, key lime, lime paste, lychee flavor, melon flavor, bottle, and sticker. The main raw material was aloe vera, that had to restock 50 kilograms every Saturday morning for a week. Aloe vera was purchased from Aloe Vera Association Yogya at Danukusuman Rt/Rw 19/06, Baciro, Gondokusuman, Yogyakarta by the price of Rp 10,000.- per kilogram, Rp 3,000.- to Rp 5,000.- cheaper rather than bought in the store.

For another materials such as sugar, natrium benzoat, citric acid, sugar, lime paste, lychee flavor, and melon flavor were purchased once in a month on Intisari store at Jl. Doktor Sutomo No.29, Bausasran, Danurejan, Kota Yogyakarta, Daerah Istimewa Yogyakarta. Key lime was purchased at Pakem traditional market each Saturday. As many as 1,680 bottles were purchased in a month on Kemasan Cantik Store at Jl. Sisingamangaraja No.22B, Brontokusuman, Mergangsan, Kota Yogyakarta, Daerah Istimewa Yogyakarta. The sticker was printed once a month on Spektrum Grafik Studio at Jl. Prof. Heman Yohanes No.104, Caturtunggal, Depok, Sleman, Daerah Istimewa Yoyakarta. Water of 7 Aqua Gallons were purchased in a week from the nearest distributor around the production place.

b. Production Process

1. Production Facility

Below were several equipment needed to produce Lovera product

- **Kitchen Equipment**

Kitchen equipments consisted of four knives, three basin, one filter, one cormorant, one stove, and one long spatula and 2 short spatula for production process from washing the aloe vera until boiling process then put in the packaging.

- **Electronic Digital Scales**

The function of electronic digital scale was to make sure that raw material had the same weight as in the right composition. Then, scale each product before finishing the packaging to make sure that each

product had the same weight. This business needed one electronic kitchen scale with the capacity of 5 kilogram and the detail of 1 gram.



Figure 2.4 Digital Scale
Source: Fauziyah, 2018

- Refrigerator

The function of refrigerator in this business was to save the product stock before delivered to distributor. This business just needed one cooler refrigerator.



Figure 2.5 Refrigerator

Source: Fauziyah, 2018

- Thermos

The function of thermos was to save and bring the product from production process to distributor. This business needed 3 (three) thermos box.



Figure 2.5 Thermos

Source : Fauziyah, 2018

2. Layout

Below is the layout design to produce Lovera. It had to pass these processes:

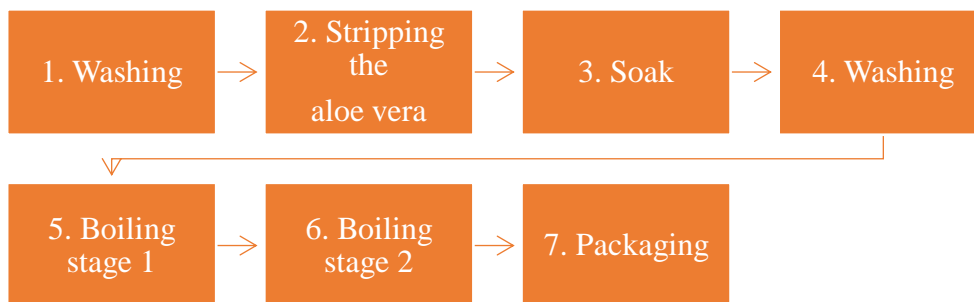


Figure 2.7 Production Process
Source: Modification of Videowoow, 2016

- Washing

The first step for this business production process was washing the aloe vera. Make sure that aloe vera was in a clean condition and ready for the next step.

- Stripping the Aloe Vera

The second step was stripping the aloe vera, then cut it into small cubes of aloe vera.

- Soak

The third step was soaking the cubes of aloe vera with water and key lime paste until 12 hours. This process had the function of

eliminating mucus on aloe vera and cut it in cubes that had good texture.

After the soaking process, the water became brown color.

- Washing

After 12 hours, wash Aloe Vera five times to eliminate lime paste smell. Soak with key lime a half hour to eliminate lime betel smell and the brown color in Aloe Vera cubes the make the Aloe Vera transparent again.

- Boiling Stage 1

Boil the Aloe Vera with boiled water then rinsed. The function of boiling stage 1 was to eliminate lime paste taste.

- Boiling Stage 2

Boil the Aloe Vera cubes with sugar, lychee flavor, citric acid, and natrium benzoat. Lift the Aloe Vera cubes from the water. Lovera was ready to be served.

- Packaging

Aloe Vera drink was ready to be packed in a cold condition. Weigh Aloe Vera 40 grams for each bottle then fill with the lovera water. Afterwards, rotate bottle cup until tightly closed.

c. Product Result

Production process of Lovera resulted 420 bottles per week that consisted of 180 bottles with melon flavor and 240 with lychee flavor. Then, the product was kept in refrigerator for a maximum two weeks to control the quality of product. Afterwards, the product were distributed to the shop, sold in several

faculty of UII using thermos to keep the product in cold condition, and also sent the product that ordered from market space and online shop.

d. Location

This business was located at Jl. Kaliurang, Km. 13, Perum Ndalem Kalengan Kaliurang, Rt/Rw 06/09, No. G1, Wonosalam, Sukoharjo, Ngaglik, Sleman, Yogyakarta.

2.2.3 Marketing Aspect

a. Market Analysis

1) Market Potential

The Market potential in this business was promising since the number of Aloe Vera product becoming popular especially in term of cosmetic product, then we introduced it as beverage product. Aloe Vera was consumed by people of all age, from children to old people. It would be a long term business because this business did not only follow the hits in this era, but this business gave answers to consumer that needed fresh drink with Aloe Vera cubes. With the cheap price that this product provided, this business would be success.

2) Market Size

Aloe Vera was a product that can be used by everyone. The market size of this business was really wide, it can be sent to several region in Indonesia and this product was imported. The market size for this business was the multiplication of quantity of production of 1,680 units and the price from Rp 7,000.- to Rp7,500.- each.

Market Size = Quantity x Price

Market Size = 1,680 units x Rp 7,000.-

Market Size = Rp 11,760,000.-

b. Segmentation, Targeting and Positioning

1) Segmentation

According to Kotler and Keller (2012), a market segment consists of a group of customers who share a similar set of needs and wants.

a) Demographic Aspect

According to Kotler and Keller (2012), demographic segmentation divides the market on variables such as age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality, and social class. This business covers all ages from children, young age to old age, male and female.

b) Geographic Aspect

According to Kotler and Keller (2012), geographic segmentation divides the market into geographical units such as nations, states, regions, countries, cities, or neighborhoods. Geographic aspects for this business were Yogyakarta and several regions in Java Island.

2) Targeting

In the long term, market competition will be high. To enter the beverage industry. Lovera focused on teenager or student who needed fresh drink in their daily activity.

3) Positioning

The positioning of Lovera as fresh drink with Aloe Vera cubes that had cute product design for teenager or young generation was able to be promoted in social media, single served pack in fit size and handy or simple to bring anywhere.

In product life cycle, this business position started in the product development of introduction stage.

-We are here, at Introduction stage-

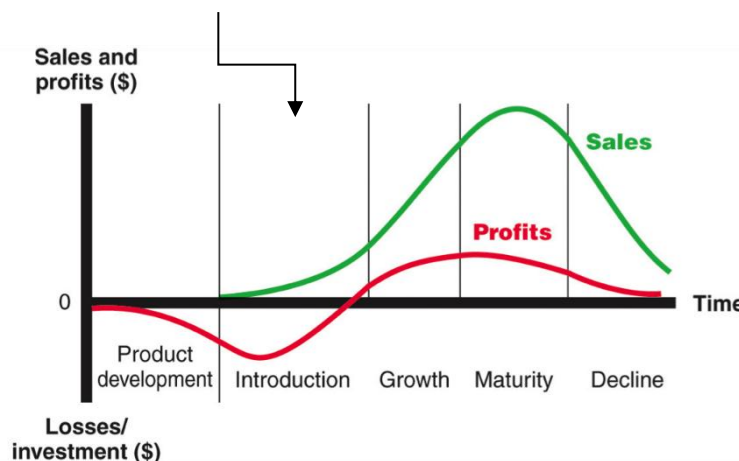


Figure 2.8 Product Life Cycle

Source: Claessens, 2015

c. Competitor Analysis

1) SWOT Analysis

According to Kotler and Keller (2012), the overall evaluation of a company's strengths, weaknesses, opportunities, and threats is called SWOT analysis. It is a way of monitoring the external and internal marketing environment.

a) Strength

The strength of this product is the easiness to grow Aloe Vera. Thus, the production process will be very easy. This product also had a cheap price which make it easier to sell. The fresh and delicious taste of Lovera made consumer interested to buy although rebuying the product.

b) Weakness

The weakness of this product was the difficult process of Aloe Vera. The production process of Lovera product needed long time. This product did not also have market legality and could not stay for long time.

c) Opportunity

The opportunities of this product were an increasing number of Aloe Vera product that become popular especially in term of cosmetic product, making an increasing curiosity about all of Aloe Vera product. Thus, we took this opportunity by introducing Aloe Vera as beverage product. Lovera was a fresh drink that was easy to consume and could be bought anywhere. Thus, this product was really good to be distributed and sold.

d) Threat

The threat of this product was competitors of the product. Thus, this product needed to be good and interesting for consumer.

d. 5 Porter Forces

According to Porter cited in Wilson and Gilligan (2013), there are five factors that can influence significantly business strategy to compete in the market. These factors were bargaining power of customers, bargaining power of suppliers, treats of new entrants, treat of substitutes, and competitive rivalry. Thus, these factors are analyzed as follow:

a) Bargaining power of Costomers

Consumers from this product cover all ages. Lovera were consumed by several cities in Java Island. Business strategy to win the bargaining power of buyers such as focus on young age target buyer which can conduct self-marketing and promote it to other age, keep the product in cold condition, control product quality with low price, inovative design and conduct promotion.

b) Bargaining power of suppliers

The raw materials of Aloe Vera were found rarely from the farmer in Yogyakarta but it had good quality. To keep our supplier, this business must have good relationship with the supplier and made agreement in the beginning, including the term of payment.

c) Threat of new entrants

New entrants would not force if this business made improvement, product differentiation, competitive price, and business loyalty to consumer.

d) Threat of substitutes

Lovera substituted the product of Nata De Coco. To keep this business from another substitute product, the company had to make sure that this is the best product for customer, and maintain the product quality.

e) Competitive rivalry

The competitors of this business were Inaco, Triple, Borneo, and Wong coco. To attract customer, this business had to give competitive price, better quality and competitor, interesting packaging, and the easiness to get the product.

e. Customer Analysis

The consumers of this product were young age to old age, male and female. Everyone would buy this product since this product was really easy to use and good to be consumed every day. Aloe Vera was a fresh drink for daily activity and this was a cheap product.

The consumer was really interested and curious about the the taste of Aloe Vera as beverage product. They would try the product and feel the taste of the product. Afterwards, they would become the loyal customer to us.

f. Marketing Mix Strategy

1) Product

Lovera was fresh Aloe Vera drink which consisted of slices of aloe Vera. Thus, this drink was needed for break fasting and in the daily activity. It was a simple product to be brought anywhere.

2) Price

For every 360 mile grams, it costed Rp 7,000.- to Rp 7,500.-

3) Place

Consumer could buy this product on store or online store. The product sold in several faculty at Islamic Indonesia University, Toko Rahmat at Depok Condong Catur, and people can also buy through online shop via Instagram, Shopee, TokoBagus, and Buka Lapak.

4) Promotion

We conducted promotion by online promotion in some social media such as, Instagram, Whatsapp and Line. To promote the product, the business also need to share the benefits or any information from the product.

g. Ansoff Matrix

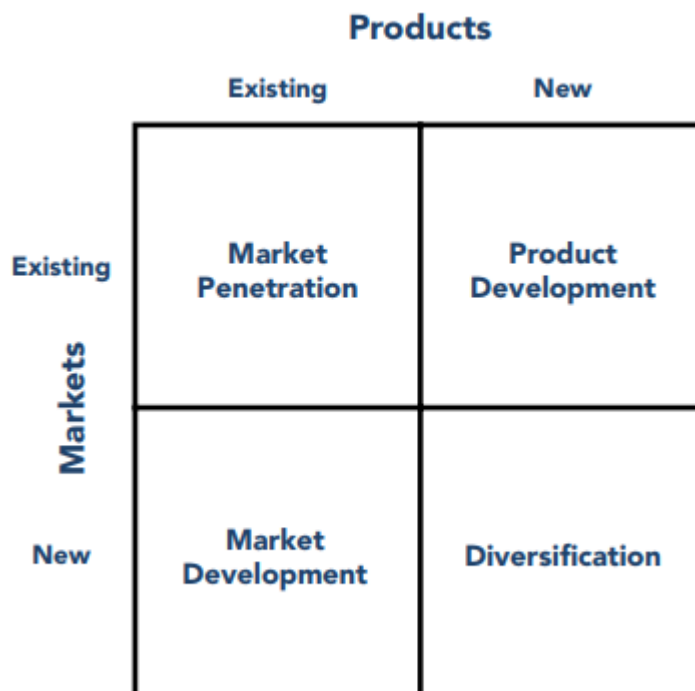


Figure 2.9 Ansoff Matrix
Source : NN, 2013

According to Ansoff (2013), Lovera is an existing product with new market. Thus, Lovera was needed to conduct market development strategy. There are several ways to achieved this strategy such as new geographical markets, new product dimensions or packaging, new distribution channels, new market segment created by different procing (NN, 2013).

2.2.4 Financial Aspect

a. Units production

Table 2.2 Production Report

Date	Unit Produce	Sells	Price	Income
20 - 23 may	50	50	Rp 7,500	Rp 375,000

27 - 31 may	120	120	Rp 7,500	Rp 900,000
2 - 8 june	240	240	Rp 7,000	Rp 1680,000
9 - 22 june	420	300	Rp 7,000	Rp 2,100,000
24 - 30 june	360	360	Rp 7,000	Rp 2,520,000
1 - 6 july	420	420	Rp 7,000	Rp 2,940,000
8 - 13 july	420	420	Rp 7,000	Rp 2,940,000
15 - 20 july	420	420	Rp 7,000	Rp 2,940,000
22-27 July	420	420	Rp 7,000	Rp 2,940,000
Total Income				Rp 19,335,000

Source: Aloe Vera Industry Report, 2018

b. Initial Outlays

Table 2.3 Initial Outlays

Initial Outlays		
Fix Cost		
Kitchen Equipment	Rp 1,232,000	
Digital Scales	Rp 75,000	
Refrigator	Rp 2,500,000	
Thermos	Rp 900,000	
Total Fix Cost		Rp 4,707,000
Variable Cost		
Aloe Vera	Rp 2,000,000	
Water	Rp 504,000	
Natrium Benzoat	Rp 12,500	
Citric Acid	Rp 50,000	
Sugar	Rp 861,000	
Key Lime	Rp 80,000	
Lime Betel	Rp 8,000	
Flavor	Rp 350,000	
Gas	Rp 92,000	
Sunlight	Rp 5,000	
Packaging	Rp 2,744,000	

Total Variable Cost		Rp 6,706,500
Expenses		
Market legality	Rp 150,000	
Rent Expense	Rp 300,000	
Labor	Rp 800,000	
Electricity, water ect	Rp 50,000	
Marketing Expenses	Rp 300,000	
Total Expenses		Rp 1,600,000
Total Investment		Rp 13,013,500

Source: Aloe Vera Industry Report, 2018

c. Source of Fund

All of the initial capital of Lovera came from the owner's equity or owner's money. The owner also worked in this business as the CEO. As seen below, Lovera did not require high investment facilities. Lovera only had two managers and one production staff. Thus, the investment needed was still covered by the owner.

d. Income Statement

Table 2.4 Income Statement

Income Statement	Month 1	Month 2	Month 3
Revenues	Rp 1,275,000	Rp 6,300,000	Rp 11,760,000
COGS	Rp 668,818	Rp 3,540,804	Rp 6,609,500
Gross profit	Rp 606,182	Rp 2,759,196	Rp 5,150,500
Market legality	Rp -	Rp 150,000	Rp -
Marketing Expenses	Rp -	Rp -	Rp 200,000
Rent Expense	Rp 300,000	Rp 300,000	Rp 300,000
Labor	Rp 400,000	Rp 800,000	Rp 800,000
Listric, water ect	Rp 50,000	Rp 50,000	Rp 50,000
Operating Expenses	Rp 750,000	Rp 1,300,000	Rp 1,350,000
EBITDA	-Rp 143,818	Rp 1,459,196	Rp 3,800,500
Depreciation Expenses	Rp 67,104	Rp 67,104	Rp 67,104

EBIT	-Rp 210,923	Rp 1,392,092	Rp 3,733,396
Tax	Rp 12,750	Rp 63,000	Rp 117,600
EAT	-Rp 223,673	Rp 1,329,092	Rp 3,615,796

Source: Aloe Vera Industry Report, 2018

CHAPTER III

GAP-ANALYSIS AND IMPLEMENTATION

3.1 Problem Identification

3.1.1 Marketing Aspect

a. Market Legality and Product Distribution

Lovera wanted to be a good product that contained many nutrients for the health of the body. To be a good product that everybody can trust, Lovera must have a legal permission from the government to prove that the product was safe. Market legality in Indonesia was really strict and as a new product, Lovera must do lab test to get the legality permission. Thus, Lovera can be a truthful product. The problem is that Lovera still had not pass one step on the lab test and Lovera had not get the market legality.

Lovera product could not stand for a long time. Lovera could not be sold at supermarket and hard to fulfill order out of town that need a long time to deliver the product while the production process was only done in Yogyakarta and the product cannot stand more than 2 weeks. Orders came from several regions in Indonesia such as Lombok, Surabaya, Malang, Bandung, Depok, Jakarta, Riau, Lampung, Makassar and West Borneo.

3.1.2 Operational Aspect

a. Raw Material Stock

The main raw materials of Lovera was Aloe Vera but the number of raw materials was really low in Yogyakarta since the Aloe Vera farmer in

Yogyakarta was still rare and the Aloe Vera garden was rare. This was the main problem in producing the Lovera Product. Lovera product used bowling bottle but it is really hard to find a bowling bottle in Yogyakarta, Lovera choose to use a bowling bottle to their product because of the uniqueness of the shape.

b. Lab Results

From the four variables of lab test, Lovera did not pass the coliform test. The problem was that because of the coliform problem, Lovera product could not last long. The product would easily get expired.

3.1.3 Organizational Aspect

a. Lack of Skill

Most of the beverage product was produced in industry level. While Lovera's employees did not have any experiences for that level. Employees' skill and knowledge were limited to make improvement and development especially in term of production process to make the products stand for a long time. The employee performance to produce the product was still below the production target.

3.1.4 Financial Aspect

b. Cost of Raw Material

The rareness of the Aloe Vera raw materials in Yogyakarta made the price of the raw materials quiet expensive. Lovera product could not push the production price because of the high price of the raw materials and it gave effect on the net profits of the Lovera product.

3.2 Theoretical Review

3.1.1 Marketing Aspect

a. Market Legality and distribution

Hawker (2013) stated that if you have a genius idea for a new product that you believe will make you rich, the most potential return on investment and has the greatest chance for success is license your idea to a business with the ability to manufacture and distribute your product. Get a product license need an effort but it is better rather than you just start a company, and then make and sell the product that will be harder to distribute the product without license. Another option you can submit your idea to a crowdsourcing platform but the product and profit will not becoming your own.

3.1.2 Operational Aspect

a. Raw Material Stock

To fix the problem on stock in production process, it is important to consider about inventory control. According to Pontius (2018), inventory control refers to all aspects of managing a company's inventories: purchasing, shipping, receiving, tracking, warehousing and storage, turnover, and reordering. In this reseach, I could calculate the quantities needed to be ordered when I needed to reorder the stock, etc. Thus, minimum investment could keep the customer satisfaction and maximize the profit.

b. Lab Result

According to Treyens (2009), Coliform bacteria originate is an organisms in soil or vegetation and in the intestinal tract of warm-blooded

animals (fecal coli). This group of bacteria has long been an indicator of water contamination and possible presence of intestinal parasites and pathogens.

3.1.3 Organisational Aspect

a. Lack of Skill

According to Snell & Bohlander (2013), there are three factors that affect employee’s performance which are ability, motivation and environment. By conducting performance diagnosis through those factors, it will find employees condition and action needed to fix it.

Performance Diagnosis

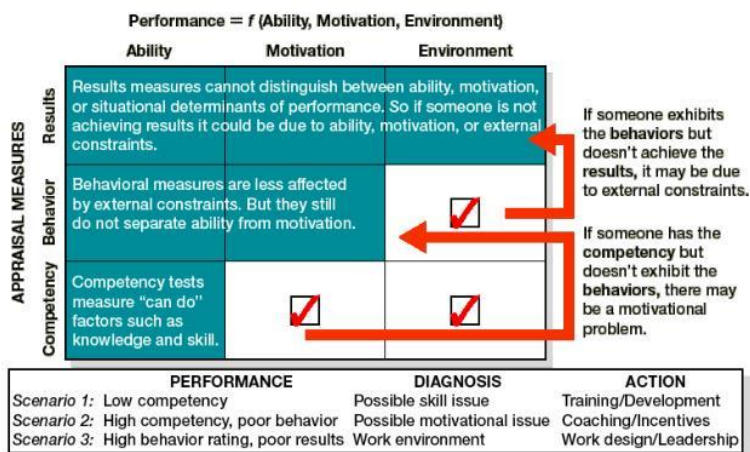


Figure 3.1 Performance Diagnosis
Source: Snell and Bohlander, (2013)

3.1.2 Financial Aspect

a. Cost of Raw Material

According to Barosi and Busse (2011) there are six step to manage raw material price volatility which are understanding the true quantity used, understand your supplier’s raw material costs and share risks appropriately,

identify which commodities need such as dedicated strategies, implement risk-mitigation strategies, differentiate savings goals, track commodity price movement.

3.3 Problem Solution

3.1.1 Marketing Aspect

a. Market legality and Product Distribution

Recheck the product to register the market legality after developing the product sustainability. Focus on market in Yogyakarta region around this city. Fulfill order only from Java Island that can deliver the product for only 2 to 3 days. Thus, the product would still be in good quality. Make a good content for promotion. Thus, consumer will be spread widely. Lovera could optimize the use of the social marketing in digital era. It is really easy and helpful. Lovera could also use direct selling to many stores. Lovera offered agreement to both parties so that the stores would be interested to buy Lovera products.

3.1.2 Operational Aspect

a. Raw Material Stock

To control the raw material, Lovera could order the raw material from Aloe Vera Association Yogyakarta. Lovera must be consistent in ordering the raw materials every week with an organized schedule. For the bottle, it also had the same as the way of ordering raw materials but it could only ordered once a month.

b. Production Capacity

In maximizing the production capacity of lovera product, Lovera must make a simpler way of production process. Thus, the production process would be more efficient and effective. Lovera could produce a higher number of production.

c. Lab Result

Lovera had to conduct research for product development by doing stability test and find out the right composition and procedure to make long lasting product.

3.1.3 Organizational Aspect**a. Lack of Skill**

Lovera Employees need continuous learning to improve knowledge about developing the product and improve the performance of the product.

3.1.4 Financial Aspect**a. Cost of Raw Material**

Ordering the raw material from Aloe Vera association could give a good quality of product and can give the right quantities as Lovera requested. Supplier must also punctual with the schedule of sending the raw material.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

Lovera was a beverage product business from Aloe Vera leaves that was opened on April 2018 in Sleman Yogyakarta. The marketing of Lovera was conducted through online marketing, as simply marketing that had big influence to the customers. Many buyers from several region such as Depok, Tangerang, Solo, Malang, and Surabaya were interested and ordered Lovera product. Many of them also rebought the product because the taste of Lovera.

Lovera had a team that consisted of four people with different job and position. They were of CEO, marketing and financial manager, production and human resources manager and production staff. Employees at Lovera were also active to support the business through their performance. Human resources had to do the continuous learning to improve the production process becoming simpler, to solve the problem happen and give the maximum result for Lovera business.

Lovera had already fixed supplier to get the raw materials. Lovera also produce the product routine every week but it was still needed to conduct continues improvement and development of the product especially to make long lasting product and create the simplest layout design production to increase the production quantity.

Lovera already had routine income and covered the cost of good sold and expenses. It was still needed to increase production quantity to increase net profit of the business and also to conduct another business development to make this business bigger in industry level.

4.2 Recommendations

Lovera was a business that created the product from local resources. Lovera had to do continuous improvement and development to make this business more useful for many parties, for the owner, employees, farmers and the society. Below were several recommendations from conducting this business design and implementation project for future entrepreneur and for conducting this business project.

1. Entrepreneur had to have fast decision making for business. Before conducting a business, it is important to create business feasibility study.
2. Product development and improvement were the things that will never end to make long lasting business product stay in the market.
3. Market legality was an important thing to make the business product spread widely in the market.
4. Human resource had to improve knowledge and understanding continuously to have good performance moreover above the standard performance for the successful of the business.
5. To make long lasting business, make sure that the revenue can cover the cost and improve the productivity until the maximum unit production to increase the net profit of the business.
6. Business design and implementation project was really recommended for students as a practice to be an entrepreneur after graduate. International program had to support it by providing guide book in internal version about business design and implementation project.

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APPENDICES

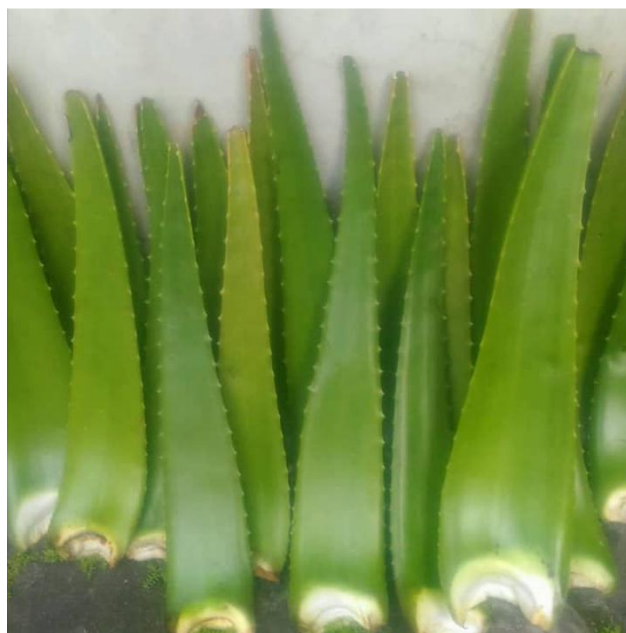
Appendix 1 Lovera's Team



Appendix 2 Aloe Vera Garden



Appendix 3 Raw Materials

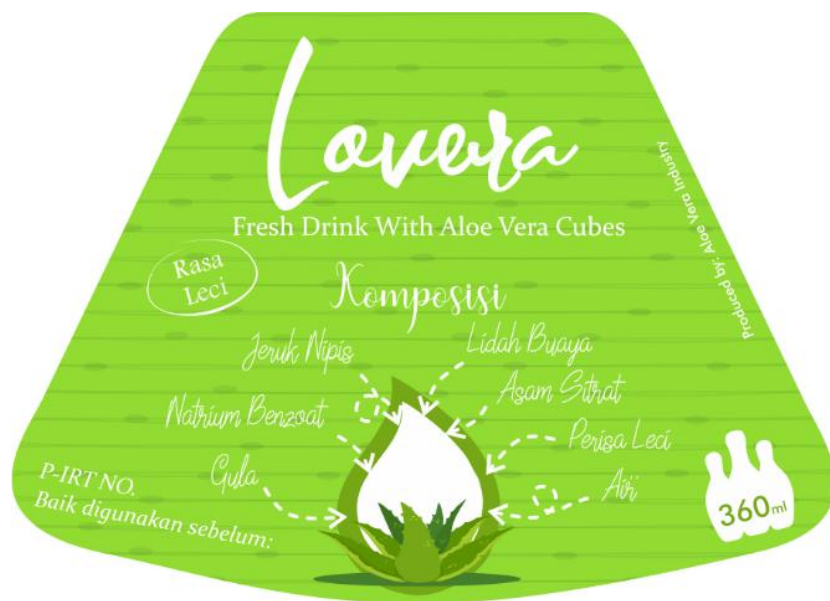


Appendix 4 Production Process





Appendix 5 Packaging Design



Appendix 6 Product



Appendix 7 Stock



Appendix 8 Distribution



Appendix 9 Lab Result



**PEMERINTAH KABUPATEN SLEMAN
DINAS KESEHATAN
LABORATORIUM KESEHATAN**

Jalan Kalimantan Gg. Ambalat, Purwosari, Mlati, Sleman, D.I. Yogyakarta Kode Pos 55284
Telpon / Faximile (0274) 884226

FRM.LHU.02/01.07.2015/Rev.00

Mlati, 3 Juli 2018
Kepada
Yth. Hajrin Fauziyah
Gang Sewagati No. 38 Nglanjaran
rt 07/ rw 16 Sardonoarjo

LAPORAN HASIL UJI**I. IDENTITAS CONTOH UJI**

No.Contoh Uji/No.Plg : MIK/04035/6147-NGK2-P
Contoh Uji : Makanan
Jenis Contoh Uji : sari buah Lovera
Berasal dari : sari buah Lovera
Asal Contoh Uji : Gang Sewagati No. 38 Nglanjaran rt 07/ rw 16 Sardo
Di ambil oleh : Ratnaningsih,AMd, petugas Puskesmas Ngaglik II
Instansi : -
Tanggal Sampling : 21-06-2018
Tanggal Di terima : 21-06-2018
Tanggal Pengujian : 21-06-2018 s/d 03-07-2018
Acuan dasar : SNI 7388:2009 Tentang Batas Maksimum Cemaran Mikroba Dalam Pangan

II. HASIL PENGUJIAN

Parameter	Hasil Diperiksa	Standart Baku Mutu	Metode Pemeriksaan
Angka Kuman	4.3×10^4 koloni/gr	1×10^5 koloni/gr	Koloni Pour Plate
APM <i>Escherichia coli</i>	< 3/gr	< 3/gr	SNI 01-2332.1-2006
APM Koliform	> 1100/gr	10/gr	SNI 01-2332.1-2006

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Penata, III/c

NIP : 196101271983032008



**PEMERINTAH KABUPATEN SLEMAN
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Mlati, 3 Juli 2018
Kepada
Yth. Hajrin Fauziyah
Gang Sewagati No. 38 Nglanjara
rt 07/ rw 16 Sardonoarjo

LAPORAN HASIL UJI

I. IDENTITAS CONTOH UJI

No.Contoh Uji/No.Plg : KIM/04036/6147-NGK2-P
 Contoh Uji : Makanan
 Berasal dari : sari buah Lovera
 Asal Contoh Uji : Gang Sewagati No. 38 Nglanjara rt 07/ rw 16 Sardo
 Di ambil oleh : Ratnaningsih,AMd, petugas Puskesmas Ngaglik II
 Instansi : -
 Tanggal Sampling : 21-06-2018
 Tanggal Di terima : 21-06-2018
 Tanggal Pengujian : 21-06-2018 s/d 03-07-2018
 No.Contoh Uji/No.Plg : KIM/04036/6147-NGK2-P
 Acuan dasar : Keputusan Kepala Badan POM No. HK 00.05.5.1.4547 Tahun 2004
 Tentang Batas Maksimum Penggunaan Bahan Tambahan Pangan
 Pemanis

II. HASIL PENGUJIAN

Pemeriksaan	Hasil Pemeriksaan	Baku Mutu	Metode Pemeriksaan
Sakarin	Negatif	300 mg/kg	Test Kit

Catatan:

1. Hasil uji ini hanya berlaku untuk contoh yang diuji.
2. Dilarang mengutip/mengcopy dan atau mempublikasikan sebagian/seluruh isi lampiran hasil uji ini tanpa seizin UP^r Laboratorium Kesehatan Kabupaten Sleman.
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