

Analysis of Financial Feasibility and Development Strategies for Cattle Farming Businesses in the Damarwulan Cattle Group, Samarinda City

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Abstract—This study aims to analyze the financial feasibility and strategy for developing the "Damarwulan" cattle breeding business in Samarinda City. This study uses an analysis tool for payback period, net present value, profitability index, internal rate of return, average rate of return, financial ratios, and a SWOT analysis tool. Based on the financial feasibility obtained from the feasibility parameters with the assumption of obtaining results that include a payback period of 2 years, 4 months, and 26 days, a net present value of IDR 654,822,757, a profitability index of 2.16, an internal rate of return of 36.55%, an average rate of return of 97%, and financial ratios in the first year to the fifth year, they can be said to be quite good except for the total asset turnover ratio, which continues to decline in value.

Keywords—Livestock, Feasibility Analysis, Financial Aspects, and SWOT Analysis

I. INTRODUCTION

Livestock is an important resource in the current era of economic growth and food security in Indonesia. The development of this livestock is heavily influenced by population growth.

In the 2018–2020 periods, the average growth of the beef cattle population in Indonesia by province reached 1,494,993 heads. When compared to the 34 provinces in Indonesia, the province of East Kalimantan can only help meet the domestic beef cattle population of 0.71%, or the equivalent of 120,019 beef cattle. The population level is still far from the provincial average of 2.94%. Of the 120,019 beef cattle population, Samarinda City is only able to contribute an average population of 10,423 heads, or 8.69% of the beef cattle population in East Kalimantan.

Based on the data above, Samarinda City can be regarded as one of the cities in East Kalimantan Province that has opportunities in the livestock business. This is because the demand for beef always increases every year, but the level of beef production is still not sufficient.

Based on livestock statistics, East Kalimantan can produce around 7,695,570 kg of beef per year. Samarinda City is only able to produce an average beef production of 1,646,260 kg/year, or 21%, when compared to East Kalimantan's production. The demand for beef in Samarinda City continues to increase, with an average increase of 504,339 kg each year. This demand is out of balance with production. The fact is that Samarinda City has to import 1,591,079 kg/year of beef from outside the city to meet the shortage of beef production.

Increasing the population or production of beef needs to be done in the city of Samarinda to meet the supply of beef in the city. If the amount of beef production has been increased, the city of Samarinda will not need a supply of beef from outside the city; it will actually be able to help fulfill the domestic supply of beef.

This study aims to determine the business feasibility of the financial aspect of the business of fattening beef cattle for Damarwulan Cattle Group as well as the business development strategy.

The Damarwulan Cattle Cluster, better known as the Damarwulan Cattle Group, is a community livestock model established in 2017. The cattle cluster program is one of the programs carried out by changing the mindset of breeders from the traditional system to a business scale. In an effort to implement this business, it is necessary to carry out financial analysis and identify business development strategies.

II. LITERATURE REVIEW

Business Feasibility Study

Nurmalia et al. [1] stated that a business feasibility study is a review or analysis of whether an investment activity provides benefits or results when implemented. Meanwhile, according to Suliyanto [2], a business feasibility study is research that aims to decide whether a business idea is feasible or not. A business idea is deemed feasible to implement if it produces greater benefits for all parties (stakeholders) than the negative impacts. According to Jumingan [3], a business feasibility study, which is often called a project feasibility study, is research on whether or not a project (usually an investment project) can be implemented successfully.

According to Kasmir & Jakfar [4], the definition of a business feasibility study (SKB) is an activity that studies in depth a business or business to be run in order to determine whether or not the business is feasible. Rangkuti [5] states that a business and investment feasibility study is a feasibility analysis of whether or not a project can be implemented. It can be concluded that a business feasibility study is a study conducted with the aim of knowing whether a business to be carried out is feasible or not.

Purpose of Feasibility Study

A business feasibility study needs to be carried out before a business or project is executed. The point is that this

business or project is carried out in vain; it is not wasting time, money, energy, or thoughts in vain. According to Kasmir & Jakfar [4], there are at least five reasons why a feasibility study needs to be carried out before starting a business or project, namely:

a. Avoid the risk of loss.

To overcome the risk of loss in the future, because in the future there will be a kind of uncertainty. There are conditions that can be predicted to occur or indeed occur by themselves without being able to be predicted. In this case, the function of the feasibility study is to minimize unwanted risks, both those that we can control and those that cannot be controlled.

b. Makes planning easy

If we can already predict what will happen in the future, it will be easier to plan what needs to be planned. Planning includes the amount of funds needed, when the business or project will be carried out, where the project location will be built, who will carry it out, how to run it, how much profit will be obtained, and how to monitor it in case of irregularities.

c. Facilitate the execution of work

With the various plans that have been prepared, it will greatly facilitate the implementation of the business. The executors who work on the business already have guidelines that must be followed. Then business operations can be carried out systematically so that they are right on target and in accordance with the plans that have been prepared. The plan that has been prepared is used as a reference in carrying out each stage that has been planned.

d. Easy supervision

By carrying out a business or project in accordance with the plan that has been prepared, it will make it easier for the company to supervise the running of the business. This supervision needs to be done so that the implementation of the business does not deviate from the plan that has been prepared. Job executors can really do their job because they feel someone is watching, so the execution of work is not hampered by unnecessary things.

e. Easy control

If, in the implementation of the work, supervision has been carried out, then if a deviation occurs, it will be easily detected, so that control will be carried out over the deviation. The purpose of control is to return the implementation of work that has strayed from the real track so that, in the end, the company's goals will be achieved.

Aspects of the Business Feasibility Study

To obtain strong conclusions about whether or not a business idea is implemented, an in-depth business feasibility study needs to be carried out on several aspects of Suliyanto's business feasibility [2], namely:

a. Legal aspect

The legal aspect analyzes the ability of business actors to comply with the legal requirements and permits required to run a business in certain areas.

b. Environmental aspects

The environmental aspect analyzes the suitability of the surrounding environment (both the operational environment, the immediate environment, and the remote environment) for the business idea to be carried out.

c. Market and marketing aspects

The market aspect analyzes market potential, competition intensity, market share that can be achieved, and marketing strategies that can be used to achieve the market share expected by Suliyanto [2]. An in-depth study of the market was carried out through Purnawa & Hidayat's market research [7]. Specifically, this market aspect analysis includes condition analysis, estimation of future marketing conditions, estimation of changes in demand and supply, and estimation of market potential.

d. Technical and technological aspects

The technical aspect analyzes the technical readiness and availability of the technology needed to run the business.

e. Aspects of management and human resources

f. The management and human resources aspect analyzes the stages of business implementation and the readiness of the workforce, both unskilled and skilled, needed to run a business.

g. Financial aspect

The financial aspect analyzes the cost of investment and working capital as well as the rate of return on investment from the business to be run. This aspect study clearly describes matters relating to company profits. The financial aspect is an important aspect to assess the feasibility of Purnawa and Hidayat [7]. Assessment of this aspect includes:

1. Sources of funds Business funding can be obtained from various sources, including own capital, loan capital, or both.
2. The need for investment costs Companies seeking to meet their investment needs must make a financing plan for investment in accordance with their needs.
3. Estimated income and investment costs over several periods, including the type and total costs incurred during the life of the investment.
4. Investment appraisal criteria Investment feasibility can be seen from the feasibility of an investment in terms of financial aspects.
5. Projected balance sheet and profit/loss report for the next several periods.
6. The financial ratios used to assess a company's ability are the basis for answering several important questions regarding the financial condition of a company.

Understanding Strategic Management

Rudianto [8] stated that strategic management is a process used by managers to formulate and implement strategies to provide the best customer value and realize the organization's vision. Widiyono & Hakim [9] explain that strategic management is the process of setting organizational goals, developing policies, and planning to achieve these goals, as well as allocating resources to implement policies and plan to achieve organizational goals. Meanwhile, according to

Nilasari [10], strategic management is a systematic process that is carried out based on careful considerations.

It can be concluded that strategic management is a systematic process carried out by the company by planning, organizing, and developing the company's strategy to realize the company's vision, mission, and goals by involving all the necessary resources.

Strategic Management Objectives

The objectives of the company's implementation of other strategic management systems include:

1. Provide direction for achieving organizational or company goals. In this case, strategic managers must be able to show all parties where the goals of the organization or company are headed, Widiyono & Hakim [9].
2. To help think about the interests of various parties, the organization or company must bring together the needs of various parties, including suppliers, employees, shareholders, banks, and other wider communities related to the term "stakeholder benefits," which play a role in the success or failure of the company, Widiyono & Hakim [9].
3. Can anticipate every change evenly; strategic management allows top executives to anticipate changes and prepare guidelines and controls, Widiyono & Hakim [9].

Benefits of Strategic Management

Solving problems by generating and considering more alternatives that are built from a more thorough analysis will be more promising for a result that benefits Widiyono and Hakim [9].

There are several benefits that organizations get if they apply strategic management, namely:

1. Provide a long-term direction to go in.
2. Helping organizations adapt to the changes that occur.
3. Make an organization more effective.
4. Identify an organization's comparative advantage in an increasingly risky environment.
5. Strategy-making activities will enhance the firm's ability to prevent future problems from arising.
6. The involvement of organizational members in the formulation of the strategy will further motivate them at the implementation stage.
7. It can reduce overlapping activities.

SWOT analysis

According to Robbins & Coulter [11], SWOT analysis is an analysis of the strengths, weaknesses, opportunities, and threats of an organization. Meanwhile, according to Rangkuti [6], SWOT analysis is the systematic identification of various factors to formulate corporate strategy. Meanwhile, according to Handoko et al. [12], in strategic planning, SWOT analysis is the most commonly used technique for conducting organizational situational analysis. SWOT analysis is the basis for the realization that is needed for many objectives and various units of analysis.

It can be concluded that the SWOT analysis is an analysis of the strategy used by the company, which comes from

internal factors (strengths and weaknesses) and external factors (opportunities and threats).

The crisis success factors owned by the company, according to Rudianto [7], are as follows:

1. Strengths
Strengths are the main skills and resources that the company has. The company's main competence is a competitive advantage that the company has that can be used to shape the company's overall strategy.
2. Weaknesses
Weaknesses are the company's deficiencies regarding certain skills or competencies, which are relatively owned by competing companies.
3. Opportunities
Opportunities are important, profitable situations in the corporate environment. Trends, demographics, policy changes, and technological changes in an industry can be favorable or unfavorable for a company.
4. Threats
Threats are unfavorable situations in the corporate environment. Threats can be in the form of competitors' entry, changes in government policies that are unfavorable, or technological changes that are not profitable for the company.

III. METHODOLOGY

This study uses several analytical tools to assess investment feasibility and determine business strategies, namely:

1. Criteria for assessing the feasibility of investment
Based on the investment feasibility criteria, the analysis tools used are payback period (PP), average rate of return (ARR), net present value (NPV), internal rate of return (IRR), and profitability index (PI).
2. Analysis of Financial Statements with Financial Ratios
Make a projected report consisting of a balance sheet and income statement. The next step is calculating financial ratios, which consist of solvency ratios, activity ratios, and profitability ratios.
3. SWOT analysis is done by comparing all factors using the SWOT matrix.

IV. RESULT AND DISCUSSION

Investment Feasibility Assessment

The analysis related to the feasibility assessment on the financial aspect uses several investment feasibility criteria presented below:

a. *Payback Period (PP)*

TABLE 1. Calculation of the Payback Period (PP)

<i>Payback Period</i>		
Year	Net Cash Flow/ Proceeds (Rp)	Inflow Cash Accumulation/Proceeds (Rp)
0	-566,100,000	-566,100,000
1	208,422,000	-357,678,000
2	244,519,380	-113,158,620
3	283,184,681	170,026,061
4	324,569,192	494,595,253
5	368,832,450	863,427,703

Source: Processed Data

$$\text{Calculation} = \frac{\text{Rp } 113.158.620}{\text{Rp } 283.184.681} \times 1 \text{ year} = 2.40 \text{ year}$$

$$= 0.40 \times 365 \text{ day} = 145.85 \text{ day}$$

$$= 145.85:30 \text{ day} = 4.86 \text{ month}$$

$$= 0.86 \times 30 \text{ day} = 26 \text{ day}$$

The calculation above means that the funds invested in this business, amounting to IDR 566,100,000, will be fully recovered within 2 years, 4 months, and 26 days.

b. Net Present Value (NPV)

TABLE 2. Calculation of Net Present Value (NPV)

Net Present Value			
Year	DF 5%	Net Cash Flow/Proceeds (Rp)	PV from Proceeds (Rp)
1	0.952	208,422,000	198,497,143
2	0.907	244,519,380	221,786,286
3	0.864	283,184,681	244,625,575
4	0.823	324,569,192	267,023,877
5	0.784	368,832,450	288,989,876
PV from Proceeds			1,220,922,757
PV from Outlays			566,100,000
Net Present Value (NPV)			654,822,757

Source: Processed Data

The discount rate used in this calculation is 5%, which gives a positive value in the net present value (NPV) calculation. Criteria for the feasibility of accepting an investment in the NPV method can be proposed if the value is greater than zero. This means that the investment is assumed to generate a greater return than the capital outlay.

c. Internal Rate of Return (IRR)

In principle, when the Internal Rate of Return method is used to calculate the rate of return, the IRR will produce an interest rate that can equate the present value of all cash inflows with cash outflows from an investment. In the projected cash flow of the Damarwulan cattle business, the amount of proceeds is not always the same every year, so two different interest rates will be compared so that they are close to the actual interest rate. For more details, the calculation of the internal rate of return (IRR) is presented in the following table:

TABLE 3. Calculation of Internal Rate of Return (IRR)

Internal Rate of Return (manuals)					
Year	Net Cash Flow (Proceeds) (Rp)	Interest 36%		Interest 37%	
		DF	PV (Rp)	DF	PV (Rp)
1	208,422,000	0.735	153,251,471	0.730	152,132,847
2	244,519,380	0.541	132,201,222	0.533	130,278,321
3	283,184,681	0.398	112,577,871	0.389	110,130,613
4	324,569,192	0.292	94,874,972	0.284	92,135,082
5	368,832,450	0.215	79,274,695	0.207	76,423,388
PV of Proceeds		572,180,231		561,100,250	
PV of Outlays		566,100,000		566,100,000	
NPV		6,080,231		4,999,750	

Source: Processed Data

From the above analysis, it is known that the actual IRR lies between 36% and 37%. Once the interest rate is known, an interpolation is carried out to determine the actual interest rate.

$$r = 36 - \frac{6.080.231}{37 - 36} \frac{37 - 36}{- 4.999.750 - 6.080.231}$$

$$r = 36 - \frac{6.080.231}{- 11.079.981}$$

$$r = 36,55 \%$$

Thus, the IRR is 36.55%. This means that the receipt of investment in this business is greater than the desired profit level.

d. Average Rate of Return (ARR)

The average rate of return method is used to measure the level of profit obtained from an investment. The level of profit used to measure this method is profit after tax compared to the total, or average, investment. The following is the ARR calculation, which will be presented in the table below:

TABLE 4. Calculation Average Rate of Return (ARR) of Initial Investment Rp566,100,000

No	Information	Profit After Tax (Rp)
1	Proceeds of Year 1	195,822,000
2	Proceeds of Year 2	231,919,380
3	Proceeds of Year 3	270,584,681
4	Proceeds of Year 4	311,969,192
5	Proceeds of Year 5	356,232,450
Average EAT		273,305,541
Average Investment		283,050,000
Average Rate of Return (ARR)		97%

Source: Processed Data

$$\text{Calculation: } ARR = \frac{273.305.541}{283.050.000} = 97 \%$$

From this calculation, a value of 97% is obtained, which means the level of profit that will be obtained when carrying out the beef cattle business idea.

e. Profitability Index (PI)

This method calculates the comparison between the value of net cash flows that will come and the value of the current investment. The following presents the Profitability Index (PI) calculation:

TABLE 5. Calculation of Profitability Index (PI)

Profitability Index			
Year	DF 5%	Net Cash Flow (Proceeds) (Rp)	PV From Proceeds (Rp)
1	0.952	208,422,000	198,497,143
2	0.907	244,519,380	221,786,286
3	0.864	283,184,681	244,625,575
4	0.823	324,569,192	267,023,877
5	0.784	368,832,450	288,989,876
PV from Proceeds			1,220,922,757
PV from Outlays			566,100,000
Profitability Index (PI)			2,16

Source: Processed Data

$$\text{Calculation } PI = \frac{\text{Rp } 1.220.922.757}{\text{Rp } 566.100.000} = 2,16$$

The feasibility of receiving an investment in the PI method is a comparison between the value of the initial investment and net cash receipts in the future. This PI is another form of the NPV approach, where this business will be proposed as feasible if the PI is greater than 1.

Analysis of Financial Statements with Financial Ratios

Based on projected data on the financial statements of the Damarwulan cattle business in the form of balance sheets and profit and loss reports for 5 years, the researchers conducted an analysis of the financial statements, namely as follows:

1) Profitability Ratio

a. Net Profit Margin

TABLE 6. Calculation of Net Profit Margin

Year	Net Profit (Rp)	Sales (Rp)	NPM
1	172,485,100	1,500,000,000	11%
2	213,174,925	1,575,000,000	14%
3	257,132,778	1,653,750,000	16%
4	303,809,841	1,736,437,500	17%
5	353,365,651	1,823,259,375	19%

Source: Processed Data

From the calculation above, it can be interpreted that the company's ability to earn profits at the level of sales made can be categorized as good because it is increasing every year.

b. Return On Investment

TABLE 7. Calculation of Return on Investment

Year	Net Profit (Rp)	Total Asset (Rp)	ROI
1	174,468,190	1,232,532,190	14%
2	216,133,908	1,359,150,098	16%
3	261,166,931	1,530,801,028	17%
4	308,991,010	1,750,276,038	18%
5	359,770,178	2,020,530,216	18%

Source: Processed Data

From the ROI calculation results, it can be seen that the company's ability to generate profits that are used to cover the expenditure of assets can be categorized as good.

1) Solvency Ratio

a. Total Debt to Asset Ratio

Table 8 Calculation of Total Debt to Asset Ratio

Year	Total Debt (Rp)	Total Asset (Rp)	DAR
1	342,560,000	1,215,045,100	28%
2	256,920,000	1,342,580,025	19%
3	171,280,000	1,514,072,803	11%
4	85,640,000	1,732,242,644	5%
5	-	1,999,968,295	0%

Source: Processed Data

In calculating the ratio of the total debt to asset ratio, the ratio level decreases every year; this means that the security level of the company's funds is getting better because the debt is covered.

2) Activity Ratio

a. Fixed Assets Turnover

TABLE 9. Calculation of Fixed Assets Turnover

Year	Sales (Rp)	Fixed (Rp)	FAT
1	1,500,000,000	125,300,000	12.0 times
2	1,575,000,000	112,700,000	14.0 times
3	1,653,750,000	100,100,000	16.5 times
4	1,736,437,500	87,500,000	19.8 times
5	1,823,259,375	74,900,000	24.3 times

Source: Processed Data

The company's ability to generate sales based on fixed assets is considered very good. The effectiveness of the use of fixed assets in generating sales based on the calculation of Fixed Assets Turnover is categorized as very good because the turnover rate is getting bigger every year.

b. Asset Turnover

Based on the asset turnover ratio, a higher ratio usually indicates good management. Meanwhile, in the calculation above, the ratio is getting lower every year. This means the company must evaluate its strategy, marketing, and investment

or capital spending. Utilization of assets in generating sales is considered ineffective.

TABLE 10. Calculation of Asset Turnover

Year	Sales (Rp)	Total Asset (Rp)	AT
1	1,500,000,000	1,215,045,100	1.2 times
2	1,575,000,000	1,342,580,025	1.2 times
3	1,653,750,000	1,514,072,803	1.1 times
4	1,736,437,500	1,732,242,644	1.0 times
5	1,823,259,375	1,999,968,295	0.9 times

Source: Processed Data

Business Development Strategy Analysis

An IFAS and EFAS matrix analysis was conducted to identify internal and external factors. The following are the IFAS table and EFAS table after being weighted and rated:

TABLE 11. Matrix of IFAS

No	Indicators Strengths (Strengths)	Weight	Ratings	Score
1	Ease of access to bank credit	0.14	3.8	0.52
2	The breeding experience is quite good.	0.15	3.8	0.57
3	Quality of fattening beef cattle	0.15	3.8	0.55
4	Ease of marketing	0.15	3.6	0.53
5	Human resource potential	0.15	3.6	0.52
6	Transportation and supporting facilities are good.	0.14	3.8	0.53
7	Availability of land	0.13	4.0	0.53
Total Strengths		1.00		3.76
No	Indicators Weaknesses (Weaknesses)	Weight	Ratings	Score
1	Limited capital for livestock businesses	0.16	2.3	0.36
2	Traditional maintenance patterns	0.13	2.5	0.32
3	Cattle prices fluctuate (variable).	0.14	2.8	0.40
4	Long cultivation time	0.12	3.2	0.37
5	Poor financial management	0.14	2.4	0.34
6	Lack of interest in farming	0.15	3.1	0.47
7	Cattle will be hard to find.	0.16	3.2	0.49
Total Weakness		1.00		2.76
X = Strengths - Weakness =				1.00

Source: Processed Data

TABLE 12. Matrix of EFAS

No	Indicators Opportunities (Opportunities)	Weight	Ratings	Score
1	Government support	0.14	3.6	0.50
2	Animal Husbandry	0.15	3.8	0.55
3	The demand for beef is increasing.	0.15	3.9	0.56
4	Ease of obtaining feed	0.15	3.7	0.54
5	Utilization of business waste	0.15	3.8	0.56
6	There is an animal market.	0.14	3.8	0.51
7	Provision of free medicines and vaccines from the government	0.14	3.5	0.51
Total (Opportunities)		1.00		3.72
No	Indicators Threats (Threats)	Weight	Ratings	Score
1	Feeder cattle price fluctuations	0.15	2.6	0.39
2	Dangerous disease	0.14	2.0	0.27
3	There are other substitute products.	0.15	2.2	0.32
4	More and more similar business competitors	0.15	2.4	0.37

5	There are no partnerships yet.	0.14	2.5	0.36
6	Changing people's diet	0.13	2.1	0.28
7	The high bargaining power of buyers	0.14	1.6	0.23
Total (Threats)		1.00		2.22
Y = Opportunities - Threats =		1.50		

Source: Processed Data

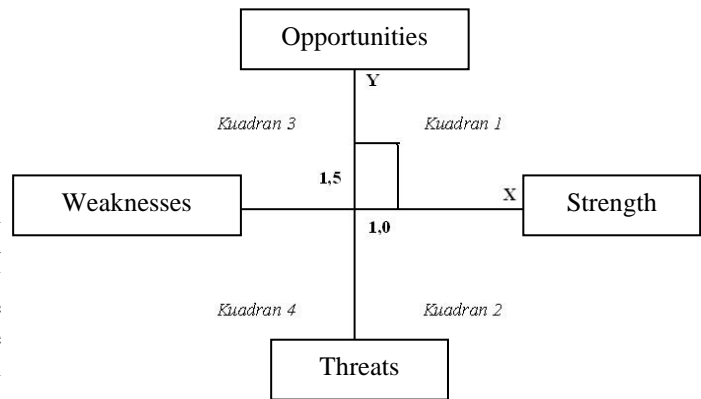
The results from the EFAS matrix table and the IFAS matrix table show that the scores for each factor are:

1. The strength factor score is 3.76.
2. The value of the weakness factor score is 2.76.
3. The opportunity factor score is 3.72.
4. The value of the threat factor score is 2.22.

Based on the calculation of rating values and weights on internal factors, the result is 1.0. These results were obtained by reducing the strength factor by the weakness factor, namely 3.76-2.76. The score result of 1.0 will be used as the horizontal axis, or X axis, in the SWOT diagram. While the results of calculating the rating value and weight value from the results of reducing the opportunity and threat factors, namely 3.72 - 2.22 = 1.50, are used as the vertical axis, or Y axis, in the SWOT diagram.

The aggressive strategy that can be applied in the livestock business this aggressive strategy shows that the position of the Damarwulan cattle group is in quadrant 1, where this position is strong and has the opportunity to develop further. After

calculating the results of the analysis of internal and external factors in the Damarwulan cattle group, a SWOT matrix can be made to find out what alternatives are appropriate to use so that the business can be developed to become even better. The following is a diagram of the results of the SWOT analysis:



SWOT matrix analysis is a tool used in developing a strategy that will be implemented in a business. The determination of the development strategy can be described in the following SWOT matrix:

TABLE 13. Matrix SWOT

Internal Factors	Strengths (S)	Weaknesses (W)
	<ol style="list-style-type: none"> 1. Ease of access to bank credit 2. Fairly good breeding experience 3. Quality of fattening beef cattle 4. Ease of marketing 5. Possess HR potential. 6. Good transportation and supporting facilities 7. Availability of land 	<ol style="list-style-type: none"> 1. Limited livestock business capital 2. Traditional maintenance patterns 3. Cattle prices fluctuate. 4. Long cultivation time 5. Poor financial management 6. Lack of interest in raising livestock 7. Cattle will be difficult to get
External Factors	SO Strategy	WO strategy
	<ol style="list-style-type: none"> 1. Increasing cattle production in an effort to increase profits by taking advantage of all available opportunities 2. Maintain the quality of cattle and strengthen the network. 3. Collaboration with breeders, suppliers, customers, and the government 4. Utilizing livestock counseling provided in an effort to develop beef cattle businesses 	<ol style="list-style-type: none"> 1. Utilize support from the government to obtain capital assistance. 2. Utilizing counseling to improve capability, innovation, and good management of feeder cattle and financial management. 3. Strive to optimize cooperation with suppliers to protect feeder cattle.
	Strategy ST	Strategy WT
	<ol style="list-style-type: none"> 1. Increasing partnerships with the private sector and the government, as well as with various suppliers. 2. Improving the efficiency of means to maintain consumer confidence with good product quality and product value that is not owned by other competitors. 	<ol style="list-style-type: none"> 1. Fostering the interest of the younger generation and the community around the business location to participate in raising cattle. 2. Evaluate the plans and targets achieved. 3. Fix all weaknesses to overcome the threats that will be faced. 4. Expand knowledge about sick livestock.
	Threats (T)	
	<ol style="list-style-type: none"> 1. Fluctuations in feeder cattle prices 2. Dangerous disease 3. There are other substitute products. 4. More and more similar business competitors 5. There is no partnership or cooperation 6. People's buying patterns have changed. 7. The high bargaining power of buyers 	

Source: Processed Data

Discussion

Investment Financial Feasibility

Based on the results of the analysis that has been carried out in the valuation calculation using several feasibility methods, the accumulation of calculation results in the table can be obtained as follows:

TABLE 14. Accumulation Calculation

Methods	Result of Calculation			Information
Payback Period	2 Year	4 month	26 day	Feasible
Net Present Value	Rp 654,822,757			Feasible
Internal Rate of Return	36.55%			Feasible
Average Rate of Return	97%			Feasible
Profitability Index	2.16			Feasible

Source: Processed Data

The payback period (PP) for developing the Damarwulan cattle business is 2 years, 4 months, and 26 days. These results state that the entire investment will return within that time period. When compared to the project period, which is 5 years, the payback period for business capital can be said to be faster than the general business period, so that business development is feasible.

In calculating the net present value (NPV), it can be seen that a discount factor of 5% gives a positive value of Rp654,822,757. This value can be interpreted as meaning that the development of this business will generate benefits equal to that value. So it can be said that this business is feasible to develop because the NPV obtained is greater than zero.

The profitability index (PI) value is successful, so when the company incurs additional costs, the value of the additional benefits it gets is also higher. In calculating the feasibility of the Profitability Index (PI) had value of 2.16. This can be interpreted as an additional cost of IDR 1, which can generate an additional net benefit of IDR 2.16. The profitability index (PI) value in the Damarwulan cattle business is greater than 1, so this business can be said to be feasible to run.

The results of the IRR calculation of 36.55% mean that the Damarwulan cattle business is said to be feasible to run because the IRR value is greater than the specified interest rate, which is 5%. This 36.55% value illustrates that the investment made will generate a greater return than previously planned. This means that this business is recommended to run.

Based on the results of the ARR calculation above, the value obtained is 97%. This can be interpreted as meaning that this business is feasible to run because the results are greater than the desired discount rate of 5%. The higher the ARR value, the higher the return (more profitable). Of the several methods that have been discussed, the feasibility analysis is analyzed using financial ratios.

Analysis of Financial Statements with Financial Ratios

In calculations using several financial ratios, the accumulated calculation of financial ratios can be obtained in the following table:

TABLE 15. Calculation of Financial Ratios

Year	NPM	ROI	DAR	FAT	AT
1	11%	14%	28%	12.0 times	1.2 times
2	14%	16%	19%	14.0 times	1.2 times
3	16%	17%	11%	16.5 times	1.1 times
4	17%	18%	5%	19.8 times	1.0 times
5	19%	18%	0%	24.3 times	0.9 times

Source: Processed Data

Net profit margins

The value obtained by Damarwulan in five consecutive years has increased by 11%, 14%, 16%, 17%, and 19%. In this analysis, Damarwulan can be categorized into healthy categories. The results of the study show that Damarwulan is able to manage finances and make greater profits from year to year, so profitability increases.

Return on Investment

For 5 periods, Damarwulan can be categorized as healthy, with consecutive numbers of 14%, 16%, 17%, 18%, and 18%

in 2021, which can still be categorized as good. These results indicate that Damarwulan is quite capable of productively controlling all assets and obtaining profits.

Total Debt to Asset Ratio

Within 5 years, Damarwulan produced healthy ratios of 28%, 19%, 11%, 5%, and 0%. This decrease in value shows that the assets owned are able to contribute more to the liabilities owned.

Total Fixed Assets Turnover

Damarwulan can be categorized according to healthy criteria. The most optimal year is year 5, when funds invested in assets rotate 24.3 times in one period, with numbers of 12.0, 14.0, 16.5, 19.8, and 24.3 times over the last five years. The results of this assessment show that Damarwulan is able to produce a more optimal business volume with its assets.

Total Asset Turnover

In the asset turnover analysis, Damarwulan is categorized as unsound because it produces numbers that continue to decrease every year, namely 1.2 times, 1.2 times, 1.1 times, 1.0 times, and 0.9 times. This shows that the Damarwulan cattle business has not effectively utilized its assets to generate sales. A low ratio indicates that management is still not good, so an evaluation of strategy, marketing, or capital expenditures must be carried out.

Business development strategy

Based on the results of the analysis on the calculation of the IFAS matrix table, the total score for strength is 3.76, while the total score for weakness is only 2.76. This can show that the Damarwulan cattle group must use its strengths to cover up its weaknesses. Fairly good breeding experience is the biggest strength in the Damarwulan cattle group, with a score of 0.57. While the dominant weakness in the Damarwulan cattle group is calves, which are difficult to obtain with a score of 0.49.

From the calculation of the EFAS Matrix table, it can be seen that the total opportunities are 3.72 and the total threats are 2.22, which means that the Damarwulan cattle group can be said to be able to overcome threats that will occur by taking advantage of existing opportunities. The biggest opportunity that exists related to the development strategy that will be carried out is the increasing demand for beef and the utilization of business waste, with a score of 0.56. External factors that in the future can become the biggest threat to the business of the Damarwulan cattle group are fluctuations in the price of feeder cattle, with a score of 0.39.

The formulation of alternative business development strategies is considered based on the results of the identification of internal and external factors. Nainggolan [13] reveals that competition encourages business people to be able to maintain their businesses by implementing various business strategies. The combination of internal and external factors will produce several alternative strategies that can be applied in developing the Damarwulan beef cattle business, as written in the SWOT matrix and described below:

- a. The SO (Strength-Opportunity) strategy is a strategy that optimizes strength factors and takes advantage of opportunities. Alternative S-O strategies are:

1. Increasing cattle production in an effort to increase profits by taking advantage of all available opportunities.
 2. Maintain the quality of cattle products and strengthen the network of cooperation with breeders, suppliers, customers, and the government.
 3. Utilizing livestock counseling provided in an effort to develop beef cattle businesses.
- b. The WO (weakness-opportunity) strategy, or the weakness-opportunity strategy, is an existing strategy to take advantage of opportunity factors and efforts to minimize weaknesses. Alternative W-O strategies are as follows:
1. Strive to optimize cooperation with suppliers to maintain the continuity of feeder cattle.
 2. Utilizing counseling to improve capability, innovation, and management of feeder cattle and good financial management.
 3. Utilizing support from the government to obtain capital assistance.
- c. The ST (Strength-Threat) strategy is a strategy to optimize the strength factor in avoiding threats. Alternative S-T strategies are:
1. Increasing partnerships with the private sector and the government, as well as with various suppliers.
 2. Improving the efficiency of means to maintain consumer confidence with good product quality and product value that is not owned by other competitors.
- d. The WT (weakness-threat) strategy, or strategy for weaknesses, is a strategy that seeks to minimize weaknesses and avoid threats. Alternative W-T strategies that can be formulated are:
1. Fostering the interest of the younger generation and the community around the business location to participate in raising cattle.
 2. Evaluate the plans and targets achieved.
 3. Fix all weaknesses to overcome the threats encountered.
 4. Expand knowledge about sick livestock.

The results of this study indicate that the Damarwulan cattle farm is financially feasible. Analysis using SWOT complements the results of financial analysis; strategies for anticipating weaknesses and threats and seizing opportunities based on the strengths of the livestock business are solutions for the sustainability of the company's survival. Warrasih and Djatmiko [14] revealed that companies must innovate in all aspects to provide results that are feasible to realize in determining company policies to optimize working capital turnover and increase revenue.

V. CONCLUSIONS

This research resulted in the following conclusions:

1. The idea of a cattle breeding business in the Damarwulan cattle herd is financially feasible by conducting several evaluations and implementing the right strategy to develop the business. From the results of the financial feasibility analysis of cattle farming based on calculations and analysis on PP, NPV, PI, IRR, and ARR methods and

- based on financial ratio calculation methods, namely Net Profit Margin, Return on Investment, Total Debt to Asset Ratio, and Total Fixed Asset Turnover, the business is worth it. However, according to the total asset turnover ratio, it is considered that this business still needs to carry out an evaluation related to asset utilization because the resulting numbers are decreasing every year. Business development strategies in quadrant 1 that are in accordance with the SWOT analysis can be applied to this business so that it can run better.
2. The strategy for developing the cattle breeding business in the Damarwulan cattle group is in quadrant 1. In this position, livestock has a strong business and great development opportunities. Therefore, the strategy that can be applied is the SO (Strength-Opportunity) strategy, or opportunity strength strategy. Alternative SO strategies that can be formulated are:
 - a. Increasing cattle production in an effort to increase profits by taking advantage of all available opportunities.
 - b. Maintain the quality of cattle products and strengthen the network of cooperation with breeders, suppliers, customers, and the government.
 - c. Utilizing livestock counseling provided in an effort to develop beef cattle businesses

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