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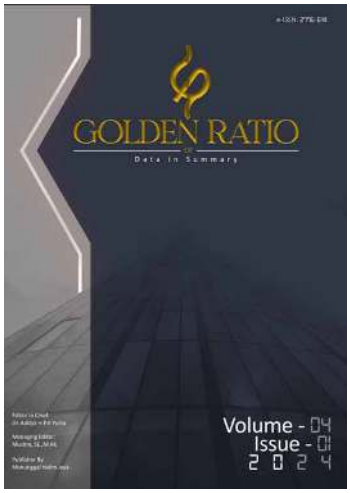

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DESCRIPTIVE OF QUANTITATIVE DATA | SUPPLEMENTARY

Service Business Revenue Analysis: Empirical Study on SME Sini Sa Clean

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Abstract: Small and Medium Enterprises, abbreviated as SMEs, play an important role in enhancing the economic growth of a country. They function to increase local income by meeting the community's needs for products and providing job opportunities. Sini sa Clean is one of the SMEs operating in the cleaning services sector in the city of Palu. Sini sa Clean offers room cleaning services, mattress cleaning, and sofa cleaning. This research aims to analyze the income and business feasibility of Sini sa Clean. The data analysis method used is the income analysis formula consisting of Total Cost (TC), Total Revenue (TR), and Profit (π). Meanwhile, to calculate business feasibility, the Revenue Cost Ratio (R/C Ratio) formula is used. Based on the research results, the average revenue for Sini sa Clean's cleaning service business is Rp. 2,521,000 per month, with total production costs amounting to Rp. 1,548,000 per month. These production costs consist of fixed and variable costs. From the data analysis results, the income generated by Sini sa Clean's business is Rp. 973,000 per month. Based on the business feasibility calculation (R/C Ratio), a value of 1.62 is obtained, which means 1.62 > 1. This indicates that for every Rp. 1 spent, there is a return of Rp. 1.62, making the revenue greater than the capital invested. Therefore, the cleaning service business of Sini sa Clean can be considered profitable, feasible to continue, and worth expanding.

Keywords: Income, Business Feasibility, SMEs

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in enhancing economic growth in any country. MSMEs are crucial economic sectors that significantly contribute to economic development. By meeting community needs for goods and providing job opportunities, MSMEs help increase regional income (Irawan & Affan, 2020). Currently, there are approximately 65.4 million MSMEs in Indonesia, employing 114.7 million people, which constitutes around 56% of the Indonesian workforce. Moreover, MSMEs contribute over 60% of the country's GDP (Laporan Pemberdayaan UMKM, 2022). Data from the Ministry of Cooperatives and Small and Medium Enterprises also shows that the contribution of MSMEs to GDP has continued to increase even before the pandemic. However, due to the pandemic, this contribution decreased to 37.3% (Laporan Pemberdayaan UMKM, 2022). There are various types of MSMEs available today, one of which includes businesses in the service sector. The presence of service-oriented enterprises is closely linked to changing consumption patterns in society, leading to increased demand for service providers. Service businesses offer products in the form of services rather than physical goods. Essentially, the purpose of service-based businesses, like any other business, is to generate profit. Since the product being sold is a service, these businesses do not require the purchase of goods or the need for specialized storage facilities.

One example of an MSME in Palu City is Sini sa Clean, a business operating in the cleaning service sector. This enterprise offers services such as room cleaning, mattress cleaning, and sofa cleaning. Sini sa Clean was initiated by five founders in May 2023 and was officially introduced in

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July 2023. Over time, Sini sa Clean was registered as a Sole Proprietorship under the prominent name PT. INDOJASA GROUP from the Ministry of Law and Human Rights on September 25, 2023. The company's headquarters, located on Jl. Tombolotutu, serves as the hub for all business activities. In its business journey, Sini sa Clean faces significant competition from similar enterprises, some of which have already established themselves as vendors for private and government institutions. This competition drives Sini sa Clean to continually develop and sustain its business, enabling it to compete with other competitors. To continue growing in line with its potential, Sini sa Clean needs to assess its income and business viability. This study aims to analyze the income and business viability of Sini sa Clean, a MSME operating in the cleaning service sector in Palu City.

2. LITERATURE REVIEW

2.1 MSMEs

Micro, Small, and Medium Enterprises (MSMEs) have the capacity to increase employment opportunities and provide various economic services to the community. MSMEs play a role in the process of equitable income distribution and economic growth, as well as in maintaining national stability. According to Law No. 9 of 1999 concerning Small Enterprises, as amended by Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises, MSMEs are defined in Article 1 as follows:

1. Micro Enterprises: Productive businesses owned by individuals and/or individual business entities that meet the criteria of Micro Enterprises as regulated by this Law.
2. Small Enterprises: Independent productive economic enterprises operated by individuals or business entities that are not subsidiaries or branches owned, controlled, or part of a medium or large enterprise that meets the criteria of Small Enterprises as defined in this Law.
3. Medium Enterprises: Independent productive economic enterprises operated by individuals or business entities that are not subsidiaries or branches of Small or Large Enterprises, with a net worth or annual sales as regulated by this Law.
4. Large Enterprises: Productive economic enterprises operated by business entities with a net worth or annual sales greater than Medium Enterprises, including state-owned or private enterprises, joint ventures, and foreign businesses operating in Indonesia.
5. Business World: Micro, Small, Medium, and Large Enterprises that carry out economic activities in Indonesia and are domiciled in Indonesia..

2.2 Production

Production is any activity that transforms inputs into outputs. In economics, this activity is often represented in a production function, which indicates the maximum amount of output that can be produced using a certain amount of inputs and technology. Production involves creating or increasing the utility of goods or services, often referred to as utility creation, where utility refers to the ability of goods or services to meet human needs. Sofjan Assauri (1999) defines production as a process of converting inputs into outputs, thereby increasing the value of those goods.

2.3 Production Costs

Costs are the sacrifices of economic resources expressed in monetary units, which have occurred or may occur in an effort by an enterprise to acquire goods or services (Purwaji et al., 2018). Expenditures made to purchase goods or services that will benefit the future or last beyond a single accounting period are referred to as costs.

Costs are an object that is processed by cost accounting to produce data interpretations, namely: broadly and narrowly. Broadly, costs (expenses) are any sacrifices of economic resources, expressed in monetary units, that have occurred or have the potential to occur with specific targets. According to Bangun (2017), production costs consist of:

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1. Fixed Costs: All costs incurred to acquire fixed production factors. In other words, fixed costs are costs that do not vary with the level of production output and must be paid even if the business is not operational.
2. Variable Costs: Costs incurred in production activities that vary with the number of goods or services produced. The more goods or services produced, the greater the variable costs incurred, and vice versa.
3. Total Costs: The overall costs incurred for production activities. Total cost is the sum of fixed costs and variable costs.

2.4 Revenue

Baldric Siregar and Boni Siregar (2001) state that revenue can be defined as an increase in assets or a decrease in liabilities originating from various sources during a specific accounting or budget period. Zainuddin Kabai (2015) defines revenue (Revenues) as the total income received by producers in the form of money earned from the sale of produced goods. From the above definitions, revenue can be summarized as the increase from the activities carried out by the company during a specific period.

2.5 Income Analysis

Income or economic profit is the income earned by business actors after deducting hidden costs (Sukirno, 2006). Income can be interpreted as the result obtained from an individual's business as compensation for the effort made, while industrial income is the income earned from organizing all the production factors it manages. Income is the income obtained from the amount of physical output produced multiplied by the selling price or can be expressed mathematically as follows (McEachern, 2001):

TR = $Q \times P$
Description:
TR: Total Revenue or Income
Q: Quantity of Production
P: Selling Price

According to Mankiw and Poter (2012), total revenue or overall income is the amount of money obtained from the sale of products or services produced by a company. In calculating profits, it is crucial to consider the costs incurred by the business to produce goods or services. This enables businesses to determine whether they are generating profits or incurring losses.

2.6 Feasibility Analysis: Revenue/Cost Ratio (R/C Ratio)

According to Soekartawi (2009), the Revenue/Cost Ratio is the ratio of total revenue to total cost. Feasibility analysis of a business can be interpreted as the process of evaluating the feasibility of a business to continue or be developed. This analysis shows the amount of revenue a business will earn for each rupiah spent on its activities. An increasing R/C Ratio indicates increased revenue.

The Revenue/Cost Ratio is calculated as follows (Soekartawi, 2009):

TR = RC / TC

Where:
R/C Ratio: Comparison of revenue and cost
TR: Total Revenue
TC: Total Cost

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Criteria for R/C:

a. If R/C < 1, the business is not profitable
b. If R/C = 1, the business is at a break-even point
c. If R/C > 1, the business is profitable and worth developing.

2.7 Previous Studies

Haerani et al. (2023): This study aimed to observe the diversity of businesses, income, and business feasibility of G&R Masohi Shop's tuna fish floss in Masohi City, Maluku Tengah Regency. The research respondents were the business owners. This study applied a case study approach using both secondary and primary data collection methods. The data were analyzed using descriptive quantitative and qualitative analysis. The study found that the income of G&R Masohi Shop's tuna fish floss business in 2022 was IDR 60,789,000, with an average of IDR 5,065,750 per month. The R/C ratio analysis indicated a ratio of 1.61, suggesting that the business is "feasible to run." Yanto et al. (2022) aimed to identify the tofu processing industry in Harapan Village, Wonosari District, Boalemo Regency, and to analyze the production income of Mr. Nono Purnomo's tofu processing business in the same location. The study was conducted from November to December 2020, using descriptive analysis and income analysis methods, and the data were categorized into primary and secondary data. The results showed that the Tofu Processing Industry in Harapan Village, Wonosari District, Boalemo Regency, is involved in the processing of soybeans into tofu. By utilizing available resources, from raw materials to labor, the income earned by the tofu processing business was IDR 66,628,000 per year. Rusmiyati et al. (2021) focused on understanding the income and profitability levels of tofu and tempeh businesses in Batur Timbaur Village. The study, conducted from March to May 2020, used a census sampling method, with two business owners as respondents. The data were analyzed to determine total costs, revenues, and income, as well as profitability levels. The findings indicated that the average monthly income of tofu and tempeh business owners in Batur Timbaur Village was IDR 13,084,298.61, with a profitability level of 1.8.

3. RESEARCH DESIGN AND METHOD

This research was conducted using a descriptive quantitative approach with observational methods. The data used in this study includes both quantitative and qualitative data. The research focuses on one MSME, SINI sa CLEAN, which operates in the cleaning service sector and is located at Jl. Tombolotutu. The respondent interviewed for this study is Moh. Rafli. The aim of this research is to analyze the income generated by the Sini sa Clean service business and to determine whether the business is viable for further development.

3.1. Data Analysis Methods

This study utilizes two primary methods of analysis: Income Analysis where in calculating income, three formulas are used:

a. Revenue (TR)

$$TR = P.Q$$

Explanation:
TR = Total Revenue (in Rupiah)
P = Product Price (in Rupiah)
Q = Total Products Sold (in Rupiah)

b. Production Costs (TC)

$$TC = TFC + TVC$$

Explanation:
TC = Total Production Costs (in Rupiah)
TFC = Total Fixed Costs (in Rupiah)
TVC = Total Variable Costs (in Rupiah)

c. Net Income (π)

$$\pi = TR - TC$$

Explanation:
π = Profit (in Rupiah)
TR = Total Revenue (in Rupiah)
TC = Total Costs (in Rupiah)

Revenue Cost Ratio (R/C Ratio); The Revenue Cost Ratio is a comparison between total revenue and total costs, calculated using the following formula:

TR = RC / TC

Explanation:
R/C Ratio = Ratio of Revenue to Costs
TR = Total Revenue (in Rupiah)
TC = Total Costs (in Rupiah)

4. RESULT AND DISCUSSION

Sini sa Clean, commonly known as SSC, is an MSME based in Palu City, specializing in cleaning services. The company offers a range of services, including room cleaning, sofa cleaning, and mattress cleaning. Established in May 2023, SSC is registered as a Sole Proprietorship under the prominent name PT. Indojasa Group. This study aims to analyze the income and business feasibility of SSC.

4.1. Fixed Costs of Sini sa Clean

Fixed costs are expenses that SSC must pay monthly, regardless of the number of service orders received from customers.

Table 1. Fixed Costs of Sini sa Clean

Description	Amount (Rp/Month)
Equipment Depreciation	183.000
Total	**183.000**

Source: Processed Data, 2024

The depreciation value is calculated based on the purchase price divided by the economic life of the equipment. The details of the equipment are as follows:

Table 2. Sini sa Clean Equipment List

Equipment	Purchase Price (Rp)	Quantity	Total Price (Rp)	Useful Life (Years)	Depreciation (Rp/Month)
Blower Machine	2.000.000	1	2.000.000	5	33.333
Water Vacuum Cleaner	3.500.000	1	3.500.000	5	58.333
Dust Vacuum Cleaner	2.000.000	1	2.000.000	5	33.333
Electric Drill	800.000	1	800.000	3	22.222
Extension Cord	30.000	1	30.000	1	2.500
Ladder	15.000	2	30.000	1	2.500
Squeegee	10.000	2	20.000	1	1.666
Glass Cleaning Pole	20.000	2	40.000	1	3.333

Equipment	Purchase Price (Rp)	Quantity	Total Price (Rp)	Useful Life (Years)	Depreciation (Rp/Month)
Brush Set	100.000	1 set	100.000	1	8.333
Mop	10.000	2	20.000	1	1.666
Spider Web Cleaner	30.000	1	30.000	1	2.500
Broom	15.000	2	30.000	1	2.500
Cleaning Cloth	5.000	8	40.000	1	3.333
Floor Cleaning Solution	60.000	1	60.000	1	5.000
Toilet Brush	30.000	1	30.000	1	2.500

Source: Processed Data, 2024

4.2. Variable Costs of Sini sa Clean

Variable costs change proportionally with business activity. Some variable costs for SSC include:

1. Raw Material Costs: The average monthly expenditure for raw materials (cleaning fluids) at SSC is IDR 115,000. These include glass cleaner, floor cleaner, furniture cleaner, bathroom cleaner, bleach, and laundry perfume.
2. Communication Costs (Phone Credit): Communication costs or phone credit are used for online promotion and service orders from customers. SSC spends IDR 100,000 per month on this.
3. Wages for Staff: The average wage for SSC staff is IDR 1,150,000 per month, depending on the type of service and the duration of cleaning requested by customers.

Table 3. Variable Costs of Sini sa Clean

Description	Amount (Rp/Month)
Raw Material Costs	115.000
Communication Costs	100.000
Labor Costs	1.150.000
Total	**1.365.000**

Source: Processed Data, 2024

The table 3 shows that SSC's total variable costs amount to IDR 1,365,000 per month, including raw material costs, communication costs, and labor costs.

4.3. Total Production Costs

Table 4. Total Production Costs of Sini sa Clean

Production Costs	Amount (Rp/Month)
Total Fixed Costs	183.000
Total Variable Costs	1.365.000
Total Production Costs	**1.548.000**

Source: Processed Data, 2024

4.4. Total Revenue

The average monthly revenue from SSC's business activities is IDR 2,521,000, generated from room cleaning, mattress cleaning, and sofa cleaning services.

4.5. Income Analysis

Table 5. Income of Sini sa Clean per Month

Description	Amount (Rp/Month)
Total Revenue (TR)	2,521,000
Total Expenses (TC)	1,548,000
Income	**973,000**

Source: Processed Data, 2024

The table 5 shows that SSC's business income is IDR 973,000 per month, calculated by subtracting the total expenses from the total revenue.

4.6. Business Feasibility Analysis: Revenue/Cost Ratio (R/C Ratio)

The Revenue/Cost Ratio indicates the ratio of business revenue to total costs.

Table 6. Business Feasibility Analysis (R/C Ratio) of Sini sa Clean

Description	Amount (Rp/Month)
Total Revenue (TR)	2,521,000
Total Costs (TC)	1,548,000
R/C Ratio	**1.62**

Source: Processed Data, 2024

Based on the table 6, it can be concluded that the Sini sa Clean service business is profitable and viable for continued operation. This conclusion is supported by the Revenue/Cost Ratio (R/C Ratio) of 1.62, which is greater than 1. From the analysis and discussion of the Sini sa Clean business, it is observed that the average monthly income from this business is IDR 973,000. This figure is derived by subtracting the total average expenses (TC) from the total average revenue (TR). The total monthly revenue, on average, is IDR 2,521,000. This amount was calculated by summing all the income over a seven-month period and then calculating the average monthly revenue. The total expenses amount to IDR 1,548,000 per month, calculated by summing the fixed and variable costs. The Sini sa Clean business falls into the category of a profitable and viable enterprise. This assessment is based on the Revenue/Cost Ratio (R/C Ratio) calculation, which yields a viability value of 1.62, indicating that for every IDR 1 spent, the business earns IDR 1.62 in revenue, thus, the revenue exceeds the costs. There are still many opportunities to increase income, one of which is by maximizing the marketing of service products. The number of orders significantly affects the total income. Achieving this goal is very possible by seriously increasing the customer base each month and retaining long-term customers by offering attractive deals, such as discounts. By doing so, the monthly income will continue to rise, helping the business to reach its financial targets.

5. CONCLUSIONS

The average income from the Sini sa Clean business is IDR 973,000 per month. This figure is derived by subtracting the total average expenses (TC) of IDR 1,548,000 from the total average revenue (TR) of IDR 2,521,000. Sini sa Clean is considered a profitable and viable business for continuation. This conclusion is based on the Revenue/Cost Ratio (R/C Ratio) calculation, which stands at 1.62, indicating that for every IDR 1 spent, the business earns IDR 1.62 in revenue, demonstrating profitability. BAPPEDA should enhance coordination among local governments in formulating policies and poverty alleviation programs. This is crucial to ensure that the planning and programs proposed by BAPPEDA are well-integrated within the context of regional development policies and visions. Additionally, it is important to conduct regular evaluations of the implemented programs to assess their success and impact.

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