

Drafting a Business Plan for Brass Instrument Repairation named BrassON in Yogyakarta

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ABSTRACT

The purpose of this research is to draft a business plan for brass instrument repairation named BrassON. The brass instruments repairation business is a business that can fix any damage to any type of brass instrument. In Yogyakarta, there is no business that focuses on brass instrument repairation. Therefore, it requires a business plan for brass instruments repairation so that the business can run well. Before drafting the business plan for brass instrument repairation BrassON, a competition analysis of the industry is conducted to know the market situation for brass instrument repairation in Yogyakarta. The formulation of the mission, vision, marketing plan, operation plan, human resource plan, and financial plan of brass instruments repairation business adapted to market conditions brass instruments repairation. Based on data obtained from questionnaires, there are positive responses and interest from potential customers. BrassON presence in Yogyakarta as reparations services of brass instruments is expected to be a solution to the problem is not the presence of service brass instruments repairation in Yogyakarta. The initial investment spending used for the establishment BrassON is Rp 423.554.000. Net Present Value of Rp 145.998.845, Internal Rate of Return of 24 percent, and a payback period of 2.2 years. Based on financial analysis, the brass instrument reparations business BrassON is eligible to run.

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1. INTRODUCTION

Each starting a business, entrepreneurs must prepare a business plan. In preparing a business plan, the entrepreneur must conduct research and planning so that the business goals can be achieved [1]. Business built based on intuition will not last long. Moreover, a business that does not have written guidelines will make it difficult for businesses to achieve their goals.

Brass instrument is a musical instrument with a very expensive price. Damage to no longer be used on this instrument would be very unfortunate if compared to the purchase price. According to [2], minor damage such as corrosion on brass instrument if not promptly corrected it will damage the instruments in the long run even a musical instrument can be broken. Brass instruments damage will cause major problems for tuning sound of brass.

Currently there are seven units marching band in Yogyakarta. Marching band is a group of the line of people who play one or more songs by using a combination of wind instruments, percussion, and a number of pit instruments together [1]. The composition of brass instruments in a marching band is the largest number that dominated the musical instrument owned by a marching band. The use of brass instruments with high intensity causes the vulnerability of a brass instrument damage. Therefore, needed maintenance and repair of brass instruments in case of damage.

Each marching band in Yogyakarta has different amount of brass instruments. If the amount of each brass instruments from marching band summed it will get as many as 345 units of brass instruments. This amount represents a substantial amount for market potential of a brass instrument reparation business. Besides marching band, Institut Seni Indonesia Yogyakarta also has the Faculty of Performing Arts where one group is a musical instrument brass. The musicians and students of many brass

instrument that is in ISI Yogyakarta. Universitas Negeri Yogyakarta also has the Faculty of Language and Art in which there Study Program Arts. Students at the university should have its own musical instruments so that students' brass instruments should also have their own musical instruments. It can be an opportunity for the brass instruments reparation business to them.

There is an opportunity to establish a brass instruments reparation business in Yogyakarta. This opportunity is present because there are a lot of brass instruments in Yogyakarta, either owned by individuals or some institutions in Yogyakarta. The number of brass instruments that are quite a lot in every marching band and some institutions make the business of brass instruments reparation is needed because of the damage that can occur in these instruments. Producers of brass instruments are also dominated by foreign producers so that if there is damage it cannot ask the producer to fix it. In Yogyakarta, there is no brass instruments reparation business that focuses on repairing brass instruments. This is what underlies the reason for the construction of a brass instrument reparation business in Yogyakarta.

The business of brass instruments reparation is a new business in Yogyakarta. This is because there are no similar business competitors that can be a threat. Brass instruments reparation is a business that is difficult to imitate by competitors. This is because it takes expertise and special knowledge in repairing brass instruments. In addition, the development of this business is very much for the foreseeable future. This of course can meet the needs of the owners of brass instruments to repair their brass instruments.

The purpose of this study is to develop a business plan for brass instruments reparation business that will be used as guidance and direction in establishing and running the business in Yogyakarta. The strategy for brass instrument reparation business will be

formulated based on an analysis of opportunities and threats using Porter Five Forces analysis. The business plan is structured according to the environment and market conditions of Yogyakarta so that it can achieve business objectives and can reduce business risks.

2. LITERATURE REVIEW

2.1 *Brass Instruments Reparations*

According to [3], reparation is an improvement over the damage. Based on these definitions, the reparations are measures taken to improve an object that has been damaged, not fit, or reduced function. Brass instrument is a musical instrument that is susceptible to damage due to the base material brass instrument itself and based on usage. Each piece of brass instruments has the potential for damage. If the brass instrument has been damaged, needed repairs to brass instruments.

2.2 *Brass Instruments*

Brass instrument is a musical instrument that produces sound coming from the vibration of the lips when the players blow through the tube resonator [4]. The types of brass instruments are basically divided into five that is trumpet and cornet, mellophone and French horn, trombone, baritone and Euphonium, and tuba and sousaphone. Metal becomes the main ingredients in a brass instruments and make the results sound generated from a wind instrument with a different brass instruments.

2.3 *Porter Five Forces Analysis*

According to [5] the industrial structure should be analysed in terms of the combined power relations of the five competitive forces. The five forces are entry of new potential entrants, bargaining power of suppliers, bargaining power of costumers, industry rivalry, and threats of substitute products/services. The analysis of these five competitive forces is used to look at

whether or not an industry is attractive [6]. If the five forces are very strong then the industry can be said is not attractive and if the five strengths are weak then the industry can be said to be very attractive.

2.4 *Business Plan*

In running a business, it is necessary to have good planning. Without good planning then the business will risk the failure so that the business will not run properly and will not last long. According to [7], a business plan is a written document that describes all the elements of internal and external related and strategies to start a new business. It needs a good business plan for a new business to start or for an existing business that is for business development. The business plan is also a road map that will lead businesses to conduct business. With the map business, a business man can achieve goals more effectively and efficiently. The main value of a business plan is to create a written outline to evaluate all aspects of business continuity were made, including job descriptions, strategy, financial analysis of the current business and future business prospects [8].

Every business plan has interrelated aspects of business operations. The contents of the business plan aspects also depend on the goals and objectives of each business plan. A good business plan should contain complete information from each aspect. According to [7], a business plan must be composed of the key aspects of each section of the business plan:

1. Marketing Plan

Marketing plan is a part that explains the company's plans and strategies in marketing products or services produced. The contents of the marketing plan include pricing, distribution channels, promotion strategies, product forecasting, and control. The purpose of

creating a marketing plan is to describe market conditions and then design a strategy relating to how the goods and services will be distributed, pricing of goods or services, and promoted to potential customers.

2. Human Resource Plan

The human resource plan contains a description of business organizations such as organizational structures, brief overviews of job functions, number of human resources needs, recruitment, compensation, and human resources training.

3. Operation Plan

The operation plan provides an explanation of the description of business operations, the flow of demand for goods and services, and the technology used by a business to carry out its operational activities. The purpose of making this operation plan is that business operations can run so as to produce goods or services desired. For businesses in the form of services, the definition of operational activities is technical service to the consumer efficiently of cost but can satisfy consumers.

4. Financial Plan

The financial plan is directly related to the expected profit or profit that can be obtained from a business. In the financial plan includes the source of capital, cost, assumptions, sales projections, projected profit-loss, cash flow projections, and investment feasibility analysis of sensitivity analysis based on cash flow projection that has been made. The methods used to determine whether or not a proper investment is Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period.

3. METHODS

3.1 Level of Analysis

The level of analysis used in making the business plan of brass instruments repair business is the level of

organization or company that will run it. This study will discuss the overall factors related to how to run this business from the side of the organization or company that will run it.

3.2 Data Source

The primary data obtained directly in this study came from the results of the questionnaire answers with the sample owner brass instruments in Yogyakarta. The primary data required in the questionnaire is a direct answer from the respondent. The type of questionnaire used is closed so that the respondents choose their own alternative answers that have been given.

Secondary data generally in the form of evidence, records, or reports that are arranged in the archives. Secondary data used in this study are the books, internet, literature studies, and articles.

3.3 Data Collection Method

Data collection method used in this research is survey method. The survey method is a research procedure for collecting large amounts of data using question and answer format [9]. The use of survey methods in this study aims to obtain primary data that is the direct answer from the respondents through the distribution of questionnaires. The questionnaire is a collection of questions and scales designed to produce sufficient raw data to provide the completeness for the underlying research needs [9]. Respondents from this study are people who have brass instruments in Yogyakarta. The number of questionnaires distributed to the respondents was 85 questionnaires.

Horizon data collection time used is cross section in Yogyakarta City. Cross section data collection is the collection of data performed only once in a certain time [10]. In addition, the use of cross section can also save the time, effort, and cost used for research. In this study, data were collected for 4 weeks.

3.4 Market Measurement Method

A business must allocate its marketing budget optimally. Before doing marketing, the business should be able to estimate the total market potential in their region. According to [11], the total market potential is the maximum selling rate available to all firms in an industry at a certain period below the level of industry marketing and certain environmental conditions. How to estimate total market potential:

- Estimate the number of potential buyers x the average amount purchased x the price.

3.5 Investment Analysis Method

3.5.1 Net Present Value

Net Present Value (NPV) is the present value of future net cash flows discounted using the cost of capital [12]. This method is used by finding the present value of expected net cash flows from an investment, discounted on the cost of capital, and then subtracted by the initial investment expenditure.

The way to calculate the NPV according to [12], are:

1. Find the present value of each cash flow, including income and expenses, discounted by the cost of capital of the project.
2. Total of the discounted cash flow, this sum is defined as the NPV of the project.
3. If the NPV value is positive, then the project can be accepted/executed.
4. But if the NPV is negative, then the project must be rejected. If there are two projects with positive and mutually exclusive NPV values, then a higher value project should be run.

3.5.2 Internal Rate of Return

Internal rate of return (IRR) is an investment calculation method, using the rate of return on an investment, calculated by looking for a discount rate that can equalize the present value of

future cash flows related to project costs [12]. The IRR value represents the discount rate that forces the project NPV to be equal to zero.

IRR is also an indicator of an investment related to the project having a good level of efficiency or not. This will be seen from the IRR value of the project. IRR is also useful for deciding whether investment is feasible, ie by comparing the value of an IRR (rate of return) of a project with a rate of return on investment elsewhere (savings, deposits, debt, stocks, etc.). If the IRR value is greater than the required profit level then the project is accepted and if the IRR value is less than the required profit level then the project is rejected.

3.5.3 Payback Period

Payback Period (PP) is the calculation of investment feasibility by calculating the time required to recover the initial investment [12]. The shorter the payback period of the period required by the company then the investment project is acceptable. The period required to return the investment value through the receipts generated by the investment project is also to measure the speed of return of the investment fund.

4. RESULTS AND DISCUSSION

4.1 Porter Five Forces Analysis

The business environment is a dynamic and volatile environment. Therefore, the attention of business people is needed so that their business can compete. To see the industry condition of the business being run can use a model from [5]. By using this model, it can be seen the influence of the five forces to the business. This is the explanation of these five forces power to brass instrument reparation business in Yogyakarta:

1. Entry of New Potential Entrants

Brass instruments reparation business requires expertise and specific knowledge

related to brass instruments. Therefore this business will be difficult to imitate by competitors. In addition, this business also needs special tools for repair. The initial investment cost for that tools could reach 30 million more. Surely this amount is very large to start brass instruments repair business. Expertise, knowledge, special tools, and initial investment expenditure can make potential players difficult to replicate the business.

2. Industry Rivalry

In brass instruments repair business there are two big players in Yogyakarta that is CV Julang Marching addressed in Sendangtirto, Berbah, Sleman and Rumah Tiup Tina Saxophone addressed in Jl. Kemetiran Kidul GT II/726, Pringgokusuman. The business core of the two competitors is actually not repair of brass instruments. However, due to there is no business that focuses on repairing brass instruments, the two businesses also serve repairs for brass instruments. Therefore, the presence of brass instrument repair business BrassON is expected to take direct consumers or potential customers of the two big players.

3. Bargaining Power of Customers

The buyer for brass instruments repair business is the owner of brass instrument either from an institution, marching band unit, drum band unit, or brass musician. Estimated number of brass instruments in Yogyakarta as many as 435 instruments. Brass instruments repair business can get many musical instrument repairs if the requester is a marching band or an institution that have many brass instruments.

The power of buyers in brass instruments repair business is relatively weak because there are not many business options for brass instruments repair in Yogyakarta. Brass instruments repair business is a service so that consumer satisfaction is determined by the quality of service provided. Human

resources play an important role in the success of this business.

4. Bargaining Power of Suppliers

In the business of brass instruments repair, tools suppliers are required for the tools of repair and spare parts that the instrument needs. For suppliers of repair tools, brass instruments repair business mostly has to import tools from abroad because in Indonesia no one has yet been able to create a tool to repair brass instruments. This gives the consequences of brass instruments repair business having to pay dearly for the purchase of that tool. For suppliers of spare parts of brass instruments, brass instruments repair business has enough options.

Requests for spare parts are not too many because depending on the needs of repairs of brass instruments. The choice of original or artificial spare parts is also the right of consumers in choosing. Therefore, the business of brass instruments repair will have considerable bargaining power on spare part suppliers.

5. Threat of Substitutes Products/Services

Brass instruments repair business is a service that serves a special repair for a brass instrument only. The brass instruments itself is a specific form of a collection of musical instruments. It takes special treatment and knowledge for brass instruments itself so that if there is damage, of course, the choice is only repair on brass instruments repair business. There is no service that can substitute brass instruments repair services. Only businesses that focus on brass instruments repair that can repair a brass instrument very well. Moreover in Yogyakarta there is no business that serves a special repair of brass instruments. Therefore, the threat of substitute services is very weak for brass instruments repair business.

Through the analysis of the situation of the five forces Porter it can be concluded that the business of brass instruments

reparation is a potential business in Yogyakarta. Competition that is not so tight will make the business of brass instruments reparation can reach consumers as much as possible. The presence of the first brass instruments reparation business in Yogyakarta will also make consumers easier to remember.

4.2 Mission and Vision Statement

The name used for brass instruments reparation is BrassON with trumpet logo with background a screwdriver and wrench. BrassON have a mission that is brass instruments reparation service that capable of serving the needs of reparations all brass instruments and repair services are responsive to consumers. A repair service requires trust from consumers. Therefore, BrassON has a vision that is becoming a main options brass instruments reparation service that are reliable and trustworthy.

4.3 Marketing Plan

4.3.1 Market Segmentation

Brass instrument reparation business BrassON do market segmentation based on demography and geography. Based on demographics, BrassON is targeting marching bands and institutions that have brass instruments. Yogyakarta has 7 marching bands that have a lot of brass instruments. In addition, some agencies in Yogyakarta also have brass instruments such as AAU, ISI, UNY, school drum bands, and others. The approximate number of brass instruments in Yogyakarta from the marching band and the institution is pretty much around 435 musical instruments. Based on the demographic segmentation is total of marching bands and institutions that have brass instruments then from the geographical side, of course, Yogyakarta is a potential market for the business of brass instruments reparation.

4.3.2 Targeting

BrassON divides the target market into two, namely individual and organizational markets. Target markets for individual

markets are brass musicians, students of brass instruments, and owners of brass instruments. The target market for the organizational market is the marching band in Yogyakarta and the drum band that has brass instruments. All of the target market must use brass instruments regularly, so the risk of brass instruments to be damaged big enough.

4.3.3 Positioning

The positioning of BrassON is based on segmentation and target selection. The purpose of this positioning is to shape the image on the consumer to the BrassON business by demonstrating the superiority of the values offered. BrassON is positioning itself as a service of brass instruments reparation that is responsive, active, and reliable and can be trusted by consumers. Based on the results of the questionnaire also shows that prospective consumers pay attention to the reliability and honesty of reparations of brass instruments. In addition, fast and responsive service is also a concern more by consumers.

4.3.4 Estimated Total Market Potential

Estimated value of the total market potential can be obtained by multiplying three variables: the estimated number of potential buyers, the number of percentage interest in the purchase, and the average price. To know the interest of prospective consumers to the business of brass instruments reparation, the author distributes questionnaires and has got 85 respondents' answers. The following is the result of the answers of the potential interest of the consumer to brass instruments reparation business:

Table 1. Answer from Prospective Consumer Interest

Answer	Percentage	Point	Results
Definitely Use it	25 % (21)	1	21
Use it	44 % (37)	0,75	27,75
Neutral	29 % (25)	0,5	12,5
Not Use It	2 % (2)	0,25	0,5
Definitely Not Use It	0 % (0)	0	0

Source: Processed Primary Data (2017)

The total number of brass instrument owned by a marching band in Yogyakarta as many as 345 pieces. Institutions such as AAU or the Military Academy have brass instrument about 50 pieces. Number of students brass instrument at Institut Seni Indonesia Yogyakarta numbered about 30 people. Number of students' brass instrument in the Faculty of Language and Art UNY numbered about 10 people. Therefore, estimates of the number of brass instruments in Yogyakarta as many as 435 pieces. Total percentage interest in the purchase of 72.65%. Consumers refit 2 times a year. The average price of reparations amounting to Rp500,000. The total market potential of brass instruments repairation business amounted $435 \times 2 \times 72,65\% \times 500.000 = \text{Rp}316.027.500$.

4.3.5 Point of Parity and Point of Different

Point of parity of BrassON is a brass instruments repairation service that capable to repair all types and damage brass instruments. This is the common traits of brass instruments repairation business. For point of difference, BrassON repairs at customer locations. BrassON capability makes repairation at customer locations as a point of distinguishing the other brass instruments repairation business.

4.3.6 Pricing Strategy

Based on the questionnaires, the suitability of price with quality becomes one of the expectations or wishes of consumers to repair services of brass instruments. Therefore, in addition to providing a fast service quality and responsiveness, BrassON also provides a

price that matches the quality. BrassON using pricing method based on the cost approach so that the sale price obtained through the following formula:

$$\text{Total Cost} + \text{Margin} + \text{Taxes} = \text{Selling Price}$$

BrassON has four reparations package according to the category of brass instruments and cleaning packages. Pricing method based on a formula obtained selling price for each package as follows:

Table 2. Price Repairation and Cleaning Packages

Type of Packages	Selling Price
High Brass Repairation	Rp 200.000
Middle Brass Repairation	Rp 400.000
Low Brass Repairation	Rp 600.000
Tuba Repairation	Rp 800.000
Cleaning Packages	Rp 50.000

Source: Author Research Result (2017)

4.4 Operational Plan

The location will be selected to run this brass instruments repairation business are in shop house South Ring Road Yogyakarta. Brass instruments repairation business operates six days a week ie Monday to Saturday with a time of operating 12 hours per day (9:00 to 20:00). For Sunday, repairation was not in operation and employe day off. Repair at customer locations also follow the operating day just limited to 18.00 as it will be difficult if the repair at the site of the consumer when the evenings.

In brass instruments repairation business BrassON, the installed capacity is determined by the availability of repairation tools and employees. At the beginning, BrassON will only buy one set of repairation tools. For the use of repairation tools certainly not all will be immediately used because it adjusts to the damage of the

consumer's brass instrument. It's just for the tool holder in the horn and buffer tool is always used because it is very easy to perform checks and repairs on brass instruments. Based on installed capacity, in a single day BrassON can repair 1 brass instrument and 20 brass instruments repaired on the location of the consumer. In one month the amount of brass instrument that is able to be repaired by 50 already includes a brass instrument repaired at customer locations. Within a month BrassON also able to clean brass instruments as much as 50 pieces. The superiority of BrassON compared to the existing brass instruments reparation is the ability to repair at the consumer site.

BrassON uses a just in time method for inventory management. According to [13], the concept of just in time is a concept in which raw materials used for production activities are imported from suppliers or suppliers at the exact time the material is needed by the production process, thereby saving even the cost of inventory or storage of goods. The use of just in time aims to maintain the quality of spare parts because brass spare parts can rust if stored too long. Booking spare parts are also tailored to the needs of consumers. If there are consumers who need new spare parts then BrassON will make reservations according to the needs of consumers.

In repairing brass instruments required special tools. This is because brass instruments is very sensitive to impact and friction. Therefore, the reparation tools used must be special tools for repairing the brass instrument. BrassON will use Votaw Tool Company as a supplier of brass reparation tools from United States [14]. This is because the tools sold by Votaw Tool Company is an appropriately designed tool to repair any damage to a brass instruments and is the latest innovation that making it very easy to repair brass instruments. This also makes BrassON has the competitive advantage of the latest equipment that greatly facilitates in repairing brass instruments.

The layout and design of BrassON workshop is adjusted to be effective and efficient in carrying out its operational activities. 1st floor will be used for all forms of operational activities of BrassON which is brass instrument reparation. The 2nd floor will be used for meetings and performance evaluations of BrassON and as a place to rest. The repair area will be one with three adjoining tables to facilitate the repair and repair activities will only focus on the area with all equipment and equipment available in the area.

4.5 Management and Human Resources Plan

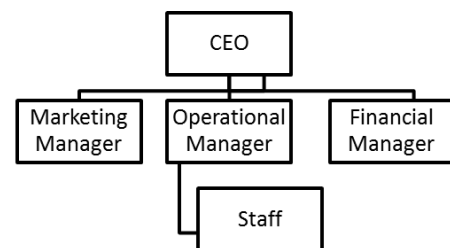


Figure 1. Organization Structure

Type of company to be established is a commanditaire vennootschap (CV). This form was chosen because to establish a CV is relatively easier than establishing a limited liability company. At the beginning, BrassON has a staff of about 5 people. In the organizational structure, the owner holds the highest responsibility and deal directly with the three managers, ie marketing managers, operational managers, and financial managers. Each manager is obliged to submit regular reports to the business owners. In this structure only operational managers who have staff. This is because brass instruments reparation business does not require human resources too much at the beginning stand for would be very costly to the expenses of employees. Operations manager holds the authority to operational staff. Operational staff is required to provide regular reports to the operations manager to then be forwarded to the business owners.

A work agreement is necessary to ensure the rights and obligations of each party. The agreement was made in the

beginning, known to both parties, and is a contract that has the power of law. The terms of the agreement include:

1. Working hours

Reparations of brass instruments operate six days a week ie Monday to Saturday with an operational time of 12 hours per day (9 am-9 pm). Sunday reparations are not in operation and employees are closed. Repair at the consumer site also follows the day of operation only limited to 18.00 hours because it will be difficult if the repairs at the consumer location at night.

2. Attendance

Every employee has the right not to attend on his/her day on the grounds of illness accompanied by a doctor's license and does not have to replace it on another day. If the employee does not work for other reasons such as family events or other purposes then the employee must replace them on another day.

3. Wages

The given wage is the monthly wage received by the BrassON employees and managers. Wages for manager position of Rp2.000.000 and wages for operational staff of Rp1.500.000.

4.6 Financial Plan

The source of funds used to set up BrassON comes from 100 percent owner's capital. This is because the business is a new business so it will be very difficult to get a loan from the bank. The calculations in the preparation of the financial plan are based on the following assumptions:

1. The required capital 100 percent comes from the owner. The capital to be paid by the owner amounts to Rp423.554.000.
2. This business is designed for the long term. However, for the purposes of financial investment analysis, the business life is assumed to be 5 years.
3. Within a month the business operates for 26 days and during the year the business operates for 300

days after being deducted by a national holiday.

4. Data from Bank Indonesia show that the inflation forecast in 2017 is 5 percent. Therefore operational costs are assumed to increase 5 percent each year.
5. Based on statistical data of Yogyakarta Special Region 2014, the growth rate of consumption on reparation services is 1.02 percent in 2014. Therefore, the growth of brass instruments reparation service sales is assumed to be 1 percent annually.
6. Discount rate used by 10.45 percent refers to the average interest rate of Bank Mandiri by 10.25 percent, BRI 10.75 percent and Bank BNI 10.45 percent.
7. The depreciation assumption uses a straight-line method which means the amount of depreciation will be the same from period to period. Repair equipment depreciated by 10 percent over five years.

Initial investment spending is the expenditure required to initiate the development of a business. Total initial investment spending that must be spent for brass instruments reparation BrassON business of Rp423.554.000. Operational costs required by BrassON per month in running the business amounted to Rp 14.880.000. Therefore, in a year BrassON issuing operational cost of Rp 178.560.000. The operational costs in the second and subsequent years would have increased. Here is a breakdown of spending the initial investment required by brass instruments reparation BrassON business and Operational costs required by BrassON per month:

Table 3. Details of Initial Investment Spending

No	Description	Cost	Amount	Total
Asset				
1	Vehicle	Rp30.000.000	1	Rp30.000.000
2	Reparation Tools	Rp32.317.000	1	Rp32.317.000
3	Computer	Rp2.000.000	1	Rp2.000.000
4	Table	Rp300.000	5	Rp1.500.000
5	Chair	Rp100.000	8	Rp800.000
6	Cabinet	Rp500.000	5	Rp2.500.000
7	Air Conditioner	Rp2.500.000	2	Rp5.000.000
	Total Asset			Rp74.117.000
Rent Place				
1	5 Years Rent Place	Rp50.000.000	5	Rp250.000.000
Working Capital Budget				
Permanent Employee Salary (6 Months)				
1	Marketing Manager	Rp2.000.000	6	Rp12.000.000
2	Operational Manager	Rp2.000.000	6	Rp12.000.000
3	Financial Manager	Rp2.000.000	6	Rp12.000.000
4	Operational Staff	Rp1.500.000	6	Rp9.000.000
	Total Working Capital Budget			Rp45.000.000
Licensing, Promotion, and Recruitment				
1	Customs	Rp17.087.000	1	Rp17.087.000
2	Tools Postage	Rp2.750.000	1	Rp2.750.000
3	Purchase of slide and valve oil (6 Months)	Rp1.500.000	6	Rp9.000.000
4	Licensing	Rp7.000.000	1	Rp7.000.000
5	Marketing (6 Months)	Rp500.000	6	Rp3.000.000
6	Web Creation	Rp1.000.000	1	Rp1.000.000
7	Recruitment and Development	Rp2.000.000	1	Rp2.000.000
	Total Licensing, Promotion, and Recruitment			Rp41.837.000
Utilities (6 Months)				

1	Electricity	Rp1.000.000	6	Rp6.000.000
2	Water	Rp100.000	6	Rp600.000
4	Fuel	Rp500.000	6	Rp3.000.000
3	Telephone & Internet	Rp500.000	6	Rp3.000.000
Total Utilities (6 Months)				Rp12.600.000
Total Initial Investment Spending				Rp423.554.000

Source: Author Research Result (2017)

Table 4. Details of Operational Costs

Cost Type	Amount
Fuel	Rp 500.000
Electricity	Rp 1.000.000
Marketing Manager Salary 1 Person	Rp 2.000.000
Financial Manager Salary 1 Person	Rp 2.000.000
Operational Manager Salary 1 Person	Rp 2.000.000
Operational Staff Salary 1 Person	Rp 1.500.000
Purchase of Slide and Valve Oil	Rp 1.500.000
Tool Depreciation	Rp 3.380.000
Marketing	Rp 500.000
Telephone and Internet	Rp 500.000
Total Cost per Month	Rp 14.880.000
Total Cost per Year	Rp 178.560.000

Source: Author Research Result (2017)

Table 5. Cash Flow BrassON

Year	0	1	2	3	4	5
Cash Inflows						
Sales		Rp346.800.000	Rp350.268.000	Rp353.770.680	Rp357.308.387	Rp360.881.471
Cash Outflows						
Initial Investment	- Rp423.554.000					
Operational Cost		Rp178.560.000	Rp187.488.000	Rp196.862.400	Rp206.705.520	Rp217.040.796
EBITDA		Rp168.240.000	Rp162.780.000	Rp156.908.280	Rp150.602.867	Rp143.840.675
Depreciation		Rp36.240.600	Rp36.240.600	Rp36.240.600	Rp36.240.600	Rp36.240.600
EBIT		Rp131.999.400	Rp126.539.400	Rp120.667.680	Rp114.362.267	Rp107.600.075
EBT		Rp131.999.400	Rp126.539.400	Rp120.667.680	Rp114.362.267	Rp107.600.075
Tax Rate 1%		Rp3.468.000	Rp3.502.680	Rp3.537.707	Rp3.573.084	Rp3.608.815
Net Income		Rp128.531.400	Rp123.036.720	Rp117.129.973	Rp110.789.183	Rp103.991.260
NOPAT		Rp128.531.400	Rp123.036.720	Rp117.129.973	Rp110.789.183	Rp103.991.260
Operating Cash Flow		Rp164.772.000	Rp159.277.320	Rp153.370.573	Rp147.029.783	Rp140.231.860

Free Cash Flow	- Rp423.554.000	Rp164.772.000	Rp159.277.320	Rp153.370.573	Rp147.029.783	Rp140.231.860
Payback period	- Rp423.554.000	- Rp258.782.000	- Rp99.504.680	Rp53.865.893		
PBD	2.2					
IRR	24%					
NPV	Rp145.998.845					

Source: Author Research Result (2017)

High brass reparation price of Rp 200.000 and in one month, there were 15 instruments repaired. Middle brass reparation price of Rp 400.000 and in one month, there were 15 instruments repaired. Low brass reparation price of Rp 600.000 and in one month, there were 15 instruments repaired. Tuba reparation price of Rp 800.000 and in one month there are 5 instruments repaired. Total valve and slide oil each sold 20 pieces with valve oil selling price is Rp 150.000 and slide oil prices is Rp 70,000. Based on the calculation of earnings per month BrassON Rp28.900.000. Assumed to be constant for a year then BrassON will earn revenue of Rp346.800.000.

Based on the calculation results in Table 5 show that Net Present Value is positive at Rp 145.998.845, the value of Internal Rate of Return of 24% greater than the value of the discount rate amounted to 10.45%, and payback period is 2.2 years. Therefore it can be concluded that brass instruments reparation business BrassON eligible to run.

4.7 Action Plan

Planning activities are used for the preparation, evaluation, and control the development of the business. There are four main activities of running a business that is pre-operational activities, marketing activities, operational activities, and financial activities. Here is an explanation of each of the main activities:

1. Pre Operational Activity

Pre-operational activities are activities undertaken before the business starts. Pre-operational activities in BrassON are rent a shophouse, interior design, business license and CV

establishment, purchasing of reparation tools, recruitment and training of employees, and create work procedures to be used in work contract.

2. Marketing Activity

Marketing activities are conducted to introduce the products offered by the company and ensure the planned sales target can be achieved. Marketing activities in BrassON include distributing brochures, advertising on radio, social media, and establishing booths at drum bands or marching bands events in Yogyakarta.

3. Operational Activity

Operational activities cover the entire process in a business. Operational activities in BrassON are reparation service to consumer.

4. Financial Activity

Financial activities cover the entire financial activities that take place in a business. In BrassON, financial activities include the creation of financial plans, capital preparation, and the preparation of periodic financial statements.

Time implementation of those activities is made in the form of a Gantt chart to make it more easily understood. Here is the timetable and activities of BrassON:

Table 6. Implementation Plan Business Activity Brass Instrument Reparation

No.	Activity	Year																
		0												1	2	3	4	5
		1	2	3	4	5	6	7	8	9	10	11	12					
A	Pre Operational																	
1	Rent a Shophouse																	
2	Interior Design																	
3	Submission of Business License																	
4	Establishment of CV																	
5	Purchase of Reparation Tools																	
6	Employee Recruitment																	
7	Employee Training																	
8	Making Work Procedures																	
B	Marketing																	
1	Distribution of Brochures																	
2	Social Media																	
3	Radio																	
4	Establish Stand at Drum Band or Marching Band Events																	
C	Operational																	
1	Reparation Service																	
D	Finance																	
1	Making of Financial Plan																	
2	Capital Preparation																	
3	Making of Financial Statement																	

Source: Author Research Result (2017)

5. CONCLUSION

The business of brass instruments reparation is a new business in Yogyakarta. In Yogyakarta, there is no business that focuses on brass instruments reparation. The existence of potential market can certainly be an opportunity to market brass instruments reparation business in Yogyakarta. Therefore, it requires a business plan for brass instruments reparation so that business can run well.

The strategy for brass instrument reparation business formulated based on an analysis of opportunities and threats using Porter Five Forces analysis. Through the analysis of the situation of the five forces Porter it can be concluded that the business of brass instruments reparation is a potential business in Yogyakarta. Marketing plan,

operation plan, human resources plan, and financial plan are drafted based on market condition of brass instruments reparation business in Yogyakarta.

The initial investment spending is used for the establishment BrassON is Rp 423.554.000. Net Present Value is positive at Rp 145.998.845, the value of Internal Rate of Return of 24% greater than the value of the discount rate amounted to 10.45%, and payback period is 2.2 years. Therefore it can be concluded that brass instruments reparation business BrassON eligible to run.

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