

## Business Feasibility Analysis of RBT Wedding Decoration Using the Payback Period (PP) and Profitability Index (PI) Methods

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Article Info	ABSTRACT
<b>Keywords:</b> Business Feasibility Analysis, Payback Period, Employee Performance	The purpose of this study is to determine how long it takes for RBT Wedding Decoration to reach the payback period (PP) and the ratio of the Profitability Index (PI) it has, so that the business can be categorized as feasible to run. The method used in this study is a non-statistical quantitative method. The population and sample in this study are all financial report data from RBT Wedding Decoration from September 2015 to December 2019. The sampling technique used is a non-probability sampling technique. Data collection techniques used in this study are interviews and documentation techniques. This study's data analysis technique uses a non-statistical or descriptive quantitative method. The results of this study indicate that the time needed by RBT Wedding Decoration to return investment funds or capital is 36.24 months or 3 years and 8 days, with a Profitability Index ratio of 1.61, where this ratio indicates that RBT Wedding Decoration is feasible to run.
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### INTRODUCTION

Amidst economic development, we as a society must continue to develop to survive the ups and downs of the financial situation in our country. One way we can do this is by building our own business, for example, by simply engaging in buying and selling activities, whether in the form of products or services, or it can also be called building a business. Business itself is another term for business that is often used by some people, especially among young people. The word business itself is one of the words that indicates that the business activity they will or are currently running is expected to generate success and profit.

According to the Big Indonesian Dictionary (KBBI), business can be defined as a commercial enterprise in the world of trade or a particular business sector. (Nurmayanti et al., 2024) . "Meanwhile, etymologically, business means a state in which a person or group of people is busy doing work that generates profit." (Nurmayanti et al., 2024)

Business is a word often used to refer to a business activity that is being carried out, business itself is an activity that is directly related to daily activities in society, indirectly other examples of businesses that we can mention are the business of buying and selling food, buying and selling daily necessities or simply the business of buying and selling services, for example, a mobile cleaner or what we usually know as " go clean ". Business itself is a word that is a favorite among business movers, so it sounds ideal and impressive

when heard. Businesses also need to be analyzed for their feasibility to be considered by the business owner. Business feasibility analysis plays a vital role for business owners; this role influences the business owner's decisions.

"Business feasibility analysis is an important step before starting, even when a business or project is underway. This process evaluates whether a business idea is feasible based on various factors, such as market, financial, technical, and legal aspects." (Dr. H. Dendy K. Pramudito et al., 2025) Meanwhile, according to (Meksiardi Zakarius Takaeb & Lusianus Heronimus Sinyo Kelen, 2021), "Investment feasibility analysis needs to be carried out by companies to see whether the budget spent on a project is profitable or not. By looking at investment feasibility indicators, decision-making will be more accurate."

Investment feasibility analysis is essential not only for large companies but also for medium- and small-scale businesses. By conducting a feasibility analysis, business owners are expected to consider various aspects that need to be considered when running a business, especially financial aspects. Financial analysis is crucial because it is the source of data on income and expenses in a company. Financial analysis aims to comprehensively evaluate every component requiring funding and working capital within the context of investment analysis, considering various perspectives.

According to Husman and Muhammad (2005), in (Puspita et al., 2022), "the financial aspect is part of a business feasibility study analysis that is essential for determining the benefits received from the business. This aspect explains the funding requirements and their sources, investment costs, depreciation, profit and loss projections, cash flow projections, cost of goods sold calculations, and investment criteria, namely: Break Even Point (BEP), Payback Period (PP), Net Present Value (NPV), Internal Rate of Return (IRR), and Profitability Index (PI)." Break Even Point or breakeven Point is a point where costs or expenses and income are balanced so that there is no loss or profit". (Ayu Laili Rahmiyati, 2021). " Payback Period (PP) is the period required to repay all costs incurred in investing in a project". (Sinaga & Damanik, n.d.) While Net Present Value (NPV) is the difference between the present value of incoming cash flows and the present value of outgoing cash flows in a certain period, n.d.) " Internal Rate Of Return (IRR) is the internal rate of return, namely the ability of a project to produce a result or return (units in %). (Sinaga & Damanik, n.d.) The Profitability Index (PI) is a method that calculates the comparison between future net cash receipts (proceeds) and the present value of investments (outlays). This method compares the PV of cash flows with the initial investment. The criteria for the feasibility of investment acceptance using the PI method are:

If  $PI > 1$ , then the business is worth running.

If  $PI < 1$ , then the business is not feasible to run (Supriatna et al., 2023)

Meanwhile, according to (Ridwan et al., 2022), investment feasibility analysis is an analysis that considers an investment project using indicators such as Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period (PP), and Profitability Index (PI).

So one type of business that researchers will try to analyze is the type of wedding decoration business, where this business is engaged in the field of wedding decoration, where this business offers convenience for prospective brides and grooms, and even

families who will have plans to hold a party or just a Thanksgiving event. In addition, RBT Wedding Decoration offers ease in reservations, affordable prices, and time efficiency for consumers when carrying out an event because they no longer have to bother with event decoration matters. This type of business certainly has a time limit for when business capital can be returned, and how feasible this business is to continue running, considering that small and medium communities primarily run this business because it is directly in touch with community activities and is directly related to community habits when carrying out a party and thanksgiving activity. However, it cannot be denied that a small number of them do not use decoration services.

### **Literature Review**

#### **Business**

According to (Nurmayanti et al., 2024) in Introduction to Business, "all these activities, whether large or small scale, are called businesses, where in simple terms they provide goods or services to make a profit. While the word "business" comes from English, namely business, while the word business itself comes from the development of the word busy which means busy. "Busy" can occur in individual markets, communities, or society. If interpreted in a simple context, business can be interpreted as a busyness in carrying out an activity or work that can benefit someone. (Benny Dhevyanto & Adab, nd2023) . Meanwhile, in the context of an entity, the definition of business is an organization or other body engaged in commercial, professional, or industrial activities to make a profit. (Rizki Wulanita Batubara et al., nd 2023.)

#### **Business Concept**

A business concept is a plan or strategy that details how a business will operate, generate profits, and achieve its stated goals. A business concept encompasses various aspects, including the products or services offered, target market, competitive position, revenue model, marketing strategy, operations, etc. Furthermore, each company or business owner has a unique business concept that enables them to achieve their goals and desired profits. The choice of business concept depends on the type of business, industry, target market, and company strategy. Identifying the business concept that best suits business goals and customer needs is essential. (Resti Ramadhaniyati et al., 2023)

#### **Investment Criteria**

Investment criteria are one of the guidelines or parameters used by investors and business owners to make decisions and determine the goals of allocating funds to achieve the desired results for both the investor and the business owner. Furthermore, investment criteria are also used to assess the risks and potential returns during and after an investment. According to Kasmir and Jakfar (2015), in Wicaksono et al. (2021)

## **METHOD**

This research uses a non-statistical quantitative approach or descriptive statistics, namely research "related to the summarization of a set of data and its presentation in a form that can be understood (emphasizing more on the techniques of collecting, processing,

presenting, and analyzing quantitative data descriptively to provide an orderly picture of a problem)." (Dr. Drs. Nalom Siagian et al., 2023)

Therefore, on this occasion, the researcher would like to try to explain the analysis of the business feasibility study on RBT Wedding Decoration using the Payback Period (PP) and Profitability Index (PI) methods, to provide an overview of how this small and medium-sized business sector can survive in facing global competition and challenges for small and medium-sized business actors themselves.

### **Research Population and Sample**

#### **Research Population**

A population is a generalization area consisting of objects or subjects with specific quantities and characteristics determined by the researcher, to be studied, and then conclusions drawn. What is meant by population here is not only limited to living creatures, but also all research objects that can be learned (Siyoto & Sodik, 2015). Based on this definition, the population in this study will be all data from the annual financial report of RBT Wedding Decoration from September 2015 to September 2019.

#### **Research Sample**

The definition of a sample according to (Siyoto & Sodik, 2015) is: A sample is a portion of the population or characteristics, or a small portion selected according to a specific procedure to represent the population. Suppose the population is large and the researcher cannot study the entire population. In that case, the researcher can use a sample drawn from the population due to limited funds, workforce, or time. The sampling technique used in this study is non-probability sampling non-probability sampling technique (Siyoto & Sodik, 2015) is a technique that does not provide equal opportunities or chances for every member of the population to be selected as a sample and the type of technique used is "purposive sampling" which is a sampling technique with specific considerations or special selection. The sample in this study is the financial report of RBT Wedding Decoration from September 2015 to September 2019.

## **RESULTS AND DISCUSSION**

### **Data Description**

Data description is an essential first step in conducting research. It helps researchers or analysts decide how the data should be processed and analyzed. Data description is "the process of providing an overview of a data set's characteristics, structure, and properties. This process includes initial observation and analysis of the data to understand its contents before conducting further analysis. Data description aims to understand the dataset better and assist in preparing for further analysis." (Suparwito et al., 2024)

### **History of RBT Wedding Decoration**

RBT Wedding Decoration was first established on September 15, 2015, by Bayu Tri Sularso Hartanto in the Kitri Cimandala area of Bogor Regency. RBT Wedding Decoration initially had the business name "Ridho Bayu Tenda", where this business only provided tents, stages, chairs, tables, party cutlery, and blower rental services. RBT Wedding Decoration has operated since its inception on September 15, 2015, until now (2025).

Before providing wedding decoration services, most customers requested tents, stages, chairs, and other services without decoration services. However, since the COVID-19 pandemic, RBT Wedding Decoration was on hiatus. In 2022, around March, RBT Wedding Decoration began operating again and started using the name RBT Wedding Decoration, which marked the change of Ridho Bayu Tenda to RBT Wedding Decoration. Because of the addition of decoration services. For RBT Wedding Decoration, since its inception, the business owner has employed a direct approach to customers, with most service requests coming from collaborations with wedding organizers, schools, and even companies in the Greater Jakarta area. RBT Wedding was founded. Decoration became a sub or partner of another wedding organizer, whereas now the wedding organizer is a sub or partner of RBT Wedding Decoration. RBT Wedding Decoration has eight employees, 1 one person as an administrator and 7 seven others as operational staff. RBT Wedding Decoration does not have a work structure, because it uses a family system. Sometimes, the business owner goes into the field to help with various work preparations to maximize the results and satisfy consumers. Because with customer satisfaction, the collaboration between RBT Wedding Decoration and consumers can ultimately continue. The types of equipment owned and rented by RBT Wedding Decoration from September 2015 to December 2019 are: Tent, Chair, Table, Cutlery, Blower, and Stage.

**RBT Wedding Decoration Financial Report Data**

RBT Wedding Decoration financial report is a financial report that contains the Amount of income for one year with details of 12 months each year, then this report also includes the Amount of expenses borne by the company, namely expenses for team member salaries which have a percentage value of 40% of total income, 20% of the total revenue for operational costs, 10-30% for the price of purchasing fabric taken from the initial value of fabric assets, 2.5% for zakat from total net income before tax, and of course there are also maintenance costs of around Rp. 2,000,000, - every month with an assumed increase of around 10% yearly. The details of the RBT Wedding Decoration financial report for the period September 2015 to December 2019 are as follows:

**Table 1.** 2015 Financial Report

No.	Information	Income	Expenditure			Remaining Income
			Salary (40%)	Operational (20%)	Maintenance	
1	September	Rp. 32,000,000	Rp12,800,000	Rp. 6,400,000	Rp2,000,000	Rp10,800,000
2	October	Rp. 54,000,000	Rp21,600,000	Rp10,800,000	Rp2,000,000	Rp. 19,600,000
3	November	Rp72,300,000	Rp28,920,000	Rp14,460,000	Rp2,000,000	Rp26,920,000
4	December	Rp86,542,000	Rp34,616,800	Rp17,308,400	Rp2,000,000	Rp32,616,800

Total	Rp244,842,000	Rp97,936,800	Rp48,968,400	Rp. 8,000,000	Rp89,936,800
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Source: Data processed by researchers (2025)

**Table 2.** 2016 Financial Report

No.	Information	Income	Expenditure			Remaining Income
			Salary (40%)	Operational (20%)	Maintenance	
1	January	Rp. 62,300,000	Rp24,920,000	Rp12,460,000	Rp2,000,000	Rp22,920,000
2	February	Rp. 62,000,000	Rp24,800,000	Rp12,400,000	Rp2,000,000	Rp22,800,000
3	March	Rp. 45,000,000	Rp. 18,000,000	Rp9,000,000	Rp2,000,000	Rp. 16,000,000
4	April	Rp. 51,320,000	Rp20,528,000	Rp10,264,000	Rp2,000,000	Rp18,528,000
5	May	Rp. 54,000,000	Rp21,600,000	Rp10,800,000	Rp2,000,000	Rp. 19,600,000
6	June	Rp. 48,900,000	Rp19,560,000	Rp9,780,000	Rp2,000,000	Rp17,560,000
7	July	Rp. 65,750,000	Rp. 26,300,000	Rp. 13,150,000	Rp2,000,000	Rp24,300,000
8	August	Rp. 63,950,000	Rp25,580,000	Rp12,790,000	Rp2,000,000	Rp23,580,000
9	September	Rp. 38,000,000	Rp. 15,200,000	Rp7,600,000	Rp2,000,000	Rp. 13,200,000
10	October	Rp. 43,500,000	Rp. 17,400,000	Rp8,700,000	Rp2,000,000	Rp. 15,400,000
11	November	Rp. 54,700,000	Rp21,880,000	Rp10,940,000	Rp2,000,000	Rp19,880,000
12	December	Rp. 61,500,000	Rp24,600,000	Rp. 12,300,000	Rp2,000,000	Rp22,600,000
Total		Rp. 650,920,000	Rp260,368,000	Rp130,184,000	Rp. 24,000,000	Rp236,368,000
	Fabric Shopping					Rp. 10,000,000
	Zakat 2.5%					Rp5,909,200
	Total Remaining Income					Rp220,458,800

Source: Data processed by researchers (2025)

**Table 3.** 2017 Financial Report

No.	Information	Income	Expenditure			Remaining Income
			Salary (40%)	Operational (20%)	Maintenance	
1	January	Rp. 42,750,000	Rp. 17,100,000	Rp8,550,000	Rp2,200,000	Rp. 14,900,000
2	February	Rp. 62,300,000	Rp24,920,000	Rp12,460,000	Rp2,200,000	Rp22,720,000
3	March	Rp. 48,900,000	Rp19,560,000	Rp9,780,000	Rp2,200,000	Rp. 17,360,000
4	April	Rp. 52,000,000	Rp20,800,000	Rp10,400,000	Rp2,200,000	Rp. 18,600,000
5	May	Rp. 55,000,000	Rp22,000,000	Rp. 11,000,000	Rp2,200,000	Rp. 19,800,000
6	June	Rp. 48,500,000	Rp. 19,400,000	Rp9,700,000	Rp2,200,000	Rp. 17,200,000
7	July	Rp. 65,000,000	Rp. 26,000,000	Rp. 13,000,000	Rp2,200,000	Rp23,800,000
8	August	Rp. 68,950,000	Rp27,580,000	Rp13,790,000	Rp2,200,000	Rp25,380,000
9	September	Rp. 34,000,000	Rp. 13,600,000	Rp. 6,800,000	Rp2,200,000	Rp11,400,000
10	October	Rp. 44,500,000	Rp. 17,800,000	Rp8,900,000	Rp2,200,000	Rp. 15,600,000
11	November	Rp. 56,000,000	Rp22,400,000	Rp11,200,000	Rp2,200,000	Rp20,200,000
12	December	Rp. 64,000,000	Rp. 25,600,000	Rp12,800,000	Rp2,200,000	Rp23,400,000
Total		Rp641,900,000	Rp256,760,000	Rp128,380,000	Rp26,400,000	Rp230,360,000
Fabric Shopping						Rp. 10,000,000
Zakat 2.5%						Rp. 5,759,000
Total Remaining Income						Rp214,601,000

Source: Data processed by researchers (2025)

**Table 4.** 2018 Financial Report

No.	Information	Income	Expenditure			Remaining Income
			Salary (40%)	operational (20%)	Maintenance	

N	Informati	Income	Expenditure			Remaining
		Rp.	Rp.		Rp2,420,00	Rp.
1	January	46,000,000	18,400,000	Rp9,200,000	00	15,980,000
2	February	58,000,000	Rp23,200,000	Rp11,600,000	Rp2,420,00	Rp20,780,000
3	March	49,000,000	19,600,000	Rp9,800,000	00	Rp17,180,000
4	April	51,250,000	Rp20,500,000	Rp10,250,000	Rp2,420,00	Rp18,080,000
5	May	55,000,000	Rp22,000,000	Rp11,000,000	00	Rp19,580,000
6	June	63,000,000	Rp25,200,000	Rp12,600,000	Rp2,420,00	Rp22,780,000
7	July	48,900,000	Rp19,560,000	Rp9,780,000	00	Rp17,140,000
8	August	68,950,000	Rp27,580,000	Rp13,790,000	Rp2,420,00	Rp25,160,000
9	Septemb er	Rp33,200,000	Rp13,280,000	Rp6,640,000	00	Rp10,860,000
10	October	40,000,000	Rp16,000,000	Rp8,000,000	00	Rp13,580,000
11	Novemb er	Rp52,000,000	Rp20,800,000	Rp10,400,000	Rp2,420,00	Rp18,380,000
12	Decemb er	Rp42,500,000	Rp17,000,000	Rp8,500,000	00	Rp14,580,000
Total		Rp607,800,000	Rp243,120,000	Rp121,560,000	Rp29,040,000	Rp214,080,000
	Fabric Shopping					Rp15,000,000
	Zakat 2.5%					Rp5,352,000
	Total Remaining Income					Rp193,728,000

Source: Data processed by researchers (2025)

**Table 5.** 2019 Financial Report

N	Informati o.	Income	Expenditure			Remaining Income
			Salary (40%)	Operational (20%)	Maintenanc e	
1	January	Rp48,880,000	Rp19,552,000	Rp9,776,000	Rp2,662,000	Rp16,890,000
2	February	Rp.	Rp.	Rp9,350,000	Rp2,662,000	Rp16,038,000

N	Informati	Income	Expenditure		Remaining
		46,750,000	18,700,000	00	
		Rp.	Rp19,020,0		Rp2,662,0
3	March	47,550,000	00	Rp9,510,000	00
		Rp49,550,0	Rp19,820,0		Rp2,662,0
4	April	00	00	Rp9,910,000	00
		Rp.	Rp20,528,0		Rp2,662,0
5	May	51,320,000	00	Rp10,264,000	00
		Rp.	Rp23,424,0		Rp2,662,0
6	June	58,560,000	00	Rp11,712,000	00
		Rp49,320,0	Rp19,728,0		Rp2,662,0
7	July	00	00	Rp9,864,000	00
		Rp.	Rp22,128,0		Rp2,662,0
8	August	55,320,000	00	Rp11,064,000	00
	Septemb	Rp.	Rp20,800,0		Rp2,662,0
9	er	52,000,000	00	Rp10,400,000	00
		Rp.	Rp23,304,0		Rp2,662,0
10	October	58,260,000	00	Rp11,652,000	00
	Novemb	Rp61,220,0	Rp24,488,0		Rp2,662,0
11	er	00	00	Rp12,244,000	00
	Decemb	Rp.	Rp23,024,0		Rp2,662,0
12	er	57,560,000	00	Rp11,512,000	00
		Rp636,290,	Rp254,516,	Rp127,258,00	Rp31,944,
Total		000	000	0	000
					Rp.
	Fabric Shopping				15,000,000
	Zakat 2.5%				Rp5,564,300
					Rp202,007,70
	Total Remaining Income				0

Source: Data processed by researchers (2025)

With the information obtained from the financial report itself, including:

a. Annual income 2015-2019

Based on the financial report data obtained by the researcher, it can be explained that RBT Wedding Decoration had an income in 2015 of Rp244,842,000, because it only operated for 4 (four) months. In 2016 it was Rp650,920,000, - in 2017 it was Rp641,900,000, - in 2018 it was Rp607,800,000, - and in 2019 it was Rp636,290,000, - . This income is influenced by the Amount of rent received. RBT Wedding Decoration receives a minimum of 2 rentals a week and a maximum of 5 times a week, with a rental price between Rp. 4,000,000, - to 5,000,000, - (approximately).

b. Expenditure for team member salaries 2015-2019

RBT Wedding Decoration's expenditure to pay team member salaries per year, based on the financial report obtained by the researcher, is Rp97,936,800 for 2015, Rp260,368,000 for 2016, Rp256,760,000 for 2017, Rp243,120,000 for 2018, and Rp254,516,000 for 2019.

c. Expenditures for operations in 2015-2019

For annual operations, RBT Wedding Decoration spent Rp. 48,968,400 for 2015, Rp. 130,184,000 for 2016, Rp. 128,380,000 for 2017, Rp. 121,560,000 for 2018 and Rp. 127,258,000 for 2019.

d. Expenditure for equipment maintenance 2015-2019

Meanwhile, for the maintenance of equipment and supplies, for example, this fund is used for washing cloth or just repairing small parts of business equipment and supplies, with the total expenditure costs being Rp8,000,000,- for 2015, Rp24,000,000,- for 2016, Rp26,400,000,- for 2017, Rp29,040,000,- for 2018 and Rp31,944,000,- for 2019, assuming maintenance costs increase by 10% as of January 2016 and increase every subsequent year.

e. Expenditures for fabric shopping in 2015-2019

In RBT financial report data which the researcher obtained, the researcher obtained expenditure data regarding the purchase of fabric, where the purchase of cloth was made to maintain the stock of fabric in this business, the Amount of expenditure for fabric was IDR 10,000,000 for 2016, IDR 10,000,000 for 2017, IDR 15,000,000 for 2018 and IDR 15,000,000 for 2019.

f. Expenditures for zakat in 2015-2019

RBT Wedding Decoration also allocates approximately 2.5% of its net profit before taxes to be distributed to those in need. The tax paid by RBT Wedding Decoration was Rp5,909,200 for 2016, Rp5,759,000 for 2017, Rp5,352,000 for 2018, and Rp5,564,300 for 2019. This data is based on financial reports obtained by the researcher.

g. Net income before tax deductions for 2015-2019

For RBT Wedding Decoration itself, the net income before tax deductions is IDR 89,936,800 for 2015, IDR 220,458,800 for 2016, IDR 214,601,000 for 2017, IDR 193,728,000 for 2018, and IDR 202,007,700 for 2019. This data is based on the financial report provided by RBT Wedding Decoration.

## Discussion of Research Results

### RBT Wedding Decoration Finance

A business certainly has data in the form of financial reports, both in terms of investment data, working capital, and business income reports obtained by the company. The following is the financial data of RBT Wedding Decoration :

1. Investment Capital
2. Working capital
3. Company Acceptance

Company Income is the total income received by the business owner or company obtained from the results of RBT Wedding Decoration business activities, specifically from the period September 2015 to December 2019, namely:

**Table 6.** Company Revenue for the period 2015-2019

Description	Year 1 (2015)	Year 2 (2016)	Year 3 (2017)	Year 4 (2018)	Year 5 (2019)
Income	244,842,000	650,920,000	641,900,000	607,800,000	636,290,000
team member salary	97,936,800	260,368,000	256,760,000	243,120,000	254,516,000
Operational	48,968,400	130,184,000	128,380,000	121,560,000	127,258,000
Tool Maintenance	8,000,000	24,000,000	26,400,000	29,040,000	31,944,000
Shopping for fabric	-	10,000,000	10,000,000	15,000,000	15,000,000
Zakat 2.5%	-	5,909,200	5,759,000	5,352,000	5,564,300
Profit and Loss Before Tax	89,936,800	220,458,800	214,601,000	193,728,000	202,007,700

Source: Data processed by researchers (2025)

This study's financial feasibility criteria include the Payback Period (PP) and the Profitability Index (PI). The business feasibility calculation for RBT Wedding Decoration was obtained by subtracting cash flow benefits from costs using 100% equity.

1. Payback Period (PP)

PP is a measure of the time required to recoup invested funds. The following is the calculation of the PP for RBT businesses. Wedding Decoration :

Investment Amount = Rp. 569,350,000,-

Proceed Year 1 = Rp. 89,936,800,-

Remaining = Rp. 479,413,200,-

Proceed Year 2 = Rp. 220,458,800,- , -

Remaining balance = Rp. 258,954,400,-

Proceeds Year 3 = Rp. 214,601,000,-

Remainder = Rp. 44,353,400,-

Proceeds Year 4 = Rp. 193,728,000,-

Based on the calculations above, it can be seen that the time required to return the investment is:

$$PP = 3 + \frac{44,353,400,-}{193,728,000,-}$$

$$PP = 3.02 \times 12 \text{ months}$$

$$PP = 36.24 \text{ months} = 3 \text{ years } 8 \text{ days}$$

This business is feasible to run because the PP value is smaller than the specified return period, which is 3 years and 8 days < less than 5 years of the economic life of a business.

## 2. Profitability Index (PI)

The calculation of the Profitability Index (PI) is a calculation used to assess the feasibility of a business investment for RBT Wedding Decoration's finances, as follows:

$$\frac{\sum \text{Net cash}}{\sum \text{investment}} \times 100\% = \frac{920,732,000,-}{569,350,000,-} \times 100\% = 1.61$$

$$\sum \text{investment } 569,350,000,-$$

Profitability Index (PI) calculation above produces a PI value of 1.61, meaning  $PI > 1$ , so RBT Wedding Decoration is declared feasible. Based on the research results above, the following theoretical and practical implications can be put forward:

### 1. Theoretical Implications

- a. The choice of business type and number of colleagues affects the success of returning business capital or how long it takes to reach the Payback Period (PP), which entrepreneurs or business actors expect, and also influences the value of the Profitability Index (PI) ratio. This is proven in the business run by RBT Wedding Decoration.
- b. Payback Period (PP) and Profitability Index (PI) are indicators in the analysis of investment or business feasibility, and this applies to RBT Wedding Decoration, where the values indicated by the Payback Period (PP) and Profitability Index (PI) show good results.
- c. The Payback Period and Profitability Index for RBT Wedding Decoration fulfill the investment feasibility objectives according to (Wicaksono et al., 2021), including: simplifying planning, simplifying work implementation, simplifying supervision, and simplifying control. This is proven by RBT Wedding, which is still operating to this day, starting from September 2015 to the present (2025).
- d. Cash flow is one of the essential things in calculating the Payback Period and Profitability Index in determining the feasibility of a business.

### 2. Practical Implications

The results of this study can be used as input for prospective business actors in determining the type of business to be run based on the results of the survey which shows the value of the Payback Period and Profitability Index owned by RBT Wedding Decoration, where it is intended that business actors can then have an idea of the feasibility analysis of the business or business that will be run, of course by considering the market reach and the possible number of colleagues that can be had.

### Research Limitations

Several research limitations were found during this research, including:

1. The results obtained in this study cannot be generalized to similar businesses because each business has a different approach to customers, and the scope of the company's employees also differs.
2. The financial data obtained is limited to mature or standard financial data provided by the company owner.
3. The time researchers have to conduct research is limited, only about 1 month.

## CONCLUSION

Based on the results of the research conducted by the researcher, the researcher can conclude that RBT *Wedding Decoration* has a good financial report and shows results that are feasible to run, this is indicated by the results of the analysis using the Payback Period (PP) and Profitability Index (PI) methods with good results according to (Supriatna et al., 2023). The results of the Payback Period (PP) shown by the RBT Wedding Decoration financial report are 36.24 months, or the same as 3 (three) years, 8 (eight) days. Meanwhile, the Profitability Index calculation based on the RBT Wedding Decoration financial report is 1.61, which indicates that RBT Wedding Decoration is feasible to run. Based on the research results obtained by researchers when researching RBT Wedding Decoration, researchers concluded several suggestions that can be put forward, including: For further researchers It is hoped that future researchers can expand their research by using more comprehensive methods in analyzing business feasibility. In addition, it is also recommended that research be conducted over a period that is not too short so that it can produce more perfect analysis results in the future. Share RBT *Wedding Decoration* For RBT *Wedding Decoration* itself, it is essential to continue innovating and keeping pace with technological advances, as numerous trends emerge within the wedding decoration business. This business is also expected to maintain customer loyalty, ensuring that customers consistently use RBT Wedding Decoration's services and willingly promote RBT *Wedding Decoration* to the broader public.

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