FEASIBILITY ANALYSIS OF THE ERGONOMIC PET HARNESS FASHION INDUSTRY REVIEW MARKET, VALUE, AND FINANCIAL ASPECTS

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Abstract:
This study aims to analyze the business feasibility of ergonomic pet harnesses in Indonesia from market, product value, and financial aspects. With the growing number of pet owners in Indonesia, pet harness products have become a crucial necessity for those who prioritize safety and comfort. This study utilizes capital budgeting methods, including Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (PP) analysis, to assess financial feasibility. To achieve a return above the Minimum Attractive Rate of Return (MARR) of 13%, annual sales must target at least 2,119 units at a price of Rp211,125 per unit, with sales growth of 10% per year. BirkinPet targets sales of 2,200 units per year, making this plan feasible, with a projected NPV of Rp72,175,425, an IRR of 32%, and a payback period in the 5th year. The study results show that the business is feasible with sales projections exceeding the minimum target. Recommendations include expanding the market through digital marketing strategies and enhancing product innovation.

Keywords: Pet harness; feasibility analysis; capital budgeting; Net Present Value; Internal Rate of Return

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) play a vital role in Indonesia's economy, contributing significantly to job creation and economic growth. However, many MSMEs fail to survive long due to a lack of proper business planning and feasibility analysis. Business feasibility analysis is important for MSMEs to ensure the business they run has the potential to grow and be sustainable. This research focuses on the business feasibility analysis of the pet harness industry in Indonesia, a sector with great potential, along with increasing public awareness of pet care, especially cats.

Technology in pet harness manufacturing has advanced rapidly, including in ergonomic design and the materials used. This product must not only be comfortable for pets but also safe and durable. In the Indonesian context, the pet harness is still a niche product, but demand tends to increase as the pet owner population grows, especially in urban communities. This research was conducted to evaluate whether the pet harness business is feasible to run, considering financial and market factors.

This research becomes important given the large number of MSMEs growing in the pet product sector but lacking mature business planning. Failure in running a business is often caused by a lack of understanding of market needs and financial projections, as well as an inability to anticipate changes in market conditions. Therefore, a business feasibility analysis using capital budgeting methods will serve as the basis for identifying the potential profits and risks this pet harness business may face.

Business feasibility analysis helps entrepreneurs make more precise decisions, including calculating investment needs, conducting market analysis, and projecting profits. According to Manunath and Praveen (2020), capital budgeting decisions are a complex and crucial process in financial management because the efficient allocation of capital resources is very important to ensure the survival of the business (Manunath & Preveen, 2020). Thus, this research is expected to provide a clear picture of the potential of the pet harness business in Indonesia and offer recommendations for entrepreneurs to minimize financial risks. This research aims to: Assess the financial feasibility of the pet harness business using capital budgeting methods. Analyze the market potential for pet harness products in Indonesia. Provide recommendations to MSME actors on strategic steps to develop this business.

The method used in this research is capital budgeting analysis, which includes calculating Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period to assess the project's financial feasibility. In addition, market analysis will be conducted to determine consumer demand and preferences for pet harness products in Indonesia.

Several studies show the importance of business feasibility analysis in determining whether a business can grow and be sustainable. According to Pardede et al. (2022), business feasibility studies help entrepreneurs plan appropriate strategies by considering market, financial, and human resource aspects (Pardede, Tanjung, Goli, Amalul'izzi, & Suhairi, 2022). In the MSME sector, research shows that integrating market orientation and product innovation is crucial for maintaining competitiveness and improving business performance (Buli, 2017). With this background and methodology, this research is expected to provide valuable insights for entrepreneurs seeking to start and develop the pet harness business in Indonesia.

LITERATURE REVIEW

Pet Harness Development. In recent years, the technology used in pet harnesses has evolved continuously, driven by growing awareness of pets' safety and comfort needs, particularly those of cats and dogs. Modern pet harnesses now serve not only as control tools to manage pets but also feature additional features to ensure animal comfort and meet owner preferences. The technology used in current pet harnesses involves more ergonomic and lightweight materials that remain strong and durable. The use of materials such as water-resistant nylon, light reflectors for night visibility, and integrated GPS for pet tracking is a key feature attracting consumer attention (Bylieva, Almazova, Lobatyuk, & Rubtsova, 2019).

Pet harness technology continues to advance, focusing on animal safety and health aspects. For example, pet harnesses are designed with a pressure distribution system to prevent injury to pets when pulling the leash. Additionally, some innovations include harnesses equipped with sensors to monitor a pet's body temperature, allowing for the detection of potentially dangerous health conditions. This has become crucial amid growing attention to pet welfare, as many owners now consider pets an integral part of the family.

Development of Capital Budgeting Theory. Capital budgeting is a fundamental element of long-term investment decision-making for companies, including those involved in products such as pet harnesses. Capital budgeting helps companies determine whether investing in a particular project is viable by considering potential returns and associated risks. Commonly used methods in capital budgeting include Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (PP), all of which enable companies to project future cash flows and evaluate the feasibility of investment projects (Rossi, 2014).

As capital budgeting theory has evolved, more advanced approaches have been adopted to handle the inherent uncertainties in investment decisions. One of the latest innovations is the use of Real Options Valuation (ROV), which provides companies with greater flexibility in dealing with changing market and technological conditions. This allows companies to defer, expand, or even abandon investment projects under certain conditions. The use of ROV methods is increasingly popular in rapidly changing industries, such as technology, where innovation and market uncertainty are crucial factors in investment decision-making (Siziba & Hall, 2021).

In several studies, companies that use more complex capital budgeting methods, such as NPV and IRR, have been found to be better at managing risk and achieving better investment outcomes. However, among small and medium-sized enterprises (UMKM), simpler methods such as PP are still commonly used due to limited resources and knowledge of more in-depth financial analysis (Batra & Verma, 2017).

METHODOLOGY

This paper is a descriptive research study, aiming to clearly describe the research object without controlling or manipulating variables. According to Sudaryono (2017), descriptive research is a research method that aims to describe and interpret the object as it is. The data used include questionnaire responses from potential consumers, interviews with pet lovers, pet experts, and similar companies, as well as company financial reports and literature reviews. The research was conducted across several major cities in Indonesia, using both primary and secondary data. Primary data was obtained from observing the business activities of entrepreneurs and company stakeholders, namely owners, convention employees, and the marketing department. Secondary data was obtained from BPS data, Hobby Articles, and relevant Hobby Magazines. Data collection in this study was conducted through observation, documentation, and literature review. The data analysis techniques used in this study are data reduction, data presentation, and data interpretation. Pet humanization trends are growing, and ergonomic attributes are emerging as a strategic differentiator in a highly competitive market. This study contributes to the business feasibility literature by extending conventional feasibility analysis frameworks by incorporating ergonomic product design as an analytical dimension. By integrating market analysis, ergonomic evaluation, and financial feasibility within a single descriptive framework, this research provides empirical evidence from the Indonesian pet product industry, a context that remains underexplored in prior studies. This study offers a comprehensive decision-making framework for pet product entrepreneurs and SMEs in Indonesia. The findings highlight the importance of aligning ergonomic product design with market demand to enhance financial performance. The proposed approach can serve as a reference for business practitioners in developing pet products that are not only financially viable but also meet user-centered design principles. The Business Feasibility Analysis of the Ergonomic Pet Harness Fashion Industry in the animal industry was carried out by analyzing data descriptions and observation forms. In practice, financial analysis was carried out using several criteria in the form of Net Present Value (NPV), Break-Even Point (BEP), and Payback Period (PP).

1. Net Present Value (NPV)
   This analysis is carried out to determine the investment value based on exchange rate considerations. From the NPV value, the difference between the current value of profits and costs can be determined. (Kusmiati & Nursamsiyah, 2015)
   $$\mathrm{NPV} = \sum_{t=1}^{n} \frac{(\mathrm{Bt} - \mathrm{Ct})}{(1+\mathrm{t})^{\mathrm{t}}}$$
   Bt = Revenue in year t
   Ct = Cost in year t
   i = Interest rate used
   t = Year t
   n = Economic life

   To determine business feasibility if the NPV > 0, then the business is viable to run. If the NPV < 0, the business is not viable. If NPV = 0, then the business will return the amount of capital invested.

2. Break Event Point (BEP)
   Break-even Point is the amount of production or sales data that must be carried out so that the costs incurred can be recovered when the profit currently obtained is zero. So, BEP is often interpreted as the amount of income equal to the total amount of expenses (Kusmiati & Nursamsiyah, 2015).
   $$\mathrm{BEP\ Unit} = \frac{\mathrm{FC}}{\mathrm{P} - \frac{\mathrm{VC}}{\mathrm{P}}}$$
   FC = Fixed Cost
   P = Selling Price Per unit
   VC = Variable Cost per unit
3. Payback Period (PP)
   PP is the length of time required to recover the initial investment in the form of cash flow formulation:
   $$PP = \frac{\text{Initial Investment}}{\text{Cash Inflow Period}}\ x\ 1\ Year$$

Several aspects related to establishing a pet clothing line business are considered, including the availability and sustainability of raw materials and the availability of human resources. If establishing the pet harness business is deemed feasible, the analysis will proceed to the marketing aspect. The marketing aspect must produce optimal products that meet market demand. The feasibility of this business depends on product demand from local, national, or international target markets. Interview results with an ergonomic fashion designer are used as a guide in planning BirkinPet's online platform. Meanwhile, management and human resource data analysis is conducted through interviews with potential customers to determine product needs and the required human resources. The data analysis process also considers the investment feasibility of BirkinPet through financial evaluation criteria such as PP, NPV, IRR, and scenario analysis. The company will be considered financially feasible if it meets all established criteria.

DISCUSSION

A market study in business feasibility analysis begins by reviewing the marketing mix and the STP. The marketing mix is a unified marketing strategy to create the desired response in the target community. Based on data from Kompas and Goodstats (2023), 67% of Indonesians own pets, with cats being the most popular choice among animal lovers as shown in figure 1.

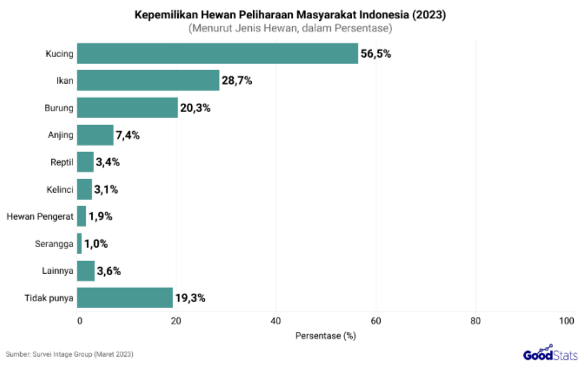

Figure 1. The owning of pet pawrent (Godstats, 2023)

Based on the data presented in Figure 2, several factors influence the increase in numbers until 2026. The first factor is that 47% of pet owners spend between Rp500,000 to Rp1,000,000 on their pets monthly. Furthermore, 77.4% of pet owners will shop for their pet's needs at any time, not bound by payday or waiting for Harbolnas promotions. Another factor is that 66% of pet owners make transactions to buy their pet's necessities through e-commerce platforms. Next, from pet ownership data, 67% of pet owners in Indonesia have 1 to 3 cats or dogs at home. From this data, it is predicted that if these factors do not experience a significant decline, the number of pet ownership will increase until 2026.

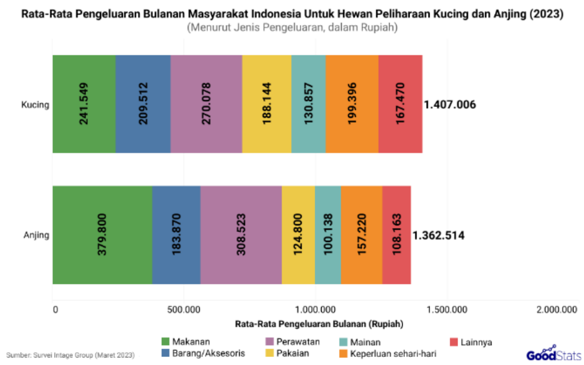

Figure 2. The average of spending money of pet pawrent (Godstats, 2023)

This is the basis for BirkinPet, an observational case study in Surabaya, to run a unique pet harness business with an attractive, ergonomic design concept. Future strategy is determined through SWOT analysis to assess the company's position within the BirkinPet quadrant.

BirkinPet products have a distinct selling point compared to casual harnesses and common strap designs. BirkinPet is committed to bringing cats and dogs into the realm of fashion. Based on data from BirkinPet, collected through online and offline surveys of pet lovers, the majority of pet owners in Indonesia are between 25 and 65 years old. This survey aims to understand the needs related to the products to be created. From interviews and observations, several respondents reported discomfort with harnesses, noting that they make cats or dogs uncomfortable to wear, particularly the difficulty of finding harnesses for "anabul" (beloved pets) weighing under 2kg and between 6-8kg. Regarding fashion, respondents say it is necessary to beautify "anabul" when they serve as mascots for exhibitions or just for walks. Owners also consider the appearance of "anabul" to be important. Not only that, but the presence of these pet harnesses must make the animals comfortable when interacting with humans.

The data from BirkinPet was then processed using the TAM, SAM, SOM methods. TAM (Total Addressable Market), SAM (Serviceable Available Market), and SOM (Serviceable Obtainable Market) are used to evaluate the potential of the target market as part of market research. TAM can be used to identify untapped customer segments; SAM provides guidance on determining niches and medium-term goals; and SOM calculations provide insight into potential worst-case scenarios. (Marketeers, 2023).

With this research method, results were obtained as shown in Figure 3: TAM refers to the number of cat/dog owners in Indonesia, totaling 67% of the total population, or 184,768.4 people, when calculated based on BPS data for the Indonesian population in 2022, which was 275,773.8 people. SAM refers to the number of cat/dog owners who buy toy accessories, totaling 15% of the TAM, or 27,715.2 people. What is meant by SOM is the number of cat/dog owners with monthly expenditures of Rp 2.5 million or more. Based on the observation data, SOM accounts for 13.2% of the total SAM, or 3,658.4 people.

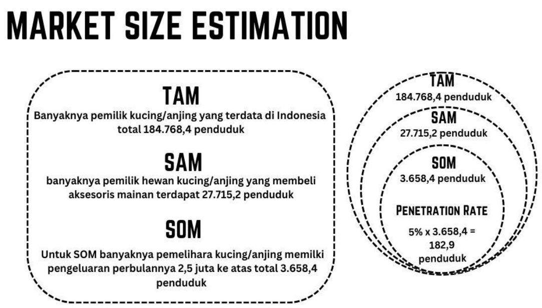

Figure 3. Market Share Birkinpet (Anita, 2025)

The data above shows that the estimated penetration rate for BirkinPet's harness sales reaches 5% of the total SOM, or approximately 183 individuals. The estimated revenue, when multiplied by the selling price of Rp 220,000.00, is Rp 40,238,000.00, assuming each person buys 1 item. In reality, 67% of pet owners in Indonesia can own between 1 and 3 pets each. Therefore, the optimal revenue probability for early adopters is around 120 million rupiah, excluding the repurchase rate, as pet fashion products often change trends over time.

Product Value Study. Value Proposition Canvas (VPC) is a method for creating value or benefits for consumers (Marwiyah et al., 2022). The Value Proposition Canvas also serves as a fundamental reference for the future development of MSME businesses. The visualization of the VPC for the Ergonomic Pet Harness Fashion Industry Business run by BirkinPet can be seen in figure 4.

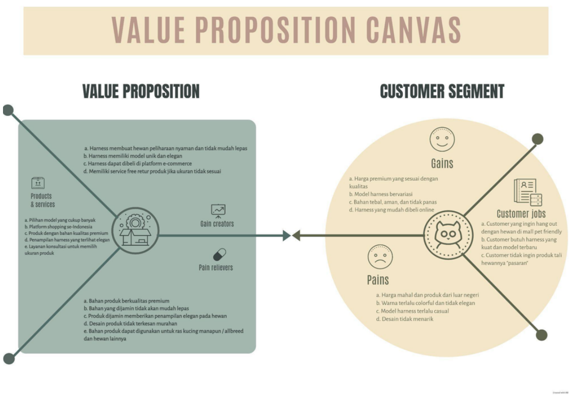

Figure 4. VPC Birkinpet (Anita, 2025)

In this research, a situational and conditional analysis of the Ergonomic Pet Harness Fashion Industry Business was conducted using SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). A SWOT analysis was used because it can identify and evaluate the company's strengths, weaknesses, opportunities, and threats [Mashuri, 2020]. The SWOT analysis for UMKM BirkinPet is shown in Table 1.

Table 1.SWOT of Birkinpet

Strength	**Weakness**
- Produk berbahan kualitas premium - Memiliki layanan order online dengan rating yang baik (melalui Shopee, WhatsApp dan Instagram) - Memiliki sosial media seperti Instagram dan Tiktok sebagai platform marketing *online* - Memiliki variasi produk harness yang bermacam macam - Memiliki layanan konsultasi yang juga tersedia pada social media BirkinPet.id - Memprioritaskan layanan pada pelanggan	- Belum memiliki pelanggan tetap - Tidak memiliki offline butik - Harga yang terbilang cukup mahal bagi beberapa customer - Ketersediaan kain tiap edisi terbatas sehingga customer pergi saat tidak mendapat harness yg diinginkan - Setiap model batch produksi hanya 4 lusin mix size - tidak memiliki aplikasi utk cek ukuran hewan based on LD, LL, LB
Opportunity	**Threat**
- Menjadi bisnis pencetus di dunia hewan - Peluang menjalankan bisnis offline - Konsumen ingin custom produk - Potensi keunikan ergonomic pet harness menjadikan BirkinPet.id disukai pemilik hewan - Konsumen ingin Birkinpet sering ikut pameran hewan di kota-kota besar	- Kompetitor memiliki produk dengan varian yang lebih beraneka ragam - Kompetitor memiliki range harga yang lebih ramah di kantong beberapa customer - Kompetitor memiliki offline store yang sesuai dengan pangsa customer - Adanya produk sejenis dengan pasar luar negeri

Based on the SWOT above, a Strategy is needed to achieve the vision and mission formed in successfully building their business (Sugianto et al., 2023). The strategy used in this research can be applied with STP (segmentation, targeting, and positioning), namely:

Table 2. STP of Birkinpet

Aspect	Description
Segmentation	According to a questionnaire involving 221 respondents, the segmentation UMKM BirkinPet can target based on geographical location is all of Indonesia. BirkinPet has the largest customer share in the age range of 25-65 years. This customer segment can include employees, parents, or the general public, with 43.6% earning below the regional minimum wage (UMR) and 32% earning above 5 million IDR. For behavioral segmentation, 28.4% of customers choose to buy clothes, while 32% choose to buy toys. In addition, the number of cat-owning customers is 84.4%, of which 52.9% own 1-3 cats.
Targetting	The target market, based on segmentation results, revealed that the average BirkinPet customer is an employee or general pet owner, primarily of cats and dogs, and individuals residing on the island of Java.
Positioning	BirkinPet's positioning is to become a pet accessory brand with unique designs, accepted by all communities, at a price that matches the premium quality it delivers.

This research also examines the conditions of the 7P marketing mix to increase business sales, and its implementation can be seen as follows:

Table 3. SevenP of Birkinpet

Aspect	Description
Product	Create pet harness and accessory products with diverse product variations, fur colors, and types, all of premium quality, ranging from **low to high prices**, so that market segmentation forms naturally.
Promotion	Conduct marketing through social media related to products and benefits, as well as important information about the pet world. Be consistent in uploading content on various social media platforms with trending content types, select affiliate marketing, collaborate with influencers, and create many promotions and reward *challenges.*
Price	Provide prices that match the goods and quality. Better adjust the price range to the target customer age group and average customer income.
Place	Making the online market share a way to reach national and international customers. Opening pop-up stores at exhibitions, mini-boutiques in big cities, registering on ASEAN e-commerce platforms, and forming partnerships to expand buyer reach and MSME development.
People	Create special products according to the age classification of **Gen Z**, **Gen Y**, **and Baby Boomers**, where the primary target market segmentation is around 25-65 years old and above (employees and parents). Expand interaction in developing partnerships, internal staff, and customer feedback.
Process	Prioritize services such as feedback and consultation in every activity, including product ordering, product distribution, and product usage. Create variations of customer consultation services through real-time online and offline forms, such as an application or website, to determine the suitability of size and fur color for pet owners.
Physical Evidence	Creating a variety of timeless harnesses. Creating new branches or participating in more promoter events to further expand the reach of the customer environment and MSME partners. Providing useful content on social media in the form of soft selling and differentiators so that customers also have extensive knowledge about animal care.

BirkinPet leverages social media insights from Instagram, Shopee, and TikTok to track business performance and social awareness. This includes monitoring increases in visitors, followers, product repurchases, and the save and share rates of their content. These insights are checked consistently, once or twice daily. Furthermore, daily turnover updates and sales performance evaluations through Shopee are crucial for understanding fluctuations in visitors and click-through rates, which then inform their SWOT analysis and 7P Marketing Mix evaluations.

In conducting an economic study of the ergonomic pet harness fashion industry business run by Birkinpet, the financial assumptions used are first determined. The assumptions used in this study include: Inflation of 4.02% / year; Final UMKM Income Tax of 0.50% from calm; Increase in UMP 5.19% / year; BPJS burden rate of 5% of salary; Total Remuneration of 14 times per year (Including THR & Bonus); Marketing Expense 8% of turnover; Profit Margin of 300% of HPP; Sales Growth 15% from the previous year. In addition to these assumptions, the Minimum Interest Rate of Return (MARR) standard used is twice the Republic of Indonesia Bonds (ORI 26) rate, which is 6.3% as of October 2024. So that the applicable MARR Reference, including rounding, is 13%.

To launch the ergonomic pet harness fashion business, the first year requires capital expenditure (CAPEX) totaling Rp 33,140,900. This investment covers essential components like equipment, business permit processing, and intellectual property asset management. A detailed breakdown of these costs can be found in Table 4.

Table 4. CAPEX of of Birkinpet

Business Registration Fees

Component	Unit Price	Quantity	Unit	Total Cost
Intellectual Property Rights (Trademark, Logo, Copyright)	Rp 3,200,000	1	package	Rp 3,200,000
Company Registration Fee	Rp 5,000,000	1	package	Rp 5,000,000
Total				**Rp 8,200,000**

Equipment

Component	Unit Price	Quantity	Unit	Total Cost
SINGER Heavy Duty Sewing Machine Series 4432	Rp 3,650,000	1	package	Rp 3,650,000
SINGER Sewing Machine Presser Foot	Rp 170,000	1	package	Rp 170,000
SINGER Overlock Sewing Machine	Rp 3,900,000	1	package	Rp 3,900,000
SINGER Flatbed Sewing Machine + Stand	Rp 2,300,000	2	package	Rp 4,600,000
Oppo Reno11 F Smartphone	Rp 3,620,000	1	unit	Rp 3,620,000
Ideapad Slim 1 Laptop	Rp 4,750,000	1	unit	Rp 4,750,000
TNW 130 Tripod	Rp 180,000	1	unit	Rp 180,000
A6 Thermal Printer	Rp 619,000	1	unit	Rp 619,000
Fabric Scissors	Rp 10,000	3	units	Rp 30,000
Pattern Paper	Rp 21,900	1	package	Rp 21,900
Office Desk and Chair Set (Surabaya)	Rp 850,000	4	package	Rp 3,400,000
Total				**Rp 24,940,900**

Beyond the initial investment, the business incurs recurring monthly operational costs, which are classified into fixed and variable costs. Fixed costs include labor, overhead, rental, and other operational expenses, totaling IDR 515,373,919, as presented in Table 5.

Table 5. OPEX of of Birkinpet

No.	Description	Q	Unit	Unit Cost	Total Cost per Year
1	Overall Utility Costs	14	times	Rp 26,031,517	Rp 364,441,238
2	BPJS	12	months	Rp 1,301,576	Rp 18,222,062
3	Opening Marketing Expenses	1	package	Rp 1,800,000	Rp 1,800,000
4	Marketing Expenses	12	months	Rp 2,603,873	Rp 31,246,476
5	Internet and Communication Expenses (Electricity, Water, Internet, etc.)	12	months	Rp 637,315	Rp 7,647,786
6	Workshop Overhead Expenses (Electricity, Water, Internet, etc.)	12	months	Rp 1,499,288	Rp 17,991,452
7	Office Rent (Surabaya)	12	months	Rp 2,250,000	Rp 27,000,000
8	Rent (Bojonegoro)	12	months	Rp 3,750,000	Rp 45,000,000
9	Sales Tax	12	months	Rp 1,952,905	Rp 1,952,905
10	Maintenance	12	months	Rp 6,000	Rp 72,000

So for the variable costs, the cost of goods sold (COGS) increases with production volume. Specifically, the cost per unit is Rp5,003,000. This breaks down to a COGS of Rp52,781 per product. You can find the detailed breakdown in Table 6.

Table 6. Cost of Production of Birkinpet

Component	Unit Price	Quantity	Unit	Total Cost
Silk Organza Fabric	Rp 1,350,000	1	roll	Rp 1,350,000
Makrana Satin Fabric	Rp 1,026,000	1	roll	Rp 1,026,000
Premium Tulle Fabric	Rp 344,250	1	roll	Rp 344,250
Brocade Fabric	Rp 870,000	1	roll	Rp 870,000
Beading	Rp 147,000	4	package	Rp 588,000
Pearl Accessories	Rp 57,820	1	package	Rp 57,820
Velcro	Rp 28,500	4	package	Rp 114,000
Sewing Thread	Rp 100,000	1	package	Rp 100,000
Obra (Overlock) Thread	Rp 84,051	1	package	Rp 84,051
Sewing Needle	Rp 55,000	1	package	Rp 55,000
Ring D	Rp 950	100	pcs	Rp 95,000
Emblem	Rp 33,000	1	package	Rp 33,000
Size Labels	Rp 13,500	4	package	Rp 54,000
Foam (3 mm)	Rp 11,200	45	meter	Rp 504,000
Pins	Rp 3,150	100	pcs	Rp 315,000
Hot Glue Gun	Rp 10,000	2	unit	Rp 20,000
Hot Glue Sticks	Rp 9,500	4	package	Rp 38,000
Total				**Rp 52,781**

Table 7. Feasibility Study of Birkinpet

CASHFLOW DECK BIRKINPET										
	Volume	Unit	Unit Price	Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
1	2	3	4	5	6	7	8	9	10	11
INITIAL CASH FLOW										
Business Registration Fees	1	package	Rp 8.200.000	Rp 8.200.000						
Equipment	1	package	Rp 24.940.900	Rp 24.940.900						
Total Initial Cost				Rp 33.140.900	-Rp 33.140.900					
Initial Cash In										
Total Initial Cash In										
OPERATIONAL CASH FLOW										
Operational Cash In										
REVENUE	2200	pcs / yearly	Rp 211.125			Rp 464.475.000	Rp 534.146.250	Rp 640.975.500	Rp 769.170.600	Rp 923.004.720
Sub Total Cash In						Rp 464.475.000	Rp 534.146.250	Rp 640.975.500	Rp 769.170.600	Rp 923.004.720
Operational Cash Out										
MANpower + BPJS	12	monthly	Rp 27.333.093			-Rp 327.997.116	-Rp 360.796.828	-Rp 396.876.510	-Rp 436.564.161	-Rp 480.220.578
COGS	2200	pcs / yearly	Rp 52.781			-Rp 116.118.200	-Rp 121.924.110	-Rp 128.020.316	-Rp 134.421.331	-Rp 141.142.398
Starting Operations	1	package	Rp 1.800.000			-Rp 1.800.000				
Overhead Cost & Variable Cost	1	monthly	Rp 2.689.900			-Rp 32.278.800	-Rp 33.892.740	-Rp 35.587.377	-Rp 37.366.746	-Rp 39.235.083
Digital Marketing	1	monthly	Rp 3.596.498			-Rp 43.157.976	-Rp 45.315.875	-Rp 47.581.669	-Rp 49.960.752	-Rp 52.458.790
Sub Total Cash Out			Rp 35.472.272	Rp -		-Rp 521.352.092	-Rp 561.929.552	-Rp 608.065.871	-Rp 658.312.990	-Rp 713.056.848
Net Operating Income						-Rp 56.877.092	-Rp 27.783.302	Rp 32.909.629	Rp 110.857.610	Rp 209.947.872
NET CASH FLOW					-Rp 33.140.900	-Rp 56.877.092	-Rp 27.783.302	Rp 32.909.629	Rp 110.857.610	Rp 209.947.872
DISC. FACTOR (at 13% MARR)	13	%	0,13		1,0000	1,1300	1,2800	1,4400	1,6300	1,8400
DISCOUNTED CASH FLOW					-Rp 33.140.900	-Rp 50.333.710	-Rp 21.705.705	Rp 22.853.909	Rp 68.010.803	Rp 114.102.104
CUMMULATIVE CASHFLOW					-Rp 33.140.900	-Rp 83.474.610	-Rp 105.180.315	-Rp 82.326.406	-Rp 14.315.603	Rp 99.786.502
NPV				Rp88.068.454,98						
IRR				21%	p.a					
PAYBACK PERIOD				3,00	Year					

To deem the ergonomic pet harness fashion industry business feasible, with a CAPEX of Rp33,140,900 and annual OPEX of Rp521,654,883, it needs to achieve a return above the MARR. This requires a minimum annual sales target of 2,119 units at a price of Rp211,125 per unit, with a 10% annual sales growth.

BirkinPet's sales target of 2,200 units per year makes the plan feasible. This is supported by an NPV of Rp72,175,425.95, an IRR of 32%, and a Payback Period in the 5th year.

CONCLUSION

Based on the research findings, it can be concluded that Mycola Farma Pharmacy has successfully implemented Environmental, Social, and Governance (ESG) principles as an integral component of its operational strategy, rather than merely as a theoretical concept. The implementation of ESG has made a significant contribution to maintaining a stable supply chain, ensuring consistent product availability, and strengthening the sustainability of the pharmacy business through transparent governance, strong stakeholder engagement, and environmental responsibility. These findings also contribute to theory by extending the application of ESG principles to microenterprises within the healthcare sector. Furthermore, this study presents a practical model of sustainability practices that can serve as a reference for other pharmacies and health-related MSMEs in promoting more sustainable business management.

SUGGESTIONS

Based on the business feasibility analysis of the ergonomic pet harness fashion industry, this business has significant potential, especially given the increasing pet ownership in Indonesia. This research assessed business feasibility from the market aspect, product value aspect, and financial aspect. This integrated design allows the study to move beyond conventional single-aspect feasibility analysis commonly applied in pet product studies. The study's results show that demand for pet harness products continues to increase, especially among pet owners who prioritize comfort and product design. SWOT analysis shows that BirkinPet has strengths in product variety and premium quality, though it still faces weaknesses in pricing to target a niche market and limited product availability. In terms of finance, using capital budgeting methods such as NPV, IRR, and Payback Period, this business is feasible to run, assuming the achievement of annual sales targets.

Based on the results of the analysis, it is recommended for BirkinPet to focus more on expanding the market through a more aggressive and in-depth digital marketing strategy. BirkinPet should also consider opening physical stores in big cities to reach more consumers who are not yet served online. In addition, the use of technology for more ergonomic product development and additional features, such as health sensors, can be an added value for their products. The company also needs to consider collaborating with influencers and pet lover communities to increase awareness.

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