

STUDY OF BUSINESS FEASIBILITY OF GEZZARI DENTAL CLINIC IN EAST JAKARTA

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ABSTRACT

This study is conducted in Gezzari Dental Clinic, aiming to find out the business feasibility of Gezzari Dental Clinic by analyzing law aspects, market and marketing aspects, technical and technological aspects, management and human resources aspects, and financial aspects. Gezzari Dental Clinic is one of dental clinics located in East Jakarta that serves patients, especially Japanese people by using Japanese language-based to facilitate the patients and doctors in terms of communication. The approach used in this study is qualitative methods in which the researchers conduct the observation and interview with people who know the situation of dental clinic management in Jakarta. Whereas the sampling techniques is purposive sampling by determining the data source obtained from the one who has been interviewed and chosen by considering specific purposes. The data collection methods is done in the form of interview, observation, and documentation. The law aspects is used to analyze the license legality and business location. The market aspects is used to analyze the business environment using PEST analysis, the structure of the industry using Porter's Five Forces Model analysis and SWOT analysis. The marketing aspects is used to analyze the marketing target, segmenting targeting positioning and marketing mix. The technical and technological aspects are used to analyze the location, layout, and technology. The management and human resources aspects are used to analyze the organizational structure, job description and standard operation procedure of the service flow. Financial aspects is used to analyze the feasibility of investment using the method of payback period, net present value, and internal rate of return calculation, and risk analysis. Furthermore, this study confirms that legal aspects, market and marketing aspects, technical and technological aspects, management and human resources aspects, and financial aspects of Gezzari Dental Clinic is eligible.

Keywords: Business, Feasibility, Dental Clinic, East Java

INTRODUCTION

Oral and dental health often becomes secondary priority for human. Meanwhile, it is an entrance for germ and bacteria so that they can disturb the health of other body organs. Based on Indonesia Basic Health Research 2007 and 2013, the percentage of people who have oral and dental problems has increased from 23.3% to 25.9%. According to those who have oral and dental problems, the percentage of people who get dental treatment has increased from 29.7% in 2007 to 31.1% in 2013. The DMT-D index describes the level of dental damage severity. It is the sum of D- T, M-T, and F-T index which shows that the amount of dental

damage undergone by people, whether in the form of *Decay/d* (caries or cavity), *Missing/M* (removed tooth), and *Filling/F* (filled teeth). Indonesian DMF-T index in 2013 was 4.6% which means that tooth decay of Indonesian population reaches 460 teeth per 100 people. When it is compared to the index in 2007, DMF-T index was almost the same as in 2013 (i.e. 4.85%), which means that tooth decay of Indonesian population after 2007 was 485 teeth per 100 people as shown in the following figure:

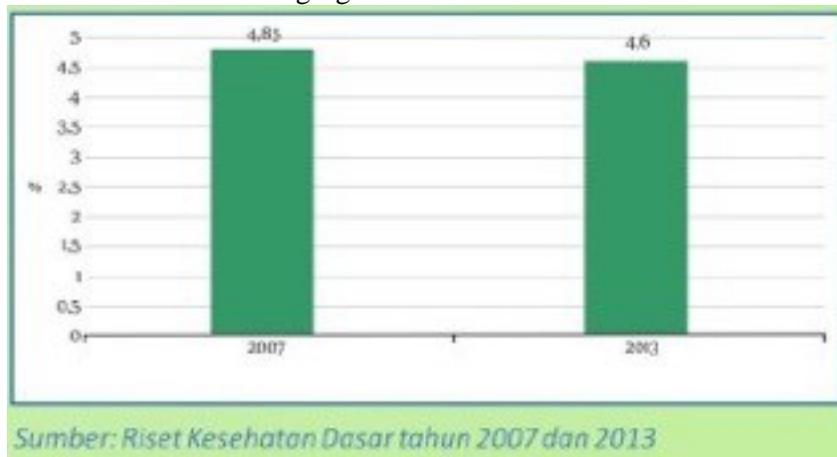


Figure 1. Indonesia DMF-T Index 2007 and 2013
Source: Indonesia Basic Health Research 2007 and 2013

Without the level of good welfare and quality of life, people cannot get health facilities services as they need. The level of welfare and quality of society can be seen from the achievement of Human Development Index (HDI). The province with the highest HDI rank is DKI Jakarta. Availability of health, education, and economy as well as ease of access to all these facilities make DKI JAKARTA superior to human development achievements rather than the area outside of DKI Jakarta. Directorate General of the Ministry of Finance stated the number of Japanese citizens who are already registered as taxpayer at Tax Office Jakarta is the highest one compared to other countries. From the value of the tax payments, Japanese WP in belongs to the category of the largest contributor. From the origin country of WP in Jakarta, Japanese citizens most widely reached 4,028 taxes with its citizens' income who work in Indonesia reaches Rp 1 billion per year. It is the data of taxpayer for strangers that makes optimism in terms of health to the target market of Japanese citizens.

Considering the above data, it can be seen that the highest HDI and Japanese people that become the highest foreign tax contributors in Indonesia is JAKARTA. The achievements of the highest HDI in Indonesia has made DKI JAKARTA as a place for business opportunities in the field of dental health as well as to maintain the HDI of DKI JAKARTA. It is already high compared to other provinces in Indonesia, the demand for health services will increase. This opportunity becomes an incentive for public and private parties to invest in establishing health facilities.

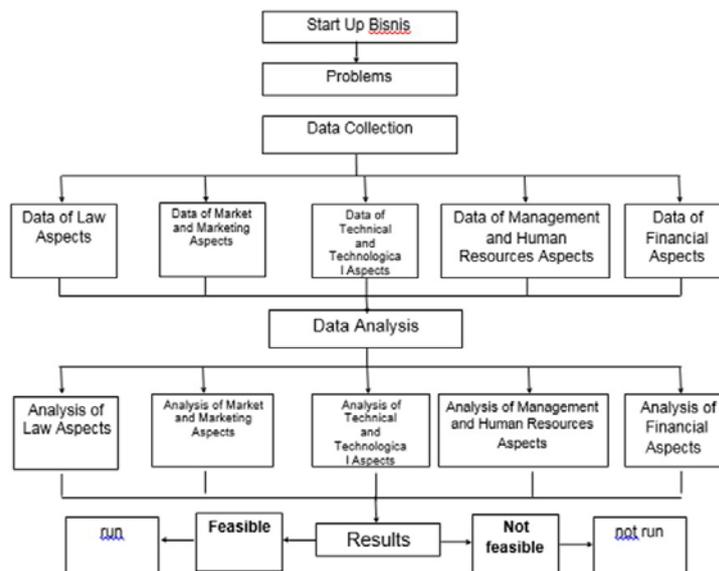
LITERATURE REVIEW

Subagyo, in the feasibility study (2010), states that a feasibility study is in-depth research on a business idea about the feasibility of the idea to be implemented. A business idea is stated as 'feasible' if the idea can bring greater benefits for all parties than the negative impacts. In the feasibility study, the data are estimation data, external data sources, which aims to assess the feasibility of a business idea, take a relatively long time because it must use a variety of sources and require relatively large costs (Suliyanto, 2010: 3-4).

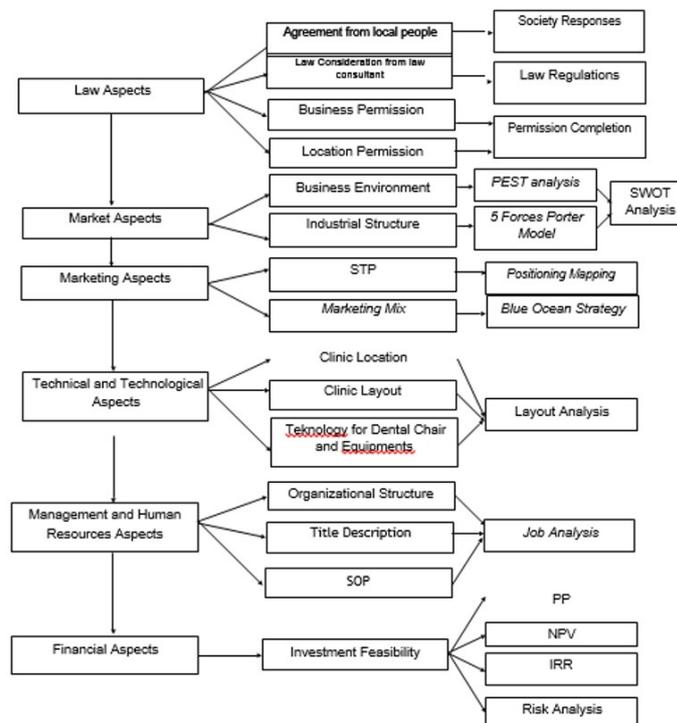
Before implementing business idea, in-depth analysis of the legal aspects should be done so that the future business will not be fail due to the legal and licence issues. The legal aspect is an

aspect that must be examined first. This is because if it is based on the analysis of the legal aspects a business idea is not feasible, then the process will not be necessary to continue with the analysis on other aspects. Markets are all potential customers who have specific needs or desires that might be willing and able to engage in the exchange process in order to satisfy the needs. Market aspects is analyzed to determine the estimated market demand health services. PEST analysis aims to observe changes in aspects of the PEST analysis so that it has impacts on the market placement in the global market. The presence of PEST analysis motivates an organization to be able to identify the opportunities and challenges that exist in the environment (Amalia, Samopa, 2012: 18-3,18-4). Porter stated that there are five competitive forces that affect the success of an industry. Those fiive power consist of threat of new entrants, the level of rivalry among competitors, substitute products, bargaining power of buyers, and the bargaining power of suppliers. (Riky, Mustamu, 2014: 2). Strategic marketing consists of three main steps, *Segmenting, Targeting, and Positioning* (Irene, 2010). In the health business marketing activities, marketers use certain tools to get the desired responses from the target market. These tools form a marketing mix or commonly called 'Marketing Mix'. In analyzing the strategy of health care organization we can also perform a SWOT analysis (Strength, Weakness, Opportuniy, and Threat). If the market analysis and marketing showing a business idea is feasible, then the next step is to answer the question whether the business is operationally able to run or not. Things need to be analyzed on the technical aspects and the technology are its location, layout, and technology. The analysis of management and human resources of aspects aims to analyze the organizational structure, job description, and standard operating procedures service flow. The last aspect is the financial aspects by analyzing the return on invested capital on the basis of some analysis of the feasibility of investment, such as Payback Period (PP), Net Present Value (NPV) and Internal Rate of Return (IRR), as well as risk analysis.

Conceptual Framework



Analysis Model



RESEARCH METHODS

Research Approach

The research approach is qualitative research. Qualitative methods is a research method used to examine the condition of natural object, (as his opponent experiment) where the researchers are the key instrument, data collection techniques is conducted in triangulation (combination), data analysis is tinductive, and qualitative research results tends to emphasize the significance rather than generalization.

Research Place and Date

This research was conducted at prospective place of business for opening dental clinic in East Jakarta in May-June, 2016.

Informant Determination

According to Sugiyono (2015, 52), in qualitative research, researchers go to certain social situations, make observations, and interviews with people who are considered to know about the social situations. In this study the determination of the data source based on the interviewee is conducted using purposive sampling, i.e. he was chosen with consideration and specific goals. Here are the criteria informants of this research:

- They are the owner/person in charge of the clinic/clinical dentist who is classified as being engaged or involved in investigational activities (aspect).
- Those who are willing to be the volunteers and have sufficient time for questioning.

Data Collection

Table 1. Data Collection

Aspect	Informant	Data Source	Techniques of Data Collection
Law Aspects			
Agreement from local people	<i>Owner, Competitor, Law Consultant/Notary / Local Government, local people</i>	Primary, Secondary data	Interview, Observation, Documentation
Law considerations from law consultant			
Permission for practice and location			
Market Aspects		Primary, Secondary data	
Business Environment	<i>Owner, Competitor</i>		Interview, Observation, Documentation
Industrial Structure	<i>Owner, Competitor</i>		Interview, Observation, Documentation
<i>SWOT Analysis</i>	<i>Owner, Competitor</i>		Interview, Observation, Documentation
Marketing Aspects		Primary, Secondary data	
a. Market target	<i>Owner Competitor</i>		Interview, Observation, Documentation
b. STP	<i>Owner Competitor</i>		Interview, Observation, Documentation
c. 7P (Marketing Mix)	<i>Customer Owner Competitor</i>		Interview, Observation, Documentation
Technical and Technological		Primary,	

Aspects		Secondary data	
Location	<i>Owner, Competitor</i>		Interview, Observation, Documentation
Layout	<i>Owner, Competitor</i>		Interview, Observation, Documentation
Teknology for Dental Chair and Equipments	<i>Owner, Competitor</i>		Interview, Observation, Documentation
Management and Human Resources Aspects		Primary, Secondary data	
Organizational Structure	<i>Owner, Competitor</i>		Observation, Documentation
Title Description	<i>Owner, Competitor</i>		Observation, Documentation
SOP	<i>Owner, Competitor</i>		Observation, Documentation
Financial Aspects		Primary, Secondary data	
Investment Feasibility Analysis	<i>Owner, Competitor, Expert</i>		Interview, Observation, Documentation
Risk Analysis	<i>Owner, Competitor, Expert</i>		Interview, Observation, Documentation

Source: Analyzed Primary Data (2016)

Feasibility Criteria

Table 2. Fasibility Criteria

Types of Aspect	Fasibility Criteria (all aspects that must be stated 'feasible')
Law Aspects	- have STR dan SIP

Market and Marketing Aspects	<ul style="list-style-type: none"> - able to consider the conditions of business environment using PEST analysis - able to consider the conditions of industrial structure using 5 Forces Porter Model - able to determine SWOT quadrant of the company on quadrant I and quadrant II. - able to analyze STP so that it will be suitable with the market target, the company will get good image, and do market segmentations. - able to analyze Service Market Mix (7P) so that it can meet the needs of the customers in terms of the quality of services, prices, health service distributions, promotions, service operators, service physical environment, and service processes itself.
Technical and Technological Aspects	<ul style="list-style-type: none"> - the selection of clinic location, layout of dentist practice room and waiting room, and toilet location so that the customers will get effective services. - the selection of technology which must consider the economical benefits for the business. - having determined the SOP clearly to do the treatment to the patients.
Management and Human Resources Aspects	<ul style="list-style-type: none"> - having created the organizational structure well - having created the title description well
Financial Aspects	<ul style="list-style-type: none"> - Payback Period (PP) < payback maximum (1 Tahun) - Net present value (NPV) > 0 (not) - Internal rate of return (IRR) > level of desired income - Risk Analysis

Source: Analyzed Primary Data (2016)

Data Analysis

The data analysis will be done by analyzing every aspect of the various issues related to the above aspects. The analyzed aspects are legal aspects, markets and marketing aspects, and technical and technology aspects, management and human resources aspects, and financial aspects.

Discussion

General Description of Research Object

Gezzari Dental Clinic is a startup business of dental clinic located in East Jakarta. It is a dental clinic that serves patients in general, both Indonesian and foreign citizens, especially Japanese people.

Law Aspects

Establishing a dental clinic in Indonesia requires a minimum of Certificate of Registration (CR) and Practice Permission (PP) for business licensing and locations to

practice dentistry. If the form of clinics can take care of licensing pratama clinic, it can be run only with SR and PP for dentist's office.

Market Aspects

Business Environment

Based on PEST analysis, it was obtained the results showing that there is *opportunity* and *threat* described as follows:

Opportunity:

1. The government supports the development of dentists in serving and improving public health of Indonesia
2. Indonesian economy that continuously grows will affect the mindset in terms of health which then increases the purchasing power of society in terms of health.
3. Increased awareness of Indonesian people, especially Japanese citizens in Indonesia that will increase the arrival of people to the dentist to do a treatment for oral and dental health

Threat:

1. Competition of technology

Industrial Structure

In analyzing the industrial structure the company uses five forces model of competition. It consists of the threat of new entrants, bargaining power of suppliers, bargaining power of buyers, the threat of substitute products, and competition in the industry and obtained from the average of each indicator of the Five Forces Porter Analysis of Gezzari Dental Clinic which will then be created Porter's Five Forces Analysis diagram illustrated as follows:

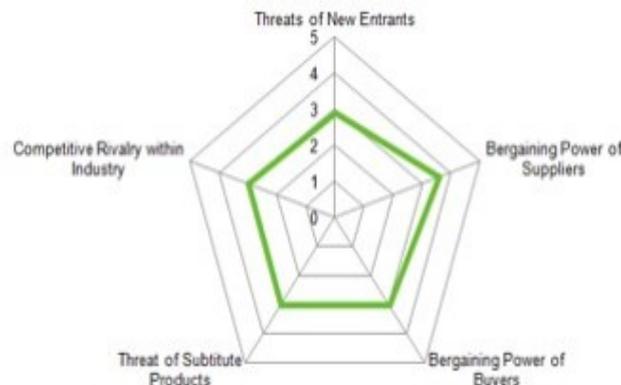


Figure 2. The Five Forces of Competition Model of Gezzari Dental Clinic

Source: Analyzed Primary Data (2016)

SWOT Analysis

SWOT Analysis of Gezzari Dental Clinic is included in quadrant I, which is a favorable situation in which the health care organization still has the opportunity and the power that can take advantage of existing opportunities. The strategy should be done in these circumstances is by supporting aggressive growth policies (Growth Oriented Strategy). This is done firstly by own target market, STP, and marketing mix with more detail, develop promotions by working with companies and insurance, increasing the number of branches closer to the location of the companies that employ many employees of Japanese citizens.

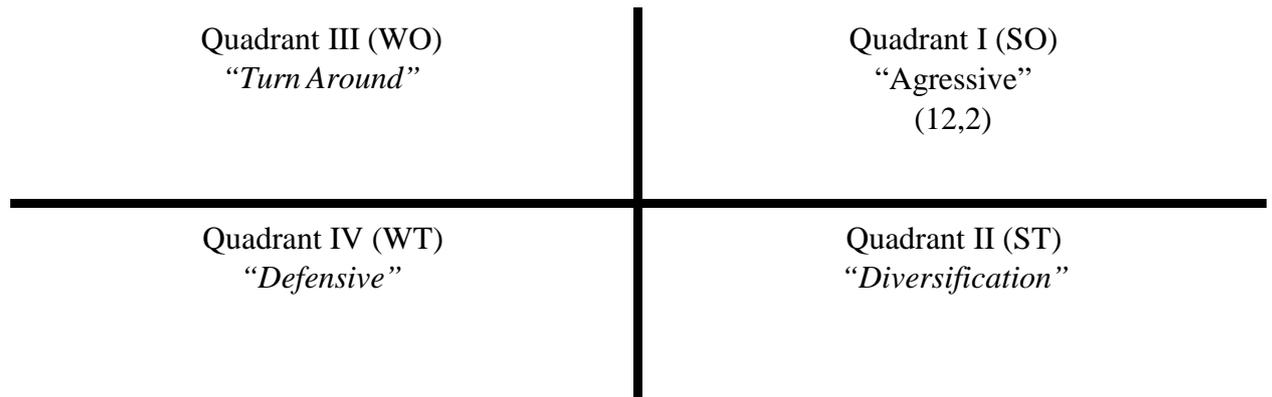


Figure 3. SWOT Analysis
Source: Analyzed Primary Data (2016)

Market Target

In 2014, health business which includes hospitals, laboratories, pharmacies, beauty clinics, pharmaceuticals, medical devices, health insurance, etc., is growing rapidly with market size in 2014 of around Rp 340 trillion.

Segmenting, Targeting, dan Positioning (STP)

Conducting STP analysis to select three segments of the ministry of Japan-Minded behave in positive way, ensuring Japan-Minded that behave in neutral, and giving services of Japan-Minded negative behaviors, analyzing targeting in more detail, i.e. employees of companies in Jabodetabek area who are citizens of Japan, and positioning with the tagline "Your Time and Happy Smile is Our Priority"

Marketing Mix

Conducting analysis of the marketing mix in detail, i.e. the product of tendodontic treatment and conservation with Japanese language services and quality assurance of materials and the best materials. Prices for consumers in accordance with the service and complement obtained from the patients. The location is in East Jakarta with easy access to other Jabodetabek area via toll. Offline promotion is provided by installing nameplate clinic and the name of the dentist in front of the clinic, the cost of free consultation including the picture of patient's teeth on his first visit as the medical records, the presence of photo spot for Japanese people to be provided for *kimono* and *hakama*. Making educational videos of teeth and mouth which will be shown in television of the waiting room, as well as promoting cooperation with Japanese companies in Jabodetabek and obtaining the patient's insurance company. People (in the form of admin) will wear *yukata*, while the doctor wears a suit of Japanese women clothes that are comfortable, so it will still provides effective treatment and Japanese atmosphere. Doctors take care in accordance with the appointed hours, that is to always provide timely service according to the time that has been made and the services is fast and efficient. The ability of doctors, nurses, and administrators who can speak Japanese to be more value more. Physical evidence is divided into a lounge area and a very comfortable treatment. Atmosphere clinic is air conditioned room, a comfortable waiting room for patients who are waiting for treatment and for the introduction of the patient, in the waiting room

there are tables for re-registration of patients and seat sofa Japanese style, the spot for the photobooth that with their Japanese Gate small version, tree cherry blossoms kimono costume and displays that can be created spots for patients taking photos. The door to the ward by using sliding doors as in Japan and the habit of replacing footwear with footwear that has been provided when entering the treatment room. Atmosphere's office can be explained from the patient into the treatment room and the right side will consult and diagnose before starting the treatment, in addition to table consultations are dental chair facing his back to the table consultation and facing out the window towards the south where outside the windows as well there are views of trees cherry blossom so that at the time of patient care can be while seeing the sights of cherry blossoms and there is a television/monitor that becomes one with the dental chair to also show video views of the cherry blossoms as in gardens in the spring in Japan complete with audio that will provide more lively impression of the spectacle. Aroma therapy is in accordance with the distinctive aroma in Japan. Audio sounds of Japanese music in the waiting room and treatment rooms. Room wall that surrounds the room will be made separati walls that exist in Japan which can be a timber and rich with papers, clinic room floor also made of wood such as Japanese houses. Spacious parking area also support Gezzari provide comfort Dental Clinic in patients who took the car as transportation. Process service that is timely, effective, and efficient. The process of service here discuss the service flow starting doing maintenance agreements both with booking online on the website and booking by telephone on schedule agreements patient and the clinic, after booking a treatment at least one day prior to treatment and the patient came to the clinic for re-registration and immediately diagnosed as well as treatment, after treatment ends with the control/maintenance periodically in accordance maintenance that will be carried out.

Technical and Technological Aspect

Location

The clinical location is in Jalan Rambutan, Kapin, Kalimalang located in East Jakarta, the border of West Java including Jakarta, Karachi, Cikarang which is an industrial park area where there are lots of companies and factories from Japan, which employs the employees of Japanese citizens as well, so that the location of our clinic is very affordable for Japanese employees if they want to get dental and oral treatment. Besides, it is quite close to the place they work, thus they do not need to be in downtown of Jakarta.

Layout

Our dental clinic is divided into administrative space and maintenance space with the total size of 8,5m x 4.5 m as well as a lounge area and a cafe in the form of fishing in the boutique downstairs and upstairs, a large car park that can accommodate more than 5 cars and there there is an entrance gate to the clinic building in the form of Japanese gate.

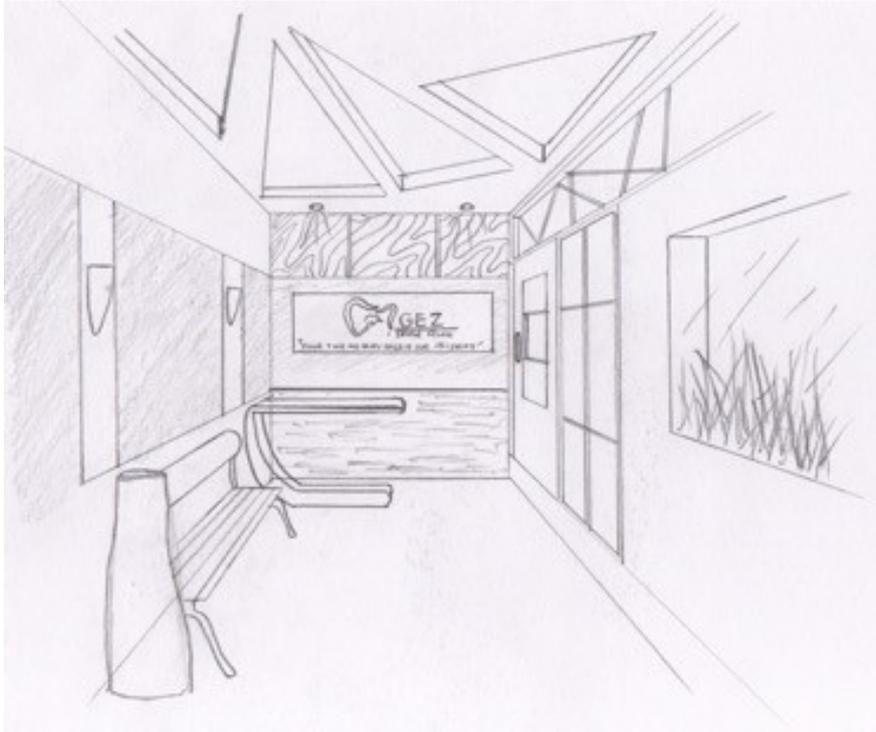


Figure 4. Waiting room design
Source: Internal data (2016)

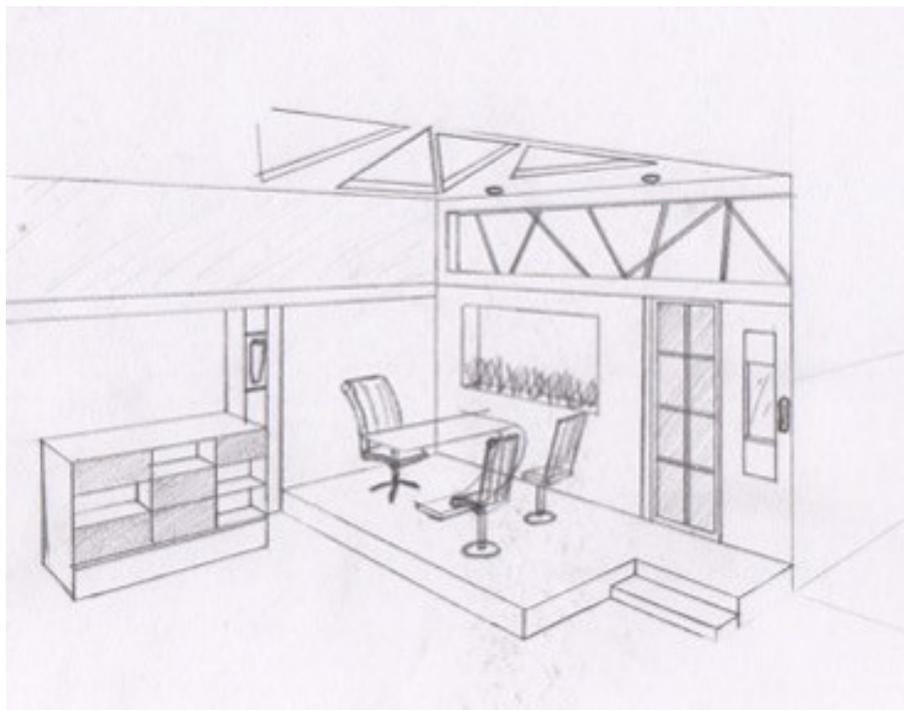


Figure 5. Treatment Room Design
Source: Internal data (2016)

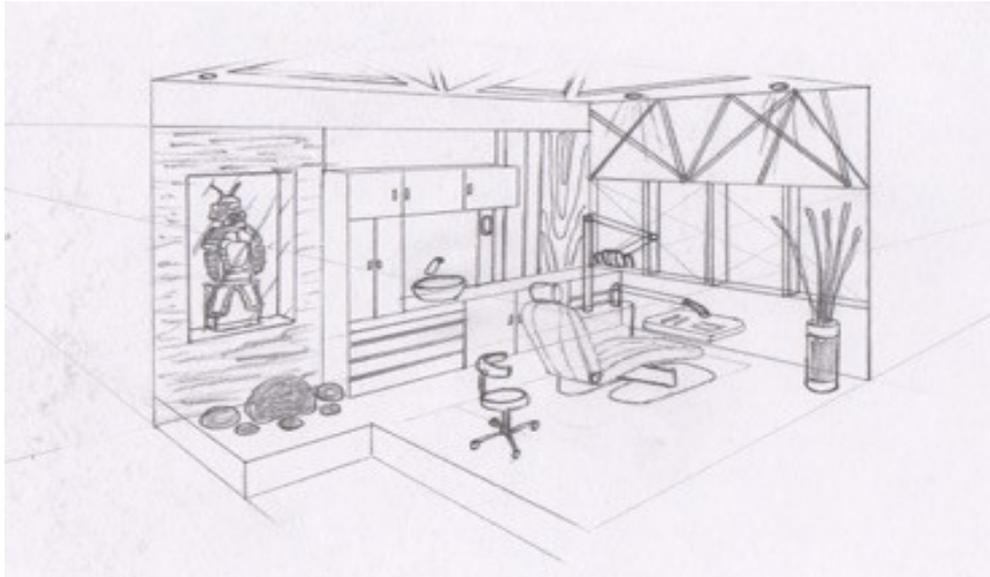


Figure 6. Treatment Room Design

Source: Internal data (2016)

Technology

The technology for the selection of dental chair and equipments as well as other material for patients treatment will use standard technology based on the needs of patients, and it should have economical benefits without reducing the quality of services.

Management and Human Resources Aspects

The organizational structure of Gezzari Dental Clinic is led by the head of the clinic, who led financial administration, services and operations that consist of reception area in the form of cafes and boutiques as well as part of the security, cleanliness and maintenance

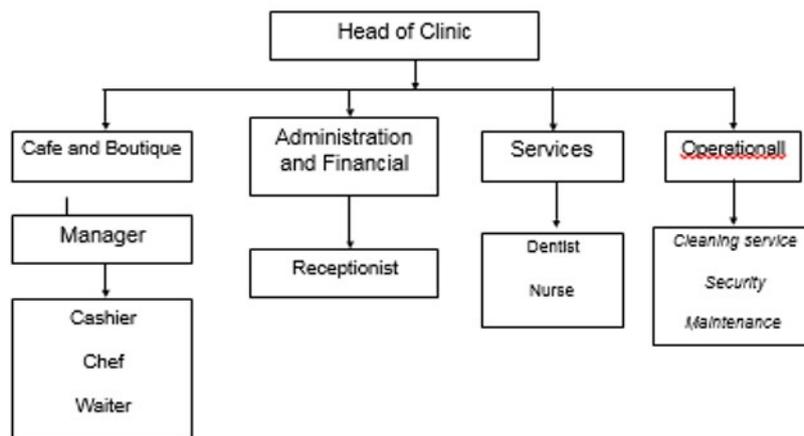


Figure 7. Organizational Structure

Source: Internal data 2016

It has been analyzed every job description based on the organizational structure of Gezzari Dental Clinic and standard operating procedures that will be used as a service flow:

In the waiting room:

- The patients directly come to do re-registration in accordance with the schedule.
- Scheduling for the patients that can be done via phone and online at the website.

In the practice room:

- The nurse will prepare the room and tools, cleaning tables, chairs and dental units, prepare sterile diagnostic tools and materials/medicines for dental treatment, turn on the compressor, check whether the drill can function properly or not.
- The doctor and nurse do universal precautions during the treatment.
- The test for patient examined by the dentist is the primary and supplementary anamnesis, basic and supplementary examination, diagnosis, treatment plan and tell the patient what treatment will be given following the percentage of the results of treatment, and treatment as well as final instructions after treatment. If the patient treatment requires control, then the patients will be told to come the next day as needed control based on the number of days and times they must come to control back.

Financial Aspects

The last aspect described in the feasibility study is financial. Here are the company's internal data in the form of balance sheets and profit and loss projections. Financial analysis has been found that the company will be able to recoup the investment after 8 months, 5 days, 12 hours, 42 minutes with NPV of Rp 1,356,649,166 and IRR of 158.12%, as well as risk analysis showing that low risk of deviation of the best NPV results that is expected to obtain.

Conclusion and Suggestion

Conclusion

After conducting research and analysis on the feasibility study of Gezzari Dental Clinic, it can be drawn the conclusion as described follows:

1. Based on the environmental aspects of the business that uses the PEST Analysis, it can be said that the conditions in Indonesia to support the business of Gezzari Dental Clinic. In PEST analysis results, it has been obtained the opportunities and threats as follows: the government that supports the development of dentists in serving and improving the health of Indonesian people, Indonesian economy conditions will continuously grow little by little and will affect the mindset in terms of oral and dental health which then it will increase the power of public purchasing in terms of health, increasing awareness of Indonesian people, especially Japanese citizens in Indonesia that will increase the arrival of people to dentist in order to continuously do oral and dental treatment, as well as technology competition.
2. Based on the structural aspects of industry using Five Forces Analysis, it can be said that the position of Gezzari Dental Clinic is placed in pretty good competition. It shows the results of the strengths and weaknesses as follows: licensing for individual practice permission (easy), quick turnover, target of Japanese people, services of Japanese oriented, in collaboration with Japanese companies and insurances, each brand is sold only in one dental depot, the continuing increase of new clinics and dentists every year, and the legalization of dental technician profession.
Based on the analysis of environmental aspects of business and industrial structural aspects, the company applies SWOT analysis of strengths, weaknesses, opportunities, and threats owned by Gezzari Dental Clinic. The results is included in quadrant I, which is a favorable situation in which the health care organization still has the opportunity and power that can take advantage of existing opportunities.
3. The market and marketing aspects indicate that market growth of healthcare industry in Indonesia has grown rapidly with the market size in 2014 was around Rp 340 trillion.

Gezzari Dental Clinic has met the criteria used in the market and marketing aspects that are: market potentials to be developed, have certain consumers, as well as STP and Marketing Mix.

4. On the technical and technology aspects, the company analyzed the location, layout, and technology. Gezzari Dental Clinic has met the evaluation of technical aspect indicators and technological aspects of the location that is easy to reach, efficient clinics layout, and technology that is suitable with the needs of the patient.
5. On the management and human resources aspects, Gezzari Dental Clinic has had a good organizational structure, creation of job description for each employee, and good establishment of SOP services flow.
6. On the financial aspects, Gezzari Dental Clinic used Payback Period (PP), Net Present Value (NPV), Internal Rate of Return (IRR), and risk analysis indicators. Based on the calculation results of the feasibility study, it shows that the PP is obtained in 8 months, 5 days, 12 hours, 42 minutes, NPV of Rp 1,356,649,166 and IRR of 158.12%, and scenario analysis obtained on the first, second, and third-risk has low risk toward the deviation of the results of best NPV as expected to obtain.

Suggestion

In addition to the above conclusion, the authors also provide suggestions for determining further action on feasibility study of Gezzari Dental Clinic described as follows:

1. Gezzari Dental Clinic can increase its marketing to continuously improve the results of treatment, periodically update the latest technology, more aggressive promotions of cooperation with Japanese companies in Indonesia, innovate in making the clinic to be more attractive as clinics which resemble Japanese clinic, improve the service quality and service processes as comfortable and effective as possible. Therefore, it is able to improve service quality and serve the patients as much as possible.
2. Gezzari Dental Clinic (in terms of financial) needs to use existing resources, especially capitals in the form of money that can be used effectively and efficiently so that it can be used to support the company in achieving its performance target.
3. The related company should do better observation for future research, because by doing such observation, the company can determine the actual market conditions well in order to be fit in pursuing selected strategies.

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