

THE FEASIBILITY STUDY ON THE BUSINESS DEVELOPMENT OF DENTAL CLINIC DOCTOR SMILE STUDIO (DSS) IN SURABAYA

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ABSTRACT

Doctor Smile Studio Dental Clinic is a dental facility located at Jl. Karangmenjangan No. 145B, Surabaya, East Java. The incomes of this clinic increased from 2012 to 2018. The owners wanted to expand their targets and increase their annual incomes. To achieve this goal, the company opened a new branch clinic for other areas in Surabaya, East Java. This study aims to determine the feasibility of opening the branch of Doctor Smile Studio Dental Clinic. Sampling was done by a purposive sampling technique. The data were taken through observation, documentation and interview techniques. The study lasted from September to December 2017. The analysis of this research data was done by analyzing every aspect such as law, market and marketing, operational, management and human resource, and financial aspect with validity test and reliability test at each statement. The period of time specified in the financial projection was 5 years. In the financial aspect there were aspects used to calculate investments such as NPV, IRR, PP, and PI. The calculation was performed to determine the feasibility of the level of investment value. The finding of this study is to recommend that the clinic should open a new branch of Doctor Smile Studio Dental Clinic. It is worth doing due to the consideration of the legal, market and marketing aspects, operational, management and human resources, and financial aspects.

Keywords: Feasibility Analysis, Dental Clinic, NPV, IRR, PP

INTRODUCTION

Dental and oral diseases still become a health problem in Indonesia. However, in general people still do not want to go to health care facilities including health centers, hospitals nor health clinics. Based on data from East Java Health Office, Surabaya City has about 578 dentists or about 14.4% East Java dentist domiciled in Surabaya. With a population of about 3,110,187, the city of Surabaya has a ratio of dentist and patient ratio of 1: 5.363. With reference to the Healthy Indonesia 2010 indicator, each dentist is expected to serve approximately 10,000 patients. East Java has already had enough dentists. Unfortunately from 28.6% of East Java people with dental and mouth problems, only 30.0% have received such services.

The ratio states that very few dentist medical personnel provide dental and oral health services in East Java or in Surabaya region in particular. Lack of dentist medical personnel opens a business opportunity in the field of dental and oral health services. This business is very promising.

Doctor Smile Studio dental clinic is a private dental clinic established in 2012. The clinic is located on Jl. Karangmenjangan no 145B. The strategic clinic location makes it easy for patients to reach the clinic. With the slogan "Where Smile is Everything", this clinic offers dental and oral health services ranging from preventive, curative to rehabilitative measures. Doctor Smile Studio (DSS) is open from Monday to Saturday (16:00 to 22:00). In this clinic there are 2 dentists and 1 dentist Specialist. The business performance of Dental Clinic Doctor Smile Studio

has improved over the last 3 years based on the number of patient visits and clinical turnover. Dental Clinic Doctor Smile Studio is planning to expand its business by opening new branches. It is hoped that the branch will be able to improve the quality of service in handling cases with fast response and prompt action and satisfactory service. Some reasons for the feasibility study include:

1. Investment invested usually in large quantities. This requires an appropriate review to prevent potential losses and reduce risk.
2. Business continuity is done in the long run. Investors as investors hope that investments invested are not in vain.
3. Future investment returns expected by investors.
4. The potential of dental clinic development Doctor Smile Studio is very good. This is seen from the number of medical personnel and paramedics, and the increasing turnover of the clinics in the last 3 years.

This study concerns how to develop a new branch of dental clinic Doctor Smile Studio. Some aspects to study includes legal aspects, market and marketing aspects, operational aspects, aspects of human resources (HR), and financial aspects. Based on the above background, this study focuses on the Business Feasibility Study Clinic Development Doctor Smile Studio (DSS) in Surabaya.

LITERATURE REVIEW

The feasibility study is an evaluation and analysis of potential projects based on extensive inquiry and research whose results are made to support the decision-making process. The purpose of this business feasibility study is to avoid large investments in less profitable activities. In a feasibility study, it is important to study a project proposal from all sides or aspects professionally. This way enables us to achieve the goals. The result of a feasibility study is a written report. The content of the feasibility report is information indicating that a business plan is worthy or not.

Legal Aspects. Businesses often fail because of a legal problem or no permission from the local government. Before the business idea is carried out, an analysis of the legal aspects must be done. The feasibility study of a business generally starts from the legal aspect.

Market and marketing aspect. Simple market sense is where sellers and buyers meet to make transactions. This means that the market has a place or a specific location that allows buyers or sellers meet to make sale and purchase transactions both goods and services. This PEST analysis aims to observe changes in PEST analysis. It is hoped that this way will be able to see the impact of business placement in the global market. PEST analysis allows an organization to identify opportunities and challenges in the environment.

Operational aspects. If market and marketing analysis shows that a business idea is considered feasible to run, the next step is to answer the question of whether the business is operationally feasible or not. Although based on the market and marketing aspect, such a business is feasible to run, if technically unworkable, investments should be postponed. Businesses often fail because they are unable to cope with operational technical issues. Things to consider during the operational aspects are: 1. Site selection because the strategic location is one source of competitive advantage. 2. Determination of clinical and room layout because a good layout will increase the efficiency and effectiveness of service production process. 3. The selection of technology facilities and infrastructure due to the right technology enables the company to produce service products with good quality in quick time and cheaper cost, 4. Establish clear operational standard procedures to create a safe standard of care for patients and treating physicians

Aspects of management and human resources. Health management is an activity or an art to regulate health workers and non-health workers to improve public health through health programs. Management is a typical process consisting of planning, organizing, actualizing and controlling the use of science and art to achieve the goals set.

Financial aspects. Financial analysis is an activity to conduct valuation and determination of rupiah unit to aspects that are considered feasible to be made in the business analysis phase.

Financial aspect analysis is performed to determine the investment plan through the calculation of expected costs and benefits. This is done by comparing expenditures and revenues such as the availability of funds, capital costs, and the ability of the project to repay the funds within the stipulated time. This includes assessing whether the project will continue to grow. Specifically the study of financial aspects in the feasibility study aims to: 1. Analyze the source of funds to run the business, 2. Analyze the amount of working capital needed, 3. Project the operating profit loss to execute, 4. Project the cash flow of the business to be run, 5. Project the balance sheet of the business to be run, 6. Analyze the source of funds to run the business, 7. Analyze the rate of return invested by Payback Period (PP), Internal Rate of Return (IRR), Net Present Value (NPV), and Profitability Index (PI)

RESEARCH METHODS

In research activities, systematic steps to compile and prepare various data are required. The way allows researchers to conduct research from the initial stage, search and data collection, data analysis, until the final stage. The approach of this study is a qualitative research. Qualitative methods are research methods used to examine natural object conditions (as opposed to experiments) in which the researcher is a key instrument. The data collection techniques are triangulated; meanwhile, the data analysis is inductive. In short, the qualitative research is emphasizing on the meaning rather than generalization.

As with most qualitative research, researchers enter certain social situations by means of observation, and interviews with informants who know about the social situation. In qualitative research, sampling technique used is purposive sampling. In this study, key informants were selected with purposive techniques, i.e. choosing by considering a particular purpose. Here are the criteria of informants in this study:

1. Owner/responsible clinic/dentist clinics who are classified as being involved or involved in the activities (aspects) under investigation
2. Willing to volunteer and have adequate time for information

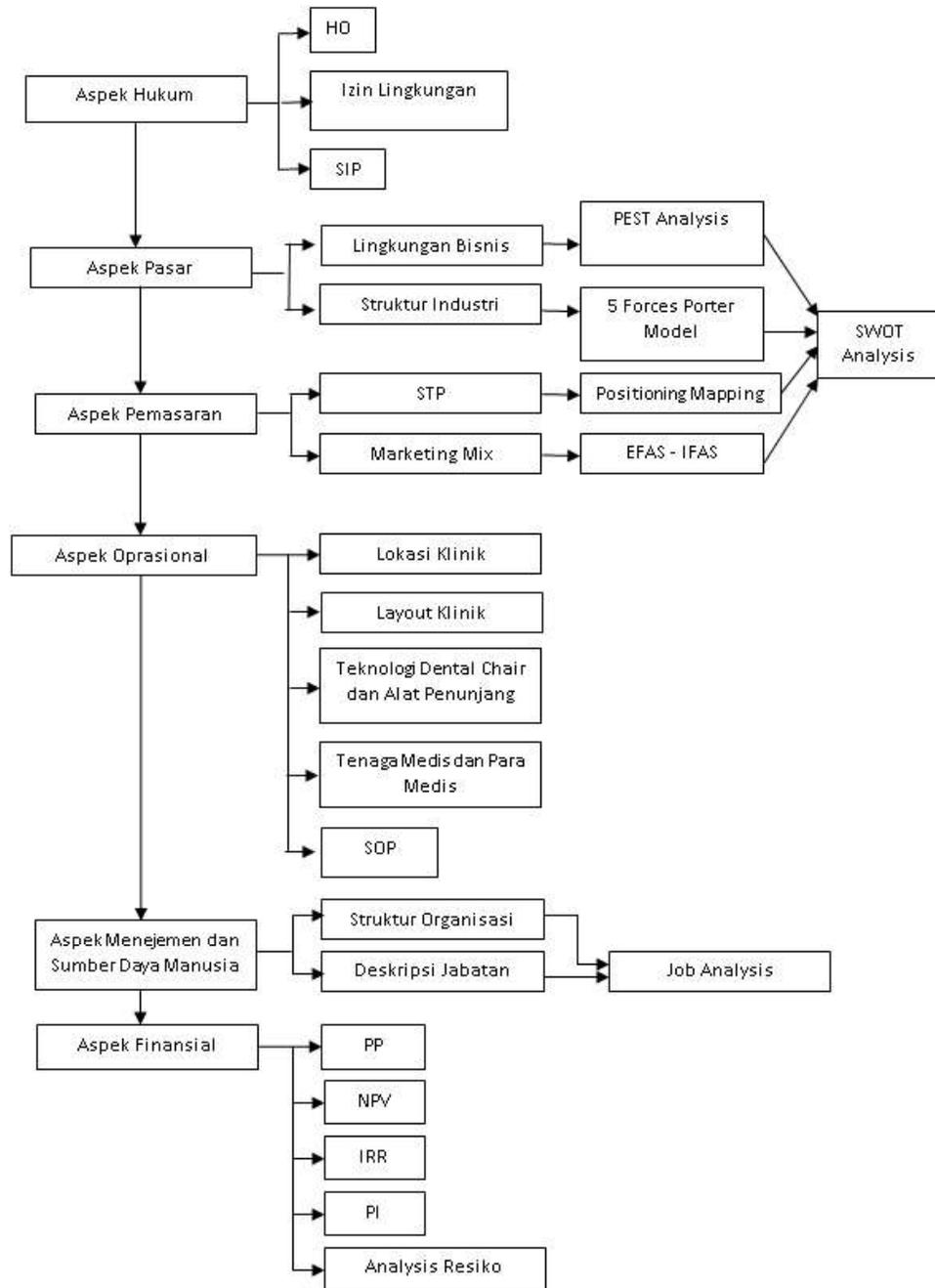


Figure 1

Testing the validity of data on qualitative research methods using different terms with quantitative research. In a qualitative study, the findings or data can be declared valid if there is no difference between what is reported by the researcher and what actually happened to the object being studied. So the test of data validity in qualitative research includes test of credibility (internal validity), transferability (external validity), dependability (reliability) and confirmability (objectivity). Various methods of testing the credibility of the data indicate that the credibility test of data or trust on the data of qualitative research results, among others, done with extension of observation, increased perseverance in research, triangulation, discussion with peers, negative case analysis, and member check. Transferability is an external validity in quantitative research. External validity shows the degree of accuracy or can be applied to the population where the samples are taken. To make others understand the results of qualitative

research, this research report contains a detailed description, clear systematic, and reliable explanation. If the researcher's readers get a clear picture, "what sort" of a research result can be done (Transferability), then the report meets the standard of transferability.

DATA ANALYSIS

Legal Aspects.

Table 1. Legal Aspect Analysis

| No. | Terms | Conditions in Doctor Smile Studio Dental Clinic | Analysis |
|-----|------------------------------|--|----------|
| 1. | Have STR and SIP | Have STR and SIP | Feasible |
| 2. | Have an environmental permit | Registering the clinic to the surrounding <i>Puskesmas</i> and the surrounding community to give consent | Feasible |

Market aspect and marketing

Table 2. The Analysis of Market and Marketing Aspects

| No. | Terms | Conditions in Doctor Smile Studio Dental Clinic | Analysis |
|-----|---|---|----------|
| 1. | Business environment conditions with PEST analysis | Able to maintain business environment conditions with PEST analysis | Feasible |
| 2. | Condition of industrial structure with Five Forces Porter Model | Able to maintain industrial structure condition with Five Forces Porter Model | Feasible |
| 3. | EFAS and IFAS | Able to analyze EFAS-IFAS | Feasible |
| 4. | SWOT quadrant of the company | Able to determine the firm's SWOT quadrant on the square of II | Feasible |
| 5. | STP | Able to analyze STP | Feasible |
| 6. | Marketing mix | Able to describe the service marketing mix | Feasible |

Operational Aspects

Table 3. Operational Aspect Analysis

| No. | Terms | Conditions in Doctor Smile Studio Dental Clinic | Analysis |
|-----|---|---|----------|
| 1. | Determination of location and room layout | Strategic location and room layout that make patients comfortable | Feasible |
| 2. | Selection of technology | The technology used up to date | Feasible |
| 3. | SOUP | Have defined a clear SOP | Feasible |

Aspects of management and human resources

Table 4. Analysis of Aspects of Management and Human Resources

| No. | Terms | Conditions in Doctor Smile Studio Dental Clinic | Analysis |
|-----|--------------------------|--|----------|
| 1. | Organizational structure | Organizational structure has been well established | Feasible |
| 2. | Job Description | Good job description has been established | Feasible |

Financial aspects

Table 1.5 Analysis of Financial Aspects of Normal Projection

| Condition | Terms | Value | Analysis |
|-----------|-------------------------------------|----------------|----------|
| PP | Payback Period <maximum time | 3 tahun | Feasible |
| NPV | NPV > 0 | Rp 303,614,567 | Feasible |
| IRR | IRR > Specified interest rate (16%) | 37% | Feasible |
| PI | PI > 1 | 1.49 | Feasible |

Table 1.6 Analysis of Financial Aspects of Optimistic Projection

| Condition | Terms | Value | Analysis |
|-----------|-------------------------------------|------------------|----------|
| PP | Payback Period <maximum time | 1 year | Feasible |
| NPV | NPV > 0 | Rp 2,848,952,702 | Feasible |
| IRR | IRR > Specified interest rate (16%) | 172% | Feasible |
| PI | PI > 1 | 5.6 | Feasible |

CONCLUSION

Based on the analysis that has been done, it can be concluded about the feasibility of developing the opening of clinic branch of Doctor Smile Studio (DSS) in terms of legal aspects, market and marketing aspects, operational aspects, human resources aspect, and financial aspects as follows:

1. Legal aspect of the development of clinic branch of Doctor Smile Studio has fulfilled the element of eligibility. This is because the clinic already has STR and SIP while the surrounding community gives approval.
2. The market and marketing aspects of the development of clinical branch of Doctor Smile Studio has fulfilled the element of eligibility. This is because the clinic has fulfilled the provision that is able to maintain the condition of the business environment with PEST analysis, maintain the condition of industrial structure with Five Forces Porter Model, analyze EFAS-IFAS, determine the quadrant of SWOT of company at square II, analyze STP, and describe the mix marketing services.
3. The operational aspect of the opening of clinic branch of Doctor Smile Studio has fulfilled the eligibility element because the clinic has strategic location and room layout which make patient comfortable besides the up to date technology, and the clear SOP.
4. The management and human resources development aspects of clinical branch opening Doctor Smile Studio has fulfilled the element of eligibility due to the establishment of organizational structure and job description well.
5. Financial aspects of the development of the clinic branch of Doctor Smile Studio has fulfilled the element of eligibility due to PP value in normal condition 3 years, optimistic 1 year, positive NPV at normal condition Rp. 30,614,567 and optimistic Rp. 2,848,952,702, normal condition IRR 37% and optimistic 172%, and PI for normal condition 1.49 and optimistic condition 5.6 so that in financial aspect fulfill eligibility criteria.
6. Based on the legal aspect analysis, market and marketing aspect, operational aspect, management aspect and human resource aspect, and financial aspect are declared to be feasible to do.

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