

Financial and Risk Planning: Repair Service Business in Indonesia, "Fix n Clean"

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ABSTRACT

Fix n Clean is a startup company engaged in repair services in Indonesia. The repair service market in Indonesia is quite large and the demand for this business is very potential to be created. Therefore Fix n Clean performs financial and risk analysis by performing financial calculations and analysis as well as looking at the existing risks. The method used uses elements of financial planning contained in the framework and risk management with the ISO 31000:2018 approach. From a financial perspective, the analysis carried out includes an investment feasibility analysis as well as an analysis of financial performance needed to identify the prospects of an investment plan and as a basis for making decisions to reject an unprofitable investment. In terms of risk, the analysis carried out includes risk identification and risk treatment. The results of the financial analysis show that Fix n Clean investments can be made. The results of investment analysis can assist management in making strategic decisions and the results of risk management can mitigate risks so that the business can run well.

Keywords: Repair Service, Financial Analysis, Risk Management, Business Plan

1. INTRODUCTION

Along with the development of increasingly sophisticated times and busy activities, Indonesian people, especially big cities, no longer have time to beautify their fashion items and household appliances. Many people need everything instantly and reliably in terms of helping with personal

matters that may often be delayed due to work demands. In the midst of the COVID-19 pandemic, repair services have become a reliable service. For information, the repair service market in Indonesia is quite large and the demand is large, so this business has the potential to be created such as Spider, Stop'N'Go and Captain Fix. This is what makes it necessary to improve services for attractive business opportunities.

Fix n Clean is a business brand from the company PT Hygea Vulcan Indonesia, which is a start-up company engaged in repair services that is here to provide solutions by offering repair services in one location (One Stop Service) based on applications for fashion items and household products.

As a start-up company, investment and risk analysis is needed that is useful for management in making short-term and long-term strategic decisions. Meanwhile, financial and risk planning are important aspects in the improvement business. Which analysis can be used to make a decision whether this business can be run or not. And for investors it is no less important, because this can be the basis for investors' considerations to invest their funds or not.

2. MATERIALS AND METHODS

FINANCIAL PLAN

In daily activities, Fix N Clean is in accordance with the company's vision and mission, namely to become a digital repair

company in Indonesia and provide the best and satisfying service to customers (customer satisfaction). Therefore, the financial goals of Fix N Clean provide support for marketing plans, operations plans and human capital plans. The financial objectives of Fix n Clean are as follows:

Table 2.1 Financial Objectives of Fix n Clean

Short Term Goals	
<ul style="list-style-type: none"> • Maintain Cash Flow • Profit Sharing 	
Medium Term Goals	
<ul style="list-style-type: none"> • Maintaining Cashflow • Create a clear financial budget • Divide the profit 	
Long Term Goals	
<ul style="list-style-type: none"> • Divide the profit • Asset Bookkeeping • Maintain current ratio 	

And the targets for realizing the financial objectives of Fix n Clean are as follows:

Table 2.2 Financial Targets of Fix n Clean

Short Term Goals	
<ul style="list-style-type: none"> • Maintain Cash Flow • Profit Sharing 	<ul style="list-style-type: none"> • Financial distribution in accordance with the required budget in each department
Medium Term Goals	
<ul style="list-style-type: none"> • Maintaining Cashflow • Create a clear financial budget • Divide the profit 	<ul style="list-style-type: none"> • Keeping cash greater than expenses • Distribute dividends to shareholders that are adjusted from the company's profits
Long Term Goals	
<ul style="list-style-type: none"> • Divide the profit • Asset Bookkeeping • Maintain current ratio 	<ul style="list-style-type: none"> • Monitoring and recording assets that have been owned as long as the company has been running for administrative tidiness • Control the company's cash flow to generate profits • Monitoring the company's assets so that they are not greater than the burden they have

There are several financial elements that are used by Fix n Clean in carrying out financial planning in accordance with the company's financial concepts, including: income planning, operational cost planning and capital needs planning (Gansel, 2005). The financial planning framework of Fix n Clean is shown in Figure 2.1 as follows:

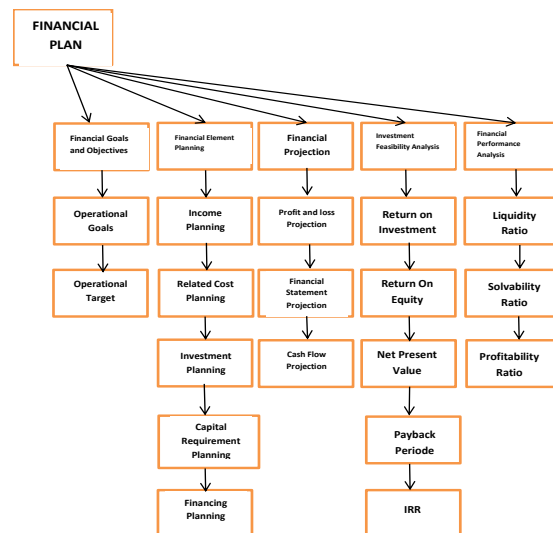


Figure 2.1 Financial Plan Framework

RISK PLAN

Risk Management Objective

The purpose of the risk management process in Fix n Clean is to ensure that the company's vision can be achieved appropriately (Saputra et al., 2021). From the objectives of risk management, the scope of the application of risk management can also be made (Kwarta et al., 2019). The ISO 31000:2018 framework aims to align risk management objectives with organizational needs (Almeida et al., 2019).

Risk Management Principles

Fix n Clean risk management principles include creating and protecting value, integrated, structured, comprehensive, customized, inclusive, dynamic, informational, human and cultural, continuous improvement (BSN, 2018). These principles provide guidance on the characteristics of effective and efficient risk management, communicate its value, and explain its aims and objectives.

Risk Management Framework

The risk management framework aims to support the integration of risk management into all Fix n Clean activities and functions. The effectiveness of risk management depends on its integration with the organization's management, including the decision-making process. This requires support from stakeholders, especially support from top management. The formulation of the framework includes

leadership and commitment, integration, design, implementation, evaluation, and continuous improvement of risk management (BSN, 2018).

Risk Management Process

The risk management process according to SNI ISO 31000 is the systematic application of management policies, procedures, and practices in the activities of communication, consultation, setting context, identification, analysis, evaluation, treatment, monitoring, and risk review (BSN, 2018). Communication and consultation is carried out with internal and external stakeholders, to ensure the effectiveness of risk management practices (Jusnibilna et al., 2021). In dealing with risk, there are four ways of dealing with risk in general: risk avoidance, risk reduction, risk sharing, and risk acceptance (Novia et al., 2020). Mitigation plans are considered by everyone involved as a form of responsibility. After the mitigation plan is carried out, the value of the Risk Priority Number (RPN) will decrease. After the value is obtained, it is poured on the residual risk map (Erisha et al., 2021). The risk analysis and risk

treatment are then recorded and reported and used as input for the review of the risk management process (Larasati et al., 2021).

Risk Management Cost

Fix n Clean in implementing risk management costs money, especially for mitigation costs. Mitigation costs are based on the level of risk determined by the team (Baldenius et al., 2007). After that, mitigation costs are submitted for approval by top management.

**3. RESULT AND DISCUSSION
FINANCIAL PLAN**

Based on the elements of financial planning, there are 3 main functions of Fix n Clean company activities which consist of: marketing function, operational function, and human resources function.

Revenue planning is important to note because it is a process in determining the future, the manufacturing process is influenced by several factors which according to the source, these factors greatly influence, including the economy, changes in strategy and competitors.

Table 3.1 Revenue Stream

ITEM	Year 1			Year 2		Year 3		Year 4		Year 5	
	Price	Qty	Total	Qty	Total	Qty	Total	Qty	Total	Qty	Total
Suites Cases	250.000	2.880	720.000.000	6.480	1.620.000.000	7.128	1.782.000.000	8.078	2.019.600.000	9.371	2.342.736.000
Shoes	100.000	1.440	144.000.000	3.240	324.000.000	3.564	356.400.000	4.039	403.920.000	4.685	468.547.200
Bag	150.000	2.880	432.000.000	6.480	972.000.000	7.128	1.069.200.000	8.078	1.211.760.000	9.371	1.405.641.600
Clothes	100.000	1.440	144.000.000	3.240	324.000.000	3.564	356.400.000	4.039	403.920.000	4.685	468.547.200
Belts	100.000	12	1.200.000	36	3.600.000	36	3.600.000	48	4.800.000	48	4.800.000
Doll	150.000	12	1.800.000	36	5.400.000	36	5.400.000	48	7.200.000	48	7.200.000
Premium Bag	600.000	3.600	2.160.000.000	8.100	4.860.000.000	8.910	5.346.000.000	10.098	6.058.800.000	11.714	7.028.208.000
Premium Clothes	400.000	2.160	864.000.000	4.860	1.944.000.000	5.346	2.138.400.000	6.059	2.423.520.000	7.028	2.811.283.200
Premium Shoes	500.000	3.600	1.800.000.000	8.100	4.050.000.000	8.910	4.455.000.000	10.098	5.049.000.000	11.714	5.856.840.000
Premium Belts	300.000	12	3.600.000	36	10.800.000	36	10.800.000	48	14.400.000	48	14.400.000
Total	18.036	6.270.600.000	40.608	14.113.800.000	44.658	15.523.200.000	50.634	17.596.920.000	58.712	20.408.203.200	

Based on these things, in the Fix n Clean revenue plan in the first year the total income earned is Rp 6.270.600.000.- which

was obtained from the income stream in the marketing department and for the 2nd year to the 5th year the income increased. from the previous year due to the addition of outlets.

Table 3.2 Total Cost Fix n Clean

Cost Projection	Year				
	1	2	3	4	5
Human Capital	2.055.679.444	5.171.850.358	5.413.051.488	7.323.408.377	767.430.630
Marketing	2.228.125.001	2.333.953.125	2.450.650.781	2.573.183.320	2.701.842.486
Operational	2.224.196.084	5.643.684.496	6.490.876.984	5.834.573.068	4.991.169.312
Risk	39.080.340	118.903.071	88.134.975	135.466.852	128.748.075
Total Cost	6.547.080.869	13.268.391.050	14.442.714.228	15.866.631.617	8.589.190.503

Cost planning is a process to find out how much the costs will be incurred in the future. According to the Lean Business Canvas table, cost planning is divided into marketing costs, operational costs and human capital costs. Marketing costs consist of promotion costs and marketing admin costs. Operational costs consist of costs incurred to run the company's operational activities and human capital costs consist of salaries and allowances.

The decision to invest in the Fix n Clean business made by PT Hygeia Vulcan Indonesia saw a huge opportunity in this business, where the large market and many enthusiasts made this business interesting to create. We hope that Fix n Clean can be accepted by the public and can be present to enliven the repair market in Indonesia. Fix n Clean financing planning is based on the allocation of costs from each division, namely Marketing, Operational, and Human Capital.

Table 3.3 Fix n Clean Financing Planning

No	Keterangan	Nominal
1	Human Capital	Rp. 2.055.679.444,-
2	Marketing	Rp. 2.222.812.500,-
3	Operating	Rp. 2.224.196.084
4	Risk	Rp. 39.080.340,-
Grand Total		Rp. 6.541.768.368,-

The authorized capital of Fix n Clean is Rp 6.550.000.000,- (Six Billion Five Hundred Fifty Million Rupiah) which consists of 68.5% equity participation from 5 (five) founders. Lack of capital will be sought by other investors who are interested in investing their shares. Where the remaining 31.5% investors are expected to enter 31.5%.

Table 3.4 The authorized capital of Fix n Clean

No	Name	Percentage	Total
1	Fatih Hidayat Dewantoro	13.7%	Rp. 900.000.000,-
2	Trisula Wicaksana	13.7%	Rp. 900.000.000,-
3	Yohannes M. Parluhutan	13.7%	Rp. 900.000.000,-
4	Andreas Dwicaksono Alsony	13.7%	Rp. 900.000.000,-
5	Supriono	13.7%	Rp. 900.000.000,-
TOTAL			Rp. 4.500.000.000,-
6	Angel Investor	31.5%	Rp. 2.050.000.000,-
TOTAL			Rp. 6.550.000.000,-

Projection of financial statements is very necessary for companies to be able to prepare well for decisions to be taken. Financial projections carried out by Fix n Clean consist of projected income statements (Table 3.5), balance sheet projections (Table 3.6) and projected cash flow statements (Table 3.7).

Table 3.5 Projected Income Statements

SALES					
Revenue	6.270.600.000	14.113.800.000	15.523.200.000	17.596.920.000	20.408.203.200
(Discount)	156.765.000	352.845.000	388.080.000	439.923.000	510.205.080
Total Sales	6.113.835.000	13.760.955.000	15.135.120.000	17.156.997.000	19.897.998.120
Cost Of Revenue					
Operation	1.780.792.328	4.876.876.984	3.900.876.984	4.991.169.312	4.991.169.312
Commission	216.012.500	226.813.125	238.153.781	250.061.470	262.564.544
Advertisement	60.000.000	63.000.000	66.150.000	69.457.500	72.930.375
Radio	316.800.000	332.640.000	349.272.000	366.735.600	385.072.380
Influencer	960.000.000	1.008.000.000	1.058.400.000	1.111.320.000	1.166.886.000
Car Advertise	160.000.000	168.000.000	176.400.000	185.220.000	194.481.000
Souvenir	150.000.000	157.500.000	165.375.000	173.643.750	182.325.938
Exhibition	360.000.000	378.000.000	396.900.000	416.745.000	437.582.250
Total COR	4.003.604.828	7.210.830.109	6.351.527.765	7.564.352.632	7.693.011.799
Gross Profit	2.110.230.172	6.550.124.891	8.783.592.235	9.592.644.368	12.204.986.321
Expenses	39.080.340	118.903.071	88.134.975	135.466.852	128.748.075
HC Expenses	2.055.679.444	5.171.850.358	5.413.051.488	7.323.408.377	7.674.306.630
Salary Expense	1.570.938.216	3.989.156.497	4.188.614.322	5.687.788.881	5.972.178.325
Allowance	464.741.228	1.151.693.861	1.193.437.166	1.597.619.496	1.664.128.305
Training n D	20.000.000	31.000.000	31.000.000	38.000.000	38.000.000
Total Expense	2.094.759.784	5.290.753.429	5.501.186.463	7.458.875.229	7.803.054.705
EBITDA	15.470.388	1.259.371.462	3.282.405.772	2.133.769.139	4.401.931.616
TAX	3.094.078	251.874.292	656.481.154	426.753.828	880.386.323
	20%	20%	20%	20%	20%
Earning After Tax	12.376.310	1.007.497.170	2.625.924.618	1.707.015.311	3.521.545.293
Deviden	-	503.748.585	1.312.962.309	853.507.656	1.760.772.646
Retained Earning	12.376.310	503.748.585	1.312.962.309	853.507.656	1.760.772.646

Table 3.6 Balance Sheet Projections

Description	Year				
	1	2	3	4	5
Current Asset					
Cash	5.800.962.804	6.676.571.389	5.196.007.448	6.432.716.854	8.833.204.660
Account Receivable	-	-	-	-	-
Supplies	70.399.756	70.399.756	70.399.756	70.399.756	70.399.756
Prepaid	750.000.000	500.000.000	750.000.000	750.000.000	750.000.000
Total Current Asset	6.621.362.560	7.246.971.145	6.016.407.204	7.253.116.610	9.653.604.416
Fix Asset					
Land and Building	-	-	1.852.500.000	2.517.500.000	2.385.000.000
Vehicle	112.000.000	558.400.000	1.020.800.000	522.560.000	365.792.000
Equipment	4.900.000	4.900.000	4.900.000	4.900.000	4.900.000
Aplikasi	225.000.000	150.000.000	75.000.000	-	-
Total Fix Asset	341.900.000	713.300.000	2.953.200.000	3.044.960.000	2.755.692.000
Depreciation					
Depreciation on land and building	-	-	97.500.000	132.500.000	132.500.000
Depreciation on Vehicle	33.600.000	177.600.000	498.240.000	156.768.000	109.737.600
Depreciation on Application	75.000.000	75.000.000	75.000.000	75.000.000	-
Total Depreciation	108.600.000	252.600.000	670.740.000	364.268.000	242.237.600
Asset	7.071.862.560	8.212.871.145	9.640.347.204	10.662.344.610	12.651.534.016
Liabilities					
Current Liabilities	509.486.250	1.146.746.250	1.261.260.000	1.429.749.750	1.658.166.510
Total Liabilities	509.486.250	1.146.746.250	1.261.260.000	1.429.749.750	1.658.166.510
Equity					
Capital	6.550.000.000	6.550.000.000	6.550.000.000	6.550.000.000	6.550.000.000
RE Current Year	-	12.376.310	516.124.895	1.829.087.204	2.682.594.860
RE Previous Year	12.376.310	1.007.497.170	2.625.924.618	1.707.015.311	3.521.545.293
Divident	-	503.748.585	1.312.962.309	853.507.656	1.760.772.646
Total Liabilities	7.071.862.560	8.212.871.145	9.640.347.204	10.662.344.610	12.651.534.016

Table 3.7 Projected Cash Flow Statements

CASH FLOW					
	2022	2023	2024	2025	2026
Operations					
Cash receipts from					
Customer payments	IDR 6.113.835.000,00	IDR 13.760.955.000,00	IDR 15.135.120.000,00	IDR 17.156.997.000,00	IDR 19.897.998.120,00
Cash paid for					
Inventory purchases	IDR 70.399.756,00	IDR 70.399.756,00	IDR 70.399.756,00	IDR 70.399.756,00	IDR 70.399.756,00
Biaya HC	IDR 2.055.679.444,00	IDR 5.171.850.358,00	IDR 5.413.051.488,00	IDR 7.323.408.377,00	IDR 7.674.306.630,00
Biaya Operasional	IDR 1.780.792.328,00	IDR 4.876.876.984,00	IDR 3.900.876.984,00	IDR 4.991.169.312,00	IDR 4.991.169.312,00
Net Cash Flow from Operations	IDR 2.206.963.472,00	IDR 3.641.827.902,00	IDR 5.750.791.772,00	IDR 4.772.019.555,00	IDR 7.162.122.422,00
Investing Activities					
Cash paid for					
Land and Building	IDR -	IDR -	IDR 1.950.000.000,00	IDR 700.000.000,00	IDR -
Vehicle	IDR 112.000.000,00	IDR 960.000.000,00	IDR 1.020.800.000,00	IDR -	IDR 365.792.000,00
Peralatan	IDR 4.900.000,00	IDR 4.900.000,00	IDR 4.900.000,00	IDR 4.900.000,00	IDR 4.900.000,00
Aplikasi	IDR 300.000.000,00	IDR -	IDR -	IDR -	IDR -
Net Cash Flow from Investing Activities	IDR 416.900.000,00	IDR 964.900.000,00	IDR 2.975.700.000,00	IDR 704.900.000,00	IDR 370.692.000,00
Financing Activities					
Cash receipts from					
Capital	IDR -	IDR 12.376.310,40	IDR 503.748.584,80	IDR 1.312.962.308,80	IDR 853.507.655,60
Increase (Decrease) Cash	IDR (749.037.196,00)	IDR 875.608.585,00	IDR (1.480.563.941,00)	IDR 1.236.709.406,00	IDR 2.400.487.806,00
Cash paid for					
Dividens Paid	IDR -	IDR 503.748.584,80	IDR 1.312.962.308,80	IDR 853.507.655,60	IDR 1.760.772.646,40
Net Cash Flow from Financing Activities	IDR (749.037.196,00)	IDR 384.236.310,60	IDR (2.289.777.665,00)	IDR 1.696.164.059,20	IDR 1.493.222.815,20
Saldo Kas Awal	IDR 6.550.000.000,00	IDR 5.800.962.804,00	IDR 6.676.571.389,00	IDR 5.196.007.448,00	IDR 6.432.716.854,00
Saldo Kas Akhir	IDR 5.800.962.804,00	IDR 6.676.571.389,00	IDR 5.196.007.448,00	IDR 6.432.716.854,00	IDR 8.833.204.660,00

The next step after the cash inflow is known is to see whether the investment we are making is feasible or not by analyzing the feasibility of the investment. As for how to determine the feasibility of an investment by looking at several ratios including looking at the Average Rate of Return (ARR), Return

on Investment (ROI), Net Present Value (NPV), Payback Period (PP) and Internal Rate of Return (IRR). From the measurement results with all these methods, it shows that the business that will be run by Fix n Clean is feasible to run as follows:

Table 3.8 Investment Feasibility Analysis

Keterangan	TAHUN				
	1	2	3	4	5
Sales	6.113.835.000	13.760.955.000	15.135.120.000	17.156.997.000	19.897.998.120
COR	4.003.604.828	7.210.830.109	6.351.527.765	7.564.352.632	7.693.011.799
GPM	2.110.230.172	6.550.124.891	8.783.592.235	9.592.644.368	12.204.986.321
Expenses	2.055.679.444	5.171.850.358	5.413.051.488	7.323.408.377	7.674.306.630
NOP	54.550.728	1.378.274.533	3.370.540.747	2.269.235.991	4.530.679.691
Tax	10.910.146	275.654.907	674.108.149	453.847.198	906.135.938
NPAT	12.376.310	1.102.619.626	2.696.432.598	1.815.388.793	3.624.543.753
CURRENT ASSETS	6.621.362.560	7.246.971.145	6.016.407.204	7.253.116.610	9.653.604.416
FIX ASSET	341.900.000	713.300.000	2.953.200.000	3.044.960.000	2.755.692.000
TOTAL ASSET	6.963.262.560	7.960.271.145	8.969.607.204	10.298.076.610	12.409.296.416
CURRENT LIABILITIES	509.486.250	1.146.746.250	1.261.260.000	1.429.749.750	1.658.166.510
LTD	-	-	-	-	-
Total Liabilities	509.486.250,00	1.146.746.250,00	1.261.260.000,00	1.429.749.750,00	1.658.166.510,00
Equity	6.562.376.310	7.066.124.895	8.379.087.204	9.232.594.860	10.993.367.506
Total Passiva	7.071.862.560	8.212.871.145	9.640.347.204	10.662.344.609,60	12.651.534.016,00
Average Rate of Return (ARR)	1%	21%	50%	25%	47%
Return On Investment (ROI)	2%	141%	166%	201%	249%
Net Present Value (NPV)1 = 10%	5.273.602.549,09	5.517.827.594,21	3.903.837.301,28	4.393.632.165,84	5.484.725.124,34
Net Present Value (NPV)2 = 35%	4.297.009.484,44	3.663.413.656,52	2.713.639.745,57	1.936.686.662,56	1.969.923.905,14
Payback Period (PP)					0,99
Internal Rate Of Return					90,54%

Table 3.9 Financial Performance Analysis Fix n Clean

Keterangan	TAHUN				
	1	2	3	4	5
Sales	6.113.835.000	13.760.955.000	15.135.120.000	17.156.997.000	19.897.998.120
COR	4.003.604.828	7.210.830.109	6.351.527.765	7.564.352.632	7.693.011.799
GPM	2.110.230.172	6.550.124.891	8.783.592.235	9.592.644.368	12.204.986.321
Expenses	2.055.679.444	5.171.850.358	5.413.051.488	7.323.408.377	7.674.306.630
NOP	54.550.728	1.378.274.533	3.370.540.747	2.269.235.991	4.530.679.691
Tax	10.910.146	275.654.907	674.108.149	453.847.198	906.135.938
NPAT	12.376.310	1.102.619.626	2.696.432.598	1.815.388.793	3.624.543.753
CURRENT ASSETS	6.621.362.560	7.246.971.145	6.016.407.204	7.253.116.610	9.653.604.416
FIX ASSET	341.900.000	713.300.000	2.953.200.000	3.044.960.000	2.755.692.000
TOTAL ASSET	6.963.262.560	7.960.271.145	8.969.607.204	10.298.076.610	12.409.296.416
CURRENT LIABILITIES	509.486.250	1.146.746.250	1.261.260.000	1.429.749.750	1.658.166.510
LTD	-	-	-	-	-
Total Liabilities	509.486.250	1.146.746.250	1.261.260.000	1.429.749.750	1.658.166.510
Equity	6.562.376.310	7.066.124.895	8.379.087.204	9.232.594.860	10.993.367.506
Total Passiva	7.071.862.560	8.212.871.145	9.640.347.204	10.662.344.610	12.651.534.016
Ratio Likuiditas					
Current ratio (CA/CL)	1300%	632%	477%	507%	582%
Quick Ratio (CA-Inv)/CL)	1286%	626%	471%	502%	578%
Cash Ratio (Cash/CL)	1139%	582%	412%	450%	533%
Ratio Solvabilitas / Leverage					
Debt to Asset ratio (TD/TA)	7%	14%	14%	14%	13%
Debt to Equity ratio (TD/Eq)	8%	16%	15%	15%	15%
Ratio Profitabilitas					
Profit Margin on Sales	0%	8%	18%	11%	18%

Financial performance is a description of the company's financial condition in a certain period, both in terms of receipt of funds and use of funds which are usually measured by indicators of capital adequacy, liquidity and profitability. This analysis is also to find out whether the company has used the financial implementation rules properly and correctly. Liquidity Ratio describes the company's

ability to pay off all obligations that must be met immediately (short-term debt). From the calculation results, it is known that the analysis of Current Ratio, Quick Ratio and Cash Ratio from year 1 to year 5 shows Fix n Clean has the ability to pay off its short-term debt.

Based on Table 3.9 the Liquidity Ratio describes the company's ability to pay off all

obligations that must be fulfilled immediately (short-term debt). From the calculation results, it is known that the analysis of Current Ratio, Quick Ratio and Cash Ratio from year 1 to year 5 shows Fix n Clean has the ability to pay off its short-term debt.

The Solvency Ratio shows the company's ability to meet all short-term and long-term obligations if the company is liquidated. From the calculation results it is known that the company has the ability to pay off short-term and long-term debt from year 1 to year 5 with very good results, with a ratio of 7% - 15%. In addition, the Profitability Ratio is a ratio used to assess the company's ability to seek profit or profit during a certain

period. From the calculation of Profit Margin on Sales, the company continued to show an increase from 0% in the first year to 18% in the fifth year.

RISK PLAN

In accordance with the risk management explanation on the materials and methods, Fix n Clean discusses the risk management that will be implemented. The following are the results obtained from the results of the discussion.

Risk Management Objective

Fix n Clean sets the risk management objectives into 3 time frames. Here are Fix n Clean risk objectives:

Table 3.10 Risk Objectives of Fix n Clean

Short Term Objective
• Form a risk management team so that it can be implemented in Fix n Clean.
Medium Term Objective
• Maintain the Fix n Clean risk management team so that it can still be implemented in the company.
Long Term Objective
• Develop risk management team as more branches grow to get risk management certificate.

Risk Management Principles

Effective risk management requires several elements and can be further described as follows:

Table 3.11 Fix n Clean Risk Management Principles

Principle	Description
Integrated	Risk management is an integral part of all Fix n Clean business activities.
Structured and comprehensive	Risk management in Fix n Clean is carried out in a structured and comprehensive manner in all business activities.
Customized	The Fix n Clean risk management framework and process must be appropriate and proportionate to the company's internal and external issues.
Inclusive	Fix n Clean Risk management activities involve all stakeholders.
Dynamic	Fix n Clean risk management activities must be able to adapt to existing changes.
Best information available	The information used by Fix n Clean risk management is obtained from valid data obtained from valid sources.
Human and cultural factors	Fix n Clean Employee behavior and culture has a major impact on all aspects of risk management at all levels and at all stages.
Continuous improvement	Fix n Clean risk management is continuously improved based on learning and experience.

Risk Management Framework

In the framework of risk management, leadership and commitment have a big role. To implement risk management in accordance with these aims and objectives, a risk management team is formed that will be responsible for the sustainability of the company. The risk management team will be led by the director as the management representative.



Figure 3.1 Risk Management Team Organization Structure

The risk management team's commitment comes from the roles and responsibilities of the risk management team itself. The

following are the roles and responsibilities of the Fix n Clean risk management team:

Table 3.12 Roles and Responsibilities of the Risk Management Team

Role	Responsibilities
Director	Responsible for the continuity of risk management. Making policies related to risk management. Supervise and provide advice on the implementation of risk management. Prepare an annual risk management report.
Store Manager	Checking risk management reports from store employees. Develop risk mitigation. Provide direction in risk mitigation. Oversee risk mitigation carried out in the store. Sending a risk report to the director.
Employee	Active and sensitive in risk management activities. Make monthly reports submitted to the manager of each store.

Risk Management Process

The risk management process implemented in Fix n Clean is based on ISO 31000:2018. The risk management process in general can be seen in the following figure:

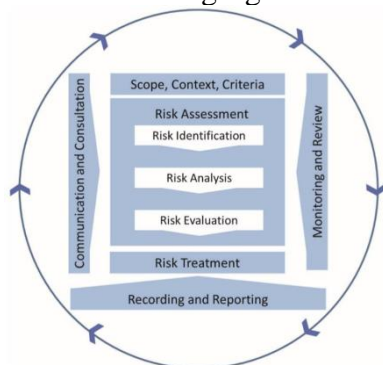


Figure 3.2 ISO 31000:2018 Risk Management Process
Source: Figueiredo, 2019

The Fix n Clean consultation and communication plan is as follows: (1) Conduct periodic meetings every three months. (2) Conduct incidental meetings when there are important matters related to

risk. (3) Organizing a risk management forum which can be held every three months.

The scope of risk management in Fix n Clean includes internal and external risk management systems. Fix n Clean risk management is focused on the marketing, operations, human resources, and financial context of the Fix n Clean business. Possible risks are categorized based on how often they occur. In addition, risks can also be categorized based on how big the impact is.

Table 3.13 Risk Likelihood Criteria

Index	Likelihood Level	Likelihood Criteria	
		Frequency	Percentage
1	Rare	< 2x /year	p ≤ 20%
2	Unlikely	2x – 5x /year	20% < p ≤ 40%
3	Possible	6x – 9x /year	40% < p ≤ 60%
4	Likely	10x – 12x /year	60% < p ≤ 80%
5	Almost Certain	> 12x /year	80% < p ≤ 100%

Table 3.14 Risk Impact Criteria

Index	Impact	Operational	Human Capital	Finance	Company Targets	Company Image	Customer Satisfaction
1	Insignificant	No distractions	Employee personal feedback	< 1 million	Small impact, Target still achieved	No impact	80% < CSI ≤ 100% (Very Satisfied)
2	Minor	There are disturbances but no significant impact	There are disappointed employees and negative comment.	15 millions	Reached slightly below target	Internal impact	60% < CSI ≤ 80% (Satisfied)
3	Moderate	The disturbance is quite significant	Many employees are disappointed and leave negative comments and influence others	5 – 20 millions	Reach below target	Mild impact on company image	40% < CSI ≤ 60% (Quite Satisfied)
4	Major	Major disruption with operational disruption	Many employees are dissatisfied with management and create negative news	20 - 100 millions	Reached far below target	Heavy impact on company image	20% < CSI ≤ 40% (Less Satisfied)
5	Catastrophic	Severe damage with inability to operate	Employees resign	> 100 millions	Target not achieved	Destroys corporate image	0% < CSI ≤ 20% (Not Satisfied)

After that Fix n Clean performs risk identification, both risks from internal and external factors of the company which can be seen in Table 3.15:

Table 3. 15 Fix n Clean Risk Identification

Code	Category	Risk Event
R1	Marketing	Transaction target was not achieved
R2	Marketing	People's purchasing power decreases
R3	Marketing	There are competitors with similar services
R4	Operational	Equipment for repair is broken
R5	Operational	One Stop Service that is not running
R6	Operational	Repair spare parts not available
R7	Operational	Application is not user friendly interface
R8	Operational	Slow response to consumer inquiries and complaints
R9	Operational	Repair quality is not considered good
R10	Operational	Conflicts with suppliers
R11	Operational	Conflict with application developer
R12	Operational	Revocation of business license
R13	Operational	Power outage
R14	Operational	Fire
R15	Operational	Natural disasters (Earthquake, Flood, Typhoon)
R16	Operational	COVID-19
R17	Operational	Late pick-up and delivery
R18	Human Capital	Conflict between employees
R19	Human Capital	Uncomfortable employees
R20	Human Capital	Steal money
R21	Human Capital	High turnover
R22	Human Capital	Increase in the minimum wage for work
R23	Human Capital	Theft
R24	Financial	Lack of capital
R25	Financial	Increase in tax rates

After risk identification is complete, Fix n Clean performs a risk analysis. Where every risk that arises will be assessed both in terms of likelihood (Table 3.13) and impact (Table 3.14). Then after conducting a risk analysis, the Fix n Clean risk management team then conducts a risk evaluation. This risk evaluation uses risk appetite to determine the type of action to be taken. The risks that are important for immediate action are R4, R5, R6, R17. It is expected that after treatment the risk level will drop below risk appetite.

Table 3.16 Risk Appetite

Risk Level	Actions taken
Very High	Immediate action is needed to manage risk
High	Action is needed to manage risk
Medium	Actions are taken when resources become available
Low	Action is taken if necessary

Risk Analysis Matrix		Impact Level				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Significant	Catastrophic
Likelihood Level	5 Almost Certain					
	4 Likely					R5
	3 Possible			R2	R1, R3	R4, R6, R17
	2 Unlikely			R18	R7, R10, R13, R16, R19, R20, R21	R8, R9, R23, R24
	1 Rare			R22, R25	R11	R12, R14, R15

Figure 3.3 Risk Inherent Map

Risk Analysis Matrix		Impact Level				
		1	2	3	4	5
		Insignificant	Minor	Insignificant	Significant	Insignificant
Likelihood Level	5 Almost Certain					
	4 Likely					
	3 Possible					
	2 Unlikely		R2, R18	R1, R3, R7, R10, R13, R16	R4, R5, R6, R17, R24	
	1 Rare		R22, R25	R11, R19, R21	R12, R14, R15, R20	R8, R9, R23

Figure 3.4 Risk Residual Map

Table 3.17 Risk Register

Code	Category	Risk Event	Inherent			Mitigation Plan	Residual		
			Likelihood	Impact	Risk Priority Number		Likelihood	Dampak	Risk Priority Number
R1	Marketing	Transaction target was not achieved	3	4	12	Evaluate revenue targets. Continue to improve the capabilities of the marketing department.	2	3	6
R2	Marketing	People's purchasing power decreases	3	3	9	Promote more vigorously. Provide discounts with certain conditions.	2	2	4
R3	Marketing	There are competitors with similar services	3	4	12	Set competitive prices. Maintain the quality of repair results. Strengthen promotion.	2	3	6
R4	Operational	Equipment for repair is broken	3	5	15	Perform operations according to SOP. Perform periodic maintenance. Equip employees by using equipment. Replace with new equipment.	2	4	8
R5	Operational	One Stop Service that is not running	4	5	20	Check availability of spare parts. Make sure all operators have qualified skills. Adding insight into the types or types of items that have not been fixed in Fix n Clean. Conduct training for items that have never existed.	2	4	8
R6	Operational	Repair spare parts not available	3	5	15	Implement inventory properly. Ensure the purchase schedule and delivery schedule on time.	2	4	8
R7	Operational	Application is not user friendly interface	2	4	8	Doing research to improve the appearance of the application better	2	3	6
R8	Operational	Slow response to consumer inquiries and complaints	2	5	10	Admin response improved. Immediately make repairs for items that are claimed to be under warranty.	1	5	5
R9	Operational	Repair quality is not considered good	2	5	10	Conduct market surveys to find out what consumers want. Carry out quality control before goods are returned to consumers. Improve operator capabilities.	1	5	5
R10	Operational	Conflicts with suppliers	2	4	8	Make a clear agreement. Change supplier.	2	3	6
R11	Operational	Conflict with	1	4	4	Make a clear	1	3	3

		application developer				agreement Change developer			
R12	Operational	Revocation of business license	1	5	5	Latest regulatory updates Meet the latest regulations Avoid serious violations by revocation of permits	1	4	4
R13	Operational	Power outage	2	4	8	Buy a generator Pay electricity on time Avoid using the tool excessively which will result in tripping	2	3	6
R14	Operational	Fire	1	5	5	Insurance for all building risks Provide fire extinguishers Provide education to employees about the dangers of fire	1	4	4
R15	Operational	Natural disasters (Earthquake, Flood, Typhoon)	1	5	5	Implement occupational health and safety Insurance for all building risks Provide education to employees about disasters that may occur	1	4	4
R16	Operational	COVID-19	2	4	8	Implement strict COVID-19 health protocols such as wearing masks, maintaining distance, providing hand washing and hand sanitizer, checking temperature, room disinfection, and others Following government directives regarding COVID-19	2	3	6
R17	Operational	Late pick-up and delivery	3	5	15	Set schedules and destinations for efficient delivery times Try the possibility of working with Gojek or Grab	2	4	8
R18	Human Capital	Conflict between employees	2	3	6	Hold employee gathering Celebrating moments like employee birthdays etc	2	2	4
R19	Human Capital	Uncomfortable employees	2	4	8	Doing training Pay attention to employee rights	1	3	3
R20	Human Capital	Steal money	2	4	8	Hire honest employees Checking financial statements once a month Do not give employees the opportunity to commit financial	1	4	4

						fraud Give severe sanctions to the perpetrators			
R21	Human Capital	High turnover	2	4	8	Pay attention to the welfare and rights of employees	1	3	3
R22	Human Capital	Increase in the minimum wage for work	1	3	3	Increase income to cover wage increases	1	2	2
R23	Human Capital	Theft	2	5	10	Install CCTV Regular checks by security	1	5	5
R24	Financial	Lack of capital	2	5	10	Seek additional funding sources Do a more detailed budget	2	4	8
R25	Financial	Increase in tax rates	1	3	3	Pay taxes on time so you don't get penalized. Prepare a reserve fund.	1	2	2

This monitoring and review process is carried out by involving all Fix n Clean employees. However, there are different responsibilities according to the position in the Fix n Clean risk management team.

Table 3.18 Monitoring and Review

No.	Activity
Monitoring	
1	The risk management team prepares an incident report form and its mitigation report which will be filled out every month.
2	All employees fill out incident report forms and mitigation report according to their respective fields of work.
3	Monthly risk reports and mitigation reports are collected and summarized by each store manager and reported every 3 months.
4	All risk reports are collected and made into an annual report by the head of the risk management team and included in the company's annual report.
Review	
1	A review of the implementation of risk management is carried out every 3 months to see the suitability of the application of risk management.

The risk management team records and reports all Fix n Clean risk management results annually to be used to share risk management activities, provide information for decision making, and improve Fix n Clean risk management processes.

Table 3.19 Recording and Reporting

No	When	Activity	PIC	Monitored by
1.	Monthly	Make monthly risk event reports	All employees	Store Manager
2.	Quarterly	Make a report of risk events that occurred for 3 months	Store Manager	Risk management team leader
3.	Yearly	Make an annual risk management report	Risk management team leader	-

Risk Management Cost

In carrying out risk management activities, of course Fix n Clean requires money to carry out predetermined risk mitigation activities. The assumption used is that the price increases by 5% every year.

4. CONCLUSION

The final conclusion is that the repair service business that we combine with washing is started and carried out using several ratios. Where for the ratio of Internal

Rate of Return (IRR) Net Present Value and Return on Investment using a conservative limit which shows positive results. At the same time, the payback period (PP) ratio of the businesses we offer also shows positive results with a return of 1 year. Over all this analysis provides good information for our investors to be able to invest their funds in the business we offer.

Fix risk is obtained from the analysis of internal and external factors. There were 25 risk events. The results of the risk analysis

show that there are 4 risks with a very high level of risk and 6 risks with a high level of risk. The four risks with a very high level of risk are in the Fix n Clean operational process. One of the highest risks is if Fix n Clean fails to run one stop service and excellent service which is the advantage of Fix n Clean. With the existing mitigation, it is expected that the 10 very high and high risks can be reduced to a medium or even low level.

For further research, we suggest examining other important factors that can influence investors' interest in investing. Especially in the repair service industry combined with washing services (one stop service) in Indonesia.

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