

Feasibility Analysis of Grilled Meatball Business in the Retention Pond Area of Kendari City Boulevard

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Abstract

This study aims to analyze the revenue and feasibility of a grilled meatball business run by micro-entrepreneurs in the Boulevard Retention Pond Area, Kendari City. This study uses a quantitative descriptive approach. The sample in this study consisted of 10 respondents, representing all grilled meatball businesses in the location, determined using a census technique. The data used consisted of primary data obtained through direct observation and interviews, as well as secondary data from related literature. The results show that the average total costs incurred by entrepreneurs were Rp8,791,838 per month, while the average revenue was Rp14,250,000 per month, resulting in an average net income of Rp5,458,163 per month. A feasibility analysis using the Revenue Cost Ratio (R/C) method showed an R/C value of 1.62, meaning that every Rp1 of costs generated Rp1.62 in revenue. Therefore, the grilled meatball business in this area is deemed feasible because it is capable of generating profits for the business owner.

Keywords: Grilled Meatball Micro Business Revenue, Business Feasibility, R/C Ratio

INTRODUCTION

The Micro, Small, and Medium Enterprises (MSME) sector plays a strategic role in the national economy. MSMEs serve as the backbone of Indonesia's economy, contributing significantly to economic growth, job creation, labor distribution, and serving as a source of non-oil and gas exports and Gross Domestic Product (GDP). Beyond economic aspects, MSMEs also have social objectives as a safety net for low-income communities, providing financial protection,



and demonstrating resilience in facing economic crises such as those in 1998 and 2008 (Purwanto, 2020).

In Kendari City, the Boulevard Retention Pond has become one of the main community activity centers, attracting many visitors every day. This area is not only used for sports activities such as jogging and cycling but also as a place to relax. On weekends, the number of visitors increases significantly, presenting a great opportunity for food businesses to attract customers. The area is well-equipped with facilities such as ample parking, comfortable pedestrian paths, and green open spaces, which enhance visitor comfort and facilitate business operations. The strategic location of the Retention Pond Boulevard, which is easily accessible from various parts of Kendari City, also allows businesses to reach a diverse customer base, including both local residents and visitors from outside the city.

The types of micro, small, and medium enterprises developing in the Kolam Retensi Boulevard area are very diverse. This study focuses on one of the dominant micro businesses, namely grilled meatball businesses. Micro businesses play a role in providing alternative productive economic activities while absorbing labor in the business world. Grilled meatball businesses have significant economic potential with distinctive characteristics such as commodities that can change at any time, flexible business locations, independent management, local markets, small assets, and a limited number of employees.

Micro businesses, including culinary businesses such as grilled meatballs at Kolam Retensi Boulevard, are usually owned by individuals or families with limited capital and income. These businesses are an important alternative in productive economic activities, especially for the lower-middle class. In addition, micro businesses also function as effective credit distributors and employment absorbers (Susilawati et al., 2023).

Revenue is a key indicator in measuring the performance and success of micro businesses. The grilled meatball business on Kolam Retensi Boulevard generally operates from 3:00 p.m. to 7:00 p.m., adjusting to visitor patterns that peak during those hours. These flexible operating hours allow business owners to adjust their work schedules according to market demand and personal circumstances.

Previous studies have examined income analysis and the feasibility of microenterprises in various sectors and locations. Murnawati et al. (2021) studied coconut jelly- s in Salo Bangkinang Village, Kampar District, and found that the business was financially viable based on the NPV, IRR, and payback period indicators. Faizal et al. (2021) assessed the viability of the "Carepey" rempeyek business with a ROI of 74% and an R/C ratio of 1.73, indicating that the business is profitable. Febriansyah's (2022) study on white copra production using a greenhouse system in





Kulisusu Utara Sub-district found an average R/C ratio of 1.3, indicating the business is viable and has a clear development strategy. Khoiro (2023) conducted a profitability analysis of the Lumicok food business during the pandemic, highlighting the creativity of SMEs in maintaining business sustainability and public health through nutritious products.

These studies differ significantly from this study in terms of location, object, and method of analysis. This study focuses on grilled meatball businesses in the Retention Pond Boulevard area of Kendari City, a strategic location that serves as a hub for economic activities in the culinary sector of small and medium enterprises (SMEs). The methods employed include direct observation and quantitative interviews with all grilled meatball vendors as the sample, providing a specific and comprehensive overview of the viability of the business in that location.

Given the importance of income as a measure of success, research on business feasibility is crucial to determine the extent to which income can cover operational costs. Thus, business operators can assess whether their business is viable to continue and develop. Therefore, this study aims to determine the income of grilled meatball business operators and analyze the feasibility of the grilled meatball business in the Retention Pond Boulevard Area of Kendari City.

METHOD

This study was conducted in the Retention Pond Boulevard Area of Kendari City, Southeast Sulawesi, which was selected because this area is a hub for small and medium-sized enterprises (SMEs) with a dominant presence of grilled meatball businesses. The research took place from October 2024 to June 2025. The population in this study includes all grilled meatball business operators operating in the Kendari City Retention Pond Boulevard Area, totaling 10 business operators. The sampling method used in this study is saturated *sampling* (census).

Data collection techniques in this study include direct observation to obtain a real picture of the location, interviews with grilled meatball business operators using a questionnaire as an instrument, and literature review that collects supporting data from journals, previous research results, and official surveys from relevant agencies.

To achieve the first objective, income analysis proposed by Soekartawi (2016) was used with the following formula:

$$\Pi = TR - TC$$

Explanation:

Π = Revenue (Rp)

TR = Total Revenue

TC = Total Cost



To achieve the second objective, the R/C Ratio analysis is used, where a value is obtained by dividing the total revenue by the total cost. The RC value cannot be negative, so the RC always produces a positive value even if the revenue turns out to be insufficient to cover the business costs (Ramadan, *et al.*, 2022).

The formula for calculating *the Revenue Cost Ratio* is as follows:

$$\frac{R}{C} \text{ Ratio} = \frac{\text{Total Revenue}}{\text{Total Cost Ratio}}$$

With the following criteria:

- *R/C Ratio* < 1, then the grilled meatball business is not viable (loss).
- *R/C Ratio* > 1, then the grilled meatball business is feasible (profitable).
- *R/C Ratio* = 1, the grilled meatball business is break-even, meaning it neither makes a profit nor incurs a loss.

RESULTS AND DISCUSSION

Production Costs

Production costs are all expenses incurred by a business operator in the process of producing a product, in this case grilled meatballs. In this study, production costs were collected based on data from 10 respondents who operate grilled meatball businesses in the Kolam Retensi Boulevard area of Kendari City. Costs were calculated monthly by distinguishing between variable costs, which are costs that vary depending on the amount of production, and fixed costs, which are costs that do not change. This information on production costs is used as the basis for calculating revenue and analyzing the feasibility of the grilled meatball business.

Table 1. Average Fixed and Variable Costs of Grilled Meatball Business in the Retention Pond Area of Kendari City Boulevard

Fixed Costs		Variable Costs	
Description	(IDR/Month)	Description	(IDR/Month)
Gas cylinder	1,125	Meat	3,960,000
Cooking fuel	7,708	Tapioca flour	759,000
Stove Table	3,750	Seasoning	252,000
Folding Booth	3,250	Skewers	4,750
Storage Box	3,104	Sweet soy sauce	507,000
Baking Tray	625	Chili sauce	360,000

Knife	2,333	Mayonnaise	264,000
Spoon	3,450	Gas	600,000
Pots	11,942	Water	246,000
Total Depreciation of Equipment	37,287	Packaging	306,600
Electricity Costs	98,490	Transportation	25,200
Labor Costs	1,470,000	Total	7,284,550
Total	1,643,064		

Based on Table 1 above, it can be seen that the average fixed costs and variable costs in this study can be explained as follows:

1. The total fixed costs incurred by a grilled meatball business operator in one month is Rp1,643,064. These fixed costs consist of two main components, namely depreciation of equipment and fixed operating costs such as electricity and labor wages. Equipment depreciation includes various production tools, such as gas cylinders worth Rp1,125, grilling tools worth Rp7,708, stove tables worth Rp3,750, foldable booths worth Rp3,250, storage boxes worth Rp3,104, baking trays worth Rp625, knives worth Rp2,333, mixing spoons worth Rp3,450, and a pot worth Rp11,942. The total monthly depreciation of equipment amounts to Rp37,287, indicating that the pot and grilling equipment are the two items with the highest depreciation rates. Additionally, there is a monthly electricity cost of Rp98,490, used to support operational activities such as lighting and the use of other electronic devices. The largest component of fixed costs is labor costs, which amount to Rp1,470,000 per month, reflecting the wages paid to workers on a regular basis. Thus, labor costs account for over 89% of total fixed costs. This indicates that human resources play a crucial role in the operational activities of the grilled meatball business, while efficiency in tool usage and control over depreciation can be key focuses for long-term financial management.
2. The total variable costs incurred by grilled meatball vendors in one month amount to Rp7,284,550. These variable costs consist of various main components that vary depending on the production volume. The largest component comes from meat as the main raw material, amounting to Rp3,960,000. Additionally, there is tapioca flour (Rp759,000), seasoning (Rp252,000), and other complementary ingredients such as sweet soy sauce (Rp507,000), chili sauce (Rp360,000), and mayonnaise (Rp264,000). Other components, such as skewers, although of small value (Rp4,750), are still important as

serving tools for the product. Energy and operational costs are also included in variable costs, namely gas at Rp600,000 and water at Rp246,000. Additionally, there are packaging costs of Rp306,600 for wrapping the products to be sold and transportation costs of Rp25,200 used for distribution or procurement of raw materials. These components indicate that the largest expenditures are focused on core raw materials and complementary ingredients, while expenditures for serving and operational needs remain important in supporting production smoothness and service quality to consumers.

Table 2. Average Total Costs of Respondents in the Grilled Meatball Business in the Retention Pond Area of Kendari City Boulevard

Description	(IDR/Month)
Variable Costs	7,284,550
Fixed Costs	1,507,288
Total	8,791,838

Based on Table 2, it can be seen that the average total cost incurred by respondents of grilled meatball businesses in the Kolam Retensi Boulevard area of Kendari City in one month is Rp8,791,838. The total cost consists of two main components, namely variable costs and fixed costs.

Variable costs constitute the largest component of the cost structure, with an average value of Rp7,284,550 per month. These costs include expenses directly related to production volume, such as the purchase of raw materials, spices, skewers, packaging, as well as gas costs and daily labor expenses. Fixed costs, which include depreciation of equipment and tools used in the grilled meatball business, amount to Rp1,507,288 per month.

Based on the data, it can be seen that the majority of the costs of the grilled meatball business come from variable costs. This shows that this type of business is greatly influenced by the scale of production. The higher the production volume, the greater the variable costs incurred. Therefore, understanding the total cost structure is very important for business actors to manage expenses and calculate income accurately in business feasibility analysis.

Production, Revenue, and Income of Grilled Meatball Business

Production is the final output obtained from agricultural activities. Production determines the level of revenue. The size of agricultural production is influenced by production factors. Agricultural production is the quantity of physical output obtained by farmers from their

agricultural activities within a certain period of time (Wulandari et al. 2019).

Production is a reflection of the ability of business actors to run their businesses . The research findings were obtained from 10 respondents, indicating that the monthly production of grilled meatballs is 42,750 pieces, resulting in a total monthly production of 14,250 skewers. The average monthly production of grilled meatballs is 4,275 pieces, with an average monthly production of 1,425 skewers. The amount of grilled meatball production among respondents is influenced by several factors, one of which is the availability of raw materials such as meat, flour, and spices. If raw materials are unavailable, production capacity will decrease. Additionally, time and the number of visitors also play a significant role. Respondents tend to increase production on busy days such as weekends or in the evenings when the Retention Pond is crowded with visitors. Conversely, when there are few visitors, production is reduced to avoid losses from unsold inventory.

Revenue is the product of production obtained multiplied by the selling price. Revenue is the result obtained by producers from the sale of products (output) valued in monetary terms. The amount of revenue is influenced by the quantity of production and the prevailing selling price (Hastuti, 2007). Meanwhile, income is the net result received by business entities after deducting all production costs from total sales revenue. In this context, income is calculated as the difference between revenue and total costs incurred during one month of operations. According to economic theory, income is the difference between total revenue and total costs, which include fixed costs and variable costs (Sukirno, 2016).

Table 3. Average Revenue and Income of Grilled Meatball Businesses in the Retention Pond Area of Kendari City Boulevard

Description	Number
Monthly Production (units)	4,275
Number per skewer (pieces)	3
Monthly production (spikes)	1,425
Selling price per stick (IDR)	10,000
Total monthly revenue (IDR)	14,250,000
's income (IDR/month)	14,250,000
Total Expenses (Rp/Month)	8,791,838
Income (IDR/Month)	5,458,163

Based on Table 3 above, it can be explained that the average revenue and income of the

grilled meatball business are as follows;

1. The average monthly revenue for grilled meatball businesses in the Kendari City Retention Pond Boulevard area is Rp14,250,000. This figure is derived from the sale of 1,425 skewers of grilled meatballs, with each skewer containing 3 large pieces. With a total monthly production of 4,275 pieces, this converts to 1,425 skewers. The selling price applied by the business operator for each skewer is Rp10,000, so the monthly revenue is calculated by multiplying the number of skewers produced by the selling price per skewer. This revenue reflects the total sales revenue for one month and serves as the basis for assessing income and business viability in the subsequent analysis section.
2. The average income earned by grilled meatball vendors in the Kolam Retensi Boulevard area of Kendari City is Rp5,458,163 per month. This income is calculated from average revenue of Rp14,250,000, minus average total production costs of Rp8,791,838. In other words, after all operational costs are paid, the business operators still receive a remaining amount or profit of approximately Rp5,458,163 each month. This indicates that the grilled meatball business in that location is quite profitable and worthwhile to operate.

Feasibility of the Grilled Meatball Business

To determine the feasibility of the grilled meatball business in the Retention Pond Boulevard Area of Kendari City, the business feasibility must be calculated. The feasibility of a business can be calculated using the R/C Ratio formula. The value of the R/C Ratio for the grilled meatball business can be seen in Table 4.

Table 4. R/C Ratio of the Grilled Meatball Business in the Retention Pond Boulevard Area of Kendari City

Total Revenue (TR)	Total Cost (TC)	R/C Ratio (TR:TC)	Notes
14,250,000	8,791,838	1.62	Suitable

Based on Table 4, it is known that the average total revenue of the grilled meatball business operated by respondents in the Kolam Retensi Boulevard area of Kendari City is Rp14,250,000 per month, while the total expenses incurred are Rp8,791,838 per month. To determine the financial feasibility of the business, the *Revenue Cost Ratio* or R/C Ratio analysis is used.

The calculation results show that the R/C Ratio obtained is 1.62. This means that every Rp1 spent on business activities generates Rp1.62 in revenue. Since the R/C Ratio is greater than one,



the grilled meatball business at the research location is financially viable to operate.

An R/C Ratio greater than one indicates that the business can generate profits and cover all operational costs. Therefore, the grilled meatball business conducted by the respondents in the Kolam Retensi Boulevard area has promising economic potential for further development

CONCLUSION

Based on the research findings, it can be concluded that the average income from the grilled meatball business in the Retention Pond Boulevard Area of Kendari City is Rp 5,458,163 per month. The grilled meatball business in the Retention Pond Boulevard Area of Kendari City has an average R/C Ratio of 1.62, so the business is considered viable and profitable.

Based on the research conclusions, several recommendations can be provided: the grilled meatball business should offer menu variations, such as flavor options, spice levels, or additional toppings, to increase customer interest and appeal and strengthen competitiveness in the market. Additionally, business operators are advised to utilize social media platforms like Instagram, Facebook, and TikTok for promotional purposes, and collaborate with food delivery services such as GoFood and GrabFood, accompanied by attractive promotions to expand their customer reach and increase the number of customers.

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