

ABSTRACT

Kinar Mete is a business specializing in food, particularly cashew nut. Kinar Mete has been established since 2008 with its production center in Wonogiri, Central Java. Due to increasing public interest in nut consumption, the owner of Kinar Mete sees an opportunity to expand the business to new city, Surabaya. Feasibility analysis is used to assess the viability of the business. Feasibility analysis is conducted on market, technical, financial aspects as well as sensitivity and risk analysis. Market aspect based on survey questionnaires distributed among Surabaya residents indicates potential market of 85,33%, available market of 74%, and target market of 0,07%. Technical aspect shows the business building covering an area of 260 m² with a workforce of 4 employees in 2024 to 2028 working on Monday to Friday from 07.30 to 16.30 WIB. From financial perspective, the project requires a total investment of Rp472.955.940. The feasibility study indicates the project has NPV of Rp326.737.829, IRR of 27,89%, and PBP of 4,13 years that shows the project is financially viable. Sensitivity analysis shows the project is sensitive to 22,38% increase in raw material cost, 57,68% increase in labor cost, 11,74% decrease in demand, and 8,90% decrease in selling price. Risk analysis indicates a risk probability of 6,35% resulting MARR with risk at 16,35% thus the NPV of the project is Rp180.581.654, the IRR is 27,89%, and the PBP is 4,37 years. Based on the risk analysis, the project remains viable for establishment.

Keyword — **Feasibility, NPV, IRR, PBP, Sensitivity**