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# Application of Cost Volume Profit (CVP) as a Profit Application on UMKM Dzakira Catering Mba' Ayu in Bangkalan

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**INFO ARTIKEL**

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***Abstract***

*Profit planning is a very important initial stage in business because it can help management run it. Because all business operations can be managed and controlled. Good profit planning can help a company determine the level of profit it wants to obtain to optimize its profits. Good profit planning is assessed if company management can take into account profit-forming variables such as price, sales volume, and costs. The aim of this research is to determine the size of the contribution margin at Dzakira Catering Mba' Ayu. To find out the break-even point and margin of safety at Dzakira Catering Mba' Ayu. With this, we can know the amount of sales that must be achieved if MSMEs expect an increase in profits at Dzakira Catering Mba' Ayu. According to (Rudianto, 2013) Break-even analysis is an analysis method used by business actors to determine the minimum sales amount that must be achieved to cover all costs incurred. BEP analysis provides information to companies regarding the minimum amount of sales that must be achieved so that the company does not experience losses, as well as the minimum amount that must be achieved to obtain certain profits. MSME Dzakira Catering Mba' Ayu determines the selling price using a simple calculation: the calculated capital amount is multiplied twice.*

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## Introduction

Profit planning is a crucial early stage in business because it can help management run it. After all, all business operations can be regulated and controlled. Good profit planning can help companies determine the level of profit they want to optimize their earnings. Good profit planning is assessed when company management can consider the variables that make up profits, such as prices, sales volumes, and costs.

According to (2011), Profit planning is a determination of what actions will be taken by the company's management in a certain period about the profit goal the company wants to achieve. Profit planning sets the profit target to be completed and determines the steps or strategies to be implemented by a company (Yanto, 2020).

Cost volume profit analysis is a tool management can use to make good profit planning because management must understand the conditions under which cost and sales volume changes affect profits.

Cost analysis of profit volume, also known as profit volume cost analysis, is a profit planning tool that links the relationship between a company's cost, volume, and profit. It is an analytical technique that can help business management identify various variables affecting gain, including product sales mix, variable cost, and fixed cost. Therefore, before making estimates for a profit plan for the coming period, management will be able to consider how decisions about sales price, sales volume, and cost affect the rate of profit.

The purpose of this research is to find out the size of the contribution margin on Dzakira Catering Mba' Ayu. To identify the magnitude of the Break-even point or the impasse point on Dsakira Cutting Mba' ayu.

**Literatur Review**

**Profit Planning**

According to (Budi Wibowo, 2012), profit planning is a plan described quantitatively in financial and other quantitative measures in which the company's profit goals are determined. Profit planning contains the steps the company must take to achieve its goals, namely the profit target it wants to achieve. Profit planning can also be a tool for measuring and evaluating the actual results implemented as a form of realization of a plan. If the actual results do not match what was planned, then the company must take the necessary actions to overcome this. Profit planning is a tool for controlling the company's activities (Yanto, 2020).

According to Sabrin (2015),: "profit planning is choosing from several possible alternatives to be implemented in the future by considering the company's goals and the economic resources it has and the obstacles it faces in the future" (Rahmi et al., 2023). So, it can be concluded that profit planning is a plan carried out by a company to maximize the profit it wants to achieve (Santoso et al., 2022).

**Impasse Point (Break et al.)**

According to (2013), Break-even point analysis is an analysis method used by a business to establish the minimum amount of sales to be achieved to cover all expenses that have been spent. BEP analysis provides information to the company about the minimum volume of sales that must be reached so that the company does not suffer a deficit but has not earned a profit, as well as the minimal amount to be attained to a specific profit (Yanto, 2020).

**Margin of Safety**

(Machoedz & Mahmudi, 2011) Is an analytical technique for measuring the level of security of a company's sales. The margin of safety will indicate how much sales volume can decrease from a certain amount of sales where the company has not caused a loss or is in a break-even state (Fatah & Syarif, 2023).

## Place and Time of Research

The research was conducted at the homeowner Dzakira Catering Mba' Ayu in Jl. Salak, Keleyan, Socah, Bangkalan. In October 2023

## Method Of Collecting Data

The type of research used in this research is qualitative research with a field study approach. In this study, researchers conduct descriptive research that describes the actual situation in the field. The qualitative method is a research method aimed at understanding reality through inductive thinking. The data analysis is inductive based on the facts present in the field of research and is structured into theory. According to (2019), an interview is a data gathering of people to exchange information and ideas through questions and answers to construct meaning on a particular topic (Zeky Ricardo et al., 2022).

## Data Analysis

The analysis method was used to calculate and analyze data related to the company's fixed costs and sales volume to study the relationship between costs, sales volume, and profit planned at UMKM Dzakira Catering Mba' Ayu.

## Results and Discourse

UMKM Dzakira Catering Mba'Ayu is part of a new enterprise pioneered in 2019. UMKM Catering Mamba' Ayu already has fifteen employees, most of whom come from their own families. The owner of this UMKM is Ayu Susanti, the mother of Ayu, who markets its Catering products online through social media such as WhatsApp, Facebook, and TikTok. Consumers can order the product directly at the owner's house or through WhatsApp. Dzakira Catering is not only producing rice box only but also according to customer requests, and UMKM Catering already has a production license from the Government.

A place to produce Dzakira Catering Mba' Ayu is already located in the east of the slum mosque and the owner's own house. This production site is divided into two that have the same functions but different production. If orders on a small scale, such as dried cakes and birthday cakes, the owner will produce them at home; if the scale orders in large quantities, such as rice boxes, rice stacks, etc., they will be produced in the home's unique production.

The average market price ranges from Rs. 12,000 to Rs. 15,000 for boxed rice products and dried cakes in one box, for sale prices of birthday cakes and stumped rice for Rs. 150,000 and Rs. 100,000. UMKM Dzakira Catering Mba' Ayu determines the sale price using a simple calculation method: the amount of capital calculated multiplied by two to twice the capital.

The benefit obtained by UMKM Dzakira Catering Mba' Ayu this month is about Rs10,000,000 for the gross profit has not been cut for the employees' salary. So after the cut salary, the employee-owner receives a net profit of around Rs4.000,000 to Rs6.000,000. For each year, Dsakira Cutting Mba' ayu acquired its net assets of Rs50,000,000.

## Impasse Point (Break et al.)

According to (2013), Break-even point analysis is an analysis method used by a business to establish the minimum amount of sales to be achieved to cover all expenses that have been spent. BEP analysis provides information to the company about the minimum volume of sales that must be reached so that the company does not suffer a deficit but has not earned a profit, as well as the minimal amount to be attained to a sure profit.

Break Event Point analysis of the Margin of Safety in 2022 based on research conducted on the Dzakira Catering MSME business, along with the results of the analysis applied in the company, as follows:

Variabel Cost (biaya variabel)
= variable cost for boxed + variable cost of labor + variable cost supplies.
= Rp3.750.000 + Rp1.000.000
= Rp4.900.000
Fixed Cost (biaya tetap)
= Rp50.000
Total Cost
= variable cost + fixed cost
= (Rp3.750.000 x 250) + Rp50.000
= Rp1.225.050.000

Table 1. Break Event Point

| No | Produk | fixed cost | variable costs |
|---|---|---|---|
| 1 | Nasi kotak | Rp1.225.050.000 | Rp4.900.00 |

Based on the variable costs above, the variable costs per unit incurred for boxed rice products are:

$= \frac{variable\ costs}{number\ of\ rice\ box\ units}$

$= \frac{Rp4.900.000}{250}$

= 19.600/unit

The Break Even Point for the Dzakira Catering business in 2022 is based on break-even units, namely:

- Unit Break Even Point for boxed rice products

  $= \frac{variabel\ cost}{price - variable\ costs\ per\ unit}$

  $= \frac{Rp1.225.050}{15.000-19.600}$

  = (-266.315.217) unit

Meanwhile, the size of the BEP for the Dzakira catering business in 2022 is based on sales volume, namely:

- Break-even sales

  ed cost $x\ \frac{Price}{price - variable\ cost\ per\ unit}$

  225.050 $x\ \frac{15.000}{15.000-19.600}$

  = (-3.994.728,2)

### Margin of Safety

(Machoedz & Mahmudi, 2011) Is an analytical technique for measuring the level of security of a company's sales. The margin of safety will indicate how much sales volume can decrease from a certain amount of sales where the company has not caused a loss or is in a break-even state.

For the size of the Margin of Safety in the Dzakira Catering business in 2022 based on sales volume:

- Margin of Safety boxed rice products
  = Sales - BEP Sales
  = Rp27.500.000 – Rp(-3.994.728,2)
  = Rp31.499.728,2
- Margin of Safety boxed rice products
  $= \frac{Actual\ Total\ Sales - Break\text{-}even\ sales}{Total\ actual\ sales}\ x100\%$
  $= \frac{Rp27.500.000 - Rp(-3.994.728{,}2)}{Rp27.500.000}\ x100\%$
  = 1,14%

The amount of BEP and Margin of Safety that have been determined for the Dzakira Catering business in 2022 can be proven in Table 2 below:

Table 2. Margin of Safety

| | | |
|---|---|---|
| Sale of Boxed Rice | Rp. 27.500.000 | |
| Total Sales | | Rp. 27.500.000 |
| Variable Costs of Boxed Rice | Rp. 4.900.000 | |
| Total Variable Costs | | (Rp. 4.900.000) |
| Margin Contribution | | Rp. 22.600.000 |
| Fixed Cost of Boxed Rice | Rp. 1.225.050 | |
| Total Fixed Costs | | (Rp. 1.225.050) |
| Operating Profit | | Rp. 21.374.950 |

## DISCUSSION

The discussion of the results is argumentative regarding the relevance of the results, theory, previous research, and empirical facts found, as well as showing the novelty of the findings.

## CONCLUSION

MSME Dzakira Catering Mba' Ayu is a new business started in 2019. MSME Dzakira Catering Mba' Ayu already has fifteen employees, most of whom are from their own families. The owner of this MSME is named Ayu Susanti; Ayu's mother markets her catering products online through social media such as WhatsApp, Facebook, and TikTok. Dzakira Catering not only produces boxed rice but, according to customer requests and Dzakira Catering, MSMEs already have a

Production License from the Government.

This research uses Break Even Point and Margin of Safety calculations. According to (2013), Break Even Point analysis is an analysis method businesses use to determine the minimum sales amount that must be achieved to cover all costs incurred. BEP analysis provides information to the company about the minimum sales amount that must be achieved so that the company does not experience losses but does not make a profit, as well as the minimum amount that must be achieved to obtain a sure profit.

According to (Machoedz and Mahmudi, 2011), the margin of safety is an analysis technique for measuring the level of security of a company's sales. The margin of safety will provide an indication of how much sales volume can decrease from a specific sales amount where the company has not caused a loss or is in a break-even condition.

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