

FEASIBILITY STUDY FOR BUSINESS DEVELOPMENT OF SOMIPREK CHICKEN AND STEAK RESTAURANT

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Abstract: This study aims to analyze the feasibility of expanding Somiprek Chicken & Steak by examining market and marketing aspects, legal compliance, technical and operational elements, human resource management, financial viability, and environmental considerations. A quasi-qualitative approach was adopted, employing triangulation methods including interviews, observations, and document analysis. Data was collected from various sources, such as owners, employees, and relevant experts. The results indicate that Somiprek Restaurant has significant market potential in Surabaya with a strategic market segment and promising growth prospects. On the technical aspect, the proposed location is strategically positioned, with infrastructure and layout supporting operational efficiency. From a management perspective, the organizational structure has been designed to support business expansion, including recruitment strategies, training, and competitive compensation plans. Financial analysis revealed positive outcomes, with Payback Period, NPV, IRR, and ROI values indicating investment feasibility. Additionally, Somiprek Restaurant has complied with environmental standards through adherence to SPPL regulations for restaurant operations. In conclusion, the business expansion of Somiprek Restaurant to Surabaya is deemed feasible. Strategic recommendations are provided to optimize market potential, operational efficiency, and business sustainability.

Keywords: *Feasibility study, business expansion, restaurant, market aspect, financial aspect*

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1. Introduction

The food and beverage industry has emerged as one of the most resilient and rapidly growing sectors in Indonesia's economy, particularly in the post-pandemic recovery period. As a basic human need, culinary businesses have demonstrated remarkable adaptability to changing market conditions, with innovative concepts and digital transformation driving their expansion. In East Java, this trend is evident in the steady growth of food establishments, which peaked at 5,402 restaurants in 2021 before experiencing a temporary pandemic-related decline (BPS, 2024). The subsequent recovery to 4,605 establishments by 2023 underscores the sector's strong fundamentals and consumer demand persistence.

Within this dynamic landscape, fast-food restaurants have shown particularly robust performance, benefiting from standardized operations and mass appeal. Sidoarjo has become a competitive battleground for both international chains like McDonald's and KFC, as well as local players such as CFC and Geprek Bensu. It was in this challenging environment that

Somiprek Chicken & Steak successfully launched in April 2021, demonstrating the viability of local concepts even during economic uncertainty. The restaurant's unique value proposition, featuring innovative menu items like geprek bakar (grilled smashed chicken) and mie ayam geprek (chicken noodle with smashed chicken), helped it carve a distinct market position.

Somiprek's financial trajectory presents an interesting case study in post-pandemic business growth. From its founding year 2021 to 2023, the restaurant achieved a compound annual growth rate of approximately 49%, with revenues climbing from Rp841 million to Rp1.87 billion. However, the noticeable deceleration in growth momentum from 49.5% in 2022 to 7.8% in 2023 suggests emerging market challenges that warrant careful analysis. This growth pattern indicates potential market saturation in Sidoarjo or possibly intensifying competition, factors that motivate the current expansion consideration to Surabaya.

The proposed Surabaya expansion represents both an opportunity and a strategic challenge. As Indonesia's second-largest city, Surabaya offers a larger consumer base, higher population density, and greater purchasing power. The city's composition of educational institutions, business districts, and residential areas aligns well with Somiprek's existing customer segments. However, the Surabaya market also presents more sophisticated consumers, fiercer competition from established brands, and potentially higher operational costs. These factors necessitate a thorough feasibility study before committing significant resources to expansion.

This research adopts a comprehensive approach to business feasibility analysis, examining six critical dimensions: market and marketing, legal compliance, technical and operational aspects, human resource management, financial viability, and environmental considerations. The market analysis will focus on consumer behavior studies, competitive mapping, and location attractiveness assessment. Legal due diligence will cover business licensing, food safety regulations, and employment laws specific to East Java. Operational analysis will evaluate supply chain logistics, kitchen workflow efficiency, and quality control systems for multi-location management.

From a financial perspective, the study will develop detailed projections for capital expenditure, operating costs, and revenue streams for the new outlet. Particular attention will be given to break-even analysis and return on investment timelines. The human resources assessment will address staffing requirements, training programs, and organizational structure for the expanded operations. Environmental considerations will examine waste management solutions and compliance with local sustainability regulations, increasingly important factors for modern consumers and regulators alike.

The significance of this research extends beyond Somiprek's specific case, offering valuable insights for Indonesia's growing SME sector. As many local businesses contemplate expansion in the post-pandemic era, this study provides a methodological framework for evidence-based decision making. The findings will contribute to academic discourse on small business growth strategies while offering practical guidance for entrepreneurs navigating similar expansion challenges. Ultimately, this research aims to determine whether Somiprek's Surabaya expansion represents a sustainable growth opportunity or warrants reconsideration of market strategy.

2. Research Method

This study employs a quasi-qualitative applied research approach (Kuncoro, 2009), focusing on practical business feasibility assessment for Somiprek Chicken & Steak's expansion. The research examines six key aspects: (1) market and marketing, (2) legal compliance, (3)

technical-operational factors, (4) human resources, (5) financial viability, and (6) environmental impact (AMDAL).

Data collection utilized triangulation method (Sugiyono, 2022) through: (1) semi-structured interviews with owners, employees, customers, and experts; (2) document analysis of financial reports, permits, and promotional materials; and (3) direct observation. Purposive sampling was applied to select 6 key informants representing business decision-makers, culinary experts, legal consultants, and environmental specialists.

Data analysis followed qualitative interactive cycles (Sugiyono, 2022): (1) Data reduction through categorization; (2) Data display using matrices and narratives; and (3) Conclusion drawing with inductive-deductive approaches (Lubis, 2023). The analysis combined theoretical frameworks with empirical findings from field research.

Triangulation ensured validity through: (1) Source triangulation (cross-verifying interview data with documents/observation); (2) Method triangulation (combining interviews, documentation, observation); (3) Theory triangulation (applying multiple theoretical perspectives); and (4) Location triangulation (comparing Sidoarjo and Surabaya data).

The analytical process integrated: (1) Deductive analysis to test existing business feasibility theories; and (2) Inductive analysis to identify emerging patterns in restaurant operations and market potential. This dual approach enabled both theory verification and new insight generation regarding expansion challenges.

Findings presentation adopted narrative structures to connect empirical data with theoretical frameworks, providing clear recommendations for business decision-making. The methodology ensures comprehensive assessment of expansion feasibility while maintaining practical applicability for SME development. The research method explains the design of activities, scope or objects, main materials and tools, places, data collection techniques, operational definitions of research variables, and analysis techniques.

3. Results and Discussion

Market and Marketing Aspects: Market Growth and Market Access

The culinary sector in East Java showed strong post-pandemic recovery, with restaurants increasing from 4,084 to 4,605 in 2023. Somiprek Chicken & Steak capitalized on this trend through product innovation (e.g., geprek bakar, geprek telur asin), achieving a 4.8 Google rating (588 reviews) and revenue growth from Rp841 million (2021) to Rp1.87 billion (2023). Surabaya's expansion presents significant opportunities due to its large population but also intense competition from international (McDonald's, KFC) and local (Ayam Bakar Pak D, Mr Suprek) chains. The owner acknowledged: "Competition is fiercer, but market potential remains substantial with proper strategy."

Key success factors include:

1. Maintaining product differentiation
2. Adapting local marketing strategies (e.g., Jumat Berbagi program)
3. Leveraging existing brand equity from Sidoarjo

These findings suggest that while market entry barriers exist, Somiprek's proven innovation capabilities and community-based approach position it well for Surabaya's competitive landscape. The 122% revenue growth over two years demonstrates scalability potential when combined with localized market adaptation.

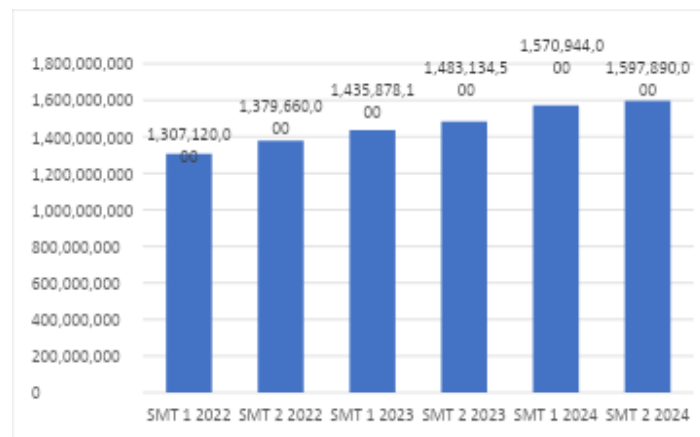


Figure 1. Sales Trends of Mr. D's Grilled Chicken Restaurant in East Surabaya
Source: Processed Data 2024

Sales forecast analysis shows steady market growth in East Surabaya with a projected average increase of Rp59.3 million per semester (3.3%). Based on Ayam Bakar Pak D data, sales are estimated to reach Rp1.67 billion (Semester 1/2025) and Rp1.73 billion (Semester 2/2025), reflecting promising market potential for Somiprek's expansion. This growth is driven by increased purchasing power and the development of residential and commercial areas in the region. To capitalize on this opportunity, Somiprek needs to optimize its marketing strategy during the peak sales period (Semester 2) while strengthening its digital presence through partnerships with food platforms such as GrabFood. The selection of a strategic location in East Surabaya - near education centers, offices, and residential areas - is crucial to ensure the restaurant's accessibility and visibility. This finding is in line with Saputra & Rohman's research (2024) which emphasizes the importance of a combination of strategic physical location and market expansion through digital channels in the development of culinary businesses in the modern era.

Table 1. Feasibility Analysis of Market Growth and Market Access

Aspect	Analysis	Conclusion
Market Growth	<ul style="list-style-type: none"> Market Growth Trend: The growth in the number of restaurants in East Java from 4,084 to 4,605 (2023) indicates the recovery of the culinary market, growing demand and greater expansion opportunities. Surabaya Market Potential: Based on the sales trend of Ayam Bakar Pak D in east Surabaya, the market is experiencing a steady increase of 3.3% per semester, indicating continued market growth and high potential for expansion. Data shows steady upward market growth, supported by performance at previous outlet in Sidoarjo. 	Feasible
Market Access	<ul style="list-style-type: none"> The restaurant will be opened on a main road close to office activity centers, schools, universities and densely populated housing so that it has good visibility and accessibility for customers. Somiprek will work with Grab Food and digital delivery services to reach out to a wider range of consumers to capitalize on digital consumption trends and expand market reach. 	Feasible

Source: Researcher Processed Data (2024)

Market and Marketing Aspects: STP (Segmentation, Targeting and Positioning) Strategy
Based on the potential market analysis Surabaya can be grouped into several segments:

Table 2. Market Segmentation

No	Market Segment	Characteristics	Age
1	Students and College Students	Looking for fast food with affordable price and good taste	12-24
2	Office Workers	Need fast food served for lunch or takeaway	25-40
3	Young Families	Looking for a shared dining experience with a cozy atmosphere	30-45

Source: Researcher Processed Data (2024)

Somiprek Chicken & Steak's main targets in Surabaya are students, college students, office workers and young families. These segments have a high preference for fast service, varied menus and competitive prices. In addition, young families are an additional target to drive sales on weekends. This is in line with the statement of key informant, Somiprek owner Hesti Nursanti (HN-6), "Our target is the 12 to 45 age group, especially students, college students, professional workers, and young families. They are a segment that actively seeks new culinary experiences that are quality but still affordable."

Somiprek is positioned as a fast food restaurant offering innovative products that are both quality and affordable, Hesti Nursanti (HN-10) explains, "Yes, we have done preliminary research. Consumers in Surabaya value menu innovation and a unique dining experience more than in Sidoarjo, where the focus is more on value for money. We serve unique and distinctive flavors, especially through menu innovations such as grilled geprek chicken and salted egg geprek. With the tagline "Fast, Delicious and Affordable", the restaurant seeks to cultivate an image as a top choice for consumers looking for a combination of delicious flavors and a convenient dining experience." In line with the results of the interview with Rangga Umara (RU-8), "Competitive advantages can be in the form of distinctive flavors, fast service, and a pleasant dining experience. In addition, innovation in the menu that is relevant to the tastes of Surabaya people and competitive prices are very important."

Table 3. Feasibility Analysis of Strategy STP

Aspect	Analysis	Conclusion
<i>Segmenting</i>	<ul style="list-style-type: none"> Somiprek targets students, office workers, and young families. These segments have a high habit of eating out and are suited to the concept of fast food restaurants. The needs of each segment can be met by Somiprek with its variety of menus and comfortable dining experience. 	Feasible
<i>Targeting</i>	<ul style="list-style-type: none"> Targeting 12-45 year olds with a preference for quality and affordable fast food. This age group reflects a group with appropriate purchasing power and high consumption needs and actively seeks new but affordable culinary experiences. Based on market research, customers in Surabaya value menu innovation more than just low prices. 	Feasible
<i>Positioning</i>	<ul style="list-style-type: none"> Somiprek is positioned as a fast food restaurant with product innovation (grilled geprek chicken and salted egg geprek) that is different from competitors. 	Feasible

	<ul style="list-style-type: none"> ● Brand image as a restaurant that offers a combination of delicious flavors, practical dining experience, and affordable prices in accordance with the tagline “fast, delicious, affordable” ● Competitive advantage with distinctive and innovative menu, fast service, comfortable atmosphere. ● Affordable pricing strategy but still offering a better dining experience that can attract the upper middle class who want more than just price. 	
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Source: Researcher Processed Data (2024)

Market and Marketing Aspects: Selling and Marketing Mix (7Ps)

The sales strategy combines direct (dine-in) and online channels through partnerships with food delivery platforms like GrabFood, as emphasized by owner Hesti Nursanti (HN-14). This dual approach maximizes market reach while catering to different consumer preferences. The marketing mix (7P) analysis reveals key competitive advantages: innovative products (e.g., geprek bakar, Nashville hot chicken variants), competitive pricing (Rp11,000-50,000 range), and strategic locations near campuses and business districts (HN-18, RU-16). Digital promotion through social media and offline events like cooking classes create comprehensive brand awareness (HN-20, RU-10).

Operational excellence is maintained through rigorous staff training and standardized processes (HN-41, UH-8). The physical environment combines functional kitchen layouts with comfortable dining spaces and ample parking (HN-35, AK-14). Customer feedback highlights consistent food quality, affordable pricing, and friendly service as key satisfaction drivers (AK-8, AK-14). These elements collectively create a distinctive brand experience that aligns with Surabaya's market preferences, as noted by culinary expert Rangga Umara (RU-8).

The integrated 7P strategy demonstrates Somiprek's readiness for Surabaya's competitive market. While the model successfully replicates Sidoarjo's proven formula, menu innovations tailored to local tastes and digital channel optimization emerge as critical success factors. The findings suggest that consistent service quality maintenance across locations will be essential for sustaining competitive advantage during expansion. This comprehensive approach addresses both functional (price, location) and experiential (service, ambiance) aspects of the dining experience, creating multiple value propositions for different customer segments.

Table 4. Analysis of Selling dan Marketing Mix (7P) Strategy

Aspect	Analysis	Conclusion
<i>Selling Strategy</i>	<ul style="list-style-type: none"> ● Direct Sales: Customers can dine-in at the outlet. ● Online Sales: Collaboration with Grab Food to expand market access. ● The combination of offline and online sales increases customer reach and accessibility. 	Feasible
<i>Product</i>	<ul style="list-style-type: none"> ● The main product is geprek chicken with innovative variants such as grilled geprek and salted egg geprek. There are new menu developments such as Nashville chicken or hot chicken. ● Menu innovation provides a competitive advantage and appeals to the Surabaya market. 	Feasible
<i>Price</i>	<ul style="list-style-type: none"> ● Competitive prices between Rp. 11,000 to Rp. 50,000, targeting the student, office worker, and family segments. There are family package promos and menu bundling. ● Affordable and flexible prices in accordance with the purchasing power of the target market. 	Feasible

<i>Place</i>	<ul style="list-style-type: none"> • Strategic locations near campuses, offices, housing, and shopping centers. Distribution through digital platforms (Grab Food) to reach customers who cannot dine-in. • Strategic location and utilizing digital distribution increases sales potential. 	Feasible
<i>Promotion</i>	<ul style="list-style-type: none"> • Online: Promotion through Instagram, TikTok, and Grab Food. • Offline: Opening event, discount promo, competition, and cooking class. • Multichannel promotion strategy expands reach and increases brand awareness. 	Feasible
<i>People</i>	<ul style="list-style-type: none"> • Regular training for staff on service and operations. • Recruitment of experienced workers in the culinary field. • Competent staff improves customer satisfaction and service quality. 	Feasible
<i>Process</i>	<ul style="list-style-type: none"> • Operational SOPs cover ordering, preparation, payment, and serving. • Fast and efficient work system to support quick service. • Process standardization maintains service consistency and improves operational efficiency. 	Feasible
<i>Physical Evidence</i>	<ul style="list-style-type: none"> • Modern restaurant design with comfortable and clean dining area • Spacious and free parking lot. • Staff wear professional uniforms to enhance brand image. 	Feasible

Source: Researcher Processed Data (2024)

Market and Marketing Aspects: Comparison of Sidoarjo and Surabaya Markets

Market analysis reveals distinct consumer characteristics between Sidoarjo and Surabaya, with Surabaya's urban consumers showing greater preference for menu innovation and unique dining experiences compared to Sidoarjo's price-sensitive market (RU-6, HN-10). While Achmad Komar (AK-30) confirms Somiprek's flavor profile aligns with Surabaya's preference for bold, spicy tastes, Hesti Nursanti (HN-10) emphasizes the need for strategic adaptations including digital promotions, delivery services, and localized menu innovations (e.g., grilled geprek, salted egg geprek) under the "Fast, Tasty, Affordable" brand positioning. These findings highlight the necessity for differentiated marketing approaches to address Surabaya's competitive culinary landscape while leveraging the brand's core strengths in flavor consistency and value proposition.

Table 5. Analysis of Comparison of Sidoarjo and Surabaya Markets

Aspect	Sidoarjo	Surabaya	Analysis	Conclusion
Demographic	The majority of customers are young families who focus on affordability.	Diverse, including students, working professionals and families.	Surabaya market is broader and has diverse customer segments.	Feasible
Favorite Locations	Near housing and areas with low rental costs.	Commercial areas such as malls, offices, and campuses.	Higher rental costs in Surabaya, but more strategic and potentially attracts more customers.	Feasible
Food Preference	Simple flavors, focus on large	More variety, tend to like menu innovation and stronger flavors.	Somiprek's menu innovation is in line	Feasible

	portions and economical prices.		with Surabaya's market taste.	
Consumer Habits	More often dine-in.	High interest in takeaway and online delivery services.	Must adjust to the trend of digitalization and food delivery services in Surabaya	Feasible
Price	Very sensitive to price increases, preferring cheap food.	More flexible in pricing, as long as quality is comparable.	Competitive pricing strategy is still needed, but can raise prices with value added.	Feasible
Menu Innovation	Less prioritizes innovation and prefers familiar menu items.	Appreciate and tend to try new menu innovations.	Somiprek can excel by developing a signature menu tailored to local preferences..	Feasible
Promotion Strategy	Rely more on offline promotions and discounted prices.	More effective with digital promotions, influencers, and local communities.	Need to optimize digital-based marketing strategies to reach more customers.	Feasible
Comfortable facilities	Tend to be simple, without overly modern restaurant designs.	More appreciative of comfortable facilities and a more exclusive dining experience.	Restaurant design in Surabaya needs to be more modern and comfortable to attract customers.	Feasible

Source: Processed Data (2024)

Legal Aspects: Form of Business Entity and Company License

The legal assessment confirms Somiprek Chicken & Steak's full compliance with business regulations, operating under CV Boga Minnah Sejahtera as its legal entity (Kasmir & Jakfar, 2012). Critical documents include:

- **Business Identification:** NIB (0210240001508), NPWP (27.128.377.2-603.000), and registered trademark (IDM001029722) (MJ-6, HN-25).
- **Halal Certification:** BPJH-certified (ID35110020915251124), enhancing competitiveness in Surabaya's Muslim-majority market (Mansur, 2023).
- **Environmental Compliance:** SPPL permit aligns with waste management regulations (HN-25).

This legal preparedness ensures operational legitimacy and facilitates expansion, as noted by notary Mufriadi (MJ-6), underscoring the restaurant's adherence to Indonesia's business and halal compliance frameworks.

Technical and Operational Aspects: Business Location

The technical and operational assessment confirms the viability of Somiprek's Surabaya expansion location based on four key criteria:

1. **Strategic Positioning:** Proximity to key customer segments (offices, universities like UPN and Ubaya, and residential areas) ensures accessibility for both dine-in and delivery services (HN-33, RU-12).
2. **Infrastructure:** The site offers excellent road access, public transport links, and adequate parking (RU-16).
3. **Cost Efficiency:** Competitive rental rates comparable to Sidoarjo (HN-33).

4. **Supply Chain:** Established partnerships with reliable suppliers since 2021 ensure consistent raw material availability (HN-39, UH-42).

As emphasized by Kotler & Keller (2016), this location aligns with strategic business placement principles for F&B ventures, combining visibility, accessibility, and target market proximity to maximize expansion success. The operational continuity with Sidoarjo's proven model further strengthens feasibility.

Technical and Operational Aspects: Site Area

By referring to the layout of the existing Somiprek Restaurant in Sidoarjo, the new location in Surabaya is planned to have a site area of approximately 150-200 square meters. This area is designed to support operational activities, customer dining area, and other supporting areas.

- **Production Area (Kitchen):** 25 square meters.
This area is equipped with modern kitchen equipment to facilitate the production process, from raw material preparation to food serving.
- **Dining Room (Customer Area):** 100 square meters.
The dining room is designed to provide comfort with a capacity of around 50-70 customers. Table and chair arrangements are flexible to accommodate individuals and families.
- **Supporting Area:**
 - Raw material warehouse: 25 square meters.
 - Small administration office: 9 square meters.
 - Customer and staff toilet: 6 square meters.
- **Parking Area:** 30-50 square meters to accommodate 4-8 four-wheelers and several motorcycles.

Hesti Nursanti (HN-35) explains "As we did in Sidoarjo, for the new branch we designed a layout that supports the efficiency of kitchen workflow and customer service. The dining area will also be made comfortable with a modern atmosphere. Supported by an adequate parking lot." With efficient space allocation, restaurant operations can run smoothly without interruption. Customers can also enjoy a comfortable dining experience without feeling crowded, which is an important factor in creating a positive impression.

Good site planning was also conveyed by Rangga Umara (RU-18), "Good site planning greatly determines the efficiency of restaurant operations, planning the kitchen according to needs because if it is too small, limited space will cause the cooking process to slow down, on the other hand, if it is too large, it reduces work efficiency because the distance between work areas is too far. Furthermore, seating capacity is arranged proportionally so that customer comfort is maintained. The warehouse or raw material storage area is also well organized and has a sufficient location area to help operational efficiency, as well as a parking area provided with sufficient area."

Technical and Operational Aspects: Business Layout

Table 6. Analysis of Business Layout

Aspect	Analysis	Conclusion
Centralized Kitchen	<ul style="list-style-type: none"> ● Located at the back with a linear workflow for preparation, cooking, to serving. ● Optimizes the movement of kitchen staff and prevents collisions while working. 	Feasible

Dining Room	<ul style="list-style-type: none"> • Tables and chairs are set with sufficient distance for customer comfort and privacy. • A dedicated takeaway area is provided near the cashier. • Provides a comfortable dining area and accommodates various customer needs. 	Feasible
Cashier	<ul style="list-style-type: none"> • Placed near the entrance for easy access for ordering and payment. • Ensure smooth customer traffic flow and avoids long queues. 	Feasible
Warehouse	<ul style="list-style-type: none"> • Separated from the kitchen and cashier service area, ensuring no interruption in product processing and customer service. • Reduces potential operational disruptions and improves work efficiency. 	Feasible
Workflow Efficiency	<ul style="list-style-type: none"> • The restaurant layout is created by separating the kitchen, service area, and dining room, ensuring efficient staff movement. • Minimizes customer waiting time and improves service speed. 	Feasible
Customer Comfort	<ul style="list-style-type: none"> • The dining room is designed with attractive, modern and comfortable decor. • The comfort factor enhances the dining experience and customer loyalty. 	Feasible

Source: Researcher Processed Data (2024)


Technical and Operational Aspects: Machinery, Equipment and Technology








Operational analysis reveals Somiprek's readiness for expansion through:



1. Modern Equipment: Existing kitchen tools from the Sidoarjo branch are deemed adequate, with selective upgrades planned for enhanced efficiency (UH-12).
2. Digital Integration:
 - Mokapos POS system for real-time transaction and inventory management
 - Grab Food partnership to extend market reach (Slack et al., 2016)
3. Optimized Layout:
 - Efficient kitchen workflow separation from dining areas (UH-36)
 - Comfortable modern dining space with ample parking (HN-35)

The replication of Sidoarjo's proven operational model, combined with targeted technological improvements, positions the Surabaya expansion for operational success while maintaining service quality standards.

Table 7. Analysis of Machinery, Equipment and Technology

Equipment	Photo	Analysis	Conclusion
Deep Frying Otomatis (Nayati)		Ensure consistent and fast fried food quality.	Feasible

<i>Freezer</i> (GEA)		Maintain the freshness of chicken, vegetables, and other raw materials.	Feasible
<i>Showcase</i> (GEA)		Maintain the freshness of raw materials and storefront beverages and the quality of raw materials remains stable.	Feasible
<i>Warmer</i> (Revon)		Maintain the quality and warmth of fried chicken.	Feasible
<i>Grill Tool</i> (GEA)		Grilling steaks and other menu items.	Feasible
<i>Gas Stove</i> (Rinnai)		Cooking chicken noodles and other products with a gas stove.	Feasible
<i>Stainless Prepare Table</i> (Nayati)		To prepare food products in a kitchen with high hygiene standards.	Feasible
<i>Blender dan Food Processor</i> (Philips)		To grind spices and chili peppers for kitchen use.	Feasible

Digital Cashier System (Mokapos)		Simplify transaction recording, inventory management, and real-time financial reports.	Feasible
Integrated Delivery Service (<i>Grab Food</i>)		Reach out to a wider range of customers and increase sales volume and order food without coming to the restaurant.	Feasible

Source: Researcher Processed Data (2024)

Management and Human Resources Aspects: Organizational Structure

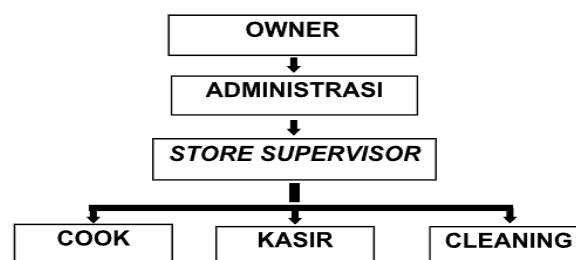


Figure 2. Somiprek Organizational Structure

Source: Researcher Processed Data (2024)

The management and human resource aspects become one of the important elements in the feasibility study of restaurant business development. Somiprek Chicken & Steak's organizational structure is designed with a simple hierarchical approach that suits the operational needs of a medium-sized restaurant. This structure ensures a clear division of responsibilities as well as communication efficiency between the operational and management teams. The organizational hierarchy is as follows:

- Owner/Director: Responsible for strategic decision-making, performance oversight, and overall business development.
- Store Supervisor: responsible for leading and managing the daily operations of the outlet, including supervising staff, ensuring consistent implementation of SOPs, managing inventory, and ensuring sales targets are achieved.
- Financial Administration: Responsible for financial records, inventory, and operational documentation.
- Operational Employees:
- Cook: Prepare products according to quality standards.
- Cashier: Responsible for sales transactions and daily reporting of the restaurant.
- Cleaning: responsible for the cleanliness of the kitchen, dining room, and other facilities.

This hierarchical structure provides flexibility in the division of tasks, while ensuring effective control to maintain service and operational quality. This is in accordance with Hesti Nursanti's (HN-49) statement, "The branch team consists of the supervisor and the operational team which includes the cook, cashier and cleaning. The supervisor is fully responsible for leading the branch operational team, the supervisor will report directly to the central

management regarding branch activities." There are currently 12 employees in Somiprek Sidoarjo, as stated by Uswatun Hasanah (UH-26), "The total number of employees is now 12 people consisting of 2 SPVs, 4 cooks, 4 cashiers and 2 cleaners."

The existing organizational structure is quite clear in the division of tasks, effective control functions to support restaurant performance in maintaining the quality of service and restaurant operations.

Management and Human Resources Aspects: Labor Procurement

Manpower procurement includes job requirements, job descriptions and specifications, and training to ensure employee readiness to support Somiprek Chicken & Steak restaurant operations.

Table 8. Position Analysis, Description, and Specification

Position	Position Description	Position Specification	Conclusion
<i>Store Supervisor</i>	Oversee daily operations, monitor team performance, staff supervision, SOP implementation, manage inventory and ensure sales targets are achieved.	Maximum age 30 years, minimum education D3 / S1, minimum 2 years experience in restaurant management, leadership skills.	Feasible
<i>Cook</i>	Prepare food according to SOP and restaurant quality standards.	Maximum age 24 years, minimum high school education equivalent, minimum 1 year experience as a cook, understand the process of cooking fast food.	Feasible
Cashier	Manage customer transactions, record daily reports, and serve customers at the cashier.	Maximum 24 years old, minimum high school education equivalent, experienced as a cashier, proficient in using POS system, friendly, and thorough..	Feasible
<i>Cleaning</i>	Cleaning the kitchen, dining room, and other facilities.	Maximum 24 years old, minimum high school education equivalent, experienced as a cashier, proficient in using POS system, friendly, and thorough.	Feasible

Source: Researcher Processed Data (2024)

Somiprek's recruitment process is carried out through social media such as Instagram and Facebook, recommendations from current employees, and brochures or banners announcing job vacancies placed in the restaurant. This is in accordance with Hesti Nursanti's (HN-45) explanation, "We have been procuring labor through Instagram and Facebook social media, some through recommendations from employees who are still actively working at Somiprek and also through brochures or banners announcing job vacancies placed in the restaurant."

Management and Human Resources Aspects: Training and Training

Training is an important part of human resource development in restaurants. The training program in Somiprek Sidoarjo will be applied in Surabaya, including:

- Initial Training:
 - Duration: 2 weeks.
 - Materials: Introduction to standard operating procedures (SOP), customer service, kitchen equipment operation, and digital cashier system.
- Ongoing Training:

- Performance evaluation program conducted every month to three months and additional training.

As explained by Hesti Nursanti (HN-47), “Yes, for new employees, we conduct intensive training for two weeks, covering customer service, administration, technology operation, product knowledge and manufacturing tailored to the position of each employee and we evaluate regularly every month for up to 3 months of probationary period by providing additional materials and training required by staff according to their respective positions”. Routine training for employees is conducted as stated by Uswatun Hasanah (UH-16), "We provide regular training for employees, especially on how to deal with customers in a friendly and professional manner. In addition, we always provide direct feedback if there is unsatisfactory service. We evaluate every day through briefings during opening and closing, and staff meetings every month"

According to Armstrong (2020), continuous training can improve employee performance while fostering loyalty to the company.

Table 9. Training and Training Analysis

Aspects	Analysis	Conclusion
Initial Training	<ul style="list-style-type: none"> ● Duration: 2 weeks, covering SOPs, customer service, kitchen equipment operation, and digital cashier system. ● Provides a strong basic understanding for new employees before starting work. 	Feasible
Initial Training Materials	<ul style="list-style-type: none"> ● Standard operating procedures (SOPs). ● Customer service. ● Operation of kitchen equipment and digital cash register system. ● Comprehensive materials help employees understand their duties and responsibilities well. 	Feasible
Ongoing Training	<ul style="list-style-type: none"> ● Performance evaluations are conducted monthly for the first three months, with additional training as required by staff. ● Ensures employees can adapt to the work system and improve their skills gradually. 	Feasible
Performance Evaluation & Feedback	<ul style="list-style-type: none"> ● Conducted daily through briefings during opening and closing, as well as monthly staff meetings. ● Improves service quality and provides immediate fixes to employee shortcomings. 	Feasible
Employees Trained	<ul style="list-style-type: none"> ● All new and existing employees receive regular training according to their position. ● Ensure all staff have the same skills and understanding of service standards. 	Feasible

Source: Researcher Processed Data (2024)

Management and Human Resources Aspects: Standard Operational Procedures and KPIs

Table 10. Key Performance Index (KPI)

Position	Indicator	Target	Measurement	Evaluation
Cashier	Transaction Speed	Maximum 3 minutes per customer	Transaction time per customer	Monthly
	Accuracy of cash count	100% according to daily final report	Daily audit of cash balance	Daily

	Customer satisfaction	Minimum rating 4.7/5 from customer survey	Customer survey results and or google review	Monthly
Cook	Food Quality	99% food according to restaurant standard	Supervisor inspection and customer feedback	Weekly
	Serving time	Maximum 8 minutes per order	Time from order to ready to serve	Weekly
	Kitchen cleanliness	100% compliant with hygiene standards	Daily hygiene audit	Daily
Cleaning	Restaurant area cleanliness	100% compliant with hygiene standards	Supervisor inspection and customer feedback	Daily
	Facility availability	Always available every shift	Cleaning facility checklist	Daily
	Response to complaints	Maximum 3 minutes after report received	Complaint resolution time	Daily
Supervisor	Compliance with SOP	100% Operational compliance	SOP evaluation audit monthly	Monthly
	Number of staff training	Minimum 2 times per month	Employee training report	Monthly
	Reduction of operational incidents	Minimum incidents every month	Incident and mitigation report	Monthly

Source: Researcher Processed Data (2024)

The implementation of SOPs and KPIs has been done in Somiprek Chicken & Steak restaurant, this is in line with the explanation of Hesti Nursanti (HN-41), "We apply strict operational standards in Sidoarjo and can be duplicated in all branches, with regular training for staff and regular supervision by the central management team." This was also reinforced by Uswatun Hasanah (UH-8), "Yes, we have SOPs that cover kitchen workflow by the cook team, customer service by the cashier team, and restaurant cleanliness by the cleaning team. These SOPs help maintain efficiency, but their implementation still needs to be closely monitored to remain consistent."

Management and Human Resources Aspects: Compensation and Benefits

Table 11. Compensation and Benefits Analysis

Aspects	Analysis	Conclusion
Store Supervisor Salary	<ul style="list-style-type: none"> Rp. 4,000,000 - Rp. 4,500,000, commensurate with responsibilities in leading restaurant operations. Competitive compared to mid-scale restaurant industry standards. 	Feasible
Cook Salary	<ul style="list-style-type: none"> Rp. 2,500,000 - Rp. 3,000,000, commensurate with expertise in food preparation. Attractive for experienced workers in the culinary industry. 	Feasible
Cashier Salary	<ul style="list-style-type: none"> Rp. 1,750,000 - Rp. 2,500,000, ensuring restaurant cleanliness is maintained. In accordance with industry standards and job responsibilities. 	Feasible

<i>Cleaning Salary</i>	<ul style="list-style-type: none"> ● Rp. 1,750,000 - Rp. 2,500,000, ensuring restaurant cleanliness is maintained. ● In accordance with industry standards and job responsibilities. 	Feasible
Position Allowance	<ul style="list-style-type: none"> ● Supervisors receive a position allowance for additional responsibilities. ● Increases motivation and rewards leadership roles. 	Feasible
Meal Allowance	<ul style="list-style-type: none"> ● All employees receive a daily meal allowance. ● Helps employee welfare and increases loyalty. 	Feasible
Transportation Allowance	<ul style="list-style-type: none"> ● Provided to help employees' travel costs to the workplace, easing the burden of employee transportation, especially those whose domicile is far from the restaurant. 	Feasible
Housing Allowance	<ul style="list-style-type: none"> ● Housing subsidies for employees who come from out of town. ● To attract labor from outside the area. 	Feasible
BPJS for Permanent Employees	<ul style="list-style-type: none"> ● Permanent employees get health and employment protection. ● In accordance with labor regulations in Indonesia. 	Feasible
Performance Bonus	<ul style="list-style-type: none"> ● Incentives based on achievement of monthly branch targets to increase employee motivation and productivity. 	Feasible
<i>Best Employee Incentive</i>	<ul style="list-style-type: none"> ● Monthly awards for best employees. ● Encourages healthy competition and improves individual performance. 	Feasible

Source: Researcher Processed Data (2024)

Based on an analysis of the remuneration and benefits aspects of Somiprek Chicken & Steak's business development plan, all compensation components are considered appropriate and competitive when compared to the standards of the mid-scale restaurant industry. Salaries for each position such as Store Supervisor, Cook, Cashier, and Cleaning Staff have been adjusted to their respective responsibilities and skill levels, with a range that reflects a balance between financial attractiveness and operational cost efficiency. In addition, various forms of allowances such as job allowances, meal allowances, transportation, and boarding subsidies demonstrate the company's efforts in paying attention to the overall welfare of employees, especially for those who come from outside the city. BPJS facilities for permanent employees also ensure compliance with labor regulations and provide long-term protection for employees. Additional performance-based incentives and Best Employee awards are effective strategies to increase motivation and work productivity. Overall, the compensation structure offered is not only feasible in terms of financial viability, but also supports the creation of a healthy and performance-oriented work environment.

Financial Aspects: Scenario Analysis

To assess the financial viability of expanding Somiprek Chicken & Steak from Sidoarjo to Surabaya, a scenario analysis was conducted as an approach to test the sensitivity of the project to changes in cash flow assumptions. The analysis included three scenarios, namely pessimistic, moderate and optimistic. In the pessimistic scenario, the annual cash flow is assumed to decrease by 30% from the initial projection, to Rp305,259,374 per year. The moderate scenario uses an initial cash flow projection of Rp436,084,820, while the optimistic scenario assumes a 30% increase in cash flow to Rp566,910,266 per year. Assuming an initial investment of Rp750,000,000, an analysis period of three years, and a discount rate of 10% per year, key financial indicators such as Net Present Value (NPV), Internal Rate of Return (IRR), and Profitability Index (PI) were calculated. The results of the analysis show that in the

pessimistic scenario, the project is barely viable as it generates very little profit and the rate of return is close to the cost of capital. In the moderate scenario, the project is considered feasible because it generates a positive NPV, high IRR, and PI above one. Meanwhile, in the optimistic scenario, the project shows a very high level of viability with large profits and a very favorable rate of return on investment. Thus, the scenario analysis provides a comprehensive picture of the level of risk and potential success of this expansion project under various market conditions.

Financial Aspects: Payback Period, NPV, PI, IRR & Financial Ratio Analysis

The financial analysis of the investment project demonstrates strong viability across multiple key indicators. The Payback Period of 1.72 years indicates rapid capital recovery, suggesting the project can recoup its initial investment in less than two years, which is particularly attractive for short-term investment horizons. The positive NPV of Rp 334,478,403 confirms that the project adds substantial economic value, while the PI of 1.45 indicates that for every rupiah invested, the project generates Rp 1.45 in return, further supporting its profitability. The IRR of 17.7%, exceeding the 10% discount rate, underscores the project's ability to deliver superior returns compared to the opportunity cost of capital.

Profitability metrics reinforce the project's financial attractiveness. The ROI of 36.68% and NPM of 22.56% demonstrate efficient conversion of both invested capital and revenue into net profit. The ROA of 36.34% reveals exceptional asset utilization efficiency, generating Rp 36.34 in net profit for every Rp 100 of assets. Liquidity analysis through the Current Ratio (102.84) indicates robust short-term financial health, with current assets covering liabilities 102.84 times over, ensuring strong capacity to meet immediate obligations.

These collective findings position the project as financially sustainable across three critical dimensions: 1) strong short-term capital recovery (Payback Period), 2) superior long-term value creation (NPV, PI, IRR), and 3) efficient operational performance (ROI, NPM, ROA). The exceptional liquidity position (CR) further mitigates financial risk, making the project resilient to potential cash flow fluctuations. These results suggest the investment not only meets but exceeds standard financial viability thresholds, supporting its implementation as a strategically sound financial decision. The consistency of positive outcomes across all evaluated metrics provides compelling evidence for the project's financial feasibility and potential to deliver sustainable returns.

Table 12. Analysis of Payback Period, NPV, PI, IRR & Financial Ratio Analysis

Aspects	Analysis	Conclusion
<i>Payback Period</i>	PP 1.72 years shows the initial investment capital will be returned in less than 2 years, indicating the project has a fast payback and is feasible.	Feasible
NPV	<ul style="list-style-type: none"> NPV generates an added value of Rp 334,478,403. Positive NPV. 	Feasible
PI	<ul style="list-style-type: none"> PI of 1.45 indicates that every Rp 1 investment generates an added value of Rp 1.45. PI>1 project is profitable and viable 	Feasible
IRR	IRR of 17.7% is higher than the 10% discount rate set, indicating that the project generates profitable returns.	Feasible
ROI	Somiprek generated a net profit of 36.68% from the investment made.	Feasible
NPM	<ul style="list-style-type: none"> NPM shows the Company's efficiency in managing revenue into net profit of 22.56% indicating every Rp. 100 of revenue earned generates a net profit of Rp 22.56 	Feasible
ROA	<ul style="list-style-type: none"> ROA shows the efficiency of using company assets to generate profits. 	Feasible

	<ul style="list-style-type: none"> • ROA of 36.34% shows that the company generates a net profit of Rp. 36.34% for every Rp. 100 of assets owned. 	
CR	<ul style="list-style-type: none"> • CR of 102.84 indicates that the company has current assets 102.84 times greater than its current liabilities. • The company has very good liquidity and is able to fulfill its short-term obligations easily. 	Feasible

Source: Somiprek's Financial Data (2024)

Environmental Aspects and AMDAL: Environmental Compliance through SPPL

Somiprek Chicken & Steak restaurant has fulfilled the environmental aspect by having a Statement of Environmental Management and Monitoring (SPPL) in accordance with PERMEN LHK No. 4 of 2021, which regulates the obligation to manage environmental impacts for businesses with certain scales and risks. Based on Suparno's explanation (SP-8), this restaurant is included in the category of businesses that are required to have an SPPL through the OSS RBA system, with the obligation to provide liquid waste management facilities according to capacity and conduct wastewater quality monitoring at the IPAL outlet point, although it does not require an SLO (Operational Feasibility Letter). Hesti Nursanti (HN-25) emphasized that the restaurant has completed all licenses, including SPPL, as part of its commitment to responsible environmental management.

4. Conclusion

This study comprehensively evaluates the business feasibility of Somiprek Chicken & Steak's expansion to Surabaya across six critical aspects. The market and marketing analysis confirms Surabaya's strong potential, with strategic advantages in customer base, digital adoption, and innovative preferences compared to Sidoarjo. The legal aspect demonstrates full compliance, including business registration, tax identification, halal certification, and trademark protection, ensuring operational legitimacy.

From a technical and operational perspective, the chosen location offers strategic accessibility, efficient layout, and modern equipment, supported by digital tools like Mokapos and GrabFood integration. The human resource management system is robust, featuring clear organizational structures, effective training programs, competitive compensation, and standardized SOPs aligned with industry best practices.

Financial analysis further validates the expansion's viability, with favorable indicators: a short payback period (1.72 years), positive NPV (Rp 334 million), high IRR (17.7%), and strong profitability ratios (NPM 22.56%, ROA 36.34%). The project's liquidity (CR 102.84) ensures short-term obligations can be met comfortably. Lastly, the environmental and AMDAL assessment confirms compliance with SPPL regulations, reflecting responsible waste management and low environmental risk.

In conclusion, the expansion to Surabaya is highly feasible, supported by empirical data and multidimensional analysis. Strategic recommendations include leveraging digital marketing, maintaining operational efficiency, and monitoring financial performance post-expansion to sustain growth. This study provides an actionable framework for Somiprek's scalable growth while contributing practical insights for SME expansion strategies in Indonesia's competitive F&B sector.

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