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Profit Planning To Increase Revenue Of "X" Barbershop In Airmadidi, Utara Minahasa District

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Abstract: *The aim of this research is to find out the minimum number of sales that must be achieved so that the barbershop business does not experience losses, or to what extent the planned number of service sales can decrease, so that the barbershop business does not suffer losses. In general, companies have the goal of making a profit and want to increase their income in both the long and short term. In achieving these goals, the company has techniques/methods, namely management. The success or failure of a company depends on management's ability to carry out functions and see future possibilities. "X" Barbershop is one of the various businesses that occupy one shopping area in the district. Airmadidi, better known as the Edelweis Shopping Complex, has been around for several years and already has quite a lot of customers. "X" barbershop sets a competitive price for barber customers, namely Rp. 35,000/customer, while the total costs incurred every month are + 6,000,000. Since January 2023, this business has accepted 2 new workers to replace the 2 workers who quit. From the results of initial observations and interviews, it is known that customers coming in are decreasing day by day, this affects the income of this business, on the other hand operational costs and other costs must still be paid. This is interesting for the author to know what the minimum number of customers must be. every month so that this business does not experience losses or profits. Good profit planning will influence the company's success in obtaining optimal profits. In profit planning, factors that influence profits must be taken into account, namely costs, selling prices and sales volume. The method used in this research is: Quantitative descriptive method which describes and explains independent variables to analyze their influence on the dependent variable (Sugiyono, 2018),Data is collected by means of documentation, interviews and observations, then the data is classified, which is then analyzed using Break Even Point (BEP) analysis to arrive at profit planning. The output to be achieved is: Final report and scientific publication in the National Kawanua Aksara journal . Additional Output: International Journal of Arts and Humanities Social Science Studies (IJAHSSS)*

Keywords*: Profit Planning, BEP, and Income Increase.*

I. Introduction

The barbershop is an innovation from the barber shop or mobile barber business, which then occupied an open place under a tree and then occupied a simple place called Madura. The barbershop business is like mushrooms that grow in the rainy season, barbershops are now continuing to appear in cities throughout Indonesia. As a kind of code, the compact barbershop displays red, white and blue striped lights in front of it. The barbershop trend has decorated the cultural journey of young people, there are patterns of young people's haircuts that look similar if not the same. Barbershops with a luxurious appearance are mushrooming with their neatly dressed barbers complete with tattoos decorating several parts of their bodies. A barber (derived from Latin Barba, "beard") is someone whose job is to cut hair. The emergence of barbershops is not only in the capital but has spread to the regions. This barbershop business aims to serve consumers who want to look neat and different from usual. Carrying a modern concept, this hair barber for men not only offers haircuts but also other treatments that men need. Barbershops are now packaged more attractively, namely with a variety of services, and places designed with a masculine atmosphere make barbershops much sought after by men. Barbershop is a type of service business, where production and consumption activities are carried out at the same time and directly influence customer satisfaction. In the current climate of high business competition, every business must increase its competitiveness in order to be able to maintain business sustainability and increase profits optimally. The ability to achieve optimal profits can be determined through profit planning. Good profit planning will influence the success of the business in obtaining optimal profits. In profit planning, factors that influence profits must be taken into account, namely costs, selling prices and sales volume. Costs have implications for determining selling prices to achieve the desired profit. Then this selling price affects the

sales volume and then this sales volume will affect the production volume like a cycle, this production volume will also affect production costs and so on. One tool that management can use in this case is Break Even Point (BEP) Analysis. Break even point/break even point is a situation where a business in carrying out its activities does not make a profit and does not suffer a loss. "X" Barbershop is one of the various businesses that occupy one shopping area in the district. Airmadidi, better known as the Edelweis Shopping Complex, has been around for several years and already has quite a lot of customers.

Figure 1. "X" Barber Matungkas, North Sulawesi.

"X" barbershop sets a competitive price for barber customers, namely Rp. 35,000/customer, while the total costs that must be paid every month + Rp. 6,000,000.

Figure 2. Equipment "X" Barber Matungkas, North Sulawesi.

Since January 2023, this business has accepted 2 new workers to replace the 2 workers who quit. From the results of initial observations and interviews, it is known that customers coming in are decreasing day by day, this is affecting the income of this business, on the other hand, operational costs and other costs must still be paid, so business profits are very small. 1. **Profit Planning** is one of the most important plans that must be made by business management to get the maximum possible profit. Profit planning contains the steps that the business will take to achieve the desired target size. Profit planning or budgeting is very useful for: a) Provide a directed approach in solving problems. b) Forcing management to conduct an early study of the problems they face and instilling in the organization the habit of conducting thorough research before making a decision. c) Creating an organizational atmosphere that leads to achieving profits, and encouraging patient behavior to save costs and maximize resource utilization. d) Offers the opportunity to systematically assess each facet or aspect of the organization as well as to periodically examine and update basic policies and guidelines. 2. **Break Even Point (BEP)** Concept. According to (Prawiranogono, 2017), BEP = Break Even Point or Break Even Point,

where the company makes no profit and does not suffer losses. According to (Herman, 2016), Break Even Point is the operating condition of an entity where total income is equal to total costs and neither makes a profit nor experiences a loss. The main benefit is that it provides important warnings to leaders about how many units and minimum sales rupiah must be achieved in the future. Meanwhile, according to (Ernawati's, 2018) Break Even point is a situation where all revenues are only able to cover all expenses. Break Even Point (BEP) Method of Break Even point (BEP) condition is a situation where the company's income (total revenue) is equal to the costs it bears (total costs). A company will only make a profit if its production or sales are above the break-even point. Break Even Point (BEP) or Break Even point can be calculated using the following equation: BEP Unit = Fixed costs/(price per unit – Variable costs per unit). BEP Rupiah = (Fixed costs) / (Contribution Margin per unit / Price per Unit) (Kasmir, et al., 2020). From these several definitions it can be concluded that the Break Even point is a situation where the company does not experience profits or losses or total revenue and total costs are equal to zero. Break Even Point (BEP) condition is a situation where the company's revenue receipts (total revenue) are equal to the costs it bears (total costs). The following are several Break Even point methods that can be used in Break Even point analysis: Equation Method : According to (Samryn LM, 2015) the equation method utilizes data from the income statement which is prepared in a contribution format. The break-even point with this method can be calculated using the formula: Sales - Variable Costs - Fixed Costs = Or Sales = Variable Costs + Fixed Costs +. Contribution Margin Method : According to (Herman, 2016) contribution margin is the amount remaining from sales minus variable costs. This amount will be used to cover fixed costs and profit for the period. Contribution margin will be used to cover fixed costs and if there is any remaining it will become profit. If the contribution margin is not enough to cover fixed costs, you will experience a loss. The following is the contribution margin formula which is divided into two types, namely: 1.Calculate contribution margin in units, using the following formula: Contribution Margin per unit = Selling Price –Variable Cost, Where the contribution margin per unit is equal to the selling price minus variable costs per unit. From the formula above, management will know the contribution margin for each unit of production. 2.Contribution margin in the total amount, with the following formula: Contribution Margin = Total sales – Total Variable Cost. Where: TP: Total Sales BV: Variable Costs and TBV: Total Variable Costs. Contribution margin can be calculated as total revenue minus total variable costs. So, it can be concluded that calculating the contribution margin can be done in two ways, namely calculating the contribution margin in units and calculating the total amount.3. Increased revenue : The strategy for increasing business profits and income in business logically is to use a factor of what has been done and achieved previously. Meanwhile, on the other hand, there are still several other supporting factors that aim to increase business profits, so appropriate steps are needed so that all efforts taken also have better quality and performance. In the current era, business people are required to be able to compete in various fields. Apart from that, business people must also have the courage to take risks to try new things in various business and business opportunities. Business growth or expansion in a more advanced and larger direction is one of the main goals of every businessman. Below are some quite constructive ideas that can motivate new thinking, in order to get ideas about the most rational way to develop a business and business so that income can increase: 1. Add products and services so that the potential for profits is greater,2. Make bigger sales to get bigger profits,3. Expanding the industry that has been mastered as a way to increase business profits,4. Target reaches new consumers,5. Take other business opportunities.

II. Research Methods

This research uses quantitative descriptive research. According to Sugiyono (2017), this research method is based on the philosophy of positivism as a scientific or scientific method because it fulfills scientific principles in a concrete or empirical way, objectively, measurably, rationally and systematically. Quantitative descriptive research is research that uses data in the form of numbers that can be calculated statistically which are used to analyze data by describing data or describing data that has been gathered as it is without the intention of making general conclusions or generalizations. 1.The location of this research is in the Edelweis Matungkas Ruko Complex, Jalan Sukur – Likupang, Airmadidi District, North Minahasa Regency. 2.The population and sample in this research are: The population in this research is all customers or consumers who come to get their hair cut at the "X" Barbershop Business in the Edelweis Airmadidi shop. 3.The samples in this research were all consumers who came to get their hair cut at Barbershop "X" during the research period. 4. The data used comes from primary data "is data taken directly from Barbershop Business "X" and secondary data is data obtained from books and other literature. 5. The data collection technique was carried out by interviewing consumers and owners of barbershop "X", apart from that it was also carried out through observation and documentation.6. The data analysis technique in this research is to use Break Even Point (BEP) analysis to find out how the relationship between variable costs, fixed costs and sales volume affects profit planning which can increase the income of barbershop business "X". 7. The stages of data analysis techniques are sequenced as follows: 1. Collect data obtained from the company consisting of data regarding cost collection, selling prices, and data on the results of sales of services. 2. Classify costs, namely fixed costs and variable costs, using an analytical

approach where researchers will divide them into two parts, namely fixed costs and variable costs. 3. Calculate contribution margin. 4. Calculating the Break Even Point (BEP) Value
5. Profit Planning Analysis. 6. Drawing conclusions.

III. Results And Discussion

From the results of the interview with the head of business "X" Barber, it can be seen that this business already has the main equipment for its daily operations as shown in the table below as follows:

Table 1. "X" Barber Work Tools

No.	Item	Quantity	Price	Total
1.	Shaving machine	2	Rp 350.000	Rp 750.000
2.	Hair Comb	3	Rp 25.000	Rp 75.000
3.	Barber Apron	3	Rp 65.000	Rp 195.000
4.	Customer Apron	3	Rp 45.000	Rp 135.000
5.	Spray Bottle	3	Rp 20.000	Rp 60.000
6.	Hair Scissors	3	Rp 50.000	Rp 150.000
7.	Sasak Scissors	3	Rp 75.000	Rp 225.000
8.	Small towel set (12)	1	Rp 180.000	Rp 180.000
9.	One pack of large crocodile clips (10)	1	Rp 18.000	Rp 18.000
10.	One pack of small crocodile clips (10))	1	Rp 12.000	Rp 12.000
11.	Soap Bowl	3	Rp 5.000	Rp 15.000
12.	Razor	3	Rp 20.000	Rp 60.000
13.	Broom and Dustpan	1	Rp 50.000	Rp 50.000
14.	Bristle Brush	3	Rp 25.000	Rp 75.000
15.	Refil razor blade	20	Rp 3.000	Rp 60.000
	Total			2.060.000

Source: "X" Barbershop Matungkas, North Sulawesi

Apart from business equipment, this barber also has various operational support equipment as shown in Table 2 below:

Table 2. "X" Barber Work Support Equipment

No.	Item	Quantity	Price	Total
1.	Large Mirror	2	Rp 750.000	Rp 1.500.000
2.	Small Mirror	3	Rp 75.000	Rp 150.000
3.	Barber Chair	3	Rp 1.750.000	Rp 3.500.000
4.	AC 1,5 PK	1	Rp 3.500.000	Rp 3.500.000
5.	Waiting Chair	6	Rp 300.000	Rp 1.800.000
6.	Table	3	Rp 250.000	Rp 750.000
	Total			Rp 11.200.000

Source: "X" Barbershop Matungkas, North Sulawesi

From the cost data provided, the researcher summarizes it in table 3 and table 4 as presented below:

Table 3. Fixed Costs of "X" Barber Matungkas for June 2023

No.	Type Of Cost	Total
1.	Electricity Cost	Rp 350.000
2.	Wages For Headmaster & Hairdresser	Rp 2.450.000
3.	Cashier's Salary	Rp.1.000.000
4.	Rent Cost	Rp 1.700.000

5.	Unexpected Cost	Rp 200.000
6.	Water Cost	Rp 300.000
	Total	Rp .6.000.000

Source: Data Processed Results.

Table 4. "X" Barber Variable Costs for June 2023

No.	Type Of Cost	Total
1.	Razor	Rp. 3500
2.	Neck Tissue	Rp. 1.500
6.	Total	Rp . 5.000

Source: Data Processed Results.

To find out the minimum amount of service sales that must be obtained so that the barbershop does not experience losses, the Break Even Point method is used. The Break Even Point (BEP) method is a break even point condition, namely a situation where the company's income (total revenue) is equal to the costs it bears (total costs). A company will only make a profit if its production or sales are above the break-even point. Break Even Point (BEP) or break even point can be calculated using the following equation (Kasmir, et al., 2020):

BEP Unit = Fixed costs/(price per unit – Variable cost per unit)
Noted that :
Fixed costs are: Rp. 6,000,000
Variable costs are: Rp. 5,000
Pruning rate: Rp. 35,000
So :
BEP Unit = Fixed costs/(price per unit – Variable cost per unit)
= IDR 6,000,000 / (IDR 35,000 - IDR 5,000)
= IDR 6,000,000 / 30,000
= 200 Heads

It can be concluded that "X" barber must reach 200 heads every month in order to cover the costs incurred, without any profit. This calculation can be proven by what Samryn put forward, namely by using the Equation Method as follows: Sales – Variable Costs – Fixed Costs = Profit

Or: (Rp. 35,000 X 200) – (Rp. 5,000 X 200) – Rp. 6,000,000
= Rp. 7,000,000 - Rp. 1,000,000 - Rp. 6,000,000
= Rp. 0.

To further explain this, the following will be calculated in another way, namely by Contribution Margin. Contribution margin is the amount remaining from sales minus variable costs. This amount will be used to cover fixed costs and profit for the period. Contribution margin will be used to cover fixed costs and if there is any remaining it will become profit. If the contribution margin is not enough to cover fixed costs, you will experience a loss. The formula is as follows:

Contribution Margin per unit = Selling Price – Variable Cost
Noted that :
Selling Price / Cut Rate per Unit = Rp. 35,000
Variable Costs = Rp. 5,000
So :
Contribution Margin per unit is = Rp. 30,000
If in one month 200 people cut their hair at a haircut price of Rp. 35,000 / person, you will get an income of:
= Rp. 35,000 X 200 = Rp. 7,000,000
Variable costs = Rp. 5,000 X 200 = IDR 1,000,000
Remainder = Rp. 6,000,000

From table 3, we know that the total fixed costs for June are Rp. 6,000,000, so calculations using the BEP / unit method, the equation method or using the contribution margin method give the same results. From the results of interviews conducted by researchers, it turns out that the number of customers who visit this barbershop fluctuates from day to day, from 7 to 15 people, especially on Sundays or before holidays, the number increases to 20 or 25 people. This results in less than satisfactory income. Therefore, special efforts are needed to increase the income of "X" Barbershop, by: 1). Adding products and services so that the potential for profits is greater, 2.

Making bigger sales to get bigger profits, 3. Expanding the industry that has been mastered as a way to increase business profits, 4. Targeting to reach new consumers, 5. Taking business opportunities another.

IV. Conclusions And Recommendations

Conclusion :

1. The barbershop business is quite a profitable business, because many young people and old people want to have modern style haircuts
2. The Break Even Point method is a method that is easy for business actors to understand, so they can calculate for themselves whether their business has made a profit or is still suffering losses.
3. To be able to increase income, other businesses are needed to support profits.

Suggestion:

1. Barbershop business can be an option for young people and parents who need work.
2. There needs to be outreach for business actors, so they know how to calculate their own business profits, one of which is using the BEP method.
3. There should be training held to help these business actors improve their skills and there should be other service products besides this barbershop business.

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