RESEARCH ARTICLE

Financial Implementation for Start-up Business Home Care Applications

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In the business competition in healthcare start-up industry that is getting tougher and very fast, companies need to make and plan a financial strategy, especially an investment strategy. This is to deal with funding needs and financial needs in order to compete in the start-up ecosystem, in this case the health start-up. To capture this financial strategy, companies must have added value in financial investment planning PT. Rembaka Catur Sekawan as a company that has 4 Care brand products. Here, must have a good financial strategy to be able to compete with competitors in the market. To survive this company's must be focused on activities and business processes with concentrate on product development and financial efficiency in order to maintain the sustainability of the company. Therefore, our initial business focused on how to calculate the investment value by calculating the IRR, NPV and payback period of this business plan. To determine the feasibility of this business, it is necessary to have a Financial Strategy of proper and qualified investment feasibility and always keep up with the times.

Keywords: Financial Strategy Planning 4 care

1. INTRODUCTION

Business feasibility analysis is assessed using DCF (discounted cash flow) with NPV parameters. This model will ultimately show the net value of the investment to investors. Other calculations are IRR, ROI and discounted payback period which aim to provide information that can support business feasibility analysis [1].

2. METHODOLOGY

In conducting a feasibility analysis PT Rembaka Catur Sekawan's business investment uses several feasibility calculations as follows:

A. *Net Present Value (NPV)*

Net Present Value (NPV) is a net financial assessment in the company after deducting other costs so that the added value or lack of company money can be used as a reference to assess the company's financial appropriateness. In other words, the assessment carried out for this Net Present Value (NPV) is in the form of a clean financial cash flow. The definition of Net Present Value (NPV) in the form of activities to calculate the Net Present Value (NPV) in a company needs to be carried out by the company's financial personnel who are

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competent in it. This is because the miscalculation of existing values can affect the size of the profit in the company. Net Present Value (NPV) can be related to company funds that experience the sum when existing funds are not mixed with investment funds. This can be related to the total net capital obtained by the company with added net income. For this reason, Net Present Value (NPV) is defined as a financial analysis that is used to determine the feasibility of the business being carried out by the company as seen through the present value of the net cash flow to be received by the company concerned compared to the present value of the investment capital issued by the company. This is the company's financial analysis, which is assessed according to the investment expenditures made by the company [2]. Net Present Value (NPV) is defined as a financial analysis that is used to determine the feasibility of the business being carried out by the company as seen through the present value of the net cash flows to be received by the company concerned compared to the present value of the investment capital issued by the company. This is the company's financial analysis, which is assessed according to the investment expenditures made by the company [3] [3]. Net Present Value (NPV) is defined as a financial analysis that is used to determine the feasibility of the

business being carried out by the company as seen through the present value of the net cash flows to be received by the company concerned compared to the present value of the investment capital issued by the company. This is the company's financial analysis, which is assessed according to the investment expenditures made by the company [3]

B. Internal Rate of Return (IRR)

IRR or Internal Rate of Return, is an evaluation instrument used to decide whether an owner wants to invest or not, where the IRR> the required rate of return, the project is accepted, but if the IRR <the rate of return required, the project is rejected. IRR is more of an indicator of the efficiency of an investment, as opposed to the NPV, which indicates the value or amount of money. IRR is an effective compounded annual return rate that can be generated from an investment or the yield of an investment. A project / investment can be carried out if the rate of return is greater than the return received if we invest in other places (banks, bonds, etc.). So, the IRR must be compared with other investment alternatives. IRR has a weakness where it is generally used for decision making for a single project, not a mutually exclusive project (projects that eliminate each other). For mutually exclusive projects, the NPV criterion is more dominant where projects with a larger NPV will be selected even though they have a smaller IRR. From the graph, a project may have several discount rates that make the NPV value = 0 (there is negative net income between positive net income years), so that the IRR value can be more than one or we are faced with several choices of IRR values. In terms of reinvestment, IRR also has weaknesses so that MIRR (Modified Rate of Return) is used. Although academically the NPV is more dominant, the survey indicates that executives prefer IRR to NPV. This is because managers or capital owners find it easier to compare investments / projects of different sizes in the form of% rate of return (IRR) compared to the amount of money (NPV).

C. Payback Period

Payback period is the method most often used by business people to measure how long investment funds are reinvested. Therefore, the calculation results are expressed in units of time, namely years or months. The faster the investment return period, the smaller the investment risk, and the investment project is feasible to run. Conversely, the longer the return, the greater the investment risk, and the investment project is less feasible / not feasible to run [4].

D. Return on Investment (ROI)

Return on Investment (ROI) is a ratio measuring the success of the company in generating profit and loss for shareholders. Therefore, ROI is considered as a representation of shareholder wealth or company value. If

we look at the existing ROI trend, it can be seen that the company in generating profit for shareholders has an apparent increase in the increase in the value of the ROI ratio [5].

3. RESULT AND DISCUSSION
A. Calculation of Net Present value and Internal Rate of Return (IRR)
In calculating the NPV and IRR of PT Rembaka Catur Sekawan using 3 parameters of Pessimism, Normal and Optimism (see Table I, II, and III).

Table I. Net Present Value (Pessimistic)

discounted 10%		PV=1/(1+i)n	
Year	Net Cash Flow	Factor PV	PV
0	3.689.000.000		
1	- 1.612.102.863	0,909	-1.465.548.058
2	2.030.890.831	0,826	1.678.422.174
3	2.002.373.406	0,751	1.504.412.777
4	2.017.721.843	0,683	1.378.131.168
5	1.726.781.106	0,621	1.072.195.209
6	1.921.682.981	0,564	1.084.739.945
7	2.137.204.688	0,513	1.096.723.936
8	2.368.976.879	0,467	1.105.145.197
9	2.618.270.824	0,424	1.110.402.421
10	2.886.453.694	0,386	1.112.852.852
		PV	9.677.477.622
		NPV	5.988.477.622
		IRR	62%

In the Net Present Value over Table I, pessimistic conditions are calculated using traditional accounting in the 10th year. The NPV results (-29,784,656,823) are negative and IRR is also negative (-12%) so that it can be concluded that this business is increasing users and the number of downloads of the home application. care so that it is feasible to run, this needs to be compared with the calculation of the homecare application user valuation. Meanwhile, under normal conditions as follows:

Table II. Net Present Value (Normal)

discounted 10%		PV=1/(1+i)n	
Year	Net Cash Flow	Factor PV	PV
0	3.689.000.000		
1	- 2.976.680.889	0,909	- 2.706.073.536
2	397.485.803	0,826	328.500.664
3	575.557.759	0,751	432.425.063
4	669.837.428	0,683	457.507.976
5	363.019.588	0,621	225.406.603
6	456.228.453	0,564	257.529.068
7	456.228.453	0,513	234.117.334
8	690.996.962	0,467	322.355.182
9	826.087.815	0,424	350.341.875
10	974.346.024	0,386	375.652.571
		PV	277.762.801
		NPV	- 3.411.237.199
		IRR	-11%

In the Net Present Value over Table II, normal conditions are calculated using traditional accounting in year 10, it appears that the NPV results (-3.411.237.199) are negative and IRR is also negative (-11%) so it can be concluded that this business is in the process of increasing users and the number of home application downloads. care so that it is feasible to run, this needs to be compared

with the calculation of the homecare application user valuation. Meanwhile, the latter are optimistic conditions as follows:

Table III. Net Present value (Optimistic)

	discounted 10%	PV=1/(1+i)n	
Year	Net Cash Flow	Factor PV	PV
0	3.689.000.000		
1	- 1.612.102.863	0,909	- 1.465.548.058
2	2.030.890.831	0,826	1.678.422.174
3	2.002.373.406	0,751	1.504.412.777
4	2.017.721.843	0,683	1.378.131.168
5	1.726.781.106	0,621	1.072.195.209
6	1.921.682.981	0,564	1.084.739.945
7	2.137.204.688	0,513	1.096.723.936
8	2.368.976.879	0,467	1.105.145.197
9	2.618.270.824	0,424	1.110.402.421
10	2.886.453.694	0,386	1.112.852.852
		PV	9.677.477.622
		NPV	5.988.477.622
		IRR	62%

In the Net Present Value over Table III, the optimistic condition shows that the NPV results are positive 5,988,477,622 and the IRR is also 62% positive so it can be concluded that this business is feasible to run. Looking at all the results of the calculations above, it can be concluded that the feasibility of this digital start-up business cannot only be seen using traditional accounting calculations but must also be compared with the calculation of user valuation.

B. Payback Period

Table IV shows Investment Appraisal, Payback Period, the pessimistic condition of the home care application business investment project of PT. Rembaka Catur Sekawan 17 years old.

Table IV. Payback Period (Pessimistic)

Year	Net Cash Flow (NFC)	Commutative net Cash Flow
0	- 3.689.000.000	
1	- 4.991.630.235	- 8.680.630.235
2	- 3.407.832.425	- 12.088.462.660
3	- 3.334.667.076	- 15.423.129.736
4	- 3.470.253.012	- 18.893.382.748
5	- 4.199.667.244	- 23.093.049.992
6	- 4.403.310.797	- 27.496.360.789
7	- 4.603.771.960	- 32.100.132.749
8	- 4.813.800.583	- 36.931.933.332
9	- 5.033.828.582	- 41.947.761.915
10	- 5.264.306.980	- 47.212.068.894
		17 Years

Based on the calculations, the traditional accounting calculations, this business is taking too long to payback, this needs to be compared with valuation calculations while Table V shows Investment Appraisal, Payback Period normal conditions of the home care application business investment project of PT. Rembaka Catur Sekawan 10 years.

Table V. Payback Period (Normal)

Year	Net Cash Flow (NFC)	Commutative net Cash Flow
0	- 3.689.000.000	
1	- 2.976.680.889	- 6.665.680.889
2	397.485.803	- 6.268.195.087
3	575.557.759	- 5.692.637.327
4	669.837.428	- 5.022.799.900
5	363.019.588	- 4.659.780.311
6	456.228.453	- 4.203.551.858
7	456.228.453	- 3.747.323.405
8	690.996.962	- 3.056.326.443
9	826.087.815	- 2.230.238.629
10	974.346.024	- 1.255.892.604
	-	**10 Years**

Based on the calculations, the traditional accounting calculations, this business is feasible to run, but it takes 10 years to payback, this needs to be compared with valuation calculations. Furthermore, Table VI showed Investment Appraisal, Payback Period, the optimistic condition of the home care application business investment project of PT. Rembaka Catur Sekawan 3 years, in traditional accounting calculations, this business is feasible to run.

Table VI. Payback Period (Optimistic)

Year	Net Cash Flow (NFC)	Commutative net Cash Flow
0	- 3.689.000.000	
1	- 1.612.102.863	- 5.301.102.863
2	2.030.890.831	- 3.270.212.033
3	2.002.373.406	- 1.267.838.626
4	2.017.721.843	749.883.217
5	1.726.781.106	2.476.664.323
6	1.921.682.981	4.398.347.304
7	2.137.204.688	6.535.551.992
8	2.368.976.879	8.904.528.871
9	2.618.270.824	11.522.799.695
10	2.886.453.694	14.409.253.389
		3 Years

C. Return of Investment

In the Return of Investment (ROI) over Table VII, optimistic conditions show that the average positive percentage is 39 percent during the 10-year investment period, this explains that this business is quite attractive for investors to invest using traditional accounting calculations.

Table VII. Return of Investment (ROI) Optimistic

Net Margin	14.409.253.389
Total Invesment	3.689.000.000
ROI	39%

In the Return of Investment (ROI) over Table VIII, normal conditions show that the average percentage is negative (1.4) percent during the ten-year investment period, this explains that this business if calculated using traditional accounting is not feasible, but must be seen with user valuations.

Table VIII. Return of Investment (ROI) Normal

Net Margin	1.255.892.604
Total Invesment	3.689.000.000
ROI	-3,4%

In the Return of Investment (ROI) over Table IX, the pessimistic condition shows that the average percentage is negative (111) percent during the ten-year investment period, this explains that this business if calculated using traditional accounting is not feasible, but must be seen with user valuations.

Table IX. Return of Investment (ROI) Pessimistic

Net Margin	47.212.068.894
Total Invesment	3.689.000.000
ROI	-128%

4. CONCLUTION

From the results of the discussion on the feasibility of this investment, PT Rembaka chess Sekawan in 1-3 years uses traditional accounting calculations, but after passing the 3rd year onwards, it must already use a star-up accounting calculation which will use the star up valuation calculation.

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