

Business Coaching of a Local F&B MSME: Building Financial Projection for External Funding and Measuring Digital Marketing Activities

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ABSTRACT

Despite a large number of MSMEs in Indonesia, the contribution of the MSMEs to the country's GDP is relatively low. Some of the obstacles faced by MSMEs in Indonesia include access to capital, human resources, and supporting facilities. These obstacles were also faced by one of the local MSMEs, for instance Food and Beverage industry/service (F&B) that wanted to expand its business but was constrained by access to capital. Furthermore, the lack of evaluation of the performance of MSMEs is also a crucial problem, resulting in the lowest performance improvement plan. This paper describes a business coaching program for one of the local F&B MSMEs by building the financial projection and measuring digital marketing activities. Thus, MSMEs can be more accountable in seeking funding and evaluate their digital marketing performance continuously. This business coaching program is expected to increase access to capital and increase the productivity of MSMEs in Indonesia. By building financial projection and measuring digital marketing, MSME can define more specific targets and evaluate its attainment regularly. In order to accelerate the competence of MSMEs to be more competitive and productive, support from various parties is needed to overcome their obstacles.

Keywords: Business Coaching, Capital Access, Digital Marketing, Financial Projection, MSME

JEL Classification Codes: M13, M31, M40

INTRODUCTION

MSMEs, which are widely believed to be the engines of developing countries' growth, have a major role in contributing significantly to economic growth and employing most of the population in a country (International Finance Corporation, 2017). In Indonesia, MSMEs also have an enormous contribution to the national economy in which the total number of MSMEs in Indonesia amounting to more than 64 million businesses or the equivalent of 99.99% compared to the number of Large Enterprises, which are only 5.5 thousand businesses or 0.01% (Ministry of Cooperatives and SMEs, 2018). In addition, MSMEs also contributed to very significant job creation, amounting to 97% of total employment in 2018 (Ministry of Cooperatives and SMEs, 2018). Unfortunately, a large number of MSMEs and the high contribution of the employment in Indonesia are not matched with the productivity of MSMEs itself. According to report from the Ministry of Cooperatives and SMEs in 2018, the contribution of MSMEs to Indonesia's GDP is only 61.07%, that is significantly far from the large number of MSMEs in Indonesia, reaching 99.99%.

The survey was conducted by BEKRAF – today known as The Ministry of Tourism and Creative Economy, along with the Indonesia Digital Creative Industry Society (MIKTI) found that several main obstacles for MSMEs in Indonesia, such as access

to capital, human resources, and supporting facilities (BEKRAF & MIKTI, 2018). Resmi et al. (2019) stated that MSMEs often experience delays in their development due to various conventional problems that have not been resolved completely so that strategic efforts are needed to improve the performance and sustainability of the MSMEs. A similar problem is also experienced by IT's Buah, a brand name of local MSMEs focusing on cold-pressed juice production in Jakarta owned by PT Hapasi Platinum Sinergi. The market share of juice and cold-pressed juice is potential in Indonesia, and it can be beneficial for MSMEs to expand their business. However, limited resources are a challenge for MSMEs.

In Indonesia alone, the juice market share is estimated to reach USD654 million or equivalent to IDR9.15 trillion in 2020 and is estimated to reach USD733 million or equivalent to IDR10.26 trillion in 2021. Indonesia's annual juice demand growth has been estimated to reach 7.39% from 2021 to 2025 (Statista, 2021a). Meanwhile, the market share in the Other Juice, Juice Mixtures & Smoothies segment in Indonesia is estimated to reach USD 561.4 million or equivalent to IDR7.86 trillion in 2021 (Statista, 2021b). The promising of the cold-pressed juice business in Indonesia has led the competition even tighter, also there have been many new competitors that emerge in this industry. Therefore, IT's Buah inevitably has to scale up its business.

Based on a personal interview with the founder of IT's Buah, said that the company has constraints on access to capital for business expansion and market penetration outside Jakarta in 2022. Besides, the lack of human resources from IT's Buah makes the digital marketing evaluation process rarely carried out. The need for IT's Buah expansion in increasing sales and capacity as well as opening new stores in other cities is a challenge for IT's Buah. These will be difficult to implement if it only uses retained earnings, given the large number of funds needed to carry out the plan. On the other hand, these plans must also be executed in near time and precisely because cold-pressed juice players are starting to emerge and can take IT's Buah market due to ease of imitation of this business. Thus, external funding sources could be an option or opportunity for these needs. Financial projections are essential when a company is looking for external funding because analysts use financial projections as a tool to assess the feasibility of investing in a company and the level of risk associated with the company (Samonas, 2015). However, at this time, IT's Buah does not have any financial projections even though the financial statements have been prepared.

Another obstacle faced by IT's Buah is the evaluation of digital marketing performance. Most of the sales activities of IT's Buah are carried out by online platform, in which digital marketing is one of the most critical parts of IT's Buah's business process, especially to retain existing customers and acquire new customers. However, the lack of digital marketing evaluation causing the effectiveness of digital marketing less optimal. This condition can be seen where the customer acquisition cost for each customer is relatively high, reaching IDR300 thousand - IDR500 thousand, while the average repeat order of customers currently is only 1.3 times. This data shows that IT's Buah has spent a high cost, but the retention rate is still low. Currently, IT's Buah has a production capacity of 500 bottles per day with an average production of approximately 350 bottles per day. IT's Buah targets penetration into the cities of Surabaya and Bandung to expand the cold-pressed juice market share. Therefore, this paper is prepared to help increasing the potential to obtain external funding through building financial projections and improve the effectiveness of digital marketing activities through digital marketing measurements.

Literature Review

Financial Projection

Small and medium-sized enterprises often need access to capital during the expansion phase from lenders or investors (Fight, 2005). Nevertheless, some entrepreneurs are not able to make accurate cost planning and short and long-term financial goals (Astuti et al., 2019). One of the main things that concern both investors and lenders is the continuity of the business in which investors and lenders will calculate the company's ability to carry out its obligations to shareholders and lenders. In this regard, a financial model can provide the information needed by potential investors or lenders to determine the company's value (Higgins, 2018; Sawyer, 2014).

Financial modeling is also synonymous with cash-flow forecasting. It is used by management to assist the decision-making process and used by external parties such as the equity research analyst or the credit analyst to determine whether it is feasible as an investment or not (Bender, 2013; Samonas, 2015). Fight (2005) describes cash flow forecasting as a technique that has been used to raise funds and convince investors or shareholders of the sustainability of their business. Cash flow forecasting also can be used by shareholders and lenders to identify several risks, namely, Creditworthiness; Project feasibility; Loan structuring; Financial covenanting; Security perfection; and Loan document drafting.

Financial modeling will enable business owners or entrepreneurs to prepare proforma financial statements to help forecast future financial figures of their business (Samonas, 2015). A simple but effective way of making a proforma financial statement is to tie income statement and statement of financial position proportionally to future sales, so-called the percent-of-sales method (Higgins, 2018). This method is quite effective when combined with solid calculations of past trends and accurate sales forecasts (Bender, 2013; Fight, 2005). According to Tjia (2004), a useful projection model focuses on only five main points, namely, The earnings before interest and taxes (EBIT) in the income statement; The earnings before interest, taxes, depreciation, and amortization (EBITDA) in the income statement; The net income number; The operating working capital (OWC) and capital expenditures levels, as measures of the use of cash on the balance sheet; and The level of debt on the balance sheet.

Digital Marketing Measurement

Chaffey & Ellis-Chadwick (2019) describe digital marketing as achieving marketing objectives through applying digital technologies and media. Through digital marketing, even MSMEs have more opportunities to attract new customers and reach existing customers efficiently (Julita & Arianty, 2019). Currently, digital marketing is commonplace for companies, but to be able to compete in the market, companies must be able to implement effective digital strategies to achieve company goals. According to Wolok (2021), a marketing strategy bridges corporate strategy and situational analysis with an action-oriented program so that the marketing program must be performed continuously based on the marketing strategies. In developing a digital marketing strategy, companies must understand how the components of a digital marketing strategy fit together and organized into a framework called Five Cs, namely, Company Strategy; Customer Experience; Content Creation; Channel Promotions; and Check-Back Analysis (Diamond, 2019). Implementation of the Five Cs can be supported using data analytics such as Google Analytics. According to Waisberg (2015), there are six processes to implement data analytics, namely, Define Goals; Build KPIs; Collect Data; Analyze Data; Test Alternatives; and Implement Insights. Kelsey (2017) states that Google Analytics is one of the best and free tools and, in some cases, exceeds the performance of the

"paid" tools. Google Analytics can be used to analyze both customer and non-customer behavior. Clifton (2015) explains that Google Analytics can connect digital activities with traditional offline marketing and existing customers. Google Analytics collects and reports data and only tells what happened and when. The explanation of the analysis hypothesis depends on who is doing the analysis and his analytical skills (Miller, 2010).

Alhlou et al. (2016) and Ledford et al. (2009) pointed out the four primary report groups to start analyzing user data. First, The Audience Reports are used to break down users based on their characteristics, including geography, technology, and behaviors such as return visits. Second, The Acquisition Reports are used to understand what is driving users to visit the website. Third, The Behavior Reports are used to understand what users did on the website (or app). Finally, The Conversions Reports are used to measure the success of the goals that have been previously set.

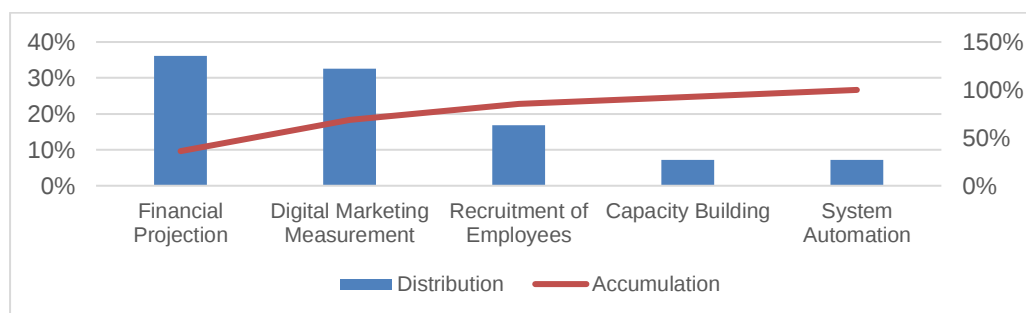
RESEARCH METHOD

This study was conducted using a mixed research method, qualitative research method combined with a case study approach. The object of the case study is one of the local MSMEs focusing on cold-pressed juice production named IT's Buah. Furthermore, the implementation of the results was carried out through a business coaching process. This study uses both primary and secondary data obtained from depth interview with the owner; observation of business processes and business models; and internal company data such as financial statement and google analytics data. The processes of this study are divided into four major steps, namely, (1) internal and external analysis of the company; (2) SWOT & TOWS and Gap analysis; (3) problem identification and problem-solving; and (4) implementation of the results.

RESULTS AND DISCUSSION

Based on the IT's Buah business process analysis, several dominant gaps are seen in **Error! Reference source not found..** The first gap and challenge are the need for company expansion to increase sales and production capacity, and to open branches in other cities. This gap will be difficult to implement in 2022 if only using retained earnings due to the need of the large number of funds. On the other hand, this strategy must also be executed fast yet prudently because many new cold-pressed juice players have emerged and potentially reduce IT's Buah market share. Meanwhile, the company's current condition does not have financial projections either as a corporate plan or a fundraising tool. Therefore, building financial projections is vital for determining the company's expansion strategy. The following dominant gap and challenge is in digital marketing activities, where the customer acquisition cost is relatively high. Even though the monthly growth was relatively consistent, sales of IT's Buah were dominated mainly by new customers. Through interviews with the owner, it found that IT's Buah has not conducted a routine analysis and evaluation of the digital marketing activities.

Figure 1. Gap Analysis of IT's Buah



Building Financial Projection

The financial projection is using the percent-of-sales method and based on several assumptions that have been discussed with the owner. The assumption of sales growth in Jakarta is 5%. The assumption of this sale is 4.9% based on economic growth projection in Indonesia (Cabinet Secretariat of the Republic of Indonesia, 2021), and the estimated growth in demand for fruit juice in Indonesia is 7.39% p.a. consistently from 2021 to 2025 (Statista, 2021a). Meanwhile, the projection of sales growth in the Surabaya and Bandung is 30% for the first three consecutive years based on the company's historical sales data in Jakarta for the first three years. The other assumptions are Cost of Goods Sold (COGS), operating expense, and other expenses tied proportionally to sales based on the company's previous financial statements. Meanwhile, the cost for the expansion is assumed IDR 4,775,000 based on discussions with the owner. Furthermore, the assumption of long-term interest and short-term interest is 8% and 10% consecutively, and corporate tax follows the prevailing taxation provisions.

The financial projections are built with three models. The first model is a projection without expansion, this model aims to provide a basic picture of the natural growth of IT's Buah and as a reference for the company in implementing future expansion readiness (see Table 1). The second model is a projection with expansion through internal funding (see **Error! Reference source not found.**), and the last is a projection with expansion through external funding (see **Error! Reference source not found.**).

Error! Reference source not found. shows that IT's Buah may expand using internal funding but can only be implemented starting in 2023. Meanwhile, **Error! Reference source not found.** shows that IT's Buah may only fund its expansion using external equity financing rather than debt financing due to a capital deficiency caused by the company's past losses. Expansion using both internal and equity-based external funding has its respective advantages and disadvantages (see **Error! Reference source not found.**). The use of this equity-based external funding has the advantage of better company liquidity ratios where the current ratio, quick ratio, and cash ratio are higher than the use of internal funding. In addition, the solvency ratios are also better than internal funding, so the risk of default is more negligible if the company uses this option. On the other hand, internal funding has better profitability ratios than external funding due to the more efficient cost of capital.

The most commonly used for MSMEs is through loans from banks. Nevertheless, the funding options for MSMEs in Indonesia are various. The Financial Services Authority (OJK) has opened new funding options for MSMEs through debt and shares issuance, such as peer-to-peer lending, securities crowdfunding, and even public offerings.

Based on OJK Regulation Number 77/POJK.01/2016 concerning Information Technology-based Lending Borrowing Services, MSMEs can borrow money from the public through a peer-to-peer lending platform registered in OJK (Financial Services Authority, 2016). However, this funding scheme is generally intended for short-term financing. Furthermore, OJK has issued a new funding scheme for MSMEs through Securities Crowdfunding (SCF) under OJK Regulation Number 57/POJK.04/2020 concerning Securities Offering Through Information Technology-Based Crowdfunding Services. This regulation allows MSMEs to raise fund to the public through shares or bonds issuance with up to IDR 10 billion of proceeds (Financial Services Authority, 2020). The last, OJK also allows Medium Enterprises to conduct IPOs using OJK Regulation Number 53/POJK.04/2017 concerning the Registration Statement in the framework of Public Offering and Increase of Capital with Pre-emptive Rights by the Issuer with Small-Scale Assets or the Issuer with Medium-Scale Assets. In this regulation, OJK defines the Small-Scale Asset Issuer as a company with total assets of up to IDR 50 billion, while the Medium Scale Asset Issuer is a company with total assets of more than IDR 50 billion to IDR 250 billion (Financial Services Authority, 2017).

Table 1. Financial Projection without Expansion

	Pro-Forma Statements of Financial Position (In Rupiah)					
	2020A	2021F	2022F	2023F	2024F	2025F
Cash and cash equivalents	243,779,328	955,501,140	1,724,732,753	2,443,402,100	3,359,716,473	4,283,373,240
Short-term investments	-	-	-	-	-	-
Trade accounts receivable	74,035,438	85,266,426	89,529,747	98,666,819	100,337,751	105,925,560
Inventories	18,647,501	30,416,899	31,937,744	32,105,536	34,711,180	36,271,675
Other current assets	28,660,082	28,660,082	28,660,082	28,660,082	28,660,082	28,660,082
Current Assets	365,122,349	1,099,844,548	1,874,860,326	2,602,834,538	3,523,425,486	4,454,230,556
Property, plant, and equipment-net	68,833,104	115,066,483	176,046,232	224,830,031	263,857,070	289,080,439
Other non-current assets	-	-	-	-	-	-
Non-current Assets	68,833,104	115,066,483	176,046,232	224,830,031	263,857,070	289,080,439
Total Assets	433,955,453	1,214,911,031	2,050,906,558	2,827,664,568	3,787,282,555	4,743,310,996
Trade accounts payable	69,409,393	264,308,112	277,523,518	230,554,444	284,673,841	291,453,990
Short-term bank loans	656,169,527	490,434,418	512,795,597	538,435,377	566,151,145	593,902,903
Other accounts payable	65,052,600	65,052,600	65,052,600	65,052,600	65,052,600	65,052,600
Current Liabilities	790,631,520	819,795,130	855,371,715	834,042,421	915,877,586	950,409,493
Long-term loans	484,468,601	450,555,799	416,642,997	382,730,195	348,817,393	314,904,591
Bond payable	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Non-current Liabilities	484,468,601	450,555,799	416,642,997	382,730,195	348,817,393	314,904,591
Total Liabilities	1,275,100,121	1,270,350,929	1,272,014,712	1,216,772,616	1,264,694,979	1,265,314,083
Capital stock	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Retained earnings	(891,144,668)	(105,439,898)	728,891,846	1,560,891,952	2,472,587,577	3,427,996,912
Total Equity	(841,144,668)	(55,439,898)	778,891,846	1,610,891,952	2,522,587,577	3,477,996,912
Total Liabilities and Equity	433,955,453	1,214,911,031	2,050,906,558	2,827,664,568	3,787,282,555	4,743,310,996

	Pro-Forma Profit and Loss Statement (In Rupiah)					
	2020A	2021F	2022F	2023F	2024F	2025F
Net Sales	3,866,939,732	5,115,930,166	5,371,726,675	5,640,313,008	5,922,328,659	6,218,445,092
Cost of Goods Sold	1,324,533,584	1,884,300,659	1,978,515,691	2,077,441,476	2,181,313,550	2,290,379,227

Gross Profit	2,542,406,148	3,231,629,508	3,393,210,983	3,562,871,532	3,741,015,109	3,928,065,864
Operating expenses	1,816,196,260	2,031,077,359	2,132,631,227	2,301,380,571	2,372,967,152	2,499,224,938
Depreciation	153,219,154	13,766,621	23,013,297	35,209,246	44,966,006	52,771,414
Expenses	1,969,415,413	2,044,843,980	2,155,644,524	2,336,589,817	2,417,933,158	2,551,996,352
Operating Profit	726,209,889	1,200,552,148	1,260,579,756	1,261,490,962	1,368,047,957	1,428,840,927
Other income (loss)	(13,253,969)	(102,318,603)	(107,434,533)	(112,806,260)	(118,446,573)	(124,368,902)
Interest expense	(82,149,428)	(90,919,738)	(83,489,140)	(82,017,899)	(80,760,840)	(79,588,261)
Earnings Before Tax	630,806,491	1,007,313,807	1,069,656,082	1,066,666,803	1,168,840,544	1,224,883,764
Taxes	-	(221,609,038)	(235,324,338)	(234,666,697)	(257,144,920)	(269,474,428)
Net Income	630,806,491	785,704,770	834,331,744	832,000,106	911,695,624	955,409,336

Table 2. Financial Projection with Internal Funding

	Pro-Forma Statements of Financial Position (In Rupiah)					
	2020A	2021F	2022F	2023F	2024F	2025F
Cash and cash equivalents	243,779,328	955,501,140	1,724,732,753	573,192,954	2,319,436,444	4,129,403,479
Short-term investments						
Trade accounts receivable	74,035,438	85,266,426	89,529,747	166,311,761	185,506,960	217,245,529
Inventories	18,647,501	30,416,899	31,937,744	81,937,744	74,855,231	90,977,498
Other current assets	28,660,082	28,660,082	28,660,082	28,660,082	28,660,082	28,660,082
Current Assets	365,122,349	1,099,844,548	1,874,860,326	850,102,541	2,608,458,717	4,466,286,588
Property, plant, and equipment - net	68,833,104	115,066,483	176,046,232	3,065,836,985	3,246,914,372	3,563,340,955
Other non-current assets	-	-	-	-	-	-
Non-current Assets	68,833,104	115,066,483	176,046,232	3,065,836,985	3,246,914,372	3,563,340,955
Total Assets	433,955,453	1,214,911,031	2,050,906,558	3,915,939,526	5,855,373,090	8,029,627,543
Trade accounts payable	69,409,393	264,308,112	277,523,518	388,620,164	526,312,163	597,750,684
Short-term bank loans	656,169,527	490,434,418	512,795,597	907,581,052	1,046,714,489	1,218,051,146
Other accounts payable	65,052,600	65,052,600	65,052,600	65,052,600	65,052,600	65,052,600
Current Liabilities	790,631,520	819,795,130	855,371,715	1,361,253,817	1,638,079,252	1,880,854,430
Long-term loans	484,468,601	450,555,799	416,642,997	382,730,195	348,817,393	314,904,591
Bond payable	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Non-current Liabilities	484,468,601	450,555,799	416,642,997	382,730,195	348,817,393	314,904,591
Total Liabilities	1,275,100,121	1,270,350,929	1,272,014,712	1,743,984,011	1,986,896,645	2,195,759,020
Capital stock	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Retained earnings	(891,144,668)	(105,439,898)	728,891,846	2,121,955,515	3,818,476,445	5,783,868,522
Total Equity	(841,144,668)	(55,439,898)	778,891,846	2,171,955,515	3,868,476,445	5,833,868,522
Total Liabilities and Equity	433,955,453	1,214,911,031	2,050,906,558	3,915,939,526	5,855,373,090	8,029,627,543

	Pro-Forma Profit and Loss Statement (In Rupiah)					
	2020A	2021F	2022F	2023F	2024F	2025F
Net Sales	3,866,939,732	5,115,930,166	5,371,726,675	9,507,252,740	10,949,350,310	12,753,573,239
Cost of Goods Sold	1,324,533,584	1,884,300,659	1,978,515,691	3,501,713,670	4,032,867,402	4,697,399,236
Gross Profit	2,542,406,148	3,231,629,508	3,393,210,983	6,005,539,070	6,916,482,908	8,056,174,003
Operating expenses	1,816,196,260	2,031,077,359	2,132,631,227	3,932,631,227	4,407,719,867	5,157,592,381
Depreciation	153,219,154	13,766,621	23,013,297	35,209,246	613,167,397	649,382,874
Expenses	1,969,415,413	2,044,843,980	2,155,644,524	3,967,840,474	5,020,887,265	5,806,975,255
Operating Profit	726,209,889	1,200,552,148	1,260,579,756	2,072,907,843	2,508,763,041	2,898,581,622

Other income (loss)	(13,253,969)	(102,318,603)	(107,434,533)	(190,145,055)	(218,987,006)	(255,071,465)
Interest expense	(82,149,428)	(90,919,738)	(83,489,140)	(96,783,726)	(114,749,201)	(123,776,725)
Earnings Before Tax	630,806,491	1,007,313,807	1,069,656,082	1,785,979,062	2,175,026,833	2,519,733,433
Taxes	-	(221,609,038)	(235,324,338)	(392,915,394)	(478,505,903)	(554,341,355)
Net Income	630,806,491	785,704,770	834,331,744	1,393,063,669	1,696,520,930	1,965,392,078

Table 3. Financial Projection with External Funding

	Pro-Forma Statements of Financial Position (In Rupiah)					
	2020A	2021F	2022F	2023F	2024F	2025F
Cash and cash equivalents	243,779,328	955,501,140	3,348,374,304	5,461,318,288	6,739,329,751	8,068,523,149
Short-term investments	-	-	-	-	-	-
Trade accounts receivable	74,035,438	85,266,426	153,979,441	186,605,244	211,057,723	250,641,519
Inventories	18,647,501	30,416,899	80,416,899	70,530,008	88,288,840	109,881,976
Other current assets	28,660,082	28,660,082	28,660,082	28,660,082	28,660,082	28,660,082
Current Assets	365,122,349	1,099,844,548	3,611,430,726	5,747,113,621	7,067,336,395	8,457,706,726
Property, plant, and equipment - net	68,833,104	115,066,483	3,017,053,187	2,497,635,595	2,792,353,259	3,199,692,065
Other non-current assets	-	-	-	-	-	-
Non-current Assets	68,833,104	115,066,483	3,017,053,187	2,497,635,595	2,792,353,259	3,199,692,065
Total Assets	433,955,453	1,214,911,031	6,628,483,913	8,244,749,216	9,859,689,655	11,657,398,791
Trade accounts payable	69,409,393	264,308,112	477,304,106	436,039,881	598,803,660	689,639,692
Short-term bank loans	656,169,527	490,434,418	881,941,272	1,018,324,755	1,190,883,492	1,405,295,619
Other accounts payable	65,052,600	65,052,600	65,052,600	65,052,600	65,052,600	65,052,600
Current Liabilities	790,631,520	819,795,130	1,424,297,979	1,519,417,235	1,854,739,752	2,159,987,911
Long-term loans	484,468,601	450,555,799	416,642,997	382,730,195	348,817,393	314,904,591
Bond payable	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Non-current Liabilities	484,468,601	450,555,799	416,642,997	382,730,195	348,817,393	314,904,591
Total Liabilities	1,275,100,121	1,270,350,929	1,840,940,976	1,902,147,430	2,203,557,145	2,474,892,501
Capital stock	50,000,000	50,000,000	3,550,000,000	3,550,000,000	3,550,000,000	3,550,000,000
Retained earnings	(891,144,668)	(105,439,898)	1,237,542,938	2,792,601,785	4,106,132,510	5,632,506,289
Total Equity	(841,144,668)	(55,439,898)	4,787,542,938	6,342,601,785	7,656,132,510	9,182,506,289
Total Liabilities and Equity	433,955,453	1,214,911,031	6,628,483,913	8,244,749,216	9,859,689,655	11,657,398,791

	Pro-Forma Profit and Loss Statement (In Rupiah)					
	2020A	2021F	2022F	2023F	2024F	2025F
Net Sales	3,866,939,732	5,115,930,166	9,238,666,407	10,667,334,660	12,457,456,806	14,714,111,683
Cost of Goods Sold	1,324,533,584	1,884,300,659	3,402,787,886	3,928,995,329	4,588,333,558	5,419,505,238
Gross Profit	2,542,406,148	3,231,629,508	5,835,878,521	6,738,339,331	7,869,123,248	9,294,606,445
Operating expenses	1,816,196,260	2,031,077,359	3,831,077,359	4,415,348,148	5,089,294,475	6,067,734,575
Depreciation	153,219,154	13,766,621	23,013,297	603,410,637	499,527,119	558,470,652
Expenses	1,969,415,413	2,044,843,980	3,854,090,656	5,018,758,786	5,588,821,593	6,626,205,227
Operating Profit	726,209,889	1,200,552,148	2,004,801,162	2,322,991,183	2,779,828,773	3,226,871,870
Other income (loss)	(13,253,969)	(102,318,603)	(184,773,328)	(213,346,693)	(249,149,136)	(294,282,234)
Interest expense	(82,149,428)	(90,919,738)	(98,254,967)	(115,979,301)	(124,945,709)	(137,033,264)
Earnings Before Tax	630,806,491	1,007,313,807	1,721,772,866	1,993,665,189	2,405,733,928	2,795,556,372
Taxes	-	(221,609,038)	(378,790,031)	(438,606,342)	(529,261,464)	(615,022,402)
Net Income	630,806,491	785,704,770	1,342,982,835	1,555,058,848	1,876,472,464	2,180,533,970

Table 4. Financial Ratios

Liquidity Ratios	Scenarios	Years					
		2020	2021F	2022F	2023F	2024F	2025F
Current Ratio	Without Expansion	0.5x	1.3x	2.2x	3.1x	3.8x	4.7x
	Internal Funding	0.5x	1.3x	2.2x	0.6x	1.6x	2.4x
	External Funding	0.5x	1.3x	2.5x	3.8x	3.8x	3.9x
Quick Ratio	Without Expansion	0.4x	1.3x	2.1x	3.0x	3.8x	4.6x
	Internal Funding	0.4x	1.3x	2.1x	0.5x	1.5x	2.3x
	External Funding	0.4x	1.3x	2.5x	3.7x	3.7x	3.9x
Cash Ratio	Without Expansion	0.3x	1.2x	2.0x	2.9x	3.7x	4.5x
	Internal Funding	0.3x	1.2x	2.0x	0.4x	1.4x	2.2x
	External Funding	0.3x	1.2x	2.4x	3.6x	3.6x	3.7x
Profitability Ratios	Scenarios	Years					
		2020	2021F	2022F	2023F	2024F	2025F
Operating Profit Margin	Without Expansion	19%	23.47%	23.47%	22.37%	23.10%	22.98%
	Internal Funding	19%	23.47%	23.47%	21.80%	22.91%	22.73%
	External Funding	19%	23.47%	21.70%	21.78%	22.31%	21.93%
Net Profit Margin	Without Expansion	16%	15.36%	15.53%	14.75%	15.39%	15.36%
	Internal Funding	16%	15.36%	15.53%	14.65%	15.49%	15.41%
	External Funding	16%	15.36%	14.54%	14.58%	15.06%	14.82%
Return on Equity	Without Expansion	-52%	-175.27%	230.65%	69.63%	44.11%	31.84%
	Internal Funding	-52%	-175.27%	230.65%	94.42%	56.17%	40.51%
	External Funding	-52%	-175%	57%	28%	27%	26%
Return on Asset	Without Expansion	164%	95%	51%	34%	28%	22%
	Internal Funding	164%	95%	51%	47%	35%	28%
	External Funding	164%	95%	34%	21%	21%	20%
Solvency Ratios	Scenarios	Years					
		2020	2021F	2022F	2023F	2024F	2025F
Debt/Equity	Without Expansion	-152%	-2291%	163%	76%	50%	36%
	Internal Funding	-152%	-2291%	163%	80%	51%	38%
	External Funding	-152%	-2291%	38%	30%	29%	27%
Debt/Total Asset	Without Expansion	294%	105%	62%	43%	33%	27%
	Internal Funding	294%	105%	62%	45%	34%	27%
	External Funding	294%	105%	28%	23%	22%	21%
Interest Coverage Ratio	Without Expansion	884%	1320%	1510%	1538%	1694%	1795%
	Internal Funding	884%	1320%	1510%	2142%	2186%	2342%
	External Funding	884%	1320%	2040%	2003%	2225%	2355%

Based on the preceding, equity-based external funding is ideal considering that the expansion is targeted in 2022. IT's Buah can utilize Securities Crowdfunding (SCF) platform registered in The Financial Services Authority (OJK) to fund the need by selling its shares. Through this SCF platform, IT's Buah or other MSMEs can raise funds to IDR10 billion by offering shares or other securities such as Bonds or Sukuk to the public.

Measuring Digital Marketing

Digital marketing measurement activities are essential for IT's Buah considering that most cold-pressed juices are sold online through the company's website. However, data analysis on the company's website has not been conducted. The digital marketing measurement of this study uses traffic data from user activities on the website, www.itsbuah.com, which have been recorded through Google Analytics ranging from February to March 2021.

Based on data in the analysis period, it can be seen that company website visitors have decreased 21.4% in March 2021 compared to February 2021 (See Figure 2). Audience overview on Google analytics shows that the company's website visitors are currently still dominated by new visitors, amounting to more than 85% of the total visitors. The vast majority of visitors are female, dominating more than 75% of the total visitors. Meanwhile, in terms of age, most visitors were in the age range of 25-34 years, followed by visitors with an age range of 35-44 years and 18-24 years. Most of the visitors currently are from Jakarta, counted of 56.34% of the total visitors. Furthermore, In-Market Segments and Affinity Categories show the interests of the majority of users (See Table 5). From the geographic distribution and visitor interest data, owners can run more targeted ad content by customizing it according to user interests or regions, given that the company plans to penetrate Bandung and Surabaya markets.

Figure 2. Audience Overview

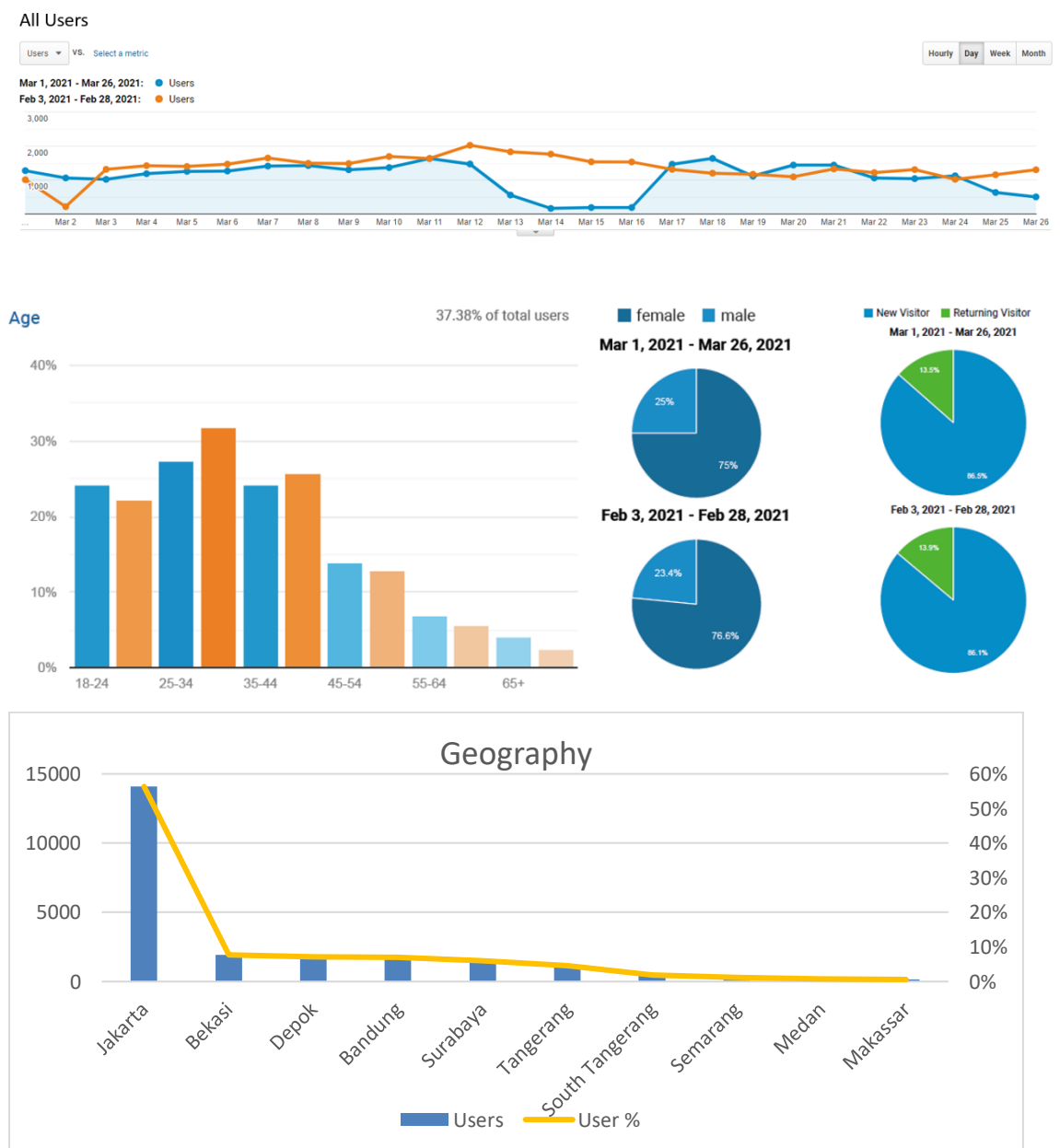


Table 5. In-Market Segment & Affinity Categories

In-Market Segment	User %	Avg. Session Duration	Affinity Categories (reach)	Users %	Avg. Session Duration
Gifts & Occasions/Wedding Planning	6.07%	34.56 s	Food & Dining/Cooking Enthusiasts/30 Minute Chefs*	5.50%	38.22 s
Education/Primary & Secondary Schools (K-12)	4.23%	28.89 s	Beauty & Wellness/Beauty Mavens	4.11%	37.1 s
Real Estate/Residential Properties	3.56%	29.33 s	Shoppers/Value Shoppers*	3.91%	39.19 s
Gifts & Occasions/Holiday Items & Decorations*	3.43%	40.46 s	Lifestyles & Hobbies/Fashionistas	3.83%	38.09 s
Apparel & Accessories/Women's Apparel	3.10%	36.52 s	Media & Entertainment/TV Lovers	3.62%	32.4 s
Autos & Vehicles/Motor Vehicles*	2.48%	42.12 s	Lifestyles & Hobbies/Pet Lovers	3.49%	30.41 s
Financial Services/Banking Services	2.48%	36.9 s	Lifestyles & Hobbies/Family-Focused	3.40%	34.02 s
Travel/Trips by Destination/Trips to Asia-Pacific/Trips to Indonesia*	2.45%	40.48 s	Media & Entertainment/Movie Lovers	3.29%	37.89 s
Education/Test Preparation & Tutoring	2.05%	27.38 s	Shoppers/Bargain Hunters	3.08%	33.38 s
Beauty & Personal Care	1.92%	33.1 s	News & Politics/Avid News Readers	2.95%	34.58 s
Travel/Hotels & Accommodations*	1.81%	49.36 s	Home & Garden/Home Decor Enthusiasts	2.90%	35.67 s
Education/Post-Secondary Education	1.80%	28.99 s	Beauty & Wellness/Frequently Visits Salons*	2.84%	46.53 s
Financial Services/Investment Services	1.76%	34.46 s	Food & Dining/Fast Food Cravers	2.51%	32.03 s
Travel/Air Travel	1.73%	31.14 s	Lifestyles & Hobbies/Green Living Enthusiasts*	2.43%	39.18 s
Beauty & Personal Care/Makeup & Cosmetics	1.68%	39.27 s	Shoppers/Luxury Shoppers	2.41%	33.01 s
Employment/Resumes & Portfolios	1.68%	34.52 s	Shoppers/Shoppers by Store Type/Department Store Shoppers	2.33%	38.02 s
Beauty & Personal Care/Skin Care Products	1.64%	34.61 s	Media & Entertainment/Book Lovers	2.26%	33.38 s
Beauty & Personal Care/Hair Care Products*	1.42%	42.7 s	Travel/Travel Buffs*	2.20%	49.42 s
Home & Garden/Home Decor*	1.42%	47.88 s	Food & Dining/Foodies	2.20%	34.86 s
Home & Garden/Home & Garden Services/Interior Design & Decorating Services*	1.40%	46.21 s	Sports & Fitness/Sports Fans*	2.07%	39.07 s
Total	48.12%	41.48 s	Total	61.34%	37.49 s

Note. *Categories have more potential for advertising targets due to the longer session duration.

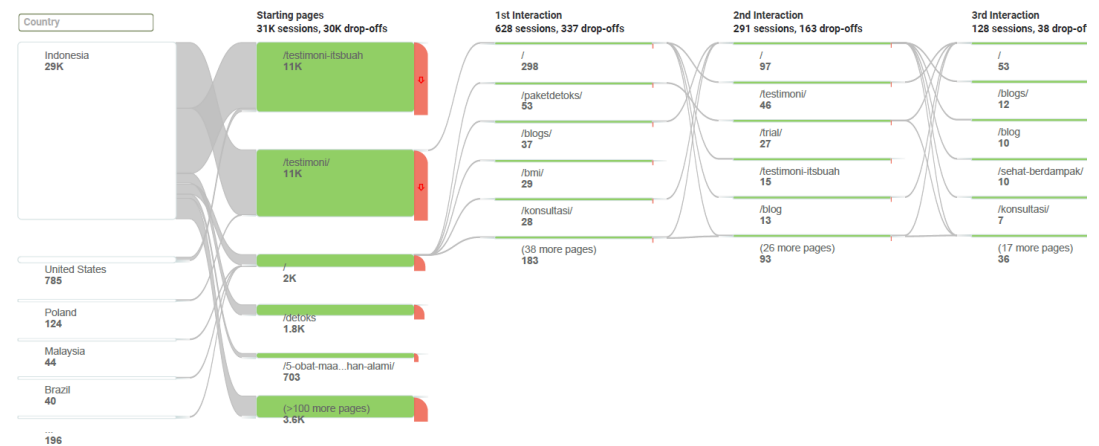
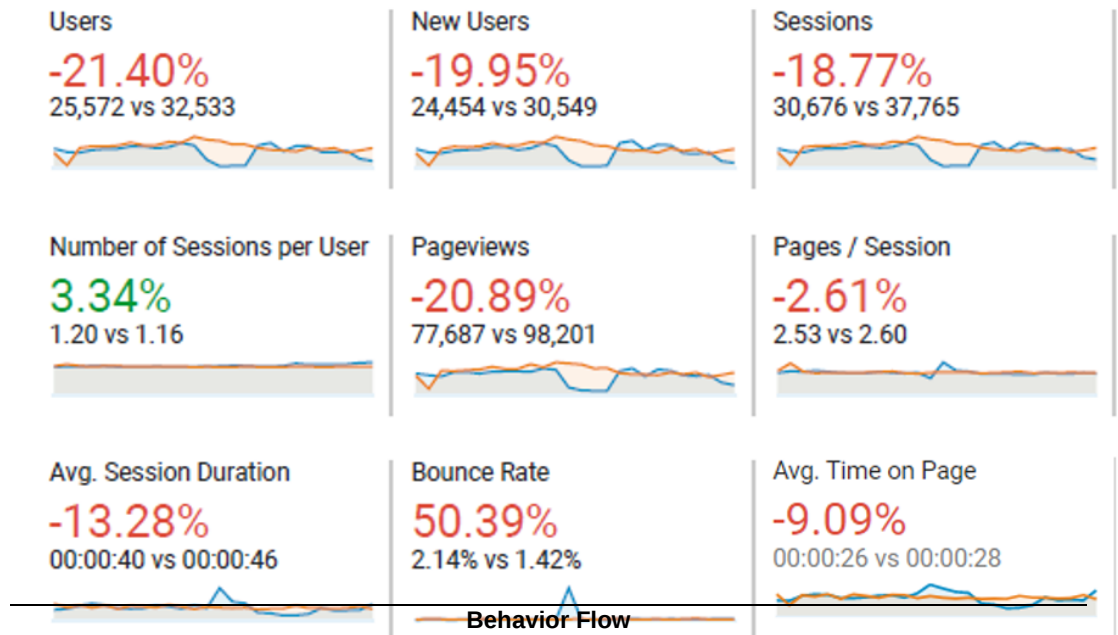
Acquisition on Google Analytics shows that social media is the largest user acquisition channel, especially Facebook and Instagram (see Table 6). Even though this traffic is generated mainly from advertisements, social media still play an essential role in maintaining good relations between customers and the company (Arianty & Julita, 2019). Table 6 shows that Facebook and Instagram generate traffic as much as 33.5% and 10% of the total traffic. In addition, the "display" row containing Google display ads contributed significant traffic to the website amounting to 33.14% of the total traffic. However, these categories depend on the amount of the advertising budget. Apart from ads, Organic Search performed exceptionally well by generating more than 11% of the total users during March 2021. Based on these data, owners can analyze more deeply to see the effectiveness of each channel. Thus, the owner can determine strategies in digital marketing activities and determine what channels can bring the most but quality visitors.

Table 6. Acquisition Channels

Default Channel Grouping	Acquisition				Behavior		Conversion		
	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Conversion Rate	Transaction	Revenue
(Other)	9770	8805	10895	2.88%	2.46	48.83	0%	0	IDR0
facebook	5620	4771	6192	2.41%	2.32	40.49	0%	0	IDR0
ig	2031	1927	2087	3.55%	2.37	52.17	0%	0	IDR0
fb	1860	1761	1944	4.06%	2.36	43.67	0%	0	IDR0
whatsapp	121	92	264	0.38%	5.47	200.81	0%	0	IDR0
belanjabio	79	70	96	6.25%	4.08	112.11	0%	0	IDR0
Display	8652	8683	11096	1.78%	2.38	22.15	0%	0	IDR0
google	8649	8681	11093	1.78%	2.38	22.12	0%	0	IDR0
Organic Search	2980	2870	3429	0.29%	3.10	52.95	0%	0	IDR0
Referral	1899	1753	2060	2.38%	2.50	37.65	0%	0	IDR0
yofit.id	1870	1737	1956	2.51%	2.36	27.10	0%	0	IDR0
itb.orderonline.id	7	0	15	0.00%	3.40	15.47	0%	0	IDR0
id.search.yahoo.com	6	6	6	0.00%	2.33	0.00	0%	0	IDR0
googleadservices.com	3	1	18	0.00%	7.78	240.44	0%	0	IDR0
app.orderonline.id	2	0	10	0.00%	2.70	343.00	0%	0	IDR0
Social	1770	1388	1869	4.01%	2.38	41.95	0%	0	IDR0
Facebook	1270	961	1340	4.33%	2.23	34.07	0%	0	IDR0
Instagram Stories	483	411	493	3.45%	2.41	44.31	0%	0	IDR0
LinkedIn	13	13	13	0.00%	4.62	10.38	0%	0	IDR0
Instagram	3	3	3	0.00%	3.00	257.00	0%	0	IDR0
YouTube	1	0	20	0.00%	10.65	500.15	0%	0	IDR0
Direct	1024	954	1315	0.84%	3.21	74.90	0%	0	IDR0
Paid Search	10	5	12	0.00%	2.50	154.75	0%	0	IDR0
Total	26105	24458	30676	2.14%	2.53	39.63	0%	0	IDR0

Based on behavior data from Google Analytics, it can be seen that there is a setback in almost all visitor activity except the Number of Sessions per User which has slightly increased (see Figure 3). It indicates that users who visited the website several times experienced an increase. In addition, the role of social media is quite dominant in website traffic, so that the decline in visitor activities in March was also influenced by social media advertising. Furthermore, the behavior flow report shows that the homepage of IT's Buah website has better performance than the testimonial page, with a much lower drop-off rate. However, at this time, almost all ads are still directed to the testimonial page. Overall, the average duration per session in March is 40 seconds. This session duration is still low compared to the average session in retail e-commerce, according to research by Wolfgang Digital (2020), which is 2 minutes 57 seconds. Meanwhile, conversion data is not recorded on Google Analytics because all transactions use third-party platforms and are carried out outside the website.

Figure 3. User Behavior



Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Avg. Session Duration	% Exit
/testimoni/	25728	11093	15.41	11081	21	42.74%
homepage/	3330	1013	40.12	786	190	22.85%
Total	77687	32330	25.77	30606	39.63	39.40%

Based on the data analysis above, there are several suggestions for improvements such as (1) most ads should be directed to the homepage so that users can explore more page contents; (2) creating landing page ads with various information tailored to user interests; (3) all transactions should be performed inside the website so that the data can be appropriately recorded on Google Analytics; (4) Adjustment of the ad portion allocation considering that visitor engagement from Instagram has better performance; and (5) directing users who read content on IT's Buah social media to the website to improve SEO performance and increase conversion rates, given a better engagement rate from social media channels. Nevertheless, the company still needs to perform analysis periodically to obtain broader insight into users' activities and corrective actions.

CONCLUSIONS

Financial projections and digital marketing measurements play a vital role in planning a company's expansion strategies. Measuring and evaluating digital marketing activities can help a company determine a strategy and increase the effectiveness of digital marketing activities. Measuring and evaluating digital marketing activities also aim to improve company performance, especially for a company whose sales activities are dominated by online sales. Furthermore, the company's performance can be used as a foundation for building financial projections and convincing investors to make investment decisions.

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