Financial Planning Linen Rental Laundry with RFID Technology in PT. Think Clean Laundry

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Abstract

This research uses qualitative methods. Qualitative methods are scientific approaches aimed at understanding the meaning, interpretation, and context of the phenomena being studied. This approach emphasizes in-depth descriptions, understanding, and analysis that focus on qualitative rather than quantitative aspects. The capital planning of PT. Think Clean Laundry is sourced from 70% company founders, 20% from investors, and 10% from bank loans. Revenue planning for the first year is set at IDR 3,987,000,000, with the Break-Even Point achieved in the first year and the Payback Period in 2 years and 5 months. The result of NPV > 0 indicates that the investment made provides benefits to the company, allowing the project to be carried out. According to the five-year ROI calculation at PT. Think Clean Laundry, the effectiveness of the investment in generating profits relative to the costs incurred was realized in the first year. This indicates that PT. Think Clean Laundry achieved significant profits and is able to continue its investment in the following years. Financial planning to ensure the success of the Linen Rental Laundry business using RFID technology at PT. Think Clean Laundry plays a crucial role in managing the company's financial statements.

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Abstrak

Penelitian ini menggunakan metode kualitatif. Metode kualitatif merupakan pendekatan ilmiah yang bertujuan untuk memahami makna, interpretasi, dan konteks fenomena yang diteliti. Pendekatan ini menekankan pada deskripsi, pemahaman, dan analisis mendalam yang berfokus pada aspek kualitatif daripada kuantitatif. Perencanaan modal PT. Think Clean Laundry bersumber dari 70% pendiri perusahaan, 20% dari investor, dan 10% dari pinjaman bank. Perencanaan pendapatan pada tahun pertama ditetapkan sebesar Rp 3.987.000.000, dengan Break Even Point dicapai pada tahun pertama dan Payback Period dalam 2 tahun 5 bulan. Hasil NPV > 0 menunjukkan bahwa investasi yang dilakukan memberikan keuntungan bagi perusahaan, sehingga proyek dapat dilaksanakan. Berdasarkan perhitungan ROI lima tahun pada PT. Think Clean Laundry, efektivitas investasi dalam menghasilkan laba relatif terhadap biaya yang dikeluarkan telah terealisasi pada tahun pertama. Hal ini menunjukkan bahwa PT. Think Clean Laundry memperoleh laba yang signifikan dan mampu melanjutkan investasinya pada tahun-tahun berikutnya. Perencanaan keuangan untuk menjamin keberhasilan usaha Linen Rental Laundry dengan menggunakan teknologi RFID pada PT. Think Clean Laundry memegang peranan penting dalam mengelola laporan keuangan perusahaan.

I. INTRODUCTION

Revenue planning is the process of determining estimated income that needs to be achieved in the future, which can be made monthly, quarterly, or annually (Rohmansyah et al., 2023). Financial management at PT. Think Clean Laundry includes elements designed to optimize the utilization of the company's financial resources. Careful budgeting of financial resources and operational costs is a critical aspect of their financial planning strategy (Kuroki & Motokawa, 2021). The budget also addresses questions about how PT. Think Clean Laundry can invest revenue more efficiently to achieve long-term goals. Cost control, such as wages and rent, which are not part of direct costs, have a direct impact on net profits and taxable income. The initial step in financial planning involves planning revenue, investment policies, the company's expenses and operational costs, capital needs, and operational financing (Mielcarz et al., 2018). This financial planning will build the foundation of the company's financial strength, allowing the goal of achieving steadily growing profits to be realized. The right strategy can advance business growth and increase yearly profits (Giovannie et al., 2023). Marketing activities are divided into three, namely short-term goals (0-2 years), medium-term goals (2-5 years), and long-term goals (over 5 years). In line with PT. Think Clean Laundry's vision to become the leading innovative laundry and linen rental provider in the industry by empowering reliable employees, optimizing facilities, and connecting linen to create a clean, efficient, and high-quality environment.

Table 1. Financial Goals and Objectives

Short-Term Goals and Objectives (0-2 years)		
No.	**Goals**	**Objectives**
1.	Availability of working capital to start operating the company	Preparing the entire capital structure, consisting of 70% from the company founders, 20% from investors, and 10% from debt
2.	Well-planned financial budget	Creating OPEX and CAPEX planning
3.	Monitoring net income to measure the company's financial performance	Preparing complete and transparent financial reports
4.	Achieving Break-Even Point (BEP) in the first year	Budget planning related to income and expenses
Medium-Term Goals and Objectives (2-5 years)		
No.	Goals	Objectives
1.	Addition of assets to improve service quality	Preparing capital for the addition of 1 operational vehicle and 2 drop points
2.	Reviewing OPEX and CAPEX planning	Ensuring the budget aligns with the predetermined budget
3.	Ensuring smooth cash flow to meet all obligations and expenses of the company	Monitoring operational expenses in accordance with the initially established budget
4.	Achieving Payback Period in the third year (2 years and 5 months)	Strategic planning to increase revenue from other income sources
Long-Term Goals and Objectives (>5 years)		
No.	Goals	Objectives
1.	Preparing business development to acquire new sources of income	Preparing capital and budget planning for the preparation and opening of a new branch
2.	Managing the budget effectively according to the budget plan	It is important to give serious attention to cost management and improving operational efficiency to avoid losses
3.	Creating OPEX and CAPEX planning for the new branch	Creating strategies to increase revenue sustainably
4.	Evaluating and monitoring all financial activities to minimize the risk of losses	Enhancing the company's value through consistent improvements in revenue, profits, and operational efficiency

II. METHOD

This research adopts qualitative methods. Qualitative methods are scientific approaches aimed at understanding the meaning, interpretation, and context of the phenomena under study. This approach emphasizes in-depth descriptions, understanding, and analysis that focus on qualitative rather than quantitative aspects.

1. Revenue Planning

   Revenue planning is the process of determining the estimated income that needs to be achieved in the future, which can be created on a monthly, quarterly, or annual basis (Rohmansyah et al., 2023). The marketing projections for laundry services and linen rental over a period of 5 (five) years estimate sales divided into two categories: laundry services and linen rental. Both are based on several factors, including target markets, limitations, and market growth. The estimated volume of laundry services and linen rental can be obtained from the analysis and forecasting of market needs. The estimated revenue from laundry services and linen rental over five years is as follows:

Scenario				5%			5%			10%			15%		
Description	1st Year			2nd Year			3rd Year			4th Year			5th Year		
	Price	Total (kg)	Total 1st Year	Price	Total (kg)	Total 2nd Year	Price	Total (kg)	Total 3rd Year	Price	Total (kg)	Total 4th Year	Price	Total (kg)	Total 5th Year
Linen Rental	11.000	297.000	3.267.000.000	11.000	374.220	4.116.420.000	12.000	392.931	4.715.172.000	12.000	432.224	5.186.689.200	13.000	497.058	6.461.750.295
Laundry Services	8.000	90.000	720.000.000	8.000	113.400	907.200.000	8.500	119.070	1.012.095.000	8.500	130.977	1.113.304.500	9.000	150.624	1.355.611.950
Linen Thrift	-	-	-	-	-	-	10.000	919	9.190.000	10.000	1.010	10.100.000	10.000	1.162	11.620.000
Total		**387.000**	**3.987.000.000**		**487.620**	**5.023.620.000**		**512.920**	**5.736.457.000**		**564.211**	**6.310.093.700**		**648.843**	**7.828.982.245**

2. Capital Requirements Planning

   Capital Requirements Planning involves the planning of the company's funding sources at the outset, which includes capital contributions from shareholders originating from the founders or initiators of the company, investors, and bank loans. The capital structure and shareholders' contributions come from the company's founders, investors, and bank loans, as follows: (Zulham 14%, Zamzam 14%, Kastauli 14%, Wenny 14%, Theresia 14%, Investors 20%, and bank loans 10%).

3. Financing Planning

   The cost planning of PT. Think Clean Laundry includes projections for the Marketing Expense Budget (Sales Budget and Sales Promotion), Pre-operating Costs, Asset Costs, Operational Costs, and Raw Material Costs. Additionally, it also includes information about the Human Resource Cost Budget. Risk Management Costs are also a factor in cost planning (Gold et al., 2022). The increase in operational costs each year is considered by taking inflation into account and is adjusted according to the plans for developing Human Resources, marketing, and production operations.

Cost Components		0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
Marketing Costs								
	Digital Marketing		49.500.000	50.762.500	58.138.000	60.235.000	62.510.000	**281.145.500**
	Sales Canvasing	18.000.000	71.500.000	133.700.000	117.757.000	194.539.500	175.199.000	**710.695.500**
Operational Costs								
	Pre-Operational	2.715.000.000						**2.715.000.000**
	Asset Cost	1.706.640.000	10.200.000	47.424.000	433.198.000	93.990.000	120.257.000	**2.411.709.000**
	Operational Costs		443.600.000	500.760.000	603.360.000	641.120.000	724.930.000	**2.913.770.000**
	Raw Material Cost	132.287.400	298.391.100	330.915.060	345.834.615	360.754.170	375.673.725	**1.843.856.070**
Human Capital Cost								
	Man Power		1.193.591.964	1.219.991.964	1.520.316.588	1.809.910.056	2.164.834.680	**7.908.645.252**
	Other Componens		162.925.010	242.868.934	334.586.952	458.669.088	667.137.360	**1.866.187.345**
Risk Management Costs			589.970.660	764.079.379	861.295.084	998.376.524	1.141.331.322	**4.355.052.968**
TOTAL		**4.571.927.400**	**2.819.678.734**	**3.290.501.836**	**4.274.486.239**	**4.617.594.338**	**5.431.873.087**	**25.006.061.635**

   If we look at the table above, the financing plan for PT. Think Clean Laundry is the sum of the Total for Year 0 and Year 1, amounting to IDR 7,378,806,134.

4. Cost of Goods Sold (COGS)

   The calculation of the cost of goods sold for laundry services and linen rental over 5 (five) years is as follows:

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Material Cost					
Laundry Disinfectant	44.400.000	49.617.000	51.837.000	54.057.000	56.277.000
Bleaching	11.160.000	12.601.500	13.159.500	13.717.500	14.275.500
Blood Stain Remover	17.760.000	20.313.000	21.201.000	22.089.000	22.977.000
Neutralizer / Sour	26.640.000	30.081.000	31.413.000	32.745.000	34.077.000
White Linen	151.559.100	166.724.460	174.302.415	181.880.370	189.458.325
Green Linen	24.192.000	26.620.650	27.830.250	29.039.850	30.249.450
Colored Linen	22.680.000	24.957.450	26.091.450	27.225.450	28.359.450
Direct Labour	501.049.248	510.649.248	650.311.560	872.705.028	1.182.029.652
Overhead					
Building Maintenance	48.000.000	52.800.000	57.600.000	62.400.000	67.200.000
Machine Maintenance	60.000.000	63.000.000	66.150.000	69.457.500	72.930.375
Electricity & Water	162.000.000	178.200.000	196.440.000	212.640.000	228.840.000
Total Production Cost	1.069.440.348	1.135.564.308	1.316.336.175	1.577.956.698	1.926.673.752
Service Capacity Year	387.000 Kg	487.620 Kg	512.920 Kg	564.211 Kg	648.843 Kg
Production Cost Service	2.763	2.329	2.566	2.797	2.969
Service Price Kg	11.000	11.000	12.000	12.000	13.000
Margin %	298%	372%	368%	329%	338%

a) Projected Income Statement

The Income Statement is used to view the projected profit and loss of the company each year by comparing revenue with expenses.

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Gross Operating Revenue	3.987.000.000	5.023.620.000	5.736.457.000	6.310.093.700	7.828.982.245
Material Cost - Linen	198.431.100	218.302.560	228.224.115	238.145.670	248.067.225
Material Cost - Chemical	99.960.000	112.612.500	117.610.500	122.608.500	127.606.500
Total Material Cost	298.391.100	330.915.060	345.834.615	360.754.170	375.673.725
Gross Profit	3.688.608.900	4.692.704.940	5.390.622.385	5.949.339.530	7.453.308.520
% Gross Profit	93%	93%	94%	94%	95%
Salary and Employee Benefit	1.356.516.974	1.462.860.898	1.854.903.540	2.268.579.144	2.831.972.040
% to GOR	34%	29%	32%	36%	36%
Repair & Maintenance	108.000.000	115.800.000	147.600.000	152.400.000	187.200.000
% to GOR	3%	2%	3%	2%	2%
Other Operational Expense	335.600.000	384.960.000	455.760.000	488.720.000	537.730.000
% to GOR	8%	8%	8%	8%	7%
Marketing Expense	122.000.000	185.562.500	177.895.000	254.774.500	237.709.000
% to GOR	3%	4%	3%	4%	3%
Total Operating Expense	1.922.116.974	2.149.183.398	2.636.158.540	3.164.473.644	3.794.611.040
EBITDA	1.766.491.926	2.543.521.542	2.754.463.845	2.784.865.886	3.658.697.480
% EBITDA	44%	51%	48%	44%	47%
Depreciation & Amortization	767.635.000	779.491.000	887.790.500	911.288.000	513.092.250
EBT	998.856.926	1.764.030.542	1.866.673.345	1.873.577.886	3.145.605.230
% EBT	25%	35%	33%	30%	40%
Tax - Estimated	219.748.524	388.086.719	410.668.136	412.187.135	692.033.151
Earning After Tax (EAT)	779.108.402	1.375.943.823	1.456.005.209	1.461.390.751	2.453.572.079
% EAT	20%	27%	25%	23%	31%

b) Projected Balance Sheet

The balance sheet is a financial statement that provides a snapshot of a company's assets, liabilities, and equity at a specific point in time.

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Assets					
Cash and Cash Equivalent	3.990.330.245	6.220.877.023	7.411.296.126	8.934.884.492	10.977.712.331
Account Receivable	473.583.394	425.307.852	697.428.887	1.048.315.641	1.254.586.508
Inventory - Estimated 20%	19.992.000	22.522.500	12.680.827	24.521.700	25.521.300
Total Current Asset	4.483.905.639	6.668.707.375	8.121.405.840	10.007.721.833	12.257.820.139
Fixed Asset					
Fixed Asset	4.421.640.000	4.469.064.000	4.902.262.000	4.996.252.000	5.116.509.000
Accumulation Depreciation	(767.635.000)	(1.547.126.000)	(2.434.916.500)	(3.346.204.500)	(3.859.296.750)
Total Fixed Asset	3.654.005.000	2.921.938.000	2.467.345.500	1.650.047.500	1.262.712.250
Total Assets	8.137.910.639	9.590.645.375	10.588.751.340	11.657.769.333	13.520.532.389
Liabilities					
Current Liability	314.623.918	66.603.595	99.905.393	199.810.785	299.716.178
Long Term Liability	-	600.000.000	400.000.000	200.000.000	-
Total Liabilities	314.623.918	666.603.595	499.905.393	399.810.785	299.716.178
Equity					
Common Stocks	7.200.000.000	7.200.000.000	7.200.000.000	7.200.000.000	7.200.000.000
Retained Earning	623.286.722	1.724.041.780	2.888.845.947	4.057.958.548	6.020.816.212
Total Equity	7.823.286.722	8.924.041.780	10.088.845.947	11.257.958.548	13.220.816.212
Total Liabilities & Equity	8.137.910.640	9.590.645.375	10.588.751.340	11.657.769.333	13.520.532.389

c) Dividend

Dividends are a portion of the company's profits that are distributed to shareholders. PT. Think Clean Laundry can distribute profits to shareholders in the first year. The amount distributed in the first year is IDR 155,821,680, which is allocated to shareholders, investors, and Corporate Social Responsibility (CSR).

	1st Year	2nd Year	3rd Year	4th Year	5th Year
EAT	779.108.402	1.375.943.823	1.456.005.209	1.461.390.751	2.453.572.079
% Devidend	20%	20%	20%	20%	20%
Dividends Distributed	**155.821.680**	**275.188.765**	**291.201.042**	**292.278.150**	**490.714.416**
ZULHAM 14%	21.815.035	38.526.427	40.768.146	40.918.941	68.700.018
ZAMZAMI 14%	21.815.035	38.526.427	40.768.146	40.918.941	68.700.018
KASTAULI 14%	21.815.035	38.526.427	40.768.146	40.918.941	68.700.018
WENNY 14%	21.815.035	38.526.427	40.768.146	40.918.941	68.700.018
THERESIA 14%	21.815.035	38.526.427	40.768.146	40.918.941	68.700.018
INVESTOR 20%	31.164.336	55.037.753	58.240.208	58.455.630	98.142.883
CSR 10%	15.582.168	27.518.876	29.120.104	29.227.815	49.071.442
Retained Earning					
EAT	779.108.402	1.375.943.823	1.456.005.209	1.461.390.751	2.453.572.079
Devidend	(155.821.680)	(275.188.765)	(291.201.042)	(292.278.150)	(490.714.416)
Retained Earning	623.286.722	1.100.755.058	1.164.804.167	1.169.112.601	1.962.857.664
Accumulation	**623.286.722**	**1.724.041.780**	**2.888.845.947**	**4.057.958.548**	**6.020.816.212**

d) Projected Cash Flow

Projected Cash Flow is a financial statement that estimates the future cash inflows and outflows of a business over a specific period, typically monthly, quarterly, or annually.

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Cash Flow From Operating Activities					
Cash From Sales	3.588.300.000	4.521.258.000	5.162.811.300	5.679.084.330	7.046.084.021
% Colectibility	90%	90%	90%	90%	90%
Cash In From Operating Activities	3.588.300.000	4.521.258.000	5.162.811.300	5.679.084.330	7.046.084.021
Cash Used to Purchase Material	-298.391.100	-330.915.060	-345.834.615	-360.754.170	-375.673.725
Cash Used to Salaries & Employee Benefit	-1.356.516.974	-1.462.860.898	-1.854.903.540	-2.268.579.144	-2.831.972.040
Cash Used to Operational Expense	-443.600.000	-500.760.000	-603.360.000	-641.120.000	-724.930.000
Cash Used to Marketing Expense	-122.000.000	-185.562.500	-177.895.000	-254.774.500	-237.709.000
Cash Out From Operating Activities	-2.220.508.074	-2.480.098.458	-2.981.993.155	-3.525.227.814	-4.170.284.765
Cash Flow From Investing Activities					
Purchase of Machines	-1.706.640.000	-47.424.000	-433.198.000	-93.990.000	-120.257.000
Purchase of Building	-2.715.000.000				
Cash Out From Investing Activies	-4.421.640.000	-47.424.000	-433.198.000	-93.990.000	-120.257.000
Cash Flow From Financing Activities					
Cash From Investor	7.200.000.000				
Cash From Financing (Bank Loan)		800.000.000			
Deviden	-155.821.680	-275.188.765	-291.201.042	-292.278.150	-490.714.416
Installment Bank Loan		-200.000.000	-200.000.000	-200.000.000	-200.000.000
Interest Bank Loan		-88.000.000	-66.000.000	-44.000.000	-22.000.000
Cash In From Financing Activies	7.044.178.320	236.811.235	-557.201.042	-536.278.150	-712.714.416
Balance at The Beginning of The Year	-	3.990.330.245	6.220.877.023	7.411.296.126	8.934.884.492
Cash at The End of The Year	3.990.330.245	6.220.877.023	7.411.296.126	8.934.884.492	10.977.712.331

5. Investment Feasibility Analysis

Investment is necessary to support operational activities and facilitate progress (El Khair et al., 2024). Investment planning becomes crucial given the significant amount of funds expended for investment, while the return on investment cannot be obtained in a short period. PT. Think Clean Laundry needs to be patient to recover the invested funds. Investment decisions involve projections of potential future profits. Investment feasibility analysis is conducted through the Internal Net Present Value (NPV) approach, Payback Period, and Rate of Return.

FINANCIAL INDICATOR		
Discount Rate	14,2%	%
Break Even Point	1	Year
Payback Period	3	Year (2 Years 5 Months)
IRR	27,4%	%
NPV	3.090.751.216	IDR
ROI	69,9%	%

a) Weighted Average Cost of Capital (WACC)

Weighted Average Cost of Capital (WACC) is a financial metric that calculates a company's average cost of capital from all sources, including equity, debt, and other forms of financing. WACC is important because it represents the minimum return that a company must earn on its investments to satisfy its stakeholders, including shareholders and debt holders.

CAPITAL SOURCE	SUM	COMPOSITION	AFTER-TAX CAPITAL COST	WEIGHTED AVERAGE
OWN CAPITAL	5.174.124.294	70%	15,0%	10,5%
NEW SHARE ISSUANCE	1.478.321.227	20%	15,3%	3,1%
DEBT	739.160.613	10%	5,93%	0,6%
TOTAL	7.391.606.134	100%		14,2%

TAX RATE	25%
EQUITY FEE (DIVIDEND)	20%
DEBT COSTS (CORPORATE LOAN INTEREST)	7,90%
EMISSION COST (Estimated)	2%

b) Break Even Point (BEP)

Break Even Point (BEP) is the point at which total revenues equal total costs, resulting in neither profit nor loss.

Description	Laundry Services	Linen Rental	Linen Thrift	Total
Price	8.500	11.000	-	
Volume	120.000	330.000	-	
Sales (IDR)	720.000.000	3.267.000.000	-	3.987.000.000
Total Variable Cost	214.989.850	428.147.200	-	643.137.049
Chemical	49.980.000	56.306.250	-	106.286.250
Linen	-	198.431.100	-	198.431.100
Electricity & Water	64.800.000	71.280.000	-	136.080.000
Direct Labor	100.209.850	102.129.850	-	202.339.699
Total Fixed Cost	658.024.363	661.581.163	-	1.319.605.526
Depreciation	230.290.500	233.847.300	-	464.137.800
Indirect Labor	427.733.863	427.733.863	-	855.467.726
Margin	(153.014.213)	2.177.271.637	-	2.024.257.425
BEP Th 1 (IDR) - Mix Product				1.573.409.949

c) Return Of Investment (ROI)

ROI (Return on Investment) is a ratio used to evaluate the amount of profit generated from an investment. According to the ROI calculations over five years at PT. Think Clean Laundry, the effectiveness of the investment in generating profit relative to the costs incurred was realized in the first year. This indicates that PT. Think Clean Laundry achieved significant profits and is able to continue its investments in the following years.

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Operating Profit	779.108.402	1.375.943.823	1.456.005.209	1.461.390.751	2.453.572.079
Total Assets	8.137.910.639	9.590.645.375	10.588.751.340	11.657.769.333	13.520.532.389
ROI	10%	14%	14%	13%	18%

d) Net Present Value (NPV)

NPV (Net Present Value) is a tool or method used to assess the potential of an investment, measuring whether the investment can be considered viable or not. The financial condition of a company can be assessed using the NPV parameter (Reza et al., 2023). A positive NPV indicates that the projected income from the investment or project exceeds the costs incurred. Net Present Value (NPV) represents the present value of anticipated future cash flows, discounted at an appropriate cost of capital rate, and then subtracted by the initial business expenditure. The NPV value PT. Think Clean Laundry with a discount factor/ hurdle rate of 14.20% for the economic assessment of laundry and linen rental services is positive at Rp. 3,090,751,216, indicating that the investment is feasible. Thus, an NPV > 0 means that the investment provides benefits to the company, allowing the project to proceed (Wulandari et al., 2024).

YEARS	Bt-Ct	PV Factor	NPV
1st Year	3.990.330.245	14,20%	-
2nd Year	2.230.546.778	14,20%	-
3rd Year	1.190.419.103	14,20%	-
4th Year	1.523.588.366	14,20%	-
5th Year	2.042.827.840	14,20%	-
TOTAL CASH NET CASH FLOW			10.977.712.331
INITIAL INVESTMENT			-4.421.640.000
NPV			3.090.751.216

e) Payback Period (PP)

Payback Period is the time it takes to recover the initial investment made. The shorter the Payback Period, the better, indicating that the investment is worthwhile. The investment analysis of PT. Think Clean Laundry shows a Payback Period at the end of the third year, specifically 2 years and 5 months. This indicates that the investment generates a very good return within the third year.

YEARS	EAT+DEPRE	Accumulation
Initial Investment	-4.421.640.000	(4.421.640.000)
1st Year	1.546.743.402	(2.874.896.598)
2nd Year	2.155.434.823	(719.461.775)
3rd Year	2.343.795.709	1.624.333.934
4th Year	2.372.678.751	3.997.012.685
5th Year	2.966.664.329	6.963.677.014
Payback Period	3,0	

f) Internal Rate of Return

Internal Rate of Return (IRR) is an indicator used in financial analysis to project the profitability of an investment. IRR can also be described as a method used to calculate the interest rate of an investment and adjust it to the present value of the investment based on the calculation of future net cash flows. The IRR value resulting from the investment analysis of PT. Think Clean Laundry is 27.4%. This value indicates a very high return, significantly above the established discount rate of 14.20%.

YEARS	Net Cashflow	Accumulation
Initial Investment	-4.421.640.000	(4.421.640.000)
1st Year	998.856.926	(3.422.783.074)
2nd Year	1.764.030.542	(1.658.752.532)
3rd Year	1.866.673.345	207.920.813
4th Year	1.873.577.886	2.081.498.699
5th Year	3.145.605.230	5.227.103.929
Rate Assumption	14,20%	Discount Rate
IRR	27,4%	Proper

6. Financial Performance Analysis

Financial performance analysis plays a crucial role as a tool for improving the operational efficiency of a company. An increase in the company’s performance can be observed through its vigorous activities aimed at maximizing profits (Bandono & Nugroho, 2023). There are four categories of ratios that will be used as methods to measure the financial performance of the company: liquidity ratios, profitability ratios, solvency ratios, and activity ratios.

a) Liquidity Ratios

Liquidity ratios reflect the company's ability to meet its short-term obligations to short-term creditors (Wibisono et al., 2023). In evaluating liquidity ratios, we analyze the current ratio, cash ratio, and quick ratio. In the first year, the current ratio reached 1425% and increased to 4090% by the fifth year. This indicates that the company has a good ability to meet its obligations each year. The cash ratio in the first year reached 1267%, as the laundry and linen rental services had not yet achieved a full year of operation, and it increased to 3663% in the fifth year. This signifies that the company has an excellent ability to settle its obligations using available cash. The quick ratio in the first year was 1419% and continued to rise in the following years, reaching 4081% in the fifth year. This indicates that the company has a good ability to meet its obligations using its current assets.

RATIOS	FORMULAS	1st Year	2nd Year	3rd Year	4th Year	5th Year
LIQUIDITY						
CURRENT RATIO	Current Asset : Current Liability	1425%	10013%	8129%	5009%	4090%
CASH RATIO	Cash : Current Liability	1268%	9340%	7418%	4472%	3663%
QUICK RATIO	(Current Asset - Inventory) : Current Liability	1419%	9979%	8116%	4996%	4081%

b) Profitability Ratios

In the first year, the company's gross profit margin reached 93%, increasing to 95% by the fifth year. The operating income ratio started at 25% in the first year and rose to 40% in the fifth year. The net profit margin was 20% in the first year and increased to 31% in the fifth year. Factors affecting the margins in the first year included the production of linen and marketing, which only occurred for 10 months. However, the company experienced a decline in these margins from the third to the fourth year, before rising again to achieve a net profit margin of 31% in the fifth year. The increase in these three ratios reflects that the company has experienced significant improvements in profitability. According to theory and empirical models, a net profit margin greater than 5% is considered good.

RATIOS	FORMULAS	1st Year	2nd Year	3rd Year	4th Year	5th Year
PROFITABILITY						
GROSS PROFIT MARGIN	Gross Profit : Revenue	93%	93%	94%	94%	95%
OPERATING INCOME RATIO	Earning Before Tax : Revenue	25%	35%	33%	30%	40%
NET PROFIT MARGIN	Earning After Tax : Revenue	20%	27%	25%	23%	31%

c) Solvency Ratios

The Solvency Ratio or Capital Structure is a measure used to evaluate how much of the company's assets are financed by debt. The solvency ratio includes the Total Debt to Asset Ratio and the Total Debt to Equity Ratio. In the Total Debt to Asset Ratio, the percentage of debt to total assets in the first year is 3.9% and increases in the second year to 7.0%. However, it then declines again, reaching 2.2% in the fifth year. This decrease indicates that the security of the company's funds is increasing year by year. The Total Debt to Equity Ratio in the first year is 4.0% and experiences an increase in the second year, then decreases from the third year to the fifth year to 2.3%. This shows that the company has lower obligations compared to equity, and the company's debt decreases each year.

RATIOS	FORMULAS	1st Year	2nd Year	3rd Year	4th Year	5th Year
SOLVENCY						
DEBT TO ASSETS RATIO	Total Liability / Total Asset	3,9%	7,0%	4,7%	3,4%	2,2%
DEBT TO EQUITY RATIO	Total Liability / Total Equity	4,0%	7,5%	5,0%	3,6%	2,3%

d) Activity Ratio

The Accounts Receivable Turnover in the fifth year reached 109%, indicating that PT. Think Clean Laundry is very efficient in collecting and obtaining payments for its receivables. The Inventory Turnover also saw an increase, reaching 313 by the fifth year, meaning that the available linen stock sufficiently meets customer needs and turns over quickly. The Working Capital Turnover remained relatively stable at 89% in the fifth year, which means PT. Think Clean Laundry is efficient in managing its operating costs, reflecting a healthy short-term financial condition. PT. Think Clean Laundry is highly effective in utilizing its fixed assets to generate sales, as evidenced by the Fixed Assets Turnover, which has steadily increased to 538% by the fifth year. The Total Assets Turnover increased from 49% in the first year to 58% in the fifth year, indicating that PT. Think Clean Laundry is able to generate service sales effectively based on the assets it owns. A higher Total Assets Turnover signifies more efficient use of all assets in generating profit.

RATIOS	FORMULAS	1st Year	2nd Year	3rd Year	4th Year	5th Year
ACTIVITY						
ACCOUNT RECEIVABLE TURN OVER	NET CREDIT SALES : AVERAGE ACCOUNT RECEIVABLE	100%	95%	124%	120%	109%
INVENTORY TURN OVER	NET SALES : AVERAGE INVENTORY AT SELLING PRICE	199	236	326	339	313
WORKING CAPITAL TURN OVER	TOTAL SALES : NET WORKING CAPITAL	96%	105%	96%	90%	89%
FIXED ASSETS TURN OVER	NET SALES : AVERAGE FIXED ASSETS	109%	153%	213%	307%	538%
TOTAL ASSETS TURN OVER	NET SALES : TOTAL ASSETS	49%	52%	54%	54%	58%

III. RESULT AND DISCUSSION

PT. Think Clean Laundry successfully implemented RFID technology in its Linen Rental system, resulting in increased efficiency in inventory management and a reduction in record-keeping errors. With well-planned financial management and capital sourced from founders, investors, and bank loans, the company was able to achieve its Break-Even Point (BEP) in the first year. The Payback Period, achieved in 2 years and 5 months, indicates high profit potential. The company's financial performance, measured through liquidity, profitability, solvency, and activity ratios, shows that PT. Think Clean Laundry is capable of growing and thriving in the laundry industry.

IV. CONCLUSION AND SUGGESTION

A. Conclusion

Investing in PT. Think Clean Laundry is deemed feasible, as the analysis shows significant profit potential. With a positive NPV, high IRR, and financial performance ratios reflecting strong operational efficiency, PT. Think Clean Laundry is well-positioned to continue expanding and generating profits in the future.

B. Suggestion

The discussion related to this research is still very limited and requires a lot of input, suggestions for future authors are to study it more deeply and comprehensively about Financial Planning Linen Rental Laundry with RFID Technology in PT. Think Clean Laundry.

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