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# Financial Feasibility Analysis and Development Strategy of Kalosi Arabica Ground Coffee Agribusiness in Enrekang Regency (Ebro Brand Case Study)

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**ABSTRACT**

*This study aims to analyze the financial feasibility and formulate a development strategy for the Kalosi Brand EBRO Arabica ground coffee agribusiness in Enrekang Regency. The method used is a single-case study design with a quantitative approach using financial data for the period 2021-2025. Data were obtained through observation, interviews, and documentation. The financial feasibility analysis used Net Present Value (NPV), Internal Rate of Return (IRR), Net Benefit Cost Ratio (Net B/C), with a 6% discount rate based on BRI Enrekang loan interest rates in 2025. Sensitivity analysis was conducted to test robustness under adverse scenarios. The results showed an NPV of IDR 218,390,468, an IRR of 15.19%, and a Net B/C of 1.336, indicating that this business is financially feasible even under stress conditions. The SWOT analysis places the EBRO brand in quadrant I (Growth/Aggressive) with coordinates (+1.23, +0.92), recommending an SO strategy, which includes strengthening premium branding, digital market expansion, and production modernization. The findings can be used as a reference for entrepreneurs and policymakers in the development of MSME-scale coffee agribusiness.*

***Keywords:*** *Financial Feasibility, Development Strategy, MSME Coffee, SWOT Analysis, Single-Origin Coffee*

## INTRODUCTION

Indonesia is known as an agricultural country with a strategic agricultural sector in the national economy, not only as a food provider but also as a source of industrial raw materials and a job creator (Lestari et al., 2021). Coffee is one of Indonesia's leading plantation commodities, with the country listed as the world's fourth-largest coffee producer, with production reaching approximately 789,000 tons per year and an export value of USD 1.49 billion in 2024 (Ministry of Agriculture, 2025). Kalosi Arabica coffee from Enrekang Regency, South Sulawesi, has been geographically recognized for its unique selling point in the form of its distinctive flavor and has become a flagship commodity that has penetrated the export market.

The evolving lifestyle of Indonesians, who increasingly appreciate quality coffee, has driven the growth of coffee processing businesses, including specialty ground coffee. The EBRO brand, operated by UD Rizki Amalia in Masalle District, Enrekang Regency, is one of the MSME-scale ground coffee agro-industry players leveraging this local potential. Since its establishment in 2017, this business has contributed to the creation of added economic value, employment, and increased income for local farmers. However, along the way, the EBRO brand has faced various complex challenges, both internally, such as limited production facilities and a location far from the city center, and externally, such as increasingly fierce market competition and changes in consumer behavior in the digital era. The challenges faced by the EBRO brand reflect the conditions of coffee MSMEs in general. A study by Azzahro and Hanoum (2024) identified that coffee farmers and processors often face obstacles such as

inadequate equipment, limited market access, and low profit margins. In this context, financial feasibility analysis and the formulation of appropriate development strategies are crucial to ensuring business sustainability and increasing competitiveness.

*State of the art*and research gaps: The literature review reveals several specific research gaps: First, although numerous studies on the financial feasibility of coffee agribusiness have been conducted (Faqih et al., 2024; Ningtyas et al., 2023; Oka et al., 2021), most use discount rates based on general assumptions without considering the actual cost of capital faced by MSMEs in the study area. This study uses an actual discount rate of 6% based on the 2025 BRI Enrekang KUR loan interest rate, so the results more closely reflect the actual financing costs of local MSMEs. Second, coffee financial feasibility studies are often static without testing the resilience of feasibility to changes in assumptions. This study integrates sensitivity analysis to test feasibility under adversarial conditions. Third, research on coffee agribusiness development strategies is often not integrated with financial feasibility analysis. This study integrates financial analysis and strategy methodologies into a single, coherent framework. Fourth, the geographic context of research on Kalosi Arabica coffee in the Enrekang production center has unique characteristics that have not been widely explored in the literature.

Theoretical Framework: This research is based on the integration of three theoretical frameworks: (1) Investment Appraisal Theory (Kadariah, 2020) which states that investment feasibility is assessed through NPV, IRR, and B/C by taking into account the time value of money; (2) Resource-Based View (RBV) which emphasizes sustainable competitive advantage derived from valuable, rare, inimitable, and non-substitutable internal resources (Rangkuti, 2006), integrated with quantitative SWOT analysis; (3) Agribusiness Value Chain Concept (Soekartawi, 2010) which recognizes that the success of the agro-industry cannot be separated from the entire value chain from farmers, processing, to marketing.

*Novelty* and Research Objectives: The novelty of this research lies in the analytical approach that combines: (1) financial feasibility assessment using three main indicators with an actual discount rate based on local financing costs; (2) sensitivity analysis to test robustness; (3) quantitative SWOT analysis with validated weighting; (4) mapping in the IE Matrix to develop measurable and applicable priority strategies.

Based on this background, the problem formulation in this study is: (1) Is the Kalosi Brand EBRO Arabica ground coffee agribusiness financially feasible to develop? (2) What is the appropriate development strategy to increase the competitiveness of the Kalosi Brand EBRO Arabica ground coffee agribusiness? The purpose of the study is to analyze the financial feasibility of the business and formulate a development strategy based on an analysis of internal and external factors.

## RESEARCH METHODS

### Research Design

This research uses a single-case study design with a quantitative approach. This design was chosen because it focuses on an in-depth analysis of one specific business unit, namely the EBRO Brand, which represents the characteristics of Arabica ground coffee MSMEs in the Kalosi production center. The selection was based on the following criteria: (1) operating for more than 5 years with complete financial data; (2) operating in a production center; (3) medium scale with standardized processes; (4) has entered the growth phase. The quantitative approach was applied through a financial feasibility analysis using NPV, IRR, and Net B/C, a quantitative SWOT analysis with numerical weighting (0-1) and rating (1-4) which produces a measurable score for strategic mapping.

### Time and Place of Research

The research was conducted at UD Rizki Amalia, the manager of the EBRO brand, in Masalle Village, Enrekang Regency, South Sulawesi, in October 2025. The location was selected purposively with the consideration that this business is a representative of Arabica ground coffee MSMEs that have been operating for more than 5 years, have financial data, and are located in the Kalosi Arabica coffee production center.

### Data collection technique

The data used consisted of primary and secondary data. Primary data were collected through: (1) direct observation of the production process and business operations; (2) in-depth interviews with business owners using a structured interview guide; and (3) studio documentation of financial reports and business records. Secondary data included business financial reports for the 2021-2025 period, company documents, and data from the Enrekang Regency Central Statistics Agency and the local Plantation Service.

**Validity and Reliability**

To ensure data quality, the study implemented: (1) source circulatory by combining interviews, financial documents, and field observations; (2) construct validity through repeated discussions with business owners and*cross-check*with financial data; (3) reliability and financial data using Microsoft Excel with manual calculation verification. Limitations: limited generalizability as a single-case study, SWOT weighting only involves business owners as key informants, and predictive validity depends on the stability of assumptions

**Data Analysis Techniques**

Data analysis was carried out quantitatively with two main approaches:

1. Financial Feasibility Analysis

The financial feasibility analysis was conducted using three investment criteria (Kadariah, 2020) with a discount rate of 6% based on the BRI Enrekang Regency loan interest rate in 2025. The decision-making criteria were based on the consistency of the results of the following three indicators:

*Net Present Value*(NPV) is calculated to determine the difference between the present value of revenues and expenses:

$$NPV = \sum_{t=0}^{n} \frac{Bt - Ct}{(1+i)^t}$$

Where:
NPV =*Net Present Value*
Bt =*Benefits*(business revenue in year t)
$C_t$ =*Cost*(business costs in year t)
n = economic life of the business
i = the prevailing interest rate
Criteria: NPV > 0 then the business is feasible

*Internal Rate of Return*(IRR) is the discount rate that makes NPV = 0:

$$IRR = i_1 + \frac{NPV_1}{NPV_1 - NPV_2}(i_2 - i_1)$$

Where:
IRR =*Internal Rate of Return*
$i_1$ = Level*discount*which produce$NPV_1$
$i_2$ = Level*discount*which produce $NPV_2$
$NPV_1$ =*Net Present Value*positive value
$NPV_2$ =*Net Present Value*has a negative value.
Criteria: IRR > discount rate then the business is feasible

*Net Benefit Cost Ratio*(NET B/C) compares positive and negative net benefits:

$$\text{Net B/C} = \frac{\sum_{t=1}^{n} \frac{Bt - Ct}{(1+i)^t}}{\sum_{t=1}^{n} \frac{Ct - Bt}{(1+i)^t}}$$

Where:
Net B/C =*Net Benefit Cost Ratio*
Bt =*Benefits*(gross revenue in year t)
Ct =*Cost*(gross costs in year t)
N = economic life of the project
i = the prevailing interest rate.
Criteria: Net B/C > 1 then the business is feasible

Financial analysis assumptions: (1) economic life of 5 years (2021-2025) based on actual historical data; (2) discount rate of 6% per year (BRI Enrekang KUR interest rate 2025); (3) initial investment of IDR 650,000,000 (processing machine IDR 350 million, supporting equipment IDR 75 million, renovation IDR 125 million, initial working capital IDR 100 million); (4) cash flow, namely annual net profit that has taken into account operational costs and asset depreciation; (5) additional assumptions, namely no residual value of assets, inflation is reflected in historical data, there are no structural changes in tax policy.

2. Development Strategy Analysis

Strategy analysis using quantitative SWOT techniques (Rangkuti, 2006) through: (1) identification of internal factors (strengths, weaknesses) and external factors (opportunities, threats); (2) weighting each factor (0-1) based on the level of importance and giving a rating (1-4) based on its influence on the business; (3) calculating scores (weight × rating) and compiling the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS) matrices; (4) mapping strategic positions on the SWOT Cartesian diagram and IE Matrix. Weighting is done through structured discussions with business owners with an effort to reduce bias through data triangulation and cross-validation with business documents.

## RESULTS AND DISCUSSION

### Business Performance and Development Analysis

The development of EBRO's brand performance during the 2021-2025 period shows a positive growth trend as presented in Table 1. This business offers Kalosi Arabica ground coffee products in one packaging size variant, namely 250 grams per pack, so that all calculations of sales volume and revenue are based on this packaging unit.

**Table 1.**EBRO Brand Business Performance Development 2021-2025

| Year | Sales Volume (pack) | Sales Growth(%) | Price per Pack (Rp) | Revenue (Rp) | Net Profit (Rp) |
|---|---|---|---|---|---|
| 2021 | 9,360 | - | 85,000 | 795,600,000 | 108,201,600 |
| 2022 | 10,200 | 9.0 | 85,000 | 867,000,000 | 125,892,000 |
| 2023 | 11,880 | 16.5 | 90,000 | 1,069,200,000 | 161,272,800 |
| 2024 | 14,400 | 21.2 | 95,000 | 1,368,000,000 | 214,344,000 |
| 2025 | 26,400 | 83.3 | 95,000 | 2,508,000,000 | 467,064,000 |
| Average | 14,448 | 32.5 | 90,000 | 1,321,560,000 | 215,354,880 |

Source: Processed primary data, 2025

In Table 1, Sales volume is projected to increase significantly, from 9,360 units in 2021 to 26,400 units in 2025, with an average annual sales growth of 32.5%. This 83.3% growth surge in 2025 is driven by successful market expansion into Southeast Sulawesi and Java, which began in late 2024, the development of an active agent/reseller network, and the continued momentum of the specialty coffee trend, with industry growth reaching 15% per year (AEKI 2025).

**Critical Analysis of Sustainable Growth:**Although the 83.3% surge indicates successful expansion, a critical evaluation of the sustainability of this growth is necessary. First, there is the risk of an on-off effect from the initial expansion, where growth tends to slow down when the market reaches saturation. The EBRO brand needs to establish a system for monitoring repeat purchase rates and customer retention. Second, the 83.3% increase in production puts pressure on operational capacity (W2: limited facilities). The current machine capacity of 150 kg/day (3,900 packs/month) is still sufficient for 26,400 packs/year (2,200 packs/month). However, if growth continues to 2026, the volume will reach 48,400 packs/year (4,033/month), which exceeds capacity, confirming the urgency of facility modernization. Third, the drastic increase tightens dependence on raw material supplies (W3), requiring long-term purchasing contracts with farmers. Fourth, rapid growth exceeds the managerial capabilities of MSMEs (W4), requiring a SOP system, HR recruitment, and a management information system.

### Financial Feasibility Analysis

The results of the financial feasibility calculation for the 2021-2025 period, with an initial investment of IDR 650,000,000 and a 6% discount rate, indicate that this business is feasible to develop. The detailed calculation is presented below:

Net Present Value (NPV) Calculation

**Table 2.** Calculation of the Net Present Value (NPV) of the EBRO Brand Coffee Ground Coffee Business

| Year | Cash Flow (Rp) | DF (6%) | Present Value (PV) (Rp) |
|---|---|---|---|
| 0 | -650,000,000 | 1,0000 | -650,000,000 |
| 1 | 108,201,600 | 0.9434 | 102,077,588 |
| 2 | 125,892,000 | 0.8900 | 112,083,880 |
| 3 | 161,272,800 | 0.8396 | 135,400,000 |
| 4 | 214,344,000 | 0.7921 | 169,787,000 |
| 5 | 467,064,000 | 0.7473 | 349,042,000 |
| | | | 868,390,468 |
| | | | -650,000,000 |
| NPV | | | 218,390,468 |

Source: Processed primary data, 2025

**Table 3.** Calculation of the Internal Rate of Return (IRR) for the EBRO Brand Coffee Ground Coffee Business

| Year | Cash Flow (Rp) | DF 6% | PV% | DF (16%) | PV 16% (Rp) |
|---|---|---|---|---|---|
| 0 | -650,000,000 | 1,0000 | -650,000,000 | 1,0000 | -650,000,000 |
| 1 | 108,201,600 | 0.9434 | 0.8621 | 0.8621 | 93,277,241 |
| 2 | 125,892,000 | 0.8900 | 0.7432 | 0.7432 | 93,532,660 |
| 3 | 161,272,800 | 0.8396 | 0.6407 | 0.6407 | 103,266,428 |
| 4 | 214,344,000 | 0.7921 | 0.5523 | 0.5523 | 118,394,851 |
| 5 | 467,064,000 | 0.7473 | 0.4761 | 0.4761 | 222,349,846 |
| | | 218,390,468 | | -19,178,974 | |

Source: Processed primary data, 2025

IRR calculation:

$IRR = 6\% + \frac{218.390.468}{218.390.468+19.178.974} \times 10\%$x 16% - 6%)

$$IRR = 6\% + \frac{218.390.468}{237.569.442} \times 10\%$$
$$IRR = 6\% + 0{,}919182 \times 10\%$$
$$IRR = 6\% + 9{,}19182\%$$
$$IRR = 15{,}19\%$$

NET B/C Ratio Calculation:

**Table 4.** Calculation of the Net Benefit-Cost Ratio (Net B/C) for the EBRO Brand Ground Coffee Business

| Year | Benefit (Bt) (Rp) | Cost (Ct) (Rp) | Net (Bt – Ct) (Rp) | DF (6%) | Net PV (Rp) |
|---|---|---|---|---|---|
| 0 | 0 | 650,000,000 | -650,000,000 | 1,0000 | -650,000,000 |
| 1 | 108,201,600 | 0 | 108,201,600 | 0.9434 | 102,077,588 |
| 2 | 125,892,000 | 0 | 125,892,000 | 0.8900 | 112,083,880 |
| 3 | 161,272,800 | 0 | 161,272,800 | 0.8396 | 135,400,000 |
| 4 | 214,344,000 | 0 | 214,344,000 | 0.7921 | 169,787,000 |
| 5 | 467,064,000 | 0 | 467,064,000 | 0.7473 | 349,042,000 |
| | | | **Σ NPV⁺** | | **868,390,468** |
| | | | **Σ NPV⁻** | | **650,000,000** |
| | | | **Net B/C** | | $\frac{\Sigma NPV^+}{\Sigma NPV^-} = \frac{868.390.468}{650.000.000} = 1{,}336$ |

Source: Processed primary data, 2025

**Table 5.** Summary of the Results of the Financial Feasibility Analysis of the EBRO Brand Ground Coffee Business

| Indicator | Calculation Results | Eligibility Criteria | Status |
|---|---|---|---|
| NPV | Rp. 218,390,468 | NPV > 0 | WORTHY |
| IRR | 15.19% | IRR > Discount Rate (6%) | WORTHY |
| Net B/C | 1,336 | Net B/C > 1 | WORTHY |

Source: Processed primary data, 2025

The NPV of Rp 218,390,468 indicates positive economic value added (ratio 33.60%) to the investment. The IRR of 15.19% is higher than the 6% discount rate by a margin of 9.19 points, indicating an attractive rate of return. The Ne B/C value of 1.336 confirms that each rupiah of investment generates a net benefit of Rp 1,336.

Comparison of IRR with similar studies: IRR of 15.19% shows an attractive rate of return for ground coffee MSMEs. Faqih et al. (2024) reported a higher IRR of 60.56% for roasted coffee beans due to: (1) differences in business models (B2B vs B2C), where B2C requires greater investment in branding and marketing; (2) operational scale, roasted coffee businesses achieve economies of scale faster with simpler processes; (3) market positioning, premium products face stiffer competition. Although lower, the IRR of 15.19% remains attractive due to: (1) a safety margin of 9.19 points above the discount rate; (2) competitive with deposits (3-4%), bonds (6-7%), and stocks (12-18%); in accordance with the characteristics of agribusiness MSMEs; (4) potential for improvement with development strategies.

Sensitivity Analysis

To test the resilience of financial feasibility, a sensitivity analysis was conducted with two scenarios: an increase*discount rate*and decreased sales volume.

**Table 5.**Sensitivity Analysis to Changes in Discount Rate

| Indicator | DR 6% (Actual) | DR 10% | DR 12% | Status |
|---|---|---|---|---|
| NPV (Rp) | 218,390,468 | 125,847,000 | 89,234,000 | Suitable for all scenarios |
| IRR (%) | 15.19% | 15.19% | 15.19% | IRR > DR in all scenarios |
| Net B/C | 1,336 | 1,194 | 1,137 | Suitable for all scenarios |

Source: Processed primary data, 2025

**Table 6.**Sensitivity Analysis of a 20% Decrease in Sales Volume

| Indicator | Actual Results | -20% Scenario | Change | Status |
|---|---|---|---|---|
| NPV (Rp) | 218,390,468 | 123,112,374 | -43.6% | WORTHY |
| IRR (%) | 15.19% | 11.87% | -3.32 points | WORTHY |
| Net B/C | 1,336 | 1.89 | -11.0% | WORTHY |

Source: Processed primary data, 2025

Simulation results show that the EBRO Brand business remains viable even under stress test conditions (DR increases by 12% or sales declines by 20%), indicating good financial resilience with an adequate safety margin. However, management needs to diversify its market, improve cost efficiency, monitor interest rates, and develop product variants.

**Internal and External Factor Analysis**

Internal and external factor analysis was conducted to determine the strategic position of the EBRO brand. The results of the internal factor analysis are presented in Table 6, while the external factors are presented in Table 7.

**Table 7.** IFAS Matrix (Internal Factor Analysis Summary)

| No | Internal Factors | Weight | Rating | Score | Information |
|---|---|---|---|---|---|
| **STRENGTHS** | | | | | |
| 1 | The uniqueness and quality of original Kalosi Arabica coffee products with a distinctive taste and positioning as a single origin coffee | 0.18 | 4 | 0.72 | Very strong |
| 2 | Quality raw materials are easy to obtain because the business location is in the Kalosi coffee production center. | 0.15 | 4 | 0.60 | Very strong |
| 3 | Has PIRT certification and HALAL label as a guarantee of product safety and halalness. | 0.12 | 3 | 0.36 | Strong |
| 4 | The brand is already well known in the local Enrekang market and has a customer base. | 0.10 | 3 | 0.30 | Strong |
| 5 | Easy to get local labor | 0.08 | 3 | 0.24 | Strong |
| **Subtotal Strength** | | **0.63** | | 2.22 | |
| **WEAKNESSES** | | | | | |
| 1 | The business location is far from the city center, thus increasing transportation and distribution costs. | 0.10 | 3 | 0.30 | Weak |
| 2 | Limited production facilities with suboptimal equipment and limited capacity | 0.09 | 3 | 0.27 | Weak |
| 3 | Dependence on external suppliers when demand rises, causing instability in raw material prices | 0.08 | 2 | 0.16 | Quite Weak |
| 4 | Limited human resources in digital management and marketing, especially digital marketing capabilities | 0.07 | 2 | 0.14 | Quite Weak |
| 5 | Machine spare parts are difficult to obtain, making equipment maintenance and repair difficult. | 0.06 | 2 | 0.12 | Quite Weak |
| **Subtotal Weaknesses** | | 0.40 | | 0.99 | |
| **IFAS TOTAL SCORE** | | **1.00** | | **3.21** | **STRONG INTERNAL POSITION** |

Source: Processed primary data, 2025

**Table 8.** EFAS Matrix (External Factor Analysis Summary)

| No | External Factors | Weight | Rating | Score | Information |
|---|---|---|---|---|---|
| **OPPORTUNITIES** | | | | | |
| 1 | The trend of specialty coffee and premium consumption is increasing as people increasingly appreciate quality coffee. | 0.20 | 4 | 0.80 | Very good |
| 2 | Potential market expansion outside the region through digital platforms and distribution networks | 0.18 | 3 | 0.54 | Good |
| 3 | Government program support for MSMEs and local products in the form of access to funding, training, and promotion | 0.12 | 3 | 0.36 | Good |
| 4 | Ease of market penetration through e-commerce and social media without regional boundaries | 0.10 | 4 | 0.40 | Very good |
| **Subtotal Opportunities** | | 0.60 | | 2.10 | |
| **THREATS** | | | | | |
| 1 | Price competition from bulk and blended coffee products with lower prices and wider markets | 0.16 | 3 | 0.48 | Bad |
| 2 | Rapidly changing consumer behavior in the digital era requires businesses to continuously adapt and innovate. | 0.14 | 3 | 0.42 | Bad |
| 3 | Fluctuations in the price of raw coffee materials at the farmer level are influenced by the season and the global market. | 0.08 | 2 | 0.16 | Pretty Bad |
| 4 | The shift in consumer interest towards ready-to-drink coffee is more practical and instant. | 0.06 | 2 | 0.12 | Pretty Bad |
| **Threat Subtotal** | | 0.40 | | 1.18 | |
| **TOTAL EFAS SCORE** | | 1.00 | | 3.28 | **VERY SUPPORTIVE EXTERNAL ENVIRONMENT** |

Source: Processed primary data, 2025

From the IFAS and EFAS matrices, it can be seen that the EBRO brand has a strong internal position with a total IFAS score of 3.21 and a very supportive external environment with a total EFAS score of 3.28. Analysis of internal factors shows that the main strength lies in the uniqueness of the original Kalosi Arabica coffee product (score 0.72) and easy access to quality raw materials (score 0.60), while the biggest weaknesses are the business location which is far from the city center (score 0.30) and limited production facilities (score 0.27). Meanwhile, an evaluation of external factors revealed that the greatest opportunities are the increasing trend of specialty coffee consumption (score 0.80) and the potential for digital market expansion (score 0.54), while the main threats come from price competition for mass-produced coffee products (score 0.48) and changes in consumer behavior in the digital era (score 0.42). These results are consistent with research by Purwati et al. (2024), who also found significant development opportunities in the ground coffee business in the era of the growing specialty coffee trend.

**Business Development Strategy**

Based on the internal and external factor score calculations, EBRO's strategic positioning was mapped. A summary of the quadrant scores is presented in Table 9, which shows the difference between strengths and weaknesses (+1.23) and opportunities and threats (+0.92).

**Table 9.** SWOT Quadrant Score Summary

| Component | Score | Calculation | Results | Position |
|---|---|---|---|---|
| **Internal Factors** | | | | |
| Strength (S) | 2.22 | - | - | Dominant |
| Weakness (W) | 0.99 | - | - | - |
| **Internal Differences** | - | S - W | **+1.23** | **Dominant Power** |
| **External Factors** | | | | |
| Opportunity (O) | 2.10 | - | - | Dominant |
| Threat (T) | 1.18 | - | - | - |
| **External Difference** | - | O - T | **+0.92** | **Dominant Opportunity** |
| **Coordinates (X, Y)** | - | - | **(+1.23 ; +0.92)** | - |
| **Quadrant Position** | - | - | **QUADRANT I** | ***Growth/Aggressive*** |
| **Priority Strategy** | - | - | **SO Strategy** | **Grow & Develop** |

Source: Processed primary data, 2025

The difference between internal (+1.23) and external (+0.92) scores was then visualized in a Cartesian SWOT diagram to determine the EBRO Brand's strategy quadrant position (see Figure 1 in the appendix). The diagram mapping shows that EBRO Brand is in quadrant 1 (Growth/Aggressive), which reflects the dominance of internal strengths (+1.23) and the magnitude of external opportunities (+0.92). This position identifies the business as being in a very favorable condition to undertake aggressive expansion by leveraging existing strengths to seize market opportunities.

Furthermore, this strategic position is confirmed through the IE (Internal-External) Matrix analysis presented in table 10.

**Table 10.** EBRO Brand Ground Coffee Business IE Matrix

| | **Total Weighted (Average)** | **IFAS** | | |
|---|---|---|---|---|
| **EFAS** | | **Strong 4.00 – 3.00** | **Average (Average)2.99 – 2.00** | **Weak 1.99 – 1.00** |
| | **Tall (High)3.00 – 4.00** | **3.07GROW & DEVELOP** | II **GROW & DEVELOP** | III **MAINTAIN & PRESERVE** |
| | **Medium 2.00 – 2.99** | IV **GROW & DEVELOP** | V **MAINTAIN & PRESERVE** | VI **HARVEST** |
| | **Low 1.00 – 1.99** | VII **MAINTAIN & PRESERVE** | VIII **HARVEST** | IX **DIVESTMENT** |

Source: Processed primary data, 2025

The results of the IE matrix analysis are consistent with the SWOT diagram, where the EBRO brand is in cell I (high IFAS, high EFAS). This consistency strengthens the validity of the finding that the business has strong internal conditions and a very supportive external environment, making it feasible to implement an aggressive growth strategy.

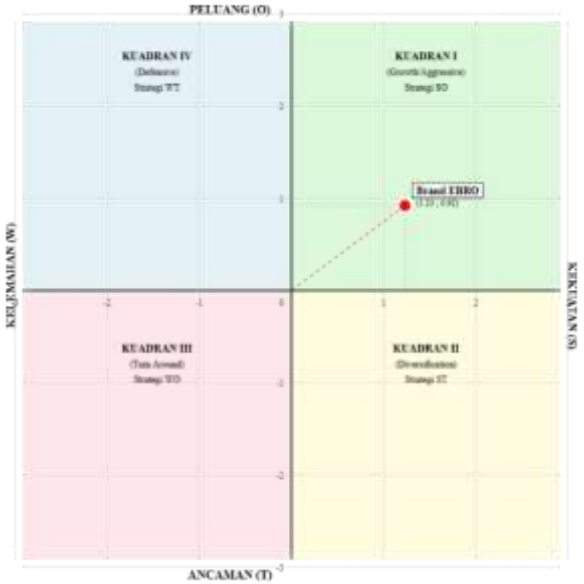


**Figure 1.** Cartesian SWOT diagram

Based on this strategic position, alternative development strategies were formulated using the SWOT Matrix which is presented in Table 11.

**Table 11.**SWOT Analysis Matrix for EBRO Brand Ground Coffee Business Development

| IFAS / EFAS | **Strength (S)** | **Weakness (W)** |
|---|---|---|
| | 1. The uniqueness of Kalosi single-origin products<br>2. Quality raw materials are easily accessible<br>3. PIRT and HALAL Certification<br>4. Brand known in local market<br>5. Local labor available | 1. Location far from the city<br>2. Limited production facilities<br>3. Dependence on suppliers<br>4. Limited digital human resources<br>5. Engine parts are hard to come by |
| **Opportunity (O)**<br>1. The specialty coffee trend is on the rise<br>2. Potential for digital market expansion<br>3. Government program support<br>4. The development of e-commerce | **SO Strategy**<br>1. Building a premium specialty coffee brand positioning by leveraging its unique single-origin and pure quality to capture the premium consumer market. (S1, S2-O1)<br>2. Expanding the digital market beyond the region through marketplaces and social media, leveraging certification as a trust indicator. (S3, S4, S5-O2, O4)<br>3. Building a structured agent/reseller network by utilizing stable raw material access and local reputation, and the availability of manpower to manage distribution operations (S2, S4, S5-O2)<br>4. Accessing MSME financing and promotion programs by leveraging legality and brand recognition. (S3, S4-O3) | **WO Strategy**<br>1. Minimizing the impact of remote locations by optimizing digital platforms and efficient logistics systems. (W1-O2, O4)<br>2. Modernization of production facilities through access to government financing for MSMEs. (W2, W5-O3)<br>3. Improving human resource competency through digital marketing training from government programs. (W4-O3, O4)<br>4. Building partnerships with local farmers to stabilize raw material prices. (W3-O3) |
| **Threat (T)**<br>1. Mass product price competition<br>2. Changes in consumer behavior<br>3. Fluctuations in raw material prices<br>4. Shift in interest towards instant coffee | **ST Strategy**<br>1. Premium differentiation by emphasizing single-origin uniqueness and pure quality through consumer education. (S1, S2-T1)<br>2. Community building and customer engagement programs to adapt to changing consumer behavior. (S4, S5-T2)<br>3. Innovation in packaging and product variants (premium, gift packs) to anticipate consumer trends. (S1, S3-T2, T4)<br>4. Long-term collaboration with farmers to stabilize supply and competitive prices. (S2-T3) | **WT Strategy**<br>1. Operational and logistical efficiency to maintain price competitiveness with limited locations. (W1, W2-T1)<br>2. The target market segment is specialty coffee lovers who highly appreciate manual brewing methods. (W2, W4-T1, T4)<br>3. Long-term contracts with suppliers to stabilize raw material prices. (W3-T3)<br>4. Self-paced online training for adapting to digital consumer trends. (W4-T2, T4) |

Source: Processed primary data, 2025

Based on the results of the IE matrix analysis and the Cartesian SWOT diagram on Table 11, the EBRO Brand is positioned in Quadrant I (Growth/Aggressive) with coordinates (+1.23; +0.92). This position indicates that the most appropriate strategy to implement is the SO (Strengths-Opportunities) Strategy which is aggressive and growth-oriented.

Among the SO strategies formulated, there are two main priority strategies that need to be implemented immediately, namely:

1. SO1 Strategy: Strengthening Premium Branding (S1, S2-O1)

This strategy leverages EBRO's core brand strengths, including its unique single-origin Kalosi Arabica coffee (S1), supported by access to high-quality raw materials (S2), to capture the growing specialty coffee market (O1). Implementation is achieved through the development of brand storytelling that emphasizes authenticity, farm origins, and a guarantee of pure, unadulterated quality. Positioning as a "certified single-origin premium specialty coffee" is expected to attract a consumer segment that appreciates high-quality coffee and is willing to pay a premium price.

2. SO2 Strategy: Digital Market Expansion (S3, S4-O2, O4)

This strategy leverages the legitimacy of PIRT and HALAL certification (S3) and the brand's well-known reputation in Enrekang (S4) as a foundation for geographic expansion through digital platforms (O2, O4). Market penetration is achieved through marketplaces (Tokopedia, Shopee, Bukalapak), social commerce (Instagram Shop, TikTok Shop), and social media to reach consumers in other regions. This strategy aligns with the findings of Zulaikha and Herlambang (2024) who emphasized the importance of digital marketing to increase the

competitiveness of coffee MSMEs in the digital era.

These two priority strategies were chosen because they have the highest weighted factor combination and have the potential for a direct impact on increasing sales and brand awareness of the EBRO Brand in the short to medium term.

**Value Chain Perspective and Socio-Economic Impacts**

The financial feasibility analysis in this study focuses on the agro-processing perspective. However, to understand the broader contribution, it is necessary to discuss the added value created and the EBRO Brand's position within the Kalosi Arabica coffee value chain.

Value Added Analysis: The EBRO brand creates added value through: (1) Form added value by converting coffee beans into packaged ground coffee, increasing the selling value from Rp 120,000/kg of raw beans to Rp 360,000/kg of finished product, with an added value of Rp 240,000/kg (200% margin); (2) Place added value by distributing to regional and national markets, bringing the product closer to urban consumers; (3) Time added value through packaged products with a shelf life of 6-12 months.

Position in the Supply Chain: Azzahro and Hanoum (2024) identified that coffee farmers' profit margins are often low (20-30% of the final selling price) due to their reliance on middlemen. The EBRO brand, with its location in production centers, allows direct purchasing from farmers, potentially providing better prices while ensuring the quality and traceability of raw materials. However, this study did not quantitatively measure the impact on farmers' incomes, requiring further study using Social Return on Investment (SROI).

**Integrative Discussion**

The results of this study indicate that the EBRO brand of ground coffee is not only financially viable but also strategically well-positioned for further development. This finding aligns with several previous studies that also emphasize the importance of financial feasibility analysis and development strategies in the coffee agro-industry. The EBRO brand's primary advantage lies in a combination of two factors: access to high-quality Kalosi Arabica coffee raw materials and its position as a pure, single-origin product that is highly sought after amidst the growing consumer appreciation for specialty coffee.

This study uses a more realistic approach in calculating financial feasibility, namely by using a 6% discount rate based on the actual loan interest rate from BRI Enrekang Branch in 2025. This differs from several previous studies that often use general interest rates, so the results of the analysis in this study better reflect the real conditions faced by local MSMEs. In addition, the strategic analysis approach by combining the IFAS-EFAS matrix into a SWOT Cartesian diagram provides a clearer and more measurable picture of the business position, making it easier for decision makers to formulate strategies.

The 83.3% surge in sales growth by 2025 demonstrates that the market expansion and digital transformation strategies implemented since the end of 2024 are yielding significant results. This also demonstrates the relevance of the SO (Strengths-Opportunities) strategy recommended in this study, particularly in leveraging the strengths of local products to reach expanding digital market opportunities. However, this rapid growth also requires increased production capacity and strengthening the supply chain system for sustainable growth.

## CONCLUSION

The EBRO brand of Kalosi Arabica ground coffee agribusiness is feasible to develop both financially and strategically. Financially, the NPV of Rp 218,390,468, the IRR of 15.19%, which is higher than the 6% discount rate, and the Net B/C ratio of 1.336 indicate that this business provides good profits and capital efficiency. A sensitivity analysis confirms the investment's resilience even under adversarial conditions such as an increase in the discount rate of up to 12% or a decrease in sales volume of up to 20%. During the 2021–2025 period, this business experienced very positive sales growth with an average increase in sales volume of 32.5% per year, with the highest spike reaching 83.3% in 2025 due to market expansion and the adoption of digital transformation. From a strategic perspective, a quantitative SWOT analysis places the EBRO Brand in Quadrant I (Growth/Aggressive) with coordinates (+1.23; +0.92), indicating that the business has dominant internal strengths and significant external opportunities. Therefore, the most appropriate development strategy is the SO (Strengths-Opportunities) strategy, which focuses on strengthening the brand as a premium specialty coffee brand, expanding the market through digital platforms and agent networks, modernizing production facilities, and optimizing supply chain management. The sustainability of this business depends heavily on the ability to maintain the uniqueness of the original Kalosi product and adapt to the dynamics of competition and consumer behavior in the digital era. With the implementation of an integrated strategy, the EBRO brand has the potential to become a significant player in the specialty coffee industry at the regional and national levels, while simultaneously driving local

economic growth in Enrekang Regency.

**Research Limitations**

This study has several limitations: (1) The analysis period is limited to 5 historical years without long-term projections; (2) A single case study so that the findings cannot be directly generalized to other coffee MSMEs; (3) The financial analysis uses net profit as a proxy for cash flow without separating the details of annual CAPEX; (4) The SWOT weighting only involves business owners as key informants; (5) The external SWOT analysis has not taken into account the details of global macroeconomic factors; (6) The effectiveness of strategy implementation has not been measured empirically.

**Suggestions for Future Research**

Some suggestions for further research: (1) Multi-case comparative analysis of several brands of ground Arabica coffee from Kalosi; (2) Long-term financial projections of 10-15 years with various scenarios; (3) Strategy validation with a panel of experts using the Delphi or AHP method; (4) Longitudinal study to measure the effectiveness of strategy implementation; (5) In-depth value chain analysis with gross margin analysis; (6) Socio-economic impact study using Social Return on Investment (SROI); (7) Analysis of specialty coffee consumer behavior.

**Policy Implications**

For Regional Governments: (1) Digital marketing assistance program for coffee MSMEs; (2) Facilitating access to modernization financing with a low-interest scheme; (3) Strengthening farmer-MSME partnerships through a contract farming program with a price floor mechanism; (4) Developing integrated Kalosi coffee agrotourism infrastructure. For Coffee MSMEs: (1) Prioritizing investment in quality management systems and product certification; (2) Adopting a premium branding strategy based on storytelling that emphasizes single-origin uniqueness; (3) Utilizing digital platforms as the main distribution and marketing channel. For Research Institutions: (1) Conducting further research on the socio-economic impact of coffee MSMEs on farmer welfare; (2) Developing a sustainable business model that integrates economic, social, and environmental aspects (triple bottom line). The implementation of these policy recommendations is expected to create a more competitive, inclusive, and sustainable Kalosi coffee agribusiness ecosystem in Enrekang Regency.

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