

# PRODUCTION PROCESSING PRODUCTION COSTS BUSINESS FEASIBILITY OF HOUSEHOLD WOVEN FABRIC INDUSTRY ENTERPRISES MICRO SMALL TO MEDIUM (UMKM) IN KEBON AYU VILLAGE, GERUNG DISTRICT, WEST LOMBOK REGENCY

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# Abstract

This research aims to determine the production process and production costs as well as the feasibility of home woven fabric industry businesses in Micro, Small and Medium Enterprises (MSMEs) in Kebon Ayu village, Gerung subdistrict, West Lombok Regency. The research method used was descriptive qualitative, involving 10 respondents from woven fabric home industry businesses as respondents who were determined purposively.

The results of research on the production process and the production costs incurred influence the results of woven fabric production, where the average production costs incurred are as low as Rp. 605,000 and as high as Rp. Highest IDR 1,568,000. From the results of the analysis using the R/C Ratio, economically the woven fabric home industry business in Kebon Ayu village is said to be efficient in production because the R/C Ratio is > 1, which means that the woven fabric home industry business is feasible to operate with an average of R /C Ratio above 1. Production can be increased by increasing production costs by using materials as efficiently as possible and working hours to meet sales targets. There is a need to modernize production equipment with weaving machines to increase production, which so far they work traditionally and still use a loom is not a machine.

Key Words: Production processing, Production Cost, Wovend Fabric Industry Enterprises

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# **INTRODUCTION**

# Background

MSMEs (Micro, Small and Medium Enterprises) play a very large role in advancing the Indonesian economy. Apart from being an alternative new job opportunity, MSMEs also played a role in driving the rate of economic growth after the 1997 monetary crisis when large companies experienced difficulties in developing their businesses. Currently, MSMEs have contributed greatly to regional income and Indonesian state income. MSMEs are a form of small community business whose establishment is based on someone's initiative. Most people think that MSMEs only benefit certain parties. In fact, MSMEs play a very important role in reducing the unemployment rate in Indonesia. MSMEs can absorb many Indonesian workers who are still unemployed. Apart from that, MSMEs have contributed greatly to regional income and Indonesian state income. MSMEs also take advantage of various potential natural resources in an area that have not been commercially processed. MSMEs can help process the natural resources that exist in each region. This contributes greatly to regional income and Indonesian state income.

One of the villages that develops MSMEs is Kebon Ayu Village. Kebon Ayu Village is one of 11 villages in the Gerung District area. From a historical perspective, Kebon Ayu Village originates from the merger of two villages, namely Penarukan Village and Gunung Malang Village. These two villages were founded in 1916 with each village overseeing 13 hamlets for Penarukan Village and 5 hamlets for Gunung Malang Village.

Kebon Ayu Village has superior MSMEs, namely Weaving which is still preserved as a culture that still maintains its existence and is used as a source of side income for the majority of residents in Kebon Ayu Village. Weaving is one of Indonesia's traditional fabric arts and culture which is produced in various regions in throughout the archipelago such as Sumatra, Kalimantan, Bali, Sulawesi, Lombok and Sumbawa. Weaving has high meaning, historical value and technique in terms of colors, motifs and types of materials and threads used and each region has its own characteristics. Weaving as one of the high cultural heritages is the pride of the Indonesian nation, and reflects the nation's identity.

This woven cloth craft needs to be maintained and preserved, because it also has high cultural value if managed well. Apart from that, it also contains its own value for the craftsmen who make it, one of which is economic value because its existence apparently provides added value to the economy of the craftsmen concerned.

#### Research purposes

In a research, it cannot be separated from a goal, why the research is carried out, so that the results of a research can be achieved as expected, then the aim of the research carried out is as follows:

- To find out the production process of making traditional woven cloth for the home industry for Micro, Small and Medium Enterprises in Gerung sub-district, West Lombok district.
- b) To analyze the production costs and feasibility of a woven fabric home industry business for Micro, Small and Medium Enterprises in Gerung sub-district, West Lombok regency.

# **THEORETICAL BASIS**

**Featured Products** 

Regional superior products are products in the form of goods or services with unique/distinctive characteristics at the Village/Village, District, Regency and Provincial levels, which are produced by cooperatives or micro, small and medium enterprises (MSMEs). Business actors strive to utilize and optimize the potential of natural resources, human resources and local cultural potential to develop their products so that they are easily recognized, easy to obtain and highly competitive. The potential for superior products found in various regions of Indonesia makes it possible to develop further with the help of lecturers at universities, through continuous community service activities for three years in the Regional Superior Product Development Program (PPUD).

Likewise, Lombok Island is an island that is one of the producers of woven cloth. Woven fabric craftsmen in the Lombok area are spread widely in various remote villages, and the processing system is generally carried out traditionally using non-machine looms (ATBM), which have their own characteristics, motifs and meanings. The manufacture of this woven cloth began during the kingdom of the Sasak tribe of Lombok in the form of "Purbasari Cloth" which was usually made or designed only for members of the royal family (nobility) of the Sasak Tribe in the form of "Sarong Cloth". With various types of motifs and symbolic meanings that have spiritual values and were sacred to the Sasak people during the kingdom era at that time.

### Production Cost Theory

Production Costs According to Sukirno (2000: 207) in Sridianto (2016) Production costs can be defined as an expenditure incurred by a company in obtaining incentives for production factors and raw materials used created through goods by the company. So, production costs are the total costs incurred during the production process. According to Sukirno (2015: 209) in Andriani (2019) there are several classifications of production costs as follows: a. Fixed costs 13 Fixed costs are costs whose total amount is stated to be fixed within the range of changes in the volume of certain activities. Regarding the size of fixed costs, it is influenced by long-term business conditions. b. Variable costs: Variable costs are costs whose amount can change according to the number of products produced, the greater the number of products produced, the greater the number of variables. Variable costs per unit remain with the volume of activity or production, such as the costs of raw materials, auxiliary materials and labor wages which are paid according to the number of products produced. c. Total cost Total cost is the total amount of production costs incurred. The fixed costs that must be borne by a particular company do not only relate to one type of fee or costs but consist of several types of costs. Total costs are the costs incurred to produce all output and are all variable. It can be formulated as follows:

TC = TFC + TVC....

Information: TC: Total Cost (total costs) TFC: Total Fixed Cost (total fixed costs) TVC: Total Variable Cost (total variable costs)

#### Level of efficiency of the weaving craft business

Efficiency Concept 15 According to Nasution & Huda (2009) The concept of efficiency begins with microeconomic concepts, namely producer theory and consumer theory. Producer theory explains that producers maximize profits and minimize costs. Meanwhile, consumer theory maximizes the level of satisfaction. According to Nicholson (2002: 427) in Hanafi (2017), an activity can be said to be efficient if the activity is able to achieve the target (output) with lower costs (input). So efficiency can be interpreted as the absence

of waste. The efficiency of a business is usually measured in four ways, namely: technical efficiency, economic efficiency, and financial, political efficiency and administrative efficiency. These four efficiencies are predicted before a business is run. The economic efficiency of a business is measured through a comparison between the value of the input sacrificed and the revenue that will be obtained in the form of output. The measurement method is called the input ratio and output ratio. A business will be declared feasible if it has an output value divided by more than one input. The greater the comparison number value, it can be said that the business has good prospects.

Businesses will get high income from input and output that comes in and out more efficiently and effectively. Business efficiency measurements are carried out to determine the success of a business by comparing total revenue with total costs. It can be formulated as follows:

RC= Total Revenue - Total Cost

Information: R = Business revenue (Rp) C = Total business costs (Rp) Where: 1. R/C Ratio >1, meaning the business is efficient or worth running (profitable).

2. R/C Ratio < 1, meaning the business is inefficient or not worth running (loss). 3. R/C Ratio = 1, meaning the business breaks even, that is, it experiences no profits or losses

# **RESEARCH METHODS**

### **Research Approach**

The research approach used in this research is qualitative research with descriptive methods. Where the qualitative approach is naturalistic research because the research is carried out in natural conditions or it could be said that the qualitative research approach is research based on the philosophy of post-psychivism, often also referred to as an interactive and constructive paradigm, which views social reality as something holistic/whole, complex, dynamic., full of meaning, and the relationship between symptoms is interactive (reciprocal). Research is carried out on natural objects. Natural objects are objects that develop as they are, are not manipulated by researchers and the presence of researchers does not affect the dynamics of the object (Sugiyono, 2019:17). Furthermore, according to (Denzin, etc. in Anggita, etc., 2018:7) qualitative research is research that uses natural settings with the aim of interpreting phenomena that occur and is carried out by involving various existing methods.

Meanwhile, the research approach uses a descriptive method, namely that the researcher must describe an object, phenomenon, or social setting which will be outlined in narrative writing. The meaning of writing is that the data and facts collected are in the form of words or images rather than numbers. This means that in this research, the researcher used a qualitative research approach with a descriptive method because the researcher wanted to know how the process of making woven cloth in Kebon Ayu Village, what motifs are made on woven cloth in Kebon Ayu Village, what tools and materials are used in making cloth. weaving in Kebon Ayu Village and what obstacles are experienced in developing the woven fabric craft industry in Kebon Ayu Village.

# **Research Design**

Research design is a research design that is used as a guide in carrying out the research process. Research design aims to provide clear and structured guidance to researchers in conducting their research. According to Fachruddin (2009, p. 213) research design

is: a framework or details of work procedures that will be carried out when researching, so that it is hoped that it can provide an overview and direction of what to do. will be carried out in carrying out the research, as well as providing an overview if the research has been completed or the research has been completed. Nasution (2009, p. 23) also states that "research design is a plan for how to collect and analyze data so that it can be carried out economically and in harmony with the research objectives." He stated the usefulness of research design, namely:

- Design provides researchers with clearer guidance in conducting their research;
- 2) The design also determines the boundaries of the research related to the research objectives;
- 3) The research design, apart from providing a clear picture of the various difficulties that will be faced, may also have been faced by other researchers.

The research design process proposed by Nasution (2009, p. 56) research design includes the following processes:

- 1. Identification and selection of problems
- 2. Formulate research problems
- 3. Building investigations and experiments
- 4. Select and define variable measurements
- 5. Select the sampling procedures and techniques used
- 6. Develop tools and techniques to collect data
- 7. Make coding, and carry out editing and data processing
- 8. Analyzing data and selecting statistical procedures
- 9. Research reports on research results.

### Data Collection Procedures

The most important step in research is the data collection technique, because the main aim of research is to obtain data (Sugiyono, 2019:296). This research uses the following data collection techniques:

### a. Observation

(Nasution in Sugiyono, 2019:297) states that observation is the basis of all science. Furthermore (Faisal in Sugiyono, 2019:297-298) classifies observations into participant observation, overt and covert observation, and unstructured observation. Participant observation is divided into four, namely participant observation, frank or covert observation, unstructured observation, and complete observation. In this research the researcher used participatory observation because in this case the researcher was directly involved or the researcher went directly into the field to look for data but did not participate in daily activities, only observing activities.

### b. Interview

(Stainback in Sugiyono, 2019:305) with interviews researchers will find out more in-depth things about participants in interpreting situations and phenomena that occur, which cannot be found through observation. (Esterberg in Sugiyono, 2019:305-306) suggests several interviews, namely structured, semi-structured and unstructured interviews. In this case the researcher used semistructured in-depth interviews, where in carrying out the interview the researcher first created questions before conducting the interview, which then asked the questions to the informants who had been determined. Those interviewed were asked for their opinions and ideas, while the researcher listened and recorded what was stated by the informant.

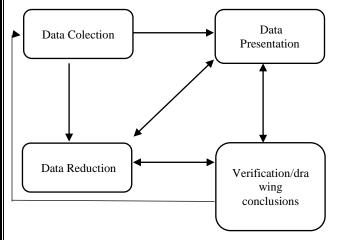
#### c. Documentation

Documentation is a record of past events. This documentation can take the form of writing (notebooks, biographies, regulations, and policies), images (photos, still life images, and sketches), or works (drawings, films, and sculptures).

This documentation study is a complement to the use of observation and interview methods. Where researchers look for data using notebooks, tape recorders, and cameras whose contents are related to the processes of making woven cloth.

#### **Data Analysis**

Data analysis according to (Miles, et al in Sugiyono 2019:321-330), states that activities in qualitative data analysis are carried out interactively and continue continuously until completion, so that the data is saturated. Activities in data analysis are data collection, data reduction, data display, and conclusion drawing/verification. Furthermore, the interactive model in power analysis is shown in the following figure:



Data collection  $\rightarrow$  data presentation  $\rightarrow$  data reduction,  $\rightarrow$  verification/drawing conclusions

# **Cost Analysis**

Production costs are a series of activities carried out from the input processing process to produce output. Mathematically, this can be done using the following formula:

TC = TVC + TFC

Information:

TC: Total Cost (Total Cost).

TVC: Total Variable Cost.

TFC: Total Fixed Cost (Total Fixed Cost).

2. business income

Business income is the result of sales of goods or services in a company within a certain period.

The calculation of business income can be formulated as follows:

TR-TC

Information:

TR= Total Revenue (total receipts)

TC= Total Cost (total costs)

3. Business Efficiency

Efficiency is an effort to achieve maximum goals by minimizing resource expenditure.

RC= Total Revenue - Total Cost

Note: 16 R = Business receipts (Rp.) C = Total business costs (Rp.) Where:

- d. R/C Ratio >1, meaning the business is efficient or worth running (profitable).
- e. R/C Ratio < 1, means the business is inefficient or not worth running (loss).</li>
  3. R/C Ratio = 1, meaning the business breaks even, that is, it experiences no profits or losses.

# **RESULTS AND DISCUSSION**

# **Overview of the Research Area**

West Lombok Regency is a district on the island of Lombok, West Nusa Tenggara province, Indonesia. The West Lombok Regency region borders several cities and regencies, namely: North: North Lombok Regency, East: Central Lombok Regency, South: Indonesian Ocean and West: Lombok Strait and Mataram City. Like other regencies and cities in the Nusa Tenggara region, West Lombok Regency We have a tropical wet and dry climate (Aw) with two seasonal patterns, namely the rainy season and the dry season.

The capital of West Lombok is Gerung District. The population of West Lombok district in 2020 was 724,744 people, with a density of 808 people/km<sup>2</sup>.

One of the villages in Gerung sub-district is Kebon Ayu village. Kebon Ayu village is one of the 11 villages in Gerung sub-district. From a historical perspective, Kebon Ayu Village originates from the merger of two villages, namely Penarukan Village and Gunung Malang Village. These two villages were founded in 1916 with each village overseeing 13 hamlets for Penarukan Village and 5 hamlets for Gunung Malang Village.Penarukan and 5 hamlets for Gunung Malang Village.

Kebon Ayu Village has a superior MSME, namely weaving, which is still preserved as a culture that still aintains its existence and is used as a source of side income for the majority of residents in Kebon Ayu Village. Weaving has high meaning, historical value and technique in terms of colors, motifs and types of materials and threads used and each region has its own characteristics. Weaving as a high cultural heritage is the pride of the Indonesian nation and represents national identity. Therefore, weaving, both in terms of production techniques, design and the products produced, must be maintained and preserved, and its use must be promoted again.

#### **Production Process Stages**

Production is an activity to create goods and services. This production is carried out solely to meet human needs. Apart from meeting daily needs, based on the definition of production, it is intended to add value to goods and services. The result of production is a product. This product is produced by actors who carry out the production process. The result of this understanding is that production has no limits. There are two types of concepts that must be understood, starting from production to produce goods and services. Then production adds value to goods and services.

A. The stages in the process of making woven fabric are as follows:

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# 1. Understand

The initial stage of the process of making woven cloth is kneading. Menghani is sorting the strands of thread to then become a warp which is placed on the hani tool. The following are the stages of the understanding process:

- a. First you have to know what size woven fabric you want to make. Then, according to the length of the warp to be made, the threads are placed on the hani tool strand by strand.
- b. The next stage is to adjust the warp threads to the length of the pattern, the size of the number of warp threads. Don't forget to cross the warp threads too.
- c. After being neatly arranged, every 10 warp threads are tied as desired according to the pattern. Apart from that, it also makes counting threads easier.
- d. If the warp threads are long, they must be rolled first by weaving them into a braid so that they do not become tangled and messy.

#### 2. Install the warp thread on the warp thread bum

After doing the weaving, the next step is to install the warp threads on the loom (ATBM). Strand by strand of thread is attached to the loom with great care and patience. The following are the steps for attaching the warp threads to the warp boom:

- a. Divide the warp thread into two equal parts.
- b. Prepare the warp thread, then turn the ankle until all the ropes are unraveled. Pull up and place the wooden stretch on the warp thread boom and place it on the loom frame.
- c. The warp thread is placed in the middle to the right. Middle part to the left then don't forget to intersect the rope on the stretch of wood. Separate the threads until the warp is more even.
- d. Attach two pieces of wood to cross the warp threads so that they don't come loose. This position is very important and determines how to insert the warp threads into the gun and comb eyes.
- e. Separate the warp threads on the tool across the raddle according to the width of the weave. Then trim the threads.
- f. The final stage is winding the warp threads onto the working thread boom. Don't forget to leave a length of thread up to the edge of the comb.

#### 3. Insertion of the Gun Eye

The next stage is grafting. Tieing is inserting the warp threads into the eye of the gun according to the weaving pattern. The following are the extraction steps:

- a. The first stage is to insert the warp thread into the gun eye from the center to the right or from the center to the left or vice versa.
- b. Insert the gun bit according to the style or pattern.
- c. Every 10 strands of thread are tied together so that they don't come loose. Insert the thread completely into the gun eye.
- d. Insert the warp threads one by one, combing them starting from the middle to the right or the middle to the left.

#### 4. Haircut on the comb

The next stage is cutting on the comb. This process inserts the threads in the warp into the comb according to the style and pattern

of the woven fabric. The following are the steps for washing a comb:

- a. First, insert the warp threads one by one into the comb starting from the middle to the right or the middle to the left and vice versa.
- b. Each strand of 10 threads is tied and then inserted one by one into the comb.

# 5. Tie the Warp Thread to the Bum of the Fabric

The next step is to tie the warp threads to the fabric after threading it through the gun and comb. The following is the process of tying the warp threads to the fabric boom:

- a. Twist the fabric until the rope unravels.
- b. Then tie the warp threads and spread the wood over a series of fabric booms.
- c. Tied starting from the middle to the right or middle to the left and then the other parts until they are all tied.
- d. Tie the warp threads one by one with a loose tie distance but not too loose. Do this until all the threads are tied.

#### 6. Setup

The following is the setup process:

- a. The gun is numbered 1234 and the treadle is 1234 for ease during weaving.
- b. Continue to monitor and pay attention to the protrusions so they don't get messy and are in line with the flow.
- c. The next step is to set the gun position and action. For example, gun 1 with a step of 1, gun 2 with a step of 2, gun 3 with a step of 3, gun 4 with a step of 4.
- d. You need to control the bond tension so that the tension is the same.

### 7. Weaving

This is the most crucial process in making woven fabric:

- a. The mountains are the same distance apart so that the results can be aligned right and left and neat.
- b. Connect the thread forward from the selvage approximately 2-3 cm.
- c. Press the weave with the comb in the same way, for example two taps and vice versa, two taps. The result can be a neat, even weave density.
- d. Weave according to the motif that was arranged previously.
- e. If the mouth of the warp is narrow, roll the woven product.
- f. Continue weaving until it is finished according to the desired motif.

#### 8. Removing the Weave

- a. This doesn't mean it's finished after weaving, take off the woven fabric a little more carefully. The following is how to remove woven fabric from the loom:
- b. Loosen all weave.
- c. Cut the warp threads except leaving the warp threads on the gun.
- d. Remove the weaving, untie the warp threads.
- e. The woven fabric is finished, neaten it first with the knots.

### **Product Marketing**

Marketing of weaving crafts is still carried out only around Gerung District. The respondents, who in this case are housewives, market their craft products by selling their crafts by directly offering and selling them to buyers. Usually buyers also come alone to buy weaving crafts in Kebon Ayu Village. Limited knowledge about technology is the biggest obstacle in marketing woven crafts in Kebon Ayu Village considering that most of the weaving craftsmen in Kebon Ayu Village have a poor educational background which results in the wider community not knowing about the existence of a woven fabric center in Kebon Ayu Village. This certainly affects the sales turnover of woven fabrics, which does not rule out the possibility of it reaching outside the region and even to the international market.

# 1. Production

The production process is the activity of changing materials or raw materials into a product that can be used, can be enjoyed by consumers, or what is usually called a finished product or ready for consumption. Where the production process of weaving crafts is carried out at each craftsman's home. Then it is sold directly at home without being sold at kiosks or retailers.

# 2. Production Costs

Production costs in a weaving craft business are costs incurred in weaving craft production business activities for one month. Production costs incurred in the production process of woven crafts in Kebon Ayu Village are divided into two types of costs, namely fixed costs and variable costs.

#### 3. Fixed Costs and Depreciation

Fixed costs in this study consist of equipment costs and equipment depreciation costs. The following are details of each component of fixed costs for weaving crafts.

ruber 1. Diaga tetap dan Fenyasutan Feranatan					
No.	Respondent's Name	Fixed Cost	Shrinkage		
1.	Ibu Yatni	195.000	4.156		
2.	Ibu Yuli	217.000	4.172		
3.	Ibu Masni	226.000	3.221		
4.	Ibu Raminah	250.000	3.317		
5.	Ibu Sari Wati	261.000	4.018		
6.	Ibu Nurasih	288.000	4.095		
7.	Ibu Ratminah	239.000	3.421		
8.	Ibu Nurisah	350.000	5.066		
9.	Ibu Indri	291.000	4.908		
10.	Ibu Sri	308.000	5.278		

# Tabel 1. Biaya tetap dan Penyusutan Peralatan

Data Source: Primary data is processed

The production process of making woven cloth uses traditional production tools which require maintenance costs and depreciation of production equipment which is included in the fixed cost component of each respondent, including: Mrs. Yatni produces woven crafts with fixed costs of IDR 195,000 and depreciation of production equipment of IDR 4. 156, Mrs. Yuli produces songket cloth weaving crafts with fixed costs of IDR 217,000 and depreciation on production equipment of IDR 4,172

Mrs. Masni produces songket weaving crafts with fixed costs of IDR 226,000 and depreciation on production equipment of IDR 3,221

Mrs. Raminah produces ikat woven cloth crafts with fixed costs of IDR 250,000 and depreciation on production equipment of IDR 3,317

Mrs. Sari Wati produces ikat woven crafts with fixed costs of IDR 261,000 and depreciation on production equipment of IDR 4,018

Mrs. Nurasih produces songket weaving crafts with fixed costs of IDR 288,000 and depreciation on production equipment of IDR 4,095

Mrs. Ratminah produces woven crafts with fixed costs of IDR 239,000 and depreciation on production equipment of IDR 3,421

Mrs. Nurisah produces songket woven crafts with fixed costs of IDR 350,000 and depreciation on production equipment of IDR 5,066

Mrs. Indri produces songket cloth weaving crafts with fixed costs of IDR 291,000 and depreciation on production equipment of IDR 4,908

Mrs. Sri produces sarong weaving crafts with fixed costs of IDR 308,000 and depreciation on production equipment of IDR 5,278

#### 4. Variable Costs

Variable costs are production costs whose nature changes according to the amount of production, so that the size of the variable costs will be determined by the size of the business scale and production produced by the home woven fabric industry business in Kebun Ayu village, Gerung subdistrict. The following are details of variable costs in the production process for one month incurred by respondents in the weaving craft business.

No.	Respondent's Name	Variabel Cost (IDR)
1.	Ibu Yatni	410.000
2.	Ibu Yuli	615.000
3.	Ibu Masni	585.000
4.	Ibu Raminah	500.000
5.	Ibu Sari Wati	390.000
6.	Ibu Nurasih	480.000
7.	Ibu Ratminah	985.000
8.	Ibu Nurisah	870.000
9.	Ibu Indri	550.000
10.	Ibu Sri	620.000

# Table 2. Variabel Cost

Data Source: Primary data is processed

The data in table 2 shows the total variable costs incurred by respondents in the production process during the month for the purchase of raw materials for yarn and dyes which can be detailed for each respondent as follows: Mrs. Yatni produces songket cloth weaving crafts with variable costs of IDR 410,000 at a time. production (one month). Mrs. Yuli produces woven crafts with variable costs of IDR 615,000 in one production (one month). Mrs. Masni produces woven crafts with variable costs of IDR 585,000 in one production (one month). Mrs. Raminah produces ikat woven

cloth crafts with variable costs of IDR 500,000 in one production (one month). Mrs. Sari Wati produces woven crafts with variable costs of IDR 390,000 in one production (one month). Mrs. Nurasih produces sarong woven crafts with variable costs of IDR 480,000 in one production (one month). Mrs. Ratminah produces ikat woven cloth crafts with variable costs of IDR 985,000 in one production (one month). Mrs. Nurisah produces woven crafts with variable costs of IDR 870,000 in one production (one month). Mrs. Nurisah produces woven crafts with variable costs of IDR 870,000 in one production (one month). Mrs. Indri produces songket cloth woven crafts with variable costs of IDR 550,000 in one production (one month). Mrs. Sri produces woven crafts with variable costs of IDR 620,000 in one production (one month).

### 5. Analysis of Business Income

Income is the difference between total receipts and total costs incurred in carrying out a business. The amount of income from the weaving craft industry business obtained from weaving production minus the total costs incurred during one month. The following is the amount of revenue/income from the weaving craft industry in Kebon Ayu village, Gerung sub-district, West Lombok Regency.

Table 3.	Production	Income,	Total	Costs	and	Income	from
Weaving	Crafts in Ger	ung Distri	ct, Wes	st Lomb	ok R	egency.	

No.	Respondent's Name	Total Revenue (TR)	Total Cost (TC)	H = TR – TC		
1.	Ibu Yatni	2.140.000	605.000	1.535.000		
2.	Ibu Yuli	2.400.000	832.000	1.568.000		
3.	Ibu Masni	1.950.000	811.000	1.139.000		
4.	Ibu Raminah	2.200.000	750.000	1.450.000		
5.	Ibu Sari Wati	1.360.000	651.000	709.000		
6.	Ibu Nurasih	1.825.000	768.000	1.057.000		
7.	Ibu Ratminah	2.700.000	1.224.000	1.476.000		
8.	Ibu Nurisah	2.065.000	1.220.000	1.045.000		
9.	Ibu Indri	2.100.000	841.000	1.259.000		
10.	Ibu Sri	1.600.000	928.000	752.000		

Data Source: Primary data is processed

#### 6. Business Efficiency Analysis

Business efficiency analysis is sought to see the profits of a business. This is in accordance with the opinion of Hermanto (1993), that business efficiency analysis can be used to see the profits of a business which is tested by how much the rupiah value of the costs used in business activities provides revenue as benefits. Furthermore, the opinion of Bishop and Toussaint (1979) is that if the R/C ratio < 1 then the business is inefficient.

Table 3 Business Efficiency of Home Woven Fabric Industries in Kebon Ayu Village, Gerung District

No.	Respondent's Name	Total Revenue (IDR)	Total Cost (IDR)	Business Efficiency
1.	Ibu Yatni	2.140.000	605.000	3,54
2.	Ibu Yuli	2.400.000	832.000	2,88

3.	Ibu Masni	1.950.000	811.000	2,40
4.	Ibu Raminah	2.200.000	750.000	2,93
5.	Ibu Sari Wati	1.360.000	651.000	2,08
6.	Ibu Nurasih	1.825.000	768.000	2,38
7.	Ibu Ratminah	2.700.000	1.224.000	2,20
8.	Ibu Nurisah	2.065.000	1.220.000	1,69
9.	Ibu Indri	2.100.000	841.000	2,49
10.	Ibu Sri	1.600.000	928.000	1,72

Data Source: Primary data is processed

Analysis of the woven fabric craft home industry business in Kebon Ayu village, Gerung subdistrict, Lombok Brat district, seen from the comparison of total revenue or total revenue with total costs. A business is said to be efficient in production if the costs incurred in the production process are less than total revenue or in other words if the R/C Ratio is > 1, then the business being run is said to be efficient. To determine the level of efficiency of the woven fabric home industry business in each respondent, the average R/C ratio is above one, this shows that the woven fabric home industry business in Kebon Ayu village is at an efficient level. Because the R/C ratio is > 1, the home woven fabric industry business is worth pursuing in the sense that if the R/C ratio = 1.6, this means that if production costs increase by 1 unit, it will provide additional income of 1.6. or if there is an additional cost of IDR 1,000 then revenue will increase by IDR 1,600. Of the 10 respondents, the highest R/C Ratio was achieved by respondent 1 with an R/C Ratio value of 3.5 and the lowest was for respondents 8 and 10, namely the average R/C Ratio was 1.65

So the business feasibility analysis in this research is an analysis carried out to find out whether the business is worth pursuing or not. The suitability of a business can be seen using R/C ratio analysis, which is a comparison between revenue and total costs. Mathematically, R/C uses the following formula:

#### R/C Ratio = TR / TC

Criteria:

If R/C > 1 means it is worth trying.

If R/C < 1 it means it is not worth trying.

If R/C = 1 it means break even.

# CONCLUSIONS

# 1. Conclusion

The process of making this woven cloth craft takes a long time and is a very complicated process. Various kinds of motifs are produced from these crafts and also the various regions that produce them. The production process requires production costs, the size of the costs incurred will affect the results of woven fabric production. By comparing production costs with revenues, the level of business efficiency can be determined as measured by the R/C ratio formula. The results of the analysis show that the woven fabric home industry business in Kebon Ayu village is said to be efficient, in other words, R/C Ratio > 1. This business is said to be economically efficient and worth pursuing.

#### 2. Suggestions

In the future, the production process will need to use production machines and currently woven fabric craftsmen in the production process are doing the work traditionally using Non-Machine Looms (ATBM) which is a characteristic of Lombok woven fabric. Efficiency can be increased by reducing production costs such as purchasing raw materials and increasing working hours to increase production.

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