**BUSINESS FEASIBILITY STUDY OF SPECIALITY TEA PRODUCTION**

**IN PT XYZ - A CASE STUDY**

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**Abstract**

The "specialty tea" business with the A brand is a small tea industry that using premium tea as raw material which is marketed in the local market (Indonesia), usually the best or premium tea being an export commodity. The purpose of this study is to analyze the feasibility of legal aspects, technical aspects, markets and marketing aspects, financial aspects, managerial and organizational aspects, economic and social aspects, and environmental aspects. The methodology analytical data are qualitative and quantitative. Qualitative data is used to analyze legal aspects, technical aspects, market and marketing aspects, managerial and organizational aspects, economic and social aspects, and environmental aspects.

Meanwhile, quantitative data is used to analyze the financial aspects through four investment criteria, namely NPV, IRR, Net B/C, and Payback period. The NPV value is IDR 991.395.658, Net B/C is 3.54, IRR of 82% and a payback period of 3 year and 2 months. Both the financial and non-financial aspects of the tea business with “A” brand by PT XYZ are said feasible to run. The sensitivity analysis calculation shows the decrease of production amount is more sensitive variable compared with the increasing price of tea.

**Keywords: Specialty Tea Business, Feasibility Study, Aspects of feasibility Study.**