

EXECUTIVE SUMMARY

PT. ABC is the company whose main business in tapioca flour manufacture. As manufacture industry growth, this industry itself has been growing along with the increase in number of other tapioca flour producer. The fast changes in the field industry which is not balanced by company faster response to react to this situation might cause the degradation of company performance.

Along with the changing in the industry, thus the formula to describe this problems in this research are:

- 1. What are the things which has become the company opportunity, threaten, strength and weakness to increase the value of firm?*
- 2. What are the reason that the company can not fulfill the consumer needs about tapioca flour satisfactorilly?*
- 3. How to compose an efficient and effective main cost of production measured by one of the main cost of production element which is the fuel of oven machinery?*
- 4. How is the investment advisability studying about replacing the old oven machine with the new one which can increase production quantity?*

Analysis used in this research :

- 4. SWOT analysis and QSPM, to helping company analyze internal capability and developing industry environment to determine its strategy.*

5. *Investment analysis with Capital Budgeting and the component, Net Present Value (NPV) and Internal Rate of Return (IRR).*

6. *Scenario which the increasing of solar fuel price to 30%, and have been analysis with Capital Budgeting and the component Net Present Value (NPV) and Internal Rate of Return (IRR)*

SWOT analysis result and QSPM shows the best company strategy are with investing the new oven machinery that can increase the value of firm, and supported with Capital Budgeting analysis where NPV from investment in the new oven machinery is about Rp. 7.046.160.400,- and IRR 39,43%.

Scenario which the increasing of solar fuel price to 30% analysis result also shows that NPV is about Rp. 9.525.748.374,- and IRR 44,02%.

By NPV result and the good IRR, then the company suitable to investing the new oven machinery. Especially with scenario analysis result where the existence of increasing solar fuel price that reach 30%, analysis shows result which is good. Suggestion within compiling this thesis, the company can create the best strategy with changing the old oven machinery with the new one that can increase the value of firm, by the increasing of production quantity and efficiency together with production effectiveness where the step in production revitalize is.