

# CHAPTER I

## BACKGROUND

### 1.1. Background of the Business

As we all know, nowadays wastes have become a serious issue in our life. There are many wastes in our life; one of the examples is used newspapers. Many people subscribe newspapers and after they have read them, it becomes waste in their house. As quoted in Pramono, a research that was done by *Pengelolaan Sampah Kota Bandung* shows that “Every year the amount of waste paper in Bandung raises 11.43 % in average” (7). Because of this reality, it comes to my mind that I should make something useful for our life from used newspapers, and I notice a business opportunity in processing and recycling it.

In this business plan, I write about the plan for a craft shop which sells recycled crafts made from used newspapers. The used newspapers are twisted, braided, swirled, folded or rolled, then painted in various colors and decorated with cute flour clay decorations. The shop sells crafts which are useful for our daily life. I choose this business because it is profitable and it can also reduce newspapers waste in our environment. This business is profitable because it has competitive price. The price of my products

ranges from Rp3000 to Rp15.000. This competitive price is possible because of the cheap main material that is used newspaper. One kilogram of used newspapers only costs Rp1.000. In addition, flour as an alternative material in making the clay decorations does not cost as much as polymer. I choose clay made from flour because it is cheap and can be shaped for cute decorations easily. I am interested in producing useful crafts for the reason that I want to prove to people that crafts not only can be treated as decorations in our house, but it can also be something useful for our life.

The craft shop will be named “Creative Craft” (henceforth, CC). This name emphasizes the creativeness of this business, which transforms used newspapers into crafts and uses flour as the main material of the crafts decorations. This name can also represent our creative products. By having this name, customers will have a clear image of the shop.

The unique aspect of this business is that the shop sells beautiful crafts from something that used to be waste. The used newspapers are transformed into cute, unique, and useful things for our life. The purpose of this business is not only for profit, but it also has environmental responsibility. Therefore, CC can be considered as a “green business.” As what is mentioned in More Business.com, in today’s global business world, “green” is becoming a higher priority topic. Green business will get increasingly more positive attention from both customers and the media for the effort of saving environment (par.1). Owing to this fact, CC tries to implement green issues in all aspects of its business. CC’s concern to the environment is not only shown in its products, but also in the packaging of

the products and the lightning in the shop. If customers buy the products, the products will be wrapped in brown paper bags which are easier to be recycled than usual plastics bags. Furthermore, saving energy lamps are used inside the shop and workshop.

There are many positive effects of doing green business. "Doing green business will give many benefits from both customers and cost. For customers who realize your commitment to protect the environment and recognize the efforts you are making are likely proved to be loyal, even if times get tough." (More Business.com, par. 3). Customers who buy the crafts will feel that they also take part in saving the environment. In addition, More Business.com also states that doing green business will save our money (par.4). According to these statements, CC will have chances to get loyal customers and minimize the production and operation costs.

## 1.2. SWOT Analysis and Competitors

There are some strengths of this business. The first one is that the cash outflow is small enough because the materials are very easy to get and also cheap. The cheap materials will result in competitive price, which is our second strength.

This business also has some weaknesses; the first one is the process of making the crafts requires some stages. Some of the stages are done in quite a long time, for example, some large size crafts may need hours of production process. The second weakness comes from newspapers as

the main material which can tear easily when it is twisted, rolled, swirled, or braided; therefore, the employees have to work extra careful. Although used newspapers can tear off easily in the process of making the crafts, the crafts are durable because they are painted and varnished.

One of the opportunities of recycling business is that recycling has become a trend nowadays. "Recycling programs are growing, the media and the environmental movement have focused attention on the mounting waste problem; therefore, now recycling has become the 'in' thing to do" (National Energy Education Development Organization 19). Based on this reality, now it is the best time and opportunity to open this business because people are more aware on environmental issues and have motivation to do something to save the environment. Moreover, another opportunity for this business comes from its location. I plan to open this business at Pasir Kaliki Street no.165. This location is near BPK High School and Paulus High School students who are CC's potential customers. The shop is located in a mini shopping centre. The second floor of the mini shopping centre is a boarding house, as a consequence, many students will pass by and come to CC. As we know that environmental awareness has been taught in schools; therefore, we can conclude that high school students get many information of current environmental issues. However, according to Mastur, some of the students still do not know the real action to save the environment according to their capacity (par. 1). By opening the shop near schools, we can provide students a fun and creative way of recycling as the real action of saving

the environment. Mastur also adds that the first time experience of saving environment is very important for the students (par. 5). CC will give high school students fun experiences of recycling. They will get a lot of benefits if they buy our products because beside taking parts in saving environment, they can also develop their creativity by joining the craft workshop in our shop. CC becomes the medium and starting point for the students to act to save environment.

Although this business has good opportunities, there is a threat in the ideas of recycling used newspapers. The materials are cheap enough and the process of making the crafts is also simple which makes others can imitate our products easily. This threat will create more and more competitors in creating crafts from used newspapers.

There are several competitors in crafts business in Bandung area. The competitors come from different ideas of craft shop. From recycling idea, there is Rumah Bagus, a crafts shop which sells crafts from waste of wood. From workshop idea, our competitor is Crayon which also provides clay and newspaper craft course; however, customers have to buy Rp100.000 of their products to be able to join in the workshop. CC can have good opportunity to be successful because of the affordable price of the crafts and workshop. The fresh and unique idea of combining newspaper crafts and flour clay decorations also makes the crafts perfect for high school students.