



## ABSTRACT

This study aims to evaluate the diversification strategy implemented by XYZ Group in the culinary industry using Porter's Three Essential Tests, namely the industry attractiveness test, cost of entry test, and better-off test. The research focuses on comparing the performance and financial feasibility of full-service restaurant (FSR) and quick-service restaurant (QSR) business units as a basis for strategic decision-making. The study employs a case study approach with a combination of qualitative and quantitative methods. Primary data were obtained through in-depth interviews, while secondary data consisted of financial statements from each business unit. Financial feasibility was analyzed using Net Present Value (NPV) and Internal Rate of Return (IRR), with net income used as a proxy for operating cash flow. The discount rate was determined using the Weighted Average Cost of Capital (WACC) approach. The results of the industry attractiveness test indicate that the QSR segment is more attractive than the FSR segment, characterized by lower capital requirements, higher consumption frequency, and faster cash flow turnover. In the cost of entry test, QSR units namely Rumah Makan DAD and Warung MAK consistently generated positive NPV and IRR values well above the discount rate across all scenarios, whereas FSR units showed limited feasibility and, in some cases, were financially unviable within the evaluation horizon. Furthermore, the better-off test reveals that diversification provides tangible benefits to XYZ Group, primarily through the cash flow contributions of QSR units, although cross-unit synergy integration has not yet been fully optimized. Overall, this study concludes that XYZ Group's diversification strategy is most effective when focused on the QSR segment, which demonstrates stronger value creation potential and better supports the group's long-term performance sustainability.

**Keywords:** Diversification, Porter's Three Essential Tests, Industry Attractiveness, Cost of Entry, Better-Off Test, NPV, IRR, Culinary Industry.



## ABSTRAK

Penelitian ini bertujuan untuk mengevaluasi strategi diversifikasi yang dijalankan oleh XYZ Group pada industri kuliner dengan menggunakan kerangka *Porter's Three Essential Tests*, yaitu *Industry attractiveness test*, *Cost of entry test*, dan *Better-off test*. Fokus penelitian diarahkan pada perbandingan kinerja dan kelayakan finansial antara unit bisnis *full-service restaurant* (FSR) dan *quick-service restaurant* (QSR) sebagai dasar pengambilan keputusan strategis. Metode penelitian yang digunakan adalah studi kasus dengan pendekatan kualitatif dan kuantitatif. Data primer diperoleh melalui wawancara mendalam, sedangkan data sekunder berupa laporan keuangan masing-masing unit bisnis. Analisis kelayakan finansial dilakukan menggunakan metode *Net Present Value* (NPV) dan *Internal Rate of Return* (IRR) dengan laba bersih sebagai proksi arus kas operasional, serta tingkat diskonto yang ditentukan melalui pendekatan *Weighted Average Cost of Capital* (WACC). Hasil *Industry attractiveness test* menunjukkan bahwa segmen QSR memiliki daya tarik industri yang lebih tinggi dibandingkan segmen FSR, ditandai oleh kebutuhan modal yang lebih rendah, frekuensi konsumsi yang tinggi, serta perputaran arus kas yang cepat. Pada *Cost of entry test*, unit QSR yaitu Rumah Makan DAD dan Warung MAK terbukti mampu menghasilkan NPV positif dan IRR yang jauh melampaui tingkat diskonto pada seluruh skenario, sementara unit FSR menunjukkan kelayakan yang terbatas bahkan tidak layak secara finansial pada horizon evaluasi tertentu. Selanjutnya, *Better-off test* menunjukkan bahwa diversifikasi memberikan manfaat nyata bagi XYZ Group terutama melalui kontribusi arus kas unit QSR, meskipun integrasi sinergi lintas unit belum sepenuhnya optimal. Secara keseluruhan, penelitian ini menyimpulkan bahwa strategi diversifikasi XYZ Group paling efektif apabila difokuskan pada segmen QSR, yang lebih mampu menciptakan nilai dan mendukung keberlanjutan kinerja grup.

Kata Kunci: Diversifikasi, *Porter's Three Essential Tests*, *Industry Attractiveness*, *Cost of Entry*, *Better-Off Test*, NPV, IRR, Industri Kuliner.