

EXECUTIVE SUMMARY

In 2019, the proportion of millennials in Indonesia is reported to be the largest (33.75%). Based on the report from the Central Bureau of Statistics (BPS) and National Socio-Economic Survey (2017), 50.4% of the millennials who live in major cities in Indonesia are married, which leads to an increase in the population aged 0-4 years. These millennials generally receive higher education than the previous generation, along with the growth of increasingly advanced technology, which affects their mindset and lifestyle, one of which is to work actively.

Millennial married couples who work and have children tend to need help from third parties to look after and care for their children, especially if the mother is also a full-time worker. In addition, as new parents, these millennials also feel that they lack knowledge about how they can give better stimulation to reach each milestone development and nurture better education to their child. Third parties that are often chosen are grandparents, employing babysitters, or registering in daycare. Even though there are existing daycares in the market, the daycare industry in Jakarta faces three main challenges: location with difficult access or far away from parents' office, lack of communication with parents if something happens to the child, and the absence of significant capability development for the child.

ToddlerPal, in this business plan, aims to solve the above problems by offering services in Early Childhood Care, Capability Development and Character Building. Compared to existing daycares in Jakarta, ToddlerPal offers Proximity, strategically located only 0-1 km from parents' office area, as well as Innovative, where the latest curriculum and technology will be adopted and implemented to meet needs in developing children's capabilities and character as well as the main communication channel between parents and ToddlerPal.

ToddlerPal's target market is millennial parents who are currently 20 to 40 years old and working young couples who are in relationships. When this generation of young adults gets married, it increases their chances of having children and giving birth to children under five years of age. ToddlerPal can meet the needs of mothers in this target market with the visible characteristics of wanting to be successful in their career, following trends and lifestyles that can be showcased, as well as providing an image of good social status. Since the "brand" will be the main appeal for this parent group, ToddlerPal will strive to increase public awareness and build strong community relations for mothers and children. The segment size of this market is 27%. If multiplied

by the untapped market of the childcare industry in Indonesia, which is 25,686 children, the target market reached 6,557 children.

The headquarter of ToddlerPal will be in SBCD Jakarta area with a capacity of 40 children and is going to develop 55 branches in all over Indonesia. To deliver Toddlerpal services and value, the focus of the operational strategies are consist of two main points. First, consistent quality by developing curriculum through annual R&D, implementing daily activities, and periodically standard & performance review. Second, the use of technology to deliver efficient operational and continues improvement through ERP, centralized learning and information system, and mobile application. Toddlerpal also using international standart to maintain quality management.

ToddlerPal sees human capital as the most valuable resources to ensure the delivery of value proposition and the sustainable of the business, therefore the company will focus on recruiting, developing and retaining the best people as its core strategies. The company aims to recruit the competent talents for key divisions in childcare industry (Program Development, Operational, and Marketing); living the culture based on company values; implementing a supportive, inclusive, and continuous learning environment; as well as compensating the high-performers with incentives and bonuses according to their contribution to the company and business.

As the attractive market that Childcare business owned and the characteristics and unique values that ToddlerPal offered among the competitor, the estimated total investment required at the beginning of executing this business is approximately IDR 1 billion for capital expenditure (buildings, land, and machines) and working capital (mostly inventory raw material), which will be financed from equity capital and longterm debt. The investment costs and capital expenditure for the first 5 years is significantly increasing each year to align with the five-year strategy as the company grows and expands its number of branches.

Based on five-year projection, the internal rate of return (IRR) is 39,66% which is greater than the cost of capital (WACC) of 19 %. The payback period of this business plan is 4.25 years. The NPV calculation of this project gives the company valuation at IDR 13,5 billion with overall assumption that around 80% of capacity has been occupied. With further feasibility analysis, PT Sahabat Generasi Indonesia is a decent business for those looking for mid to long term investment with high risk invesment profile and appetite. Furthermore, based on the sensitivity analysis, the company must always take precautions against critical factors that affects the occupancy rates and the external forces that have a significant impacts to the overall business performance.

