

Executive Summary

Automotive industry is one amongst the five most important sector that holds the economic condition of Indonesia. This is proven by the inclusion of this sector in being the main concerned sector of the “National Industry Development Master Plan 2015-2035”. This is due to its significant impact to the raise of Indonesia’s Gross Domestic Product (GDP), trading frequency, cross-industrial sector potential, the amount of investment and the market penetration speed that is also giving significant impact to the total employment in Indonesia that also helps the Government to reduce the rate of unemployment in the country.

Furthermore, Indonesia is also being the biggest automotive market in the South East Asia that was also being the rendezvous for most of the Original Equipment Manufacturer (OEM) to invest their money and build their factory to supply the demand of not only the local market of Indonesia itself but also for the global market. Moreover, the automotive industry is also being the sector that is having the highest number of the national product local content, as being mentioned in Peraturan Pemerintah Republik Indonesia Nomor 29 tahun 2018, article 62 verse 2, which is at least 25% in each product. In the other hand, based on the data that’s released by Asosiasi Industri Sepeda Motor Indonesia (AISI), the number of exported motor cycle is rising significantly to the level of 434,691 and 627,421-units in 2017 and 2018, respectively; besides the local demand of motorcycle is also very huge, which is in the range of 5.5 to 7 million units per year.

PT. Hotmal Jaya Perkasa is one amongst many local companies, which is playing its role in supporting this very potential sector of industry. In the other hand, its position, which is being the second tier in the industry brought them into many risks as being analyzed by using the Five forces of Porter’s analysis. Based on the analysis, the riskiest came from the aspect of threat of new entrants. In this case, the new competitors of PT. Hotmal Jaya Perkasa are their very own customers who thought that the electroplating process is such a simple process, with easy implementation and somehow could give them more revenue. Thus, considering to that concern, PT. Hotmal Jaya Perkasa’s management is trying to find the solution by opening another kind of business that is still in the same industry but able to strengthen the position of PT. Hotmal Jaya Perkasa in the industry.

PT. Hotmal Jaya Polyplast is a manufacturing company that will produce rearview mirror for motorcycle by using plastic injection molding technology. In its

operational, the company will utilize recycled plastic as the raw material. This is due to the mission of the company that will also paying attention to the environmental sustainability while also using the cost leadership strategy in order to make all the process being very efficient. The company will be using at least 65% of the recycled plastic to make sure that all the waste of the product will not be thrown away and harming the environment.

In doing the distribution of the product later on, PT. Hotmal Jaya Polyplast would be cooperating with motorcycle accessories retailer in Jabodetabek as well as opening official stores on at least Big 5 online marketplace in Indonesia, such as Bukalapak, Tokopedia, Shopee, and etc. Furthermore, the marketing department will also utilize the social media advertisement as well as influencer to get the product acknowledged. This strategy is chosen in order to reach as many people as possible, while also telling the customers that the usage of this rearview mirror is also going to help to conserve the environment and last but not least it is also chosen to support the cost leadership strategy that was being the main strategy that will lead every decision taken by the company.

On the financial planning side, PT. Hotmal Jaya Polyplast utilizes NPV method to ensure business feasibility. With the total initial Investment of IDR 18,000,000,000.00, NPV projection reaches IDR 42.201.217.507,00 in the fifth year. The investment of PT. Hotmal Jaya Polyplast would be reaching its paid back in less than two years. Therefore, the PT. Hotmal Jaya Polyplast business plan is feasible to be executed.