

Executive Summary

Introduction

The growth in the Food and Beverage Industry had reached 9.23% in 2017 and still shows increasing trend. However, SMEs in the Food and Beverage often experience difficulties in having efficient purchasing management. Constraints are not only faced by restaurant SMEs, but also distributors of groceries such as fluctuating demand, hindrance in receipt of payments by SMEs and high delivery cost.

Based on above conditions, we are trying to offer a digital-based fresh food groceries distribution system which is an integrated solution to the problems of SME restaurants, especially those engaged in full service restaurants and fast food; and distributors of groceries.

Company and Management Team

SMARESTO will run its operation in Jakarta for first years. The head office is located in South Jakarta due to reachable access and easiness for expansion to Bodetabek. SMARESTO's core teams consisted of:

- Technology
This function is responsible to assure the stability of system which can support all business activities as digital aggregator.
- Operations
This function is responsible to ensure efficiency and create streamline process which will increase business agility and reduce cost.
- Marketing
This function supports business to maintain demand and supply through intensive marketing activities.

Competitive Advantage

The advantage of SMARESTO among existing competitors are:

- Inventory monitoring system, restaurant SMEs will be able to monitor the amount of raw material inventory easily, thus stock out risks can be avoided.
- Flat delivery fee, restaurant SMEs can reduce their delivery fee since they are able to buy several types of fresh groceries in one delivery.

- Able to ensure the quality of fresh groceries by using insulated box that equipped with dry ice in every delivery in order to maintain the temperature and improve the satisfaction of SME restaurants.

Marketing Strategy

In order to give additional demand, SMARESTO targeting to get 790 SMEs restaurant as our customer and gained 2.4% market share in the end of fifth year by expanding its service network to Bodetabek. In addition, SMARESTO plans to reach 90% of Customer Satisfaction Index in the first year of operation by applying integrated marketing communication and customer relationship management programs.

Operations Strategy

SMARESTO own a distribution center located in strategic area of South Jakarta which can act as single drop point for distributor groceries. All activities related to quality checking and temporary storing will be held here. SMARESTO establishes partnership with delivery service and payment gateway to streamline all processes. These strategies are expected to support SMARESTO in delivering excellent services.

Financial Projections

From the financial perspective, SMARESTO use three valuation parameters to measure the business feasibility which are NPV, IRR, payback period. The most likely scenario for next 5 years projection shows that from the total investment of Rp 5,542,513,900; the company has NPV around Rp 3,953,682,883; IRR 17.57% and payback period at 4 years and 6 months. Sensitivity analysis is also conducted to measure the sensitivity of this projection to the user reduction. Based on analysis, NPV will remain positive with a maximum user reduction of 10% in the optimist scenario, 15% in the most likely scenario and 12% in the pessimist scenario.