

EXECUTIVE SUMMARY

With the increasing of living standard, people increasingly care about their quality of life. Likewise, parents try to provide a better life for their children, especially when buying products for their children, such as children's food and clothing, as well as furniture.

Furniture is an inevitable object in children's life. Children receive stimulation from various factors, one of which is through objects that they interact. All parents wish their children have furniture made of harmless material.

Not only the safety of furniture materials are also important, but also its design is also important. The level of safety of a general furniture does not include safety for children. Therefore, furniture ignoring user segmentation has a high risk. Unfortunately, not many furniture players focus on children's furniture. Parents generally combine the use of general furniture for the benefit of the whole family. This will be very dangerous for the children especially at their development stage.

Based on the above considerations, PT Kidokio Sarana Kreasi offers a difference in the furniture design for children prioritizing safety, creativity, and comfort. The product is specifically designed for children aged 2-5 years old. These ages are called golden age, it is the most important early period in the growth process of human life. This period is filled with a variety of activities that will become a foundation for the next life activities, such as exploring, identifying or imitating, playing time, being sensitive, and defying. However, factory-made products used at home and school frequently contain hazardous materials such as formaldehyde, leads, and phthalate.

PT Kidokio Sarana Kreasi is a solution for young parents who want safety and comfortable furniture for their children. The furniture is expected to motivate children to know and observe the environment. This will enrich the children's imagination, enhance children's creativity, and facilitate them to discover their world. This is inline with the spirit of PT Kidokio Sarana Kreasi that is to bring style and inspiration to children's rooms where they feel love and remain happy. PT Kidokio Sarana Kreasi is a unique and exclusive retail boutique that displays furniture collections for children from the age range of 2 - 5 years, such as beds, cabinets, playing and learning tables and chairs.

Differentiation strategy will be implemented by PT Kidokio Sarana Kreasi. Furniture is designed by PT Kidokio Sarana Kreasi also involves in child psychologists; the furniture uses harmless material, complies with ergonomic requirements, and focuses on children aged 2 – 5

year old. The products of Kidokio are manufactured by VIVERE Group as appointed furniture manufacturing subcontractor.

The company's segment which is focused on business to business (B2C) target segment, is classified into 2 groups: YOPA group (Young Parent), a group of parents aged 25 - 35 years old with experiencers & innovators character of values and lifestyle (VALS). Then FIVE group, which stands for Family Life, a group of parents in the age range of 30 - 40 years old with achievers & innovators VALS. Both groups have monthly income of more than Rp. 20,000,000 and have children aged 2 - 5 years old.

With the high birth rate of its target market in Indonesia, especially Jakarta as city target, Kidokio endeavours benefit the high opportunity to be a trusted brand for children furniture products. The sales distribution and marketing plans are designed to reach all young parents living in landed house or apartment. The price is set in the initial year Rp. 3,000,000 for table and chair, Rp. 5,000,000 for cabinet, and Rp. 6,000,000 for bed.

With initial investment of Rp. 10,000,000,000 which is obtained 50% from shareholder's equity and 50% from bank loan, PT Kidokio Sarana Kreasi's performance shows that its IRR is 31% and its NPV is Rp 15,285,297,723 (in 10 years). The payback period of its initial investment is 4 years and 10 months with its ROE growth starting from 15% in 2nd year and keep increasing up to 46% in the 10th year. In the 6th year, the company will expand its business by increasing its point of sales.

To maintain its business sustainability, PT Kidokio Sarana Kreasi will keep on innovating and maintaining the quality of product and service.