

EXECUTIVE SUMMARY

RA Energi is a company that provides an innovative solution to implement eco-friendly energy for consumers, in form of Rooftop Photovoltaic (RPV). The background of RA Energi's existence is the drive for independence and ease in consuming electricity. From the questionnaires that we have distributed, it was found that the main reason on why the consumers were reluctant to use RPV was because of high initial acquisition cost.

Indonesia is one of the most attractive countries in Asia for solar energy considering long sunshine duration and potential to generate electricity in a long year. It is crucial for Indonesia to invest on renewable energy, not only the solar potential but also the dependance on fossil energy sources that are mostly imported. Indonesia has started adding more renewable energy to its energy mix by set out to achieve 23% renewable energy usage by 2025, and 31% by 2050. RA Energi will position itself to capitalize on this trend and opportunity and established its first head office in Jakarta.

RA Energi focuses on small size of RPV system in residential segment. RA Energi is going to serve this segment by concentrating to its wide range of business partnerships with suppliers. RA Energi offers electricity subscription on RPV, consumers will be assisted and accompanied by professionals and using application in order to maintain consumer engagement during the contract. RA Energi's target consumers are homeowners with minimum power capacity installed is 2.200 VA. It is found that RPV market potential in Jakarta area are 766.103 households with potential market value up to IDR 3.6 Trillion per year.

Given that RPV technology is not a common technology which is used daily by residential consumer, RA Energi has to prepare specific marketing strategies in order to penetrate the market. The main marketing strategy that RA Energi will use for the first few years is free trial strategy. It is expected to attract more customers and will popularize RPV technology.

RA Energi will employ experience workers from the Solar PV industries, to give customers the highest quality of installations and services. Each department on head in the fourth year will be lead by a manager who will handle team performance, problem solving and make operations more efficient. The organizational structure of the company will be lean, in order to keep the company efficient and effective.

By the end of the first year, RA Energi will achieve 80 customers that equal to 310 kWh and growing up to 6,717 customers that equal to 26,028 kWh. The revenue stream will be from subscription fee, which is paid by customers every month, RA Energi will be able to generate revenue as much as IDR 605 millions in first operations and will rise to IDR 102 billions by the end of tenth year with 65% CAGR (Compounded Annual Growth Rate). RA Energi will start to generate profit in the third year with discounted payback period for nine point six years. Paid-in capital (PIC) will be carried out in several stages from first year to sixth year with total PIC IDR 40.5 billions to be invested in fixed assets and for company working capital cost. Capital source comes from investors and bank, so the WACC (Weighted Average Cost of Capital) at stable period (tenth year) is 18.54%. RA Energi will have fixed asset turnover more than 70% by the end of 10th year. RA Energi will be able to generate MIRR (Modified Internal Rate of Return) 19.98% and NPV (Net Present Value) in total of IDR 3.8 billions.

This financial projection and analysis show that the company will be able to sufficiently funded by the commitment of the investors and the continuity of all activities in its operations.

RA Energi can be categorized as a profitable business with medium risk. Based on assessment and analysis before, although the competition in this industry is high, there are huge opportunities in the market, especially in the household segment. This is because electricity tariff rates will increase regularly due to government's subsidies withdrawal. RPV cost are projected to decrease significantly. It is estimated that demand for products will increase massively in the coming years.