

EXECUTIVE SUMMARY

VERNITURE : The Solution for Urban Lifestyle

PT. Vertikal Furnish Utama (VFU) is a start-up business located in Cikarang, Indonesia, focusing on production and sales for compact and multi-function furniture. Compact furniture is a simply designed yet multi-functional and tailored to consumer needs furniture that are made from plywood, known to be the best engineered woods, to ensure the life span of the products.

The changes in urban living space area in Jakarta made people more concern about space and utilities that are essentially needed for normal activities. Our products are tailored with characteristics to deal with this type of costumers. The design of the function of each product are based on daily activities in apartment.

Refer to ASMINDO statement in “Industri Furniture dalam Ekonomi Indonesia” which states that furniture industry is expected to grow at 4% yearly, which indicates there is an opportunity to conduct the business. PT. VFU as a new comer in furniture industry positioned as a medium-scale producer with projected net sales worth of IDR 70 billion in the fifth year, or equivalent to 10% of the total market based on apartment growth as the core of the bussiness.

PT. VFU will focus on branding as well as R&D center to develop best value products — not only to meet environmental standards, but as essential part of business strategy. PT.

VFU builds competitive edges through quality product, brandings, and the business model.

Operations strategy is to achieve cost optimization in every activities related. Focuses will be on efficiency in flow of production, efficiency in process of production, save labour cost through calculation to avoid the overtime. Safe guarding quality of product by having quality control starting on the beginning until the end of production process, having a strong engagement with the local suppliers,

For the marketing strategy PT. VFU will penetrate Jakarta middle-class apartments markets at first, and then will expand to other capital city in Indonesia. VFU will maintain relationship with the consumer by holding a gathering of community, promotions and after sales services for each products sold. And also by annually creating an event of design competition to enhanced creativity and giving opportunity for consumers or local design society to show their performance. These activities are designed not only to create emotional bonding and loyalty, but also to increase awareness of our products and company brands. In a long terms strategy that holds customer retention and spreading the words of mouth as one of the most important marketing tactics.

PT. VFU is projecting net sales worth IDR 25 billion in the first year, and IDR 70 billion in the fifth year. The initial investment for this project is is approximately IDR 15 billion which will be financed by the business free cash flows. PT. VFU expects to have payback period within 5 years, NPV of IDR 6 billion and IRR of 20% by the end of the year.