

## EXECUTIVE SUMMARY

KLEINE is a premium organic cotton baby clothes that offered by PT KLEINE BABY INDONESIA (PT KBI). KLEINE is made from organic cotton that has certified internationally by GOTS (Global Organic Textile Standard). KLEINE offers high quality baby clothes, especially in terms of comfort and safety with eco-friendly processes. The product also offers fashion following the latest fashion trends and the prices are quite competitive with other famous foreign brands.

The technology that PT KBI uses is eco-friendly technique because the organic cotton was handpicked and the staining process uses organic dyes. The manufacturing process was made by an exclusive baby clothes garment company with ISO 9002, so the product results are guaranteed in quality and safety. For final process such as the printing, KLEINE uses technology R - 2O water based print so it is safer for baby. These baby clothes will also use accessories that will not harm the baby such as zippers, buttons, and other harmful attributes.

Nowadays, baby clothes in Indonesia are dominated by the clothes that are made from ordinary cotton and polyester. The public do not realize that there is a threat in it, because harmful chemical material is used during the process of ordinary cotton. For example pesticides and insecticides in the cultivating process of cotton plant, and chemical dyes in coloring process. These chemicals could harm the babies, especially when the babies are in their teething process because they usually put anything into their mouths, like clothes and toys. Moreover, the ordinary cotton tends to be more difficult to absorb sweat, so that could create prickly heat illness on infant skin especially in Indonesia with tropical climate. In order to reduce those probabilities, KLEINE provides a solution by offering organic cotton baby clothing with GOTS

certified, environmentally friendly processes, and advanced technology that ensures safety, and product quality.

PT KLEINE BABY INDONESIA determines the business partners that suit with company's values which are eco-friendly, integrity, and trust. In order to supply the organic cotton, KLEINE will supply the material from Shaoxing County Eco Textile Co., Ltd which only produces organic fabrics with GOTS certified. In addition, KLEINE chooses PT Bigtha Tryphena garment as a partner because they were guaranteed in quality to produce baby clothes for export product.

In terms of price, KLEINE is expensive but still affordable by the target markets who are parents and grandparents with middle and upper economic class. Despite the expensive price, KLEINE will provide competitive advantages in terms of organic and eco-friendly process. In the 5 years beginning of the business, KLEINE products will be distributed in Jakarta, through several stores in malls with eco-friendly concept stores. Moreover, its marketing plan will be adjusted to be related around fashion, mother, and kids industry.

The competition in baby clothes industry will always come up anytime by the time the business rise. There is always possibility a famous foreign brand baby clothes to join organic cotton industry. Therefore, KLEINE anticipates this by separating the garment production process and the final accessorizing process. Furthermore, in the third year of business, KLEINE will do a collaboration project with famous designer (which is Barli Asmara) to create KLEINE's exclusivity.

This business will create social benefit by decreasing the unemployment rate in Jakarta. Moreover, it will reduce chemical waste because organic cotton requires less detergents than ordinary cotton. It will also support using of organic detergents that do not contain harmful chemicals. In waste management process, KLEINE will

cooperate with PT Duta Blue Group. KLEINE's packaging is a recycle material so it will reduce waste of plastics.

Total initial investment that is required for this business is Rp.10.000.000.000,-. Despite of high initial investment, feasibility analysis of PT KLEINE BABY INDONESIA showed expected NPV (Net Present Value) more than 38 bio Rupiah. Moreover, the expected IRR (27%) is far exceeds the cost of capital (22.54%). This business is also supported with payback period less than 5 years and profitability index above one. As the result, business plan of PT KLEINE BABY INDONESIA is very attractive to be realized.

