

# EXECUTIVE SUMMARY

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The trend of good quality coffee consumption has continued to increase in the last several years. This was triggered by a lot of cafés that sell good Arabica specialty coffee in Indonesia, like *Starbucks* or *Anomali*, especially in the big cities. Nowadays, Indonesian people are more aware and interested in Indonesian specialty coffee, which is already well known in other countries as a good quality coffee in the world.

Unfortunately, the specialty coffee products that are available in the market today still have not yet fulfilled consumer expectation. Most of them are sold in bags, which make the products viewed as impractical and deemed expensive by the consumer. All specialty coffee products only have pure black coffee variants, while most people in Indonesia consume coffee with sugar or cream. The product itself is pure coffee, both ground or beans, thus it will have some granules in the drink which not always be accepted by the consumer.

PT. Holic Indonesia try to take this opportunity by creating specialty coffee product which is called '*Kopiholic Coffee*' to fulfill the expectation gap. The product is 100% pure good quality Arabica coffee in sachets which make the product more practical and inexpensive to the consumer. The coffee offered is promised to have a minimum score 80 (of 100 scale) using Coffee Cupping Test procedure introduced by Specialty Coffee Association of America (SCAA). Each product unit has 5 sachets in one box that offer good quality Arabica coffee from different origins in Indonesia. It will give the consumer opportunity to taste many different characteristics of good quality Indonesian coffee, all in one box. The Kopiholic products are sold at IDR 25.000 for each box, which is in accordance with consumer willingness to pay based on company survey results.

PT. Holic Indonesia use a focus cost strategy to achieve low cost, both marketing and operation cost. For the marketing strategy, company will focus on community development to get a high impact and efficient budget of marketing activity. And because good quality coffee is one of the most important raw materials and variable cost, the operation strategy



will focus on managing inventory, over production and waste of raw material coffee with score cupping test below than 80 (of 100 scale) which will not exceed 10%.

The target market of PT. Holic Indonesia is the upper middle class, especially office employees who are working in urban and suburban areas. In the first year, company will focus on Jakarta, Bogor, Depok, Tangerang, and Bekasi (Jabodetabek), and will gradually expand to other cities in West Java, East Java, Bali, and Central Java within five years period.

To grab the office employees market more efficiently, the company will focus on opening coffee booths in selected office areas using intensive distribution strategy. The company will propose a joint venture business scheme with an established food and beverage development company that have the capability and resources to open *Kopiholic* booths as targeted.

The initial investment needed to start this business is IDR 74.556.954.359 with IRR 74%. 51% of stock will be funded by the founder, 21% of stock is funded from investor, while the rest 28% of stock will be funded through joint venture scheme with the F&B company. The company will give dividends as a return to the investor. The company will also offer a guarantee to buy back the investor stock if the return until five years is below expectation.

For the company's long term strategies, the company has planned an expansion to South East Asia after year five. In addition to secure the coffee bean raw material, the company has planned to do backward integration strategy in the coffee distributor business.

