

## **EXECUTIVE SUMMARY**

This business plan provides strategic plans on how to commercialize healthy instant noodles made from sago starches and feasibility studies of engaging this business in Indonesia. Instant healthy food industry in Indonesia currently is particularly attractive due to increasing health awareness and income level of middle class urban people as the result of Indonesia strong economy.

Ranked second in the world as the most instant noodle consuming country coupled with medium degree of competition in the industry gives indications of lucrative market for this particular healthy instant noodle products. The center of growth for this industry lies in Java, an island housing more than 57 percent of 237 millions Indonesian, particularly in its big cities where the middle class urban are vast and rapidly growing.

Lies in between of the extremes of pharmaceutical industry and food industry, succeeding in healthy instant food industry requires good blends of health benefits and taste with more weight on the taste aspect since 87 percent of healthy food consumers put high priority on taste. Thus, the business plan puts emphasize on marketing as the sensor of local consumers taste profiles and needs; as well as research and development with deep focus on taste to deliver tasty healthy food product.

A strong differentiation due to usage of healthier sago starch with its high dietary fibers instead of wheat flour, enables the products to be sold at premium price yielding more than 60 percent in gross margin and more than 20 percent in average operating margin. Proposed with levered financing, the business of healthy instant sago noodle, branded as "Mie Nusa", is expected to have NPV of 19.23 billion

rupiahs with MIRR of 20.29% and discounted payback period less than 10 years. Initial investment required for this business plan is 21 billion rupiahs out of which 14 billions will be financed with debt from external investor.

Lucrative market, promising industry, and profitable business made this business plan is recommended to be executed in 2013.

