

EXECUTIVE SUMMARY

Refer to the growth in property and construction industry in Indonesia for the last couple of years, the demand for building material – including material for wall – has been increasing. PT. EcoLiTe Indonesia is founded, to take this opportunity by providing light-weight concrete with dependable quality, named “EcoLiTe”. Unlike normal light-weight concrete manufacturer, PT. EcoLiTe Indonesia use waste such as styrofoam and fly ash as partial substitute for sand and cement in “EcoLiTe”. Therefore, the company plays its role as a part of solution for environmental problems.

The potential market for the product is very promising. In the recent year, the demand for light-weight concrete is so high that cannot be fulfilled by current supply with projected gap between demand and supply at least 18.673 m³ in 2013 and keep increasing, which is filled with substitutes such as clay bricks.

“EcoLiTe” will be positioned as a light-weight concrete that offers best values for customers, which are:

- Dependable quality, both in product (pass Indonesia National Standard) and service (e.g. 100% replacement guarantee for damaged product which happens during distribution)
- Offering very competitive price
- The first ever environmental friendly light-weight concrete in the market

The target market will be focused on medium-sized building contractors, even though PT. EcoLiTe Indonesia will not totally neglect medium-sized building developers and building material shops as potential buyers in the Jakarta, Bogor, Depok, Tangerang,

and Bekasi (Jabodetabek) market area, since in this area light-weight concrete has been used the most.

PT. EcoLiTe Indonesia's key success factors for years to come are:

- Maintaining the availability of the product to customer by offering contractual agreement, and on the other side, also securing supply of raw material needed for the product, so the production process can keep running.
- Competitive price, which leads to less construction cost for customers and attract potential customers.
- Using sophisticated technology in production process and quality control, to maintain the quality of the product in high level, in terms of precision and strength.

The daily operation of the company are planned to be held in office and manufacturing factory located in Sukawangi, Bekasi, West Java with 62 employees and cooperate with logistic company to distribute "EcoLiTe" to customer.

PT. EcoLiTe Indonesia requires initial investment of Rp. 9.671.238.512 to build manufacturing factory, office, and for short-term working capital funding. With this amount of expenditure, PT. EcoLiTe Indonesia expect to have ROA 32%, ROE 55% and reach payback period within 2 years 5 months.

In conclusion, by considering many positive factors regarding this business plan, such as strong demand in the industry, dependable quality of the product, positive financial highlights (MIRR > WACC, company's ROE better than industry's ROE, payback period less than 5 years, positive NPV), it can be said safely that this business is feasible and will have good prospect in the future.