

EXECUTIVE SUMMARY

With strong economic growth in recent years, Indonesia has approximately 130 million of middle – high income population which is in the process of increasing their standard of living. Unfortunately this economic boom does not followed by increase in healthy food intake. The average vegetable consumption of Indonesian is 40 Kg/year which is much lower than FAO recommendation 70 Kg/year vegetables consumption. Not all agricultural land in Indonesia can be cultivated by farmers throughout the year. Most of the land consists of dry land that can only be planted and harvested one or two times a year; a well rainfed land can be planted three to four times a year. This lead to lack of vegetable supplies in the market.

PT. Veraponic Indonesia is a company that use Aquaponic culture system; an integrated solution that combines aqua culture and vegetables culture into an effective and efficient system. Aquaponic is a combination of two food production systems – recirculating aquaculture and hydroponics; where the fish secretion will be flown along with water to plant roots as nutrient sources which plant uses for growth and clean water is then flown back into aquaculture tank. PT. Veraponic Indonesia uses Focus Cost generic strategies to specific target market (*niche* market) which is the premium vegetables market.

Parung, Bogor is selected as PT. Veraponic Indonesia base of operation with total land area of 10,000 m². The target market are SES A & B customer in JABODETABEK which shop in modern retail channel such as Foodhall, Foodmart, Kemchicks, Ranch Market etc with total of 12 modern retail brand at the end of forecasted period. To reach its target market, PT. Veraponic Indonesia use both Above the Line (ATL) and Below the Line (BTL) marketing activities in order to increase awareness and influence target market buying behavior.

PT Veraponic Indonesia

PT. Veraponic Indonesia operating activities are divided into three phases namely Pre-production, production, and post-production. Pre-production mainly operates in area of supply chain management and handling of production infrastructure (green house and related materials). Production phase concern in day to day operation management of Aquaponic system (production process, SOP, quality control, and JIT system). Post production phase concern in handling end product from harvesting, sorting, and distribution system to modern channel. PT. Veraponic Indonesia will use simple functional organizational structure which consist of 3 main departments namely marketing department, Personnel Administration Finance (PAF) department, and operation department with total of 30 employees.

PT. Veraponic Indonesia requires 8.30 billion rupiahs for the initial investment. The founder of the company will provide 5.81 billion rupiahs as initial capital. The shortage of 2.49 billion rupiahs is from families, friend, and colleague financing with 12 percent interest. The overall initial investment will be used to finance infrastructure construction and working capital. The company will repay its families, friend, and colleague financing in the third year and seek long term loan from bank with interest of 11.42 percent. Of the 5 years financial projections based on going-concern assumption, PT. Veraponic Indonesia need 4.08 years to reach discounted payback period and recorded a value of 60.6 billion rupiahs. Therefore, this business is feasible to be executed.