

## Executive Summary

PT Xenindo Mulya (PT XM) will be the first company in Indonesia which commercially manufactures xenograft's products. Xenograft is a method to graft or to remake human bone by using materials from other creature besides human. This method commonly used in orthopedic to fix bone fracture caused by disease or accident and also used in dentistry. It stimulates the growth of the new bone in line with the original bone.

Until now, these kind of products served by governmental organizations such as BATAN (Indonesian Atomic Energy Organization) and Bank Jaringan Surabaya (Surabaya's Tissue Bank), and also bonegraft importers. BATAN and Bank Jaringan Surabaya produce less expensive products, but they have no rights to commercially promote, produce, and sell the products since they are government research organizations. So there is big opportunity for PT XM to enter the market. PT XM will acquire the BATAN technological rights and make BATAN as PT XM's strategic partner.

PT XM uses bovine bones which can answer some problems faced by Allograft (bonegraft products origin from others human bone) and synthetic products. Allograft has ethical and commercial issue in Indonesia. Whereas imported synthetic products have expensive price range and less natural products than Allograft or Xenograft products.

The target market will be generally defined as orthopedic and dentistry patients who need to fill their bone fractures with bonegraft. Doctors and dentists have a big bargaining power to choose the products to use. So, target customers

will be defined as orthopedic doctors and dentists, especially periodontists and oral surgeons.

PT XM xenograft products will enter the bonegraft market with a new brand, therefore PT XM marketing division will try to grab doctors and dentists' attention by building their awareness about our products. PT XM will give free product sample in order doctors and dentists have a first-hand experience. PT XM marketing program will emphasize in building relationship with doctors and dentists, such as seminar, customer gathering and sponsorship program.

In production division, PT XM will try to use raw material and other resources as efficient as it can. With around IDR 950 millions for machinery investment, PT XM will have a safe laboratory as production facility. PT XM uses make-to-stock system to fulfill the unpredictable demand that can be caused by earthquake disaster.

Human resource division will take an important role to run this company. Total of 26 employees, from managerial position to operational position, needed to run the company through the first year. It is relatively small number of employees; therefore it demands the right resource in the right position to produce high productivity. They should suit the company needs in order to achieve the target.

PT XM will need initial investment about IDR 5.8 billion. This investment will be funded by five founders and loan from third party with composition 79 : 21. Based on calculation for five years period, NPV for PT XM is IDR 171 million with payback period less than 5 years and rate of return 23%.