

Executive Summary

PT. Sehat Indonesia Satu (PT. SIS) produces healthy and affordable snack for kids in Indonesia. One of the company's mission is to increase the nutrition of Indonesian children through snack which is not only healthy but also high in protein and affordable. The protein source comes from sorghum, one of important cereal crops in the world.

Katari is offered by PT. SIS as a solution to consumer who likes snacking and at the same time increases their intake of protein. Sorghum flour contains more protein compared to rice flour and wheat flour, which are the main ingredients in most snacks sold in Indonesia. The target market for Katari are children within 5–13 years who come from family with expenditures less than 1 million/month per capital.

Katari will be distributed through modern channel (minimarket, hypermarket, local supermarket), and traditional channel (small shop, stall) with the marketing area in Java and Sumatera. In the first year, PT. SIS will launch two variants of Katari, chocolate and barbecue flavor, while cheese and roasted corn flavor will be launched in the third year to meet consumer needs.

In operations, PT. SIS will have partnership with *distributor* for selling and distributing the product. Since it will be very costly and required long time to build the distribution channel, the company will give allowance to *distributor* for delivering and selling the product. Furthermore, PT. SIS will have partnership with *supplier* especially sorghum farmers with whom PT. SIS will have long term and mutual

partnership. The Sorghum farmers ensure the availability and give lower price but with higher quality since the sorghum seed will be provided from PT. SIS.

Human resource aspect in PT. SIS is designed to optimize employee's productivity by developing corporate cultures which is aligned with company's vision and mission. PT. SIS will try to communicate these corporate cultures, values, vision, and mission to every level of employee.

Indonesia, particularly Java and Sumatera, has a vast potential market for snack since the islands are more populous and the infrastructure are better compared to other islands in Indonesia. The market demand for the year 2012 is projected to be over 85 million packages and will continue to grow, along with Indonesian population growth.

From financial perspective, this business aim to increase the company value to its shareholder. PT. SIS will have IDR 24 billion as its initial investment gradually to optimize the working capital. Feasibility analysis shows NPV with terminal value amounting to nearly 275 billion Indonesian rupiahs, 4.67 years of Discounted Payback Period, and 50.65 million units to reach break-even point (BEP). Based on those figures, it can be concluded that this business is worth proceeding as it creates high shareholders' value.