

## EXECUTIVE SUMMARY

*The rapid increase in the number of cars in Jakarta, which is not balanced with the growth of the road system, has created complicated problems for the city's residents. Besides the air and sound pollution, the average vehicle velocity in Jakarta is also decreased by 1 km/hour every year. Recently, the average velocity of vehicles transporting within metro Jakarta is at the range of 10-15 km/hour. Road users usually try to avoid being caught in traffic jams by monitoring the traffic situation in a particular area. With sufficient information, users can choose the best route and also decide the best time to travel. Until recently, traffic information was being supplied from radio broadcasts. However, monitoring from the radio has its own limitation as the listener cannot be provided with comprehensive and customized information on all the routes. With the advent of the Internet and smartphones, users have a better opportunity to overcome this limitation as they are able to search for more real-time and comprehensive traffic information as needed.*

*Seeing this opportunity, PT Lintas Persada Informatika (the Company) offers a live traffic information service that can be accessed everywhere by using a mobile phone or a computer. To provide a better service than the other traffic information providers, the Company strives to supply comprehensive and accurate live traffic information. The information must be comprehensive so that the users can have sufficient information to make a decision. Accuracy is also one of the characteristic of the information, so that whenever the users need to make traffic routing decisions, they can rely on the Company's services. The information also has to present the real-time traffic situation so that users can make a quick decision when there is a change in the traffic situation.*

*The Company collects the traffic information by using Internet Protocol (IP) cameras. These cameras provide video feed which will be processed to generate traffic information such as average speed, lane flow, weather and incidents on certain areas. Afterwards, the information will be integrated with traffic incidents information that is collected by the company's staff from third party providers like TMC and Jasa Marga or from direct field surveys. The users can also share the traffic information, which will be verified by the Company before being integrated into the service.*

*The Company will use differentiation as its generic strategy. This strategy is reflected in the Company's goal to collect the most comprehensive information, its dedication in creating the best information system to process traffic information, its focus in integration with other traffic information, and its corporate culture, which is based on initiative and creativity. The revenue for the Company will be collected from premium subscribers who will be given access for additional services such as push information or traffic analysis. There will also be revenues generated from advertising on the website and mobile site as well. Aside from these revenue sources, potential revenues can also be obtained from the third party GPS vendors, who will need traffic information to be integrated with their maps.*

*From the financial perspective, the attractiveness of this business can be seen in two areas: the quick payback period and the positive NPV. As can be seen from the financial statement projection, the Company will reach its payback period at the beginning of the third year of operation, which can be considered as a good performance. The positive NPV, which is calculated from the financial statement projection for five years amounts to IDR 233,634,878. This means that the Company will contribute additional value to its shareholders.*