

EXECUTIVE SUMMARY

Currently, the world is facing a turbulence caused by Covid-19 outbreak which heavily affected not only lifestyle, but also industries along with businesses all over the world. In march 2020, WHO declared the outbreak as a pandemic causing a significant hit in business which affected the hospitality industry as tourism is the one that was significantly affected due to lockdown policy and other regulations to prevent the outbreak from spreading too quickly.

Previously, before the pandemic happened, the hospitality industry was growing well in line with the development of the businesses in Indonesia despite facing many uncertainties which is marked by the emergence of many new hotel chains. Rapid growth is supported by high profit margin in the hospitality industry. With rapid growth and development, there will be competition among these hotels. Therefore the hotel must be supported by various aspects so that the hotel has more value to compete with other hotels, not only in terms of service quality and comfort but also about the price and location of the hotel.

We are trying to provide a new hotel concept, Cubitel. Cubitel inspired by a popular capsule hotel concept in Japan. Cubitel is a hotel in the form of a Capsule located in the Central Business District to make it easier for workers or employees who work late at night to reach. It is a relatively new hotel concept in Indonesia. This Capsule Hotel was introduced by the Japanese state in 1979 because many workers and employees in Japan work till late at night or overtime and most of them have to go back to work tomorrow morning. Cubitel capsules are generally a single room that consist of enough equipment in the size of a single person.

Our target market is workers who work in the office, especially those in the central business district (CBD) area. They are typically working adults in which ranging from 22 to 39 years old mostly work as an Auditor, Consultant, Accountant, Banker, and Project workers. Since Indonesia will experience a bonus demographic between 2020 to 2035 where the productive age population is more than the non-productive population, our target market will increase significantly and this shows a good potential for Cubitel.

Cubitel aims to be a pioneer in the Capsule hotel concept in offices. In the future, Cubitel will continue to develop and expand its business by increasing the number of branches, quality of service and offering a pleasant stay. Currently the supply of Office buildings is at oversupply state. In other words, there are more and more available spaces in Jakarta which causes the price of rental per m2 dropping from 450k - 600k per m2 in 2014 when property was at peak to 250k - 300k per m2 in 2019 for Premium and A Class type of building. This indicates lower rental cost for cubitel in office space in the CBD area.

Our projection shows that this business can be profitable and contribute to a positive Net Present Value (NPV) of 20.820.565.675 IDR and Internal Rate of Return 34,78%, and also 5.66 years of payback period. Since most of our capital is raised through equity, we will distribute dividends to Investors with payout ratios ranging from 30 - 50% from net

profit. This is driven by the fact that the market will grow due to the bonus demographic and the rental cost of office building is lower which complements the business opportunity.

However, unlike the usual economic crisis, the global health crisis is a complex affair which requires a large scale of cooperation involving Individuals, Organizational, and Institutional. Current priority for many hospitality industries is to survive the Crisis and not doing expansion as it is seen unfavourable for the current situation. Therefore, we are planning to postpone the opening of Cubitel until the first half of 2021, where we see that people are starting to adapt with the situation better and the Government planned to start producing vaccine of Covid-19 in the beginning of 2021 thus the economy is projected to recover in 2022.

In conclusion, we would like to express our best gratitude to all the stakeholders for the understanding and support. We will keep working hard to get Cubitel become an excellent company which helps giving solutions to workers that need the service.

