

EXECUTIVE SUMMARY

The care of several issues have been arising in agricultural environment of Indonesia, such as poisoning case on farmers, environmental pollution and contamination of food production. PT Pertanian Sukses Indonesia (PT PESINDO) sees opportunity in dealing with these issues by producing biofungicide product for horticulture farm in Indonesia, especially around Java (East Java, Central Java and West Java). PT PESINDO offers biofungicide product named Tricodan, which can fertilize soil and protect crops. Tricodan are made from waste material of farm products such as rice husk, and tapioca starch. This product come as dry granule form, this form is able to stabilize the microorganism content and prolong life span of the products.

PT PESINDO uses differentiation as its generic strategy. This strategy is reflected in its products quality and wide distribution channel throughout Java. In line with the strategy, all departments will function the following. Marketing department objectives are to introduce and enhance the awareness of Tricodan, to deliver the value of Tricodan, and to gain and increase the market share. PT PESINDO makes its products through wide distribution channels, such as through selected distributor, and retailers. Marketing department also conducts intensive communication and promotion to communicate product's uniqueness.

Operation department also carefully manages the production capacity. Production capacities are kept on standard level to maintain effective inventory. As differentiation and uniqueness of products are very important for the company's differentiation strategy, PT PESINDO also emphasizes a lot on the importance of

product development through its R&D Department. The R&D Department is responsible for improvement of existing product as well as development of other potential products.

Human Resource Department through its selective recruitment and selection process, intensive training and development programs, and attractive compensation policy is responsible for availability of high quality human resources that will support the daily operation.

The finance department goal is to add value for its shareholders and improve company's growth. The business is to be funded by the combination of equity (Rp 7,000,000,000) and debt (Rp 3,000,000,000). Business feasibility analysis shows NPV of Rp 68,310,208,084, IRR of 62.61%, and discounted payback period of 2 years and 9 months. Based on those figures, it can be concluded that this business is worth to be invested in.

