

## EXECUTIVE SUMMARY

In the emerging era of environmental consciousness, Arum is set to become an innovative beacon for modern women in search of an eco-friendly alternative to traditional sanitary pads that is also kind to their skin. The unique selling point of Arum's sanitary pads will be their composition—made from banana plant stems, a naturally degradable material that promises quicker decomposition and additional comfort for the user.

For Indonesian women, Arum will present organic sanitary pad product derived from banana fronds, positioning themselves as a green and sustainable substitute to the standard options currently available. Their marketing strategy will aim to heighten the public's awareness of environmental concerns, particularly in the domain of biodegradable sanitary products. The first year's sales forecast for Arum's products stands at 120.000 packages, with anticipated sales growth of 10% in the following years. The company expects a positive reception from users, with 85% of purchasers responding favorably to the product.

Arum will employ a differentiated marketing strategy as designed to educate women, especially those in the early stage of their careers aged between 25 to 29 years old that have concern on environment sustainability. The plan includes the introduction of disposable sanitary pads packaged in environmentally friendly materials at a cost of IDR 50.000 per pack. This approach is projected to boost the company's revenues significantly.

Arum's production facilities will roll out 126.000 organic sanitary napkin products capable of absorbing 80ml of menstruation liquid with a pad measuring of a 24cm long. For the initial year, Arum will have secured land, production machinery, and a team of 55 operators working 8-hour shifts, 5 days a week. Product availability is a paramount value, demanding the maintenance of production capacity through process technology innovations and the implementation of a Just-In-Time (JIT) inventory system. Arum's production targets will exceed sales goals by 5%, alongside an aim for a 5% reduction in production defects. The company's production activities will encompass 15 steps to optimize both product output and operational productivity. As expected, operating costs will likely increase in tandem with sales.

Arum's Company Human Resources Development will be committed to fostering a positive work environment and ensuring the welfare of its employees. This will be achieved by providing uniforms for the head office and factory staff, identity

cards and workspaces in Klaten (Arum's Factory) and Jakarta (Head Office). In its inaugural year, Arum will hire 78 individuals and engage in five-year projection planning to align human resource qualifications with company needs. Arum's HRM strategy will concentrate on competitive salaries, bonuses, THR (religious holiday allowance), and insurance to maintain the company's turnover rate under 10%. Incentive and THR provisions are set to commence after one year of operation, with HR costs projected to increase by 6.5% annually.

Looking ahead with its financial projections over the next five years, Arum expects to achieve a robust terminal value and maintain a consistent growth rate of 5%. The company, with a clear vision for the future, is setting its sights on financial stability and attracting investments that align with its core values. With an initial investment of IDR 5.182.399.000, Arum intends to maximize the use of its assets to achieve operational excellence. Opting to reinvest profits rather than distribute dividends in the first five years is a strategic choice, but Arum envisions a future where a profit-sharing scheme will reward its shareholders. Embracing a future full of possibilities, Arum stands ready to carve out a significant position in the market.

