

## **EXECUTIVE SUMMARY**

*The demand for cold chain services for the Indonesia logistics industry in recent years has shown a significant growth of 12%–16% (Setijadi SCI 2020). Moreover, in pandemic of Covid 19 the numbers projected will be higher because increases of the people consumption on frozen foods and frozen fishes will push the demand for cold chain services. At the same time, supply for this services estimated only about 56% of the demand. In its operation of the cold chain shows several problems including the insufficient availability of cold storage facilities and the lack of refrigerated transportation equipment, plus failures and delays in delivery due to lack of communication and infrastructures between customers and logistics service providers. PT Log Cost Indothermo comes with an advanced service through **integrates refrigerated trucks and cold storage** into an online-based application to make it **easier** for customers to get service information, temperature accuracy, delivery time, handling, and information accuracy but still offer in a competitive pricing. The business strategy is **differentiation** where the company will provide different services as competitive advantage over competitors through the apps that connected to **Transport Management System (TMS)** and **Warehouse Management System (WMS)** that **deliver real time information** to the customers. These systems are supported by the application of **Standard Operation Procedures (SOP)** and the best logistics management as well as obtaining **ISO 23412** which guarantees the document requirements and operating conditions for refrigerated logistic services. These sophisticated system and the best operations management will increase efficiency and productivity so can offer competitive prices from its competitors but still get a high profitability to the company and its shareholders. The company also has strategy double loaded where the trip from Jabodetabek to South Sulawesi will pick up frozen food and the trip back will pick up frozen fish from South Sulawesi distributed to the big cities in Java. This strategy aims to **more efficient transportation cost** due to charged into double products from difference customers. The company also has Customer Loyalty Program and Service & Quality Program to guarantee every services will always the best.*

*The company's marketing objective is to increase the number of customers by increasing customer awareness through direct **selling presentations, promotions, campaigns and ads in online and offline media**. Targeted customer segment are small to big companies in frozen food and frozen fish manufacturers and distributors.*

*This segments projected has potential growth by 9-15% in 5 years ahead that expected will impact to the stabilize of the company's growth. Pricing strategy chosen was the Market-Oriented with Going Rate where pricing will follow the crowd in optimum range of the market price. Based on estimation result of Marketing Return on Sales (MROS) ratio of Net Marketing Contribution compared with sales revenue is increase where by 45% in year 1 and become 59% in year 10. This means that marketing costs used can generate sales in the range of twice of the marketing costs.*

*In terms of operations, increasing the speed and capacity of services in meeting customer demands. Carry out operational activities effectively and efficiently through the partnership network and the provision of excellent systems, facilities and utilities. In addition, in terms of human resources, the company **requires qualified, innovative and creative employees** to be able to run the system they have and develop the best operations and services.*

*The Human Resources strategy is to create a conducive work climate, increase competence to become professionals in the logistics sector in particular and other fields so as to contribute greatly to the progress of the company and support sustainable company growth. The company is optimistic to achieve **the sales growth rate by 12% per year** with a targeted **Net Profit Margin (NPM) of 22 % per year**. The results of the projected business feasibility indicators, the financial ratios of **Net Present Value (NPV) are positive, the Internal Rate of Return (IRR) is 31% for 10 years** and the **Payback Period will be achieved within 6 years and 5.40 months**. So it can be concluded that the business opportunity of PT Log Cost Indothermo is an **attractive business opportunity and has the chances to grow sustainably in the future**.*