ENHANCING BUSINESS PERFORMANCE OF CV IDEAS INDONESIA

Dwi Robby Prasetyo; Ketut Sadhunata Wisnukepakisan; Galih Bagus Priadi; Dhea Audria; Akhmad Syukra; Tiberi, Jerome C

ABSTRACT

IDEAS are an acronym for Innovation, Design, Engineering, and Art & Science. We have collaborated with the principle that a problem can be solved with an integrated solution. IDEAS were initiated in 2012 in Bandung. Starting with some disciplines such as Architecture, Economics, Design, Microbiology, & Agribusiness. With this diversity we can explore solution with various disciple. Our focus is on developing a sustainable lifestyle.
1. COMPANY PROFILE

Company Profile

Company profile CV IDEAS INDONESIA
Universitas Pendidikan Indonesia

Address : JL. Cisebe no.1 bandung - 40121
Website : www.halogrowbox.com
PIC/NO HP/EMAIL : Ronaldias Hartantyo/081320407686/ronldiaz@mycote.ch

IDEAS are an acronym for Innovation, Design, Engineering, and Art & Science. We have collaborated with the principle that a problem can be solved with an integrated solution. IDEAS were initiated in 2012 in Bandung. Starting with some disciplines such as Architecture, Economics, Design, Microbiology, & Agribusiness. With this diversity we can explore solution with various disciple. Our focus is on developing a sustainable lifestyle. Some of the ideas that we have initiated, Growbox urban mushroom farm, farmer's market Agritektur, and microhydro power plant in the village of Wae Rebo - Flores.

We liked the ideas that contain local content contained in Indonesia. Indonesia is rich in culture, humans, and nature is our inspiration to work. Great attention to environmental, social, economic and of course a fundamental principle of our work. One of the most innovative products of CV IDEAS Indonesia is grobox.grobox is a simple box containing oyster mushroom seeds that can be cultivated by anyone, anywhere, and anytime. We can feel the new experience to have their own small mushroom farm.

1.2 Mission CV IDEAS INDONESIA

Mission statement Collaboration towards independent and sustainable Indonesia

1.3 Current Situations

Products from CV IDEAS INDONESIA are currently following in new trends as grow box products are an innovation between Design and agriculture. Grobox products can be cultivated by anyone, anywhere, and anytime. So that people will be able to experience new experiences to have their own small mushroom farm.
2. COMPANY READINESS ANALYSIS

Readiness Level Based on CORE Methods

![Bar graph showing readiness levels for various factors]

Based on the bar graph above, we can conclude that CV IDEAS INDONESIA is ready to enter the international market. Based on value 9 of the export method. Because Mr. Ronaldiaz Hartanto as the Credit Marketing Officer (CMO) CV IDEAS INDONESIA said that 80% of our clients are people outside of the country, that is from Mostly Europe, Korea, and ASEAN Countries. Therefore, the value of the export method in CV IDEAS INDONESIA is 2 of the highest value of 5 core in the graph above. Protection of products in CV IDEAS INDONESIA we give a value of 9 because it also works with the delivery service parties. Therefore, the product will be guaranteed safety. And if there is a defect in the product then the company is responsible. The reason we rated 6 on committee management is because currently IDEAS CV focuses on other products to make its business center.

3. RECOMMENDED SERVICE IDEA

3.1 Recommended Product

From our group there is no product idea that is offered to CV IDEAS Indonesia, because the product of this company that is "Growbox" according to us is unique. A simple box containing oyster mushroom seeds that can be cultivated by anyone, anywhere and anytime. Behind the packaging is fairly simple, the product from the city of flowers that has a variety of uniqueness is very interesting. The box design on "Growbox" is very easy to carry anytime and anywhere. There is also a name that can be used to name. As urban mushroom farming, "Growbox" is the easiest miniature to taste the oyster mushroom cultivation technique that is so much fun. In our "Growbox" game we have been facilitated in such a way that it only needs to open the available circle on the box. Next, simply create a "+" line using the cutter in the area that was opened earlier. Flush 1 to 3 times a day with water, then just wait for the harvest. There are 6 variants of mushrooms offered "Growbox". There are oyster mushrooms in white, yellow, blue, pink, light brown and dark brown. No need to confuse what sort of oyster mushroom in your Growbox because the strap in the Growbox package shows the type of fungus seeds in it. Not only that, in a box Growbox, it can experience 3 to 4 times harvest time.
Before we export we analyze some countries that are suitable for growbox. The country is a country of Saudi Arabia. Saudi Arabia and Indonesia have a long bilateral history. The country is also one of the potential trading partners in the Middle East region. Data from the Central Bureau of Statistics (BPS) said that the total value of non-oil and gas trade between the period of 2011-2015 shows a positive growth of 3.89 percent per year. The average value is US $ 1.83 billion per year. Meanwhile, non-oil and gas imports were recorded at US $ 921.23 million per year in the same period. In 2015, the trade balance experienced a surplus of 29.84 percent. Indonesia's main export products to Saudi Arabia are motor vehicles; Palm oil; tuna; rubber and rubber products; plywood; paper and paper products; paper pulp; wood charcoal; as well as textiles and textile products. Astronomically, Saudi Arabia is located between 15 ° N 32 ° N and 34 ° east 57 ° east. Geographically Saudi Arabia is located in West Asia.

The boundaries of Saudi Arabia are as follows:

North of Saudi Arabia bordering Jordan, Iraq, and Kuwait;
In the west of Saudi Arabia bordering the Red Sea:
South of Saudi Arabia bordering Oman and Yemen.
East of Saudi Arabia bordering the Persian Gulf, the Arab Finirat Union, Bahrain, and Qatar.

4.1 Geographical situation

Saudi Arabia is a plateau situated between the Red Sea and Persian Gulf. In Saudi Arabia many dry river riverbeds (wadi). Most of Saudi Arabia is dry land and the desert of yarilz is lack of water. In Nejed (the central highlands) sometimes it rains so the area is fertile. The area produces dates. That's where the kings of Ibn Soud came from and that's where the royal capital, Riyadh. Because the area is fertile, the area is often called the Heart of Arabia. Arab Sa population, the audience consisted of Arabs, Smiths, and Bedouins are still wandering. In 1991 the population of Saudi Arabia was 17.869 million inhabitants. Saudi Arabia's population growth is 2.8% a year. Most of the population of Saudi Arabians reside on the shore of the Red Sea. The majority of Saudi Arabians are Muslim and use Arabic.

4.2 Climate

Based on its height, Saudi Arabia has a tropical climate in the south and subtropics climate in the north. In addition, the territory of Saudi Arabia is also a continental climate (land climate). Characteristic of this climate is the condition of the air temperature during the day is very hot, while at night, the air temperature can be very cold. There is very little rainfall in Saudi Arabia, ie less than 200 mm per year. Areas that get a rather large rainfall is the west coast or the Red Sea coast. This rainfall is derived from the presence of sea breeze and the influence of mountains, such as Jabal Makla (3,000 m), Jabbal Dibbah (2,400 m), Jabal Radwa (1,800 m), and Jabal Suba (1,500 m).

4.3 Import Terms

The purpose of Saudi Arabia's import policy.
Guarantee the regular supply of basic necessities at reasonable prices through monitoring of local markets and overseas markets.

Provide consumer protection through quality control and inspection of imported goods.

Protect local merchants against dumping and other dishonest trade practices and provide assistance to overseas exporters to develop the market.

Exporters from abroad comply with import regulations of Saudi Arabia.

4.4 Saudi Arabia import procedure.

Exporters from abroad who will send export goods to Saudi Arabia must prepare export documents as follows:

Letters of Information Originally legalized by the Saudi Arabian Embassy in the country of origin of exporter

Invoice validated by mentioning country of origin, ship name, stamp and item number, description of goods, including weight and value.

Bill of Lading.

Documents stating in accordance with health regulations.

The documentation of insurance, if the goods shipped including the cost / cost of loading is insured.

Rescription Information Origin, Invoice, Bill of Lading and other documents must also be legalized by local KADIN (country of origin).

Certificate of goods quality from authorized institution. The forms of documents and procedures are essentially no different from those that apply internationally.

4.5 Provisions on Imported Products

Are prohibited to be imported.

As for the import of prohibited products are weapons, alcohol and ethyl alcohol, narcotics, publications/ pornographic books, gambling equipment/ games except playing cards and billiards, distillation/ distillation equipment and sculptures

Products whose imports require a special permit.

Products that require special permission include; grains for agriculture, crops, groceries, books, periodicals, films and tapes, Holy Qur'an, religious publications, chemical goods and hazardous materials, medicines, telecommunications equipment without cables, horses, perfumes and ancient/ antique objects.

4.6 General provisions of the quality certification of goods

Food certification.

For foodstuff products must follow the regulations of Mandatory Standards SSAI / 1984, from Saudi Arabian Standard Organization (SASO) in the form of sample food products or for 5 trade interests. The exported products / ingredients must have several certificates:
Food manufacturer's Certificate.

The certificate includes foodstuff data (containing ingredients / ingredients), chemical content, microbiological standards, storage time and use (product date and end time). If the food product uses animal oil, it must be described the animal species, does not contain pork oil or use artificial flavor as well if it is a genetic product. The certificate must be legalized and signed by the local Department of Health.

Consumer Protection Certificate

The certificate includes product feasibility data stating the food is safe and can be consumed by human, issued by Directorate General of Food Quality Control, Ministry of Trade and SASO.

Price list.

Represents a list of export prices made by exporters according to local market price standards.

Labeling

The provisions in the manufacture of food labels and the sale of food products in Saudi Arabia are stipulated by SASO. Basically in the label should be explained about the composition of materials and how to use, in Arabic and English.

Certification of imported meat.

Saudi Arabia only permits beef, goat or other animal of male (male) type only, whether fresh or frozen. The shipping document for meat consists of the following.

A certificate stating that the slaughtering of livestock is conducted at official slaughterhouses in accordance with the provisions of Islamic / halal shari'ah and certificates are legalized by the local Islamic Council. This certificate is also a requirement for shipment of chicken.

Official Health Certificate. Health certificates on each shipment, indicating the date of withholding, the sex of the livestock and the average age, 12 hours before deduction have been conducted by the veterinarian, free from infectious diseases and fit for human consumption.

Note: Health Certificate is a must for every food product imported in Saudi Arabia for all types of meat (including chicken and seafood), meat products, beef cattle, vegetables and fruits. Age of cattle, at the time of cutting no more than 3 years for goats / sheep and five years for cattle.

Certification of Grain Seeds and Imported Seeds (seeds).

Exporters of grains and seeds shall provide labels with writing in Arabic in each package used, with the following details:

- Barley or Sorghum (crops that resemble wheat / corn) for fodder:
- Name of Exporter;
- Packing weight;
- The name of the country of origin of the product;
- Date of production and period of validity.
- Seeds used from seeds:
- Name of exporter;
• The country of origin of the product;
• Contains toxic to humans and animals or not;
• Production date;
• Validity period.
• Inspection certificate.
• The exporter must indicate the original Certificate of Inspection of the exported goods, the certificate describes as follows:
  • Buyer's name and address;
  • The name and address of the seller;
  • Types and quantities;
  • Name of ship sea transport company;
  • Types of packaging;
  • Written information in each package; Inspection results and percentage of ingredients/ingredients/ingredients;
  • Methods of chemical use of seeds;
  • Confirmation that the seeds are free from germs, animal pests and infectious diseases.
• Phytosanitary Certificate

This certificate proves that the seeds or seeds are free from disease or other plant pests. Legalized by representatives / agencies Ministry of Agriculture of origin country. This certificate should be enclosed in ship documents for commodity wheat flour, rice, grains, padipadian, plant seeds, wood, plants, plant materials, and others.

Seed Analysis Certificate.

The certificate is to prove the degree of authenticity of the seeds for Arab Saudi's "shipment", legalized by government-designated agencies.

Certification of ICCP products.

There are 66 types of imported goods subject to the provisions of the International Conformity Certification Program (ICCP) in which the goods are subject to pre-shipment testing or preshipment inspection obligations. These 66 types of imported goods are certified by the Saudi Arabian Standard Organization (SASO). For the implementation of this pre-shipment testing, SASO has appointed 98 laboratories in 45 countries including Indonesia. ICCP is intended to protect and secure the Saudi Arabian market from the entry of counterfeit goods, of low quality and can endanger the lives of Saudi Arabian consumers. With this program, all imported products entering Saudi Arabia must be of high quality according to SASO standards. Manufacturers or exporters of these 66 types of goods must obtain a Certificate of Conformity in advance, that is, after the goods are subjected to an inspection in a laboratory designated by SASO in the exporting country before delivery (by land, sea and air). The certificate must be attached along with other export documents.
5. MARKETING STRATEGY

5.1 Segmenting

Demographic (age)

Growbox segmentation is in men and women ranging from adolescents to adults, who have ages ranging from 20-40 years. The uniqueness is in the packaging, maintenance, and harvest of mushrooms.

Geographical (natural state) Saudi Arabia

Based on its height, Saudi Arabia has a tropical climate in the south and subtropics climate in the north. In addition, the territory of Saudi Arabia is also a continental climate (land climate). Characteristic of this climate is the condition of the air temperature during the day is very hot, while at night, the air temperature can be very cold.

5.2 Targeting

Weather in Saudi Arabia is very extreme, so not all plants can live in the area. The target market for "Growbox" products is teenagers and adults who want to grow crops and harvest the easy way.

5.3 Positioning

Growbox is one of the unique products, because "Growbox" is a simple box containing oyster mushroom seeds that can be cultivated by anyone, anywhere, and anytime. We can feel the new experience to have their own small mushroom farm.

5.4 Pricing strategy: Multiple-zone pricing

The company divides its sales area into several geographical regions, any buyer within the same region will bear the same delivered price. The amount of delivered price depends on the transportation cost, the level of competition, and the level of demand in the area.

5.5 Distribution Channel

For distribution channel work with Deloitte company. Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with more than 3,000 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has received many awards in the Middle East, best consulting firm, and the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).

5.6 Promotion

Using digital marketing strategy and in collaboration with Nomads International Company. International Nomads is a Riyadh based Digital Advertising Agency with a full time team & members from around the globe; all under one roof, connected & online. We communicate, collaborate and create; Digital Agency, New Media Agency, what ever the name, it is all under one roof & We specialize in it.
6. EXPORT PROCESS

Terms of Trade For Importers and Exporters

Terms of trade in export import consist of CIP, DAF, FCA, FAS, CFR and CIF. In its activities, export and import can be done with the help of several parties involved in it. That is because in international trade, export and import activities can not only be done by individuals (individuals).

For CIP trading terms it means that the exporter / seller delivers goods to the designated carrier. But the exporter is obliged to pay the necessary freight to transport the goods to the destination. This means that the importer / buyer is responsible for all risks and pays all costs incurred after the goods are delivered.

Importers should note that under the terms of CIP trading, exporters are required to cover insurance with only a minimum requirement. If the importer wants greater protection, then the importer needs to make an agreement with the exporter firmly. Other options importers can take care of the additional insurance itself.

Terms of CIP require exporters to take care of export formalities. This requirement may be used for any conveyance, including the means of transporting various vehicles (multimodal transport).

6.1 Exporter's Obligation (Seller)

Exporter (seller) or seller has obligations in terms of trade, namely:

Provision of Goods in Conformity With The Contract.

The exporter is obligated to provide goods and commercial invoices or messages sent through electronic means in accordance with the sale and purchase agreement and the agreements agreed upon in the Letter of Credit.

Licenses, Authorizations and Formalities.

Exporters are subject to risks and costs for export licenses and other documents from the government authorized for placement of goods at the importer's premises

Contract of Carriage and Insurance.

Contract of Carriage.

The exporter shall enter into an agreement for the carriage of goods through an ordinary course in accordance with the mentioned line at the border delivery site.

Contract of Insurance.

The exporter has no liability in it.

Delivery

The exporter is obliged to place the goods at the appointed importer's premises and not disclose them at the delivery point (border) within the period specified / agreed upon in the Letter of Credit.
Transfer of Risks

Exporters are responsible for all risks of loss and damage of goods when they arrive at the border delivery site.

Division of Costs

The exporter shall be obligated to pay all goods costs until the goods are shipped.

Notice of The Buyer

The exporter is obliged to notify the importer that the goods have been delivered to the place mentioned at the border. And notify other things that are implied to allow importers to take their goods.

Proof of Delivery, Transport Document or Equivalent Electronic Message

Exporters at their own expense provide documents to be used from the delivery of goods at the border.

Checking - Packaging - Marking

The exporter pays the checking operation fee, such as:

- Quality checks.
- Measurement.
- Weighing.
- And calculations.

Other Obligations.

The exporter provides the documents and information necessary to obtain insurance upon request from the importer.

6.2 Importer’s Obligations (Buyer)

Importer (Buyer) or buyer has obligation in terms of trade, namely:

Payment of The Price.

The importer is obliged to pay the fee as stated in the sale and purchase contract or as stated in the Letter of Credit.

Licenses, Authorization and Formalities.

Importers are responsible for the risks and costs of import licenses or other documents from authorized government.

Contract of Carriage and Insurance.

Contract of Carriage.

Importer has no obligation

The Parties Involved in Export and Import Activities

In international trade there are several related parties. The parties involved in export and import activities are trading to gain benefits in each activity. Unlike domestic trade,
international trade is very complicated. In each activity one party needs the help of the other for the execution of the process. And all parties need to pay attention to the provisions applicable in international trade.

In international trade (export and import), the economic policy of the government of a country greatly influences the direction and outcome of the process. One form of international trade policy is the determination of tariffs on various commodities traded. For that we need a mutually beneficial cooperation between several parties involved in it.

The Exporter

One of them is the exporter or often also called seller / seller, the party that sells goods to the importer (buyer) abroad. In that sense, the exporter is an individual (individual) or a legal entity or company within a country which carries on the activities of the sale and delivery or disposal of goods from the territory of a country to another.

From the negotiation phase to the transaction process, some of the parties involved must have credibility that must be believed. Especially for the exporter. These parties consist of:

Exporter

Exporter / producer is a party that part of the production is for international market. Namely the processing of export by the manufacturer / company concerned.

Confirming House

Confirming house is a local (local) company operating in accordance with local laws and laws. And work for and on orders of headquarters located abroad. Many foreign companies (foreigners) established branch offices or cooperated with local companies to establish subsidiaries domestically. This branch office works on the orders of headquarters for the benefit of its headquarters. Such a business entity is called a confirming house. The duties of a branch office or a subsidiary usually do business collection, sorting, upgrading, and packing export from local commodities.

Merchant Export (Export-Merchant)

That is a business entity that has a license from the government in the form of Export Identification Card (APE) in the form of Exporter's Confession Letter. And has permission to execute commodity exports as stated in the letter. Export Merchant operates for and on behalf of the domestic producer it represents.

Export Agent (Export-Agent)

In this case export agent is also called as export merchant. Not only in terms of business within the scope of export-import but this relationship is more to the bond agreement.

Trading House

Namely companies that already have status. In this case there is no restriction on one or two commodities alone, but a company or an exporter can develop its exports into a wide range of commodities. So the exporter thus gets the status of General Exporters. Companies that already have this status are often referred to as the Trading House which can export commodities and have a marketing network and representative offices in the world's trading centers. The company obtained certain facilities from the government both in the form of banking facilities and taxation.
Importer's party

The Parties Involved in Export and Import Activities | In international trade, the importer has responsibility for the implementation of quality and quantity.

Export and Import Documents in International Trade

In the International Trade (export-import), several important documents are required as a condition of agreement. This export and import document in international trade meets all requirements before and after the transaction.

All types of documents in the process of export and import transactions, whether issued by employers, banks, shipping and other agencies have their own functions and roles. Therefore, all documents concerning such activities must be made and examined in the clearest manner.

Export and import documents in international trade are divided into three groups, namely:

Parent

Supporting

Helper

Export and Import Documents

Master Document

The core document issued by the International Trade Executive Agency. Which has a function as a means of verification in the implementation of a transaction. Which included in this document include:

Letter Of Credit (L/C)

That is a letter issued by a bank at the request of an importer addressed to an overseas exporter, granting the exporter the right to withdraw the money order upon the importer concerned.

Bill Of Landing (B/L)

That is a receipt letter of goods that have been loaded into a ship which is also a proof of ownership of goods. Also as evidence of contracts or contracts of carriage of goods by sea.

Insurance Policy

That is a certificate of liability insurance companies issued at the request of exporters or importers to ensure the safety of the goods shipped. The insurance policy is important because it can prove that the goods in it have been insured. It also identifies closed risks. This document states which party is requesting insurance and to whom the claim is paid. Every insurance shall be paid in the same currency as L/C, except in the terms of L/C there is another statement.

Invoice (Invoice)

That is an important document used in the trading process. In the invoice will be known data about how many notes to be withdrawn, the amount of insurance coverage and completion of customs duties. Invoices can be divided into three types:
Proforma Invoice

Namely the offer in the form of a regular invoice from the seller to a potential buyer. Proforma invoice is also an offer to the buyer to place orders that often get requests from buyers so that the seller get import permission from the authorized agency in the importer country. This invoice usually states the terms of sale and purchase of goods. So after the buyer has approved the order there will be a definite contract. The use of this invoice is also used if settlement will be made by payment prior to shipment, on a consignment basis or subject to a tender.

Commercial Invoice

Namely the details of the amount of goods sold, the price of the goods and the calculation of payment. This invoice is addressed by the seller (exporter) to the buyer (importer) whose name and address are in accordance with those listed in the L/C and signed by the rightful signatories.

Consular Invoice

That is the invoice issued by the official agency, namely the embassy or consulate. This invoice is sometimes signed by the buyer's domestic trade consulate, signed by the exporter. Or created and signed by a friendly country from the buyer's country.

7. EXPORT RISKS

Different Risks from Export Import Business:

Transport Risks

International transport has a tendency to travel further and further with frequent hand-over loads and storage periods in longer-standing warehouses. It may result in increased risk of damage, loss and theft when compared to domestic trade. As a consequence, the importers must understand their legal rights in matters of transportation.

Credit or non-payment risks

Because it is difficult for exporters to track the bonafidity and reputation of overseas buyers, the risk of unpaid, late paying and even not being paid at all will increase.

Risk of goods quality

For importers it will be difficult to physically examine an item before it is shipped.

Unexpected events risk

Strikes, natural disasters or warfare can result in the failure of delivery of goods. Unexpected events can also dramatically alter the cost of transportation due to a rise in the price of a ship's fuel or the closing of an economical shipping lane. A good provision of a “disaster” set in either contract will be able to protect both parties.

Legal risks

The rules and laws of a foreign State may change or be applied differently from the previous period which will be able to thwart and discourage transactions. Customs permits may suddenly be unavailable.
Investment risk

The usual investment risks in marketing a commodity become larger in terms of expansion because of the additional investment required to launch an export program. Companies must seriously consider exporting or not. Some companies are less ready for export and some may also not be able to compete internationally and should concentrate on the domestic market.

Exchange rate risk

If the price has been fixed in a particular currency in an international contract, the subsequent exchange rate fluctuations will inevitably benefit one party at the expense of the other party’s losses. The easiest solution to avoid uncertainty is to set the price of the contract in its own currency. But it does not eliminate the exchange rate risk as entrepreneurs may still face the risk of weakening their own currency which may occur within the timeframe between the contract date and the date of payment.

8. RECOMMENDATION

Companies must be meticulous in working with companies that provide digital marketing services and should have a clear explanation of matters agreed upon. Especially on the deal cost that must be budgeted and how long the contract is in progress, because the exchange rate will change at any time. In the agreement should benefit both parties. Understand the companies that want to work together.

To overcome the occurrence of natural disasters the company should cope with providing more stock to the distributor when extreme weather starts to hit. This should be done to reduce the risk of distribution delay due to extreme weather.

In distributing products, the company must cooperate with freight forwarding companies that have good performance and trusted.
9. REFERENCE


Trip Advisor 2017, tempat belanja di Arab Saudi, viewed 10 November 2015, [https://www.tripadvisor.co.id/Attractions-g293991-Activities-c26-t143-Saudi_Arabia.html](https://www.tripadvisor.co.id/Attractions-g293991-Activities-c26-t143-Saudi_Arabia.html)