



# Business Plan

**Indo-Sierra Furniture & Interior Design  
Services Limited, GmbH**

Located in Cologne, Germany

Provide furniture made from wood, bamboo & rattan canes imported from Indonesia

Superior quality and design at competitive prices



## 1.1 Business Description

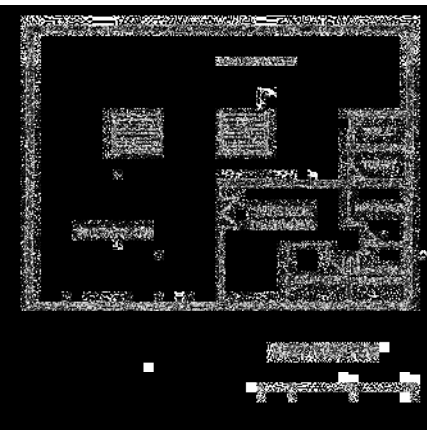
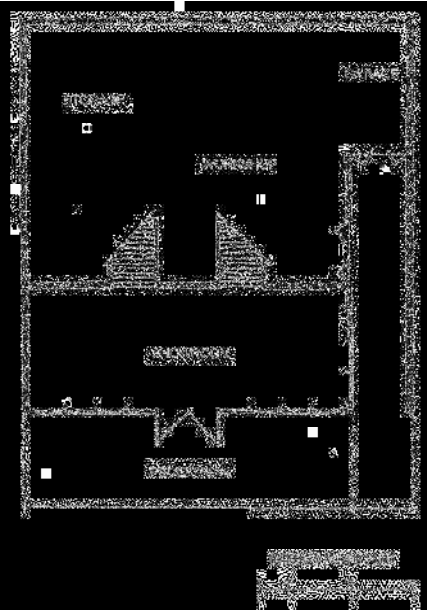
Specialize in bedroom, living room, dining room and office furniture

Available in a variety of resilient finishes and colors



The office building will have an area of 1000 square meter, consists of :

- A showroom
- Four office spaces
- Storage and workshop
- Garage
- Service





Intends to sell hand made wood/cane furniture such as dining tables, coffee tables, and chairs.

The customer can have their wooden/cane furniture customized with their preferred finish or they have the option of selecting the regular finish.

## Product & Services

### 2.2 Sourcing

All of the products would be imported from Indonesia, which is already known as one of the best wood/cane hand made furniture producers



### 2.3 Production

No component parts, veneers or particleboard are used

The components of our furniture are produced in small volumes and kept in stock

The time for delivery is variable according to the order of our customer







Our partners in Indonesia are highly skilled craftsman with extensive experience in wooden/cane furniture manufacturing

The proximity of their wood/cane suppliers in Indonesia gives them better controls their inventory of raw materials and reduces the risk of supply shortages

Raw materials are readily available and their suppliers can respond quickly to any specialty orders

## Product & Services

### 2.4 Future Products

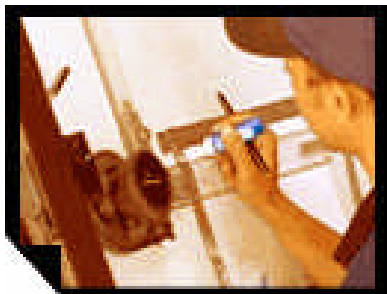


Continue to expand and develop our product lines and add new products

Continue to evolve based on customer's trends and demand and obtain feedback from customers

Our goal is to design and introduce 2 to 3 new products per year

### 2.5 Services



Provide consultant services for interior design

Give advices to the customer for the best alternative in designing including the suitable furniture from our products



### 3.1 Target Market

Our primary target markets are customers who want to have very fine furniture with the touch of ethnic style from Indonesia combined with a high sense of fine woods/canes

The customers targeted live in Cologne and surroundings



## Competitors

### IKEA

a large furniture market that sells well-designed and simple furniture with low price

Their products are made not only from woods, but also from other material (plastics, steel etc.)

Their products include all complementary for a whole house

Their specialty is not wood and the product is more standardized and less quality





### HABITAT

Not as large as Ikea, but the products are more or less the same

Their product and quality is almost similar to ours, but does not specialize in woods

### DANSK DESIGN

Specialize also in the use of natural wood in providing household and office furniture

Do not offer interior design services

Their products are manufactured in Europe leading to very high prices



### Analysis

Our company's product line have several competitive advantages over our competitors :

- unique design and quality for a reasonable price
- flexible that customers can choose different finishes to satisfy their style and design preferences
- superior quality (no use veneers, particleboard or fiberboard, only solid wood) so that our customers feel that they are buying good value

Strategies

#### 4.1 Pricing Strategy

& Implementation

Price our products at a level comparable to our competitors

Take into account : production costs, competitive pricing strategies and consumer price sensitivity

Our company's goal is to provide good quality furniture for a reasonable price while still maintaining healthy profit margins

## Strategies

### & Implementation



## 4.2 Promotion Strategy

Produce catalogues featuring products that will be distributed to targeted customers

The catalogue will highlight the unique design and quality of our products

Customers can see samples of our products in showroom

Also promote through exhibition

## 4.3 Distribution Strategy

The channel of distribution varies by customer and the size of the order.



## 5.1 Organizational Structure

The owners/operators manage the company and share all managerial, administrative, marketing, design, layout and product development functions

Have six full time and four part time employees who work on the shop floor

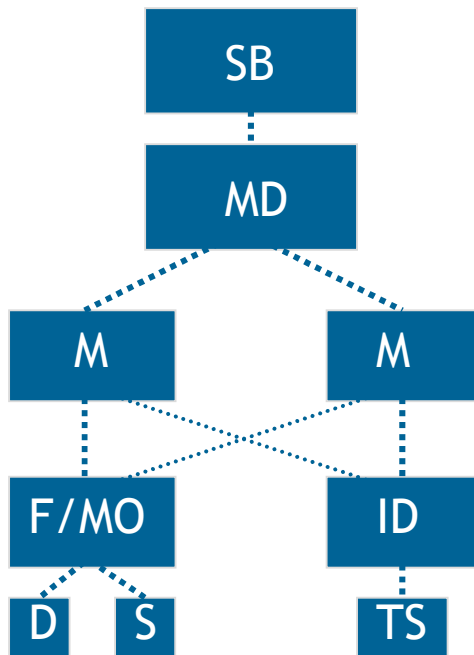
Part time employees will be promoted to full time as sales increases

One to two part time employees will be hired each year over the next two to three years as production volumes increase





## Management & Staffing



## 5.2 Management Team

### Supervisory board

Shareholders

### Managing director

A shareholder (rotational - every five years) or someone employed by the supervisory board

### Managers

Operations manager and Administrative/Financial manager (occupied by the other two shareholders)

## 5.3 Staffing

Interior Designer

Financial/marketing officer & Driver (permanent)

Technical Staff for finishing & coupling; service staff (part-time )



Product Samples

Bed Room





Product Samples

Office Furniture



# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
<b>DECORATION AND OFFICE EQUIPMENT (1)</b>						
<b>Office</b>						
Computers / desktop	4	No.	1,000	4,000	4	1,000
Software	2	No.	3,000	6,000	3	2,000
Server			lump sum	2,000	4	500
Printer	1	No.	300	300	3	100
Plotter	1	No.	4,000	4,000	4	1,000
Scanner	1	No.	200	200	4	50

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
<b>DECORATION AND OFFICE EQUIPMENT (2)</b>						
<b>Office</b>						
Photocopier	1	No.	4,000	4,000	5	800
Telephone	5	No.	85	425	10	43
Fax	1	No.	200	200	10	20
Refrigerator	1	No.	300	300	10	30
Microwave	1	No.	100	100	5	20
				<b>21,525</b>		<b>5,563</b>



# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
<b>DECORATION AND OFFICE EQUIPMENT (3)</b>						
<b>Office Furniture</b>						
Wooden Table	5	No.	300	1,500	10	150
Wooden Chair	5	No.	100	500	10	50
Wooden Cabinet	5	No.	500	2,500	10	250
Carpets	100	M <sup>2</sup>	20	2,000	10	200
Settee	1	Set	200	200	10	20
				<b>6,700</b>		<b>670</b>

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
<b>DECORATION AND OFFICE EQUIPMENT (4)</b>						
<b>Showroom Furniture</b>						
Living Room	3	Sets	1,800	5,400	5	1,080
Bedroom	3	Sets	1,800	5,400	5	1,080
Dining Room	3	Sets	1,300	3,900	5	780
Office space	3	Sets	750	2,250	5	450
				<b>16,950</b>		<b>3,390</b>

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
<b>DECORATION AND OFFICE EQUIPMENT (5)</b>						
<b>Initial Stock</b>						
Living Room	20	Sets	1,800	36,000		
Bedroom	20	Sets	1,800	36,000		
Dining Room	20	Sets	1,300	26,000		
Office space	20	Sets	750	15,000		
				<b>113,000</b>		

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
<b>DECORATION AND OFFICE EQUIPMENT (6)</b>						
<b>Stock Based on Expected Sales</b>						
Living Room	100	Sets	1,800	180,000		
Bedroom	100	Sets	1,800	180,000		
Dining Room	100	Sets	1,300	130,000		
Office space	100	Sets	750	75,000		
				<b>565,000</b>		

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.1 Investment Cost and Depreciation Cost

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
Finishing & Assembly Tools			lump sum	5,000	5	1,000
<b>Vehicles</b>						
Pick up	1	No.	50,000	50,000	5	10,000
Delivery Van	1	No.	75,000	75,000	5	15,000
				125,000		25,000
<b>TOTAL</b>				<b>853,175</b>		<b>35,623</b>

TOTAL INVESTMENT AND DEPRECIATION COSTS		
Investment Description	Amount (EUR)	Depreciation Cost (EUR)
Office equipment	21,525	5,563
Furniture	6,700	670
Showroom Furniture	16,950	3,390
Finishing & Assembling Tools	5,000	1,000
Vehicle	125,000	25,000
Initial Stock	113,000	--
Stock based on expected sales	565,000	--
Unforeseen Activities	10,000	--
<b>Total</b>	<b>863,175</b>	<b>35,623</b>

FINANCIAL COST				
<b>Total Investment</b>		863,175.00	EUR	Interest rate = 7.00% per annum Pay off period 10 Year
<b>Shareholders Capital</b>	40%	345,270.00	EUR	
<b>Bank Capital</b>	60%	517,905.00	EUR	



# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.2 Total Investment, Depreciation costs and Financial Cost

Financial Year	Balance of Debt (EUR)	Interest %	Cost of Interest (EUR)	Installments (EUR)
1. Year	517,905.00	7.00	36,253.35	51,790.50
2. Year	466,114.50	7.00	32,628.02	51,790.50
3. Year	414,324.00	7.00	29,002.68	51,790.50
4. Year	362,533.50	7.00	25,377.35	51,790.50
5. Year	310,743.00	7.00	21,752.01	51,790.50
6. Year	258,952.50	7.00	18,126.68	51,790.50

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.2 Total Investment, Depreciation costs and Financial Cost

Financial Year	Balance of Debt (EUR)	Interest %	Cost of Interest (EUR)	Installments (EUR)
7. Year	207,162.00	7.00	14,501.34	51,790.50
8. Year	155,371.50	7.00	10,876.01	51,790.50
9. Year	103,581.00	7.00	7,250.67	51,790.50
10. Year	51,790.50	7.00	3,625.34	51,790.50
<b>TOTAL</b>			<b>199,393.43</b>	<b>517,905.00</b>

FACILITY COST						
Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
Building (Rent)	10	Year	12,000	120,000	0	-
Insurance			lump sum	12,500	0	-
Registration costs			lump sum	2,000	0	-
Extra Charges			lump sum	10,000	0	-
Security			lump sum	5,000	0	-
			<b>TOTAL</b>	<b>149,500</b>		

CONSUMPTION COST				
Material Type	Quantity	Unit	Price (EUR)	Amount (EUR)
<b>Utility</b> (sprays, vanishes, thinners)			lump sum	1,000
<b>Energy</b> Electricity			lump sum	2,400
<b>Packaging Material</b> Plastics			lump sum	1,200
Papers			lump sum	1,200
<b>Maintenance Cost</b>			lump sum	5,000
<b>Marketing cost</b>			lump sum	1,000
<b>Overhead Cost</b>			lump sum	500
			<b>TOTAL</b>	<b>12,300</b>

PERSONNEL COST			
Description	Quantity	Salary Pro Year (EUR)	Amount (EUR)
Managing Director	1	72,000	72,000
Manager	2	60,000	120,000
Interior Designer	1	36,000	36,000
Financial/Marketing Officers	1	36,000	36,000
Technical Staff	3	lump sum	50,000
Service staff	1	lump sum	10,000
Driver	1	38,500	38,500
		<b>TOTAL</b>	<b>362,500</b>

Salaries include all taxes and social obligations to the Government

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

Financial Plan

## 6.4 Expected Revenue

Description	Price (EUR)	1. Year - 3. Year		4. Year - 7. Year		8. Year - 10. Year	
		No. of Sales/ Year	Revenue (EUR)	No. of Sales/ Year	Revenue (EUR)	No. of Sales/ Year	Revenue (EUR)
Office set	1,970.00	120	236,400.00	240	472,800.00	360	709,200.00
Dining room set	1,950.00	120	234,000.00	240	468,000.00	360	702,000.00
Bed room set	3,700.00	120	444,000.00	240	888,000.00	360	1,332,000.00
Living room set	3,450.00	120	414,000.00	240	828,000.00	360	1,242,000.00
Total			1,328,400.00		2,656,800.00		3,985,200.00
Interior services is taken 5% of revenue			66,420.00		132,840.00		199,260.00
<b>Total expected revenue</b>			<b>1,394,820.00</b>		<b>2,789,640.00</b>		<b>4,184,460.00</b>

This was done based on a market study and consumer analysis

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

## Financial Plan

## 6.5 Cash Flow Calculation

Description	1. Year	2. Year	3. Year	4. Year	5. Year
Turnover	1,394,820.00	1,394,820.00	1,394,820.00	2,789,640.00	2,789,640.00
Depreciation	35,623.00	35,623.00	35,623.00	35,623.00	35,623.00
Personnel Cost	362,500.00	362,500.00	362,500.00	362,500.00	362,500.00
Facility Cost	149,500.00	149,500.00	149,500.00	149,500.00	149,500.00
Consumption Cost	12,300.00	12,300.00	12,300.00	12,300.00	12,300.00
Financial Cost	36,253.35	32,628.02	29,002.68	25,377.35	21,752.01
Profit without Tax	798,643.65	802,268.98	805,894.32	2,204,339.65	2,207,964.99
Tax 50%	399,321.83	401,134.49	402,947.16	1,102,169.83	1,103,982.50
Profit after Tax	399,321.83	401,134.49	402,947.16	1,102,169.83	1,103,982.50
<b>Cash-Flow</b> Net Profit+Depreciation	<b>434,944.83</b>	<b>436,757.49</b>	<b>438,570.16</b>	<b>1,137,792.83</b>	<b>1,139,605.50</b>
Installment	51,790.50	51,790.50	51,790.50	51,790.50	51,790.50
Dividend	<b>383,154.33</b>	<b>384,966.99</b>	<b>386,779.66</b>	<b>1,086,002.33</b>	<b>1,087,815.00</b>

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

## Financial Plan

## 6.5 Cash Flow Calculation

Description	6. Year	7. Year	8. Year	9. Year	10. Year
Turnover	2,789,640.00	2,789,640.00	4,184,460.00	4,184,460.00	4,184,460.00
Depreciation	35,623.00	35,623.00	35,623.00	35,623.00	35,623.00
Personnel Cost	362,500.00	362,500.00	362,500.00	362,500.00	362,500.00
Facility Cost	149,500.00	149,500.00	149,500.00	149,500.00	149,500.00
Consumption Cost	12,300.00	12,300.00	12,300.00	12,300.00	12,300.00
Financial Cost	18,126.68	14,501.34	10,876.01	7,250.67	3,625.34
Profit without Tax	2,211,590.32	2,215,215.66	3,613,660.99	3,617,286.33	3,620,911.66
Tax 50%	1,105,795.16	1,107,607.83	1,806,830.50	1,808,643.17	1,810,455.83
Profit after Tax	1,105,795.16	1,107,607.83	1,806,830.50	1,808,643.17	1,810,455.83
<b>Cash-Flow</b> Net Profit+Depreciation	<b>1,141,418.16</b>	<b>1,143,230.83</b>	<b>1,842,453.50</b>	<b>1,844,266.17</b>	<b>1,846,078.83</b>
Installment	51,790.50	51,790.50	51,790.50	51,790.50	51,790.50
Dividend	<b>1,089,627.66</b>	<b>1,091,440.33</b>	<b>1,790,663.00</b>	<b>1,792,475.67</b>	<b>1,794,288.33</b>



### PROFITABILITY OF SHAKEHOLDERS CAPITAL

Shareholders capital	Profit after tax	Dividend	Return on investment	
345,270.00	399,321.83	383,154.33	1.11	1. Year
345,270.00	1,102,169.83	1,086,002.33	3.15	4. Year
345,270.00	1,806,830.50	1,790,663.00	5.19	8. Year

### 1. Name, Location

Indo-Sierra Furniture and Interior Design Services Limited, GmbH.  
Cologne, Germany

### 2. Purpose/Objectives

Sales of Timber Furniture with the intention of making profit  
To provide interior design services  
The company can buy shares from other firms/businesses.

### 3. Shared Capital/ Invested Capital and Ownership

The Company's initial investment capital is 863,175.00 EUR. 40% of this amount is to be shared amongst the shareholders and the remaining 60% from potential investors or a loan from the Bank. The shares are as follows:

# Indo-Sierra Furniture & Interior Design Services Limited, GmbH

## Articles of Agreement

Mr. Moediartianto,	115,090 EUR
Mr. Abdul Bangura,	115,090 EUR
Mrs. Riantiza Avesta,	115,090 EUR

Indo-Sierra Furniture and Interior Design Services, GmbH is incorporated under the laws of Federal Republic of Germany, owned and operated by the above mentioned shareholders. The three shareholders each own 1/3 of the business and are equally involved in its operations and management.

#### **4. Responsibilities/ Obligations**

Each Shareholder is obliged under the articles of Agreement to fully participate in achieving the objectives of the firm. He/She therefore carries full responsibility for his/her Tasks except otherwise exempted by a simple majority.

### 5. Business Share Regulation

Shares or a part of it should be not be disposed of by any means whether sales or transfer without the written permission of the other shareholders. Nonetheless, in the event of share sales, member shareholders should be given first preference except otherwise a price could not be reached at, can the share be sold to somebody else.

### 6. Supervisory Board / Decision Making

The shareholders make up the supervisory board with the following tasks:

- Appoint and approve the managing director.
- Approve the end of year shareholder's meeting.
- Participate in the employment of all other staff members.

All decisions are taken by a 2/3 majority of the shareholders

## **7. Management**

The company is to be managed by all three Shareholders with one as managing director for a period of five years. In the event that the shareholders do not want to continue to assume the position of managing director, then they will employ a qualified person from outside. All other employees will be employed by all three shareholders but their contracts of employment signed by the managing director.

## **8. Representation**

The firm is to be represented by the managing director in all aspects other than withdrawal of the firm's funds from the bank which requires the signature of all three Shareholders.

## **9. Financial year and end of Financial year Procedure**

- The Financial year is the calendar year
- The firm start operations on the 1<sup>st</sup> August, 2005
- End of first financial year is 31<sup>st</sup> December, 2005
- Planning for the next financial year is to be concluded in the end of year meeting of shareholders.

## **10. Sharing of Profit**

Profits are shared amongst shareholders according to their respective quotas of their paid up capital.

## **11. Duration of the Company**

The company is intended to operate as long as the shareholders agree to work together.

## **12. Withdrawal Clause**

Each member has the right to withdraw his/her partnership based on the following conditions:

- Informing the other shareholders at least three months to the date of withdrawal.
- Withdrawal cannot be allowed until the firm starts realizing profit.
- All financial entitlements will be accorded with respect to the rules and regulations of the chamber of commerce in Germany.

## **13. Proclamations**

All proclamation of the firm will be stated in the Gazette of the Federal Republic of Germany.

#### **14. Establishment Cost**

All costs relating to the establishment of the firm will be covered by the firm.

#### **15. Safety Clause**

In the event that one or more of these clauses is invalid does not render the entire article of agreement invalid. Such clauses can be revised within the laws of the Federal Republic of Germany.

#### **16. Validity**

This article of agreement is only valid after all shareholders have signed, sealed and delivered to the registrar of commerce in Germany.





Thank you for your attention.