



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

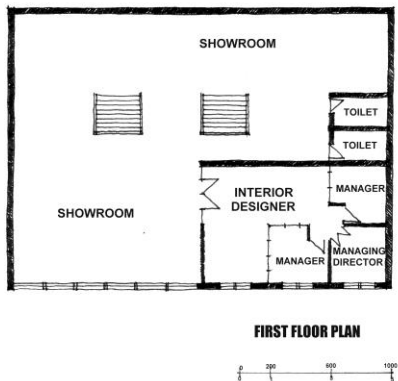
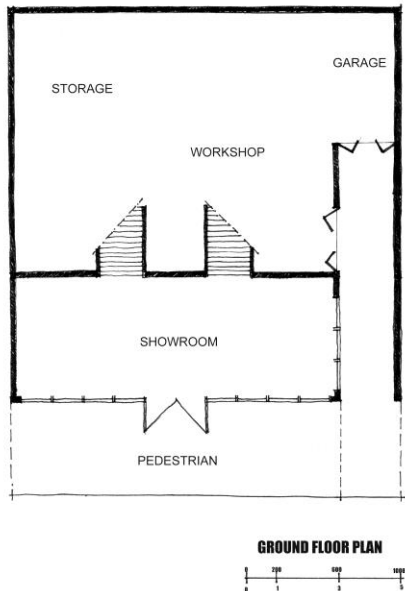


Executive Summary

1.2 Facilities

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 craftsmen with extensive experience in wooden/cane furniture manufacturing

The proximity of their wood/cane suppliers in Indonesia gives them better control of 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

Market Analysis

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



The logo for Habitat, featuring the word "habitat" in a lowercase, sans-serif font with a registered trademark symbol (®) to its upper right.

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

The logo for Dansk Design, featuring a small square icon with a lowercase "d" and the word "century" below it, followed by the words "Dansk design" in a white, sans-serif font on a dark grey background.

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

4.2 Promotion Strategy

& Implementation



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

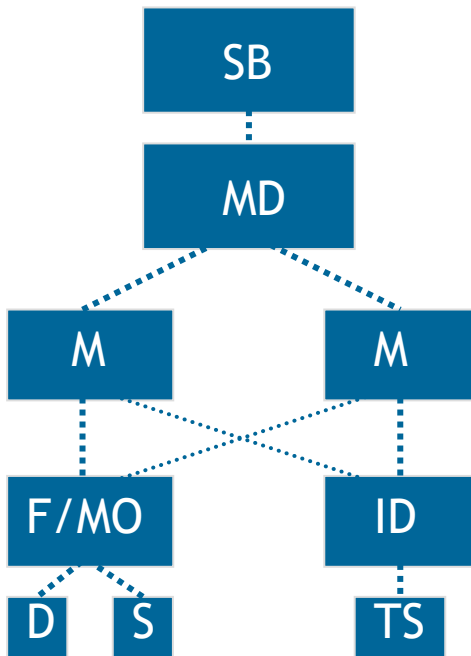
Have six full time and four part time employees who work on the shop floor

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

Living Room



Product Samples

Bed Room



Product Samples

Dining Room



Product Samples

Office Furniture



Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
DECORATION AND OFFICE EQUIPMENT (1)						
Office						
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

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
DECORATION AND OFFICE EQUIPMENT (2)						
Office						
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
				21,525		5,563

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
DECORATION AND OFFICE EQUIPMENT (3)						
Office Furniture						
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 ²	20	2,000	10	200
Settee	1	Set	200	200	10	20
				6,700		670

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
DECORATION AND OFFICE EQUIPMENT (4)						
Showroom Furniture						
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
				16,950		3,390

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
DECORATION AND OFFICE EQUIPMENT (5)						
Initial Stock						
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		
				113,000		

Item Description	Quantity	Unit	Unit Cost (EUR)	Amount (EUR)	Depreciation Period (Years)	Depreciation Cost (EUR)
DECORATION AND OFFICE EQUIPMENT (6)						
Stock Based on Expected Sales						
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		
				565,000		

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
Vehicles						
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
TOTAL				853,175		35,623

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	--
Total	863,175	35,623

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

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

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
TOTAL			199,393.43	517,905.00

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	-
			TOTAL	149,500		

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

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
		TOTAL	362,500

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
Total expected revenue			1,394,820.00		2,789,640.00		4,184,460.00

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
Cash-Flow Net Profit+Depreciation	434,944.83	436,757.49	438,570.16	1,137,792.83	1,139,605.50
Installment	51,790.50	51,790.50	51,790.50	51,790.50	51,790.50
Dividend	383,154.33	384,966.99	386,779.66	1,086,002.33	1,087,815.00

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
Cash-Flow Net Profit+Depreciation	1,141,418.16	1,143,230.83	1,842,453.50	1,844,266.17	1,846,078.83
Installment	51,790.50	51,790.50	51,790.50	51,790.50	51,790.50
Dividend	1,089,627.66	1,091,440.33	1,790,663.00	1,792,475.67	1,794,288.33

PROFITABILITY OF SHAREHOLDERS 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:

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 1st August, 2005
- End of first financial year is 31st 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.