

CHAPTER III

COMPANY PROFILE

A. History of the Company

Citra Jananuraga Hutama Incorporation is a family business which started business in construction building: mechanical and electrical. Mr. Budi Rahayu opened the distribution firm of Citra Jananuraga Hutama Incorporation for pharmacy in 1999. It considered that the necessity of market demand upon medicines was getting higher.

As a start, this firm had 2 employees who worked as a pharmaceutical assistant and a secretary, while the rest of the business was in the hand of Mr. Budi Rahayu and by the help of Mr. Agus Sutanto. After 2 years, Citra Jananuraga Hutama Incorporation had many customers in Semarang. Since there were many customers getting in, Citra Jananuraga Hutama Incorporation started to compile organization structure and effectively work in 2002.

Citra Jananuraga Hutama Incorporation is cited in Jurnatan Complex B-32, Semarang. It is a distributor or *Pedagang Besar Farmasi* with a permission letter from Ministry of Health No. 3309/PBF/VII/99 issued 7 July 1999. This company has 4 stores in 130 meter in which Part of this location is used for administration and warehouse

Considering the increasing number of pharmaceutical distributors in Central Java, which are about 200 according to the Department of Health in 2007, Citra

Incorporation commits to be the official pharmaceutical distributor in Semarang of AFI Farma, Imfarmint Pharmaceutical, Trifa Laboratories, Triman Pharmaceutical and Ifars. From those 5 producers and others, this company has now 500 kinds of legal medicines and ready to sell with affordable price.

B. The Scope of Business

Citra Jananuraga Incorporation runs a business in (non)-ethical medicines which are distributed in Central Java. The medicines include ethical products from 5 producers. Ethical medicines are the ones consumed based on doctor's prescription

The customers of Citra Incorporation are the other 53 pharmaceutical distributors, 319 pharmacies, 15 hospitals and 85 dispensing 60% of which is from outside Semarang. The number of pharmacies is 319 in Central Java, 137 of which are in Semarang. In Central part of Semarang, there are 51 pharmacies. More or less they have re-ordered every week.

C. The Purpose of Company

The company has a sort term and long term vision. As for the short term vision, it is intended to be a legal distributor under *Drugs and food control department* as the competitive advantage, considering there are a lot of distributors sell illegal medicines. As for the long term vision, it is intended to be the one which does not only distribute legal medicines but also provides a good service for customer loyalty.

The mission of this company is to develop and build better service such as communication, transportation and etc.

D. Organisational Structure

The present chief director of this company is the son of Mr. Budi rahayu, Mr. Agus Sutanto. The director I is Mr Budi Rahayu himself, director II Dwi Suparti, and the commissioner is Mrs. Liem Kiem Tjoe Nio. The director I leading the marketing department has 1 supervisor, 7 sales forces, 4 drivers, 3 storage staffs, 3 couriers, and 1 debt collector, while the director II leading tax and staff department has 2 tax consultants. The commissioner leading administration and financial department has 1 pharmaceutical assistant, 2 secretaries, and 2 accountants. The organizational structure of Citra Jananuraga Incorporation Semarang is presented in the next page. (*Attachment 3*)

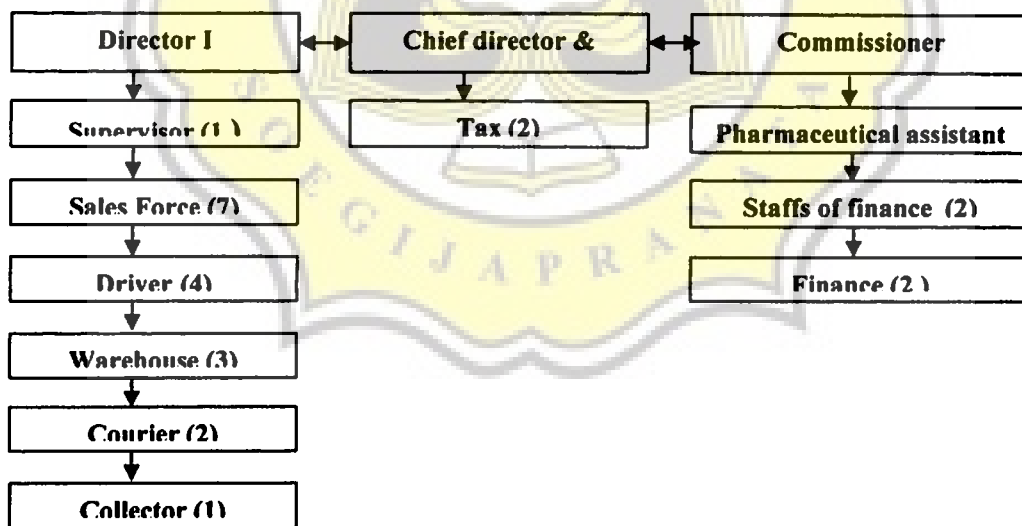


Figure 5: Organizational Structure of PT Citra Jananuraga Semarang
Source of the Data: Data of the Company

E. Staffs

This company has 19 staffs of marketing, 2 staffs in tax and human resources, and 5 secretaries and accountants. All staffs are 26 who are the holder of high school graduate have experience of pharmaceutical endeavor.

Technology employed is computers supported by *local area network* for making invoice and processing the tax. There are 6 units of computers used to store the data of purchasing, selling, debt and credit. The following is the data of company asset of Citra Incorporation with the capital of Rp. 450.000.000,00 shared by

- | | |
|-------------------|-------|
| 1. Chief Director | : 35% |
| 2. Director I | : 35% |
| 3. Director II | : 15% |
| 4. Commissioner | : 15% |

F. Process of the Business

Citra Incorporation buys medicines from pharmaceutical producers such as AFI Farma, Imfarmint, Trifa, etc, and distributes them to pharmacies, dispensing doctors and other pharmaceutical distributors through sales force. Finally, the mass will be the end user.

Considering the higher numbers of pharmaceutical distributors, the marketing concept used is different from the past time. The previous marketing concept focused on the success of the approaching of the sales forces and the selling.

However in the present competitive area, it relies not only on the approach of the sales force but also on the customer's satisfaction and loyalty as their response.

The external distribution channel of Citra Incorporation is sales force, as in the following picture:



Figure 6: Distribution Channel
Source of the Data: Data of the Company

The internal process of Citra Incorporation is drawn in figure 7. Firstly, a note of customer's order from sales forces is checked by a supervisor. The secretary who also makes the invoice then input and prints the order by computer, but this staff should also check the availability of stock in the computer. Then the invoice is sent to the staff in warehouse to prepare the order. Finally it is checked by the pharmaceutical assistant before being delivered by the couriers or sales forces. The invoice consists of 3 sheets; a sheet for the customer, a sheet for finance department to collect the money, and a sheet for sale data.

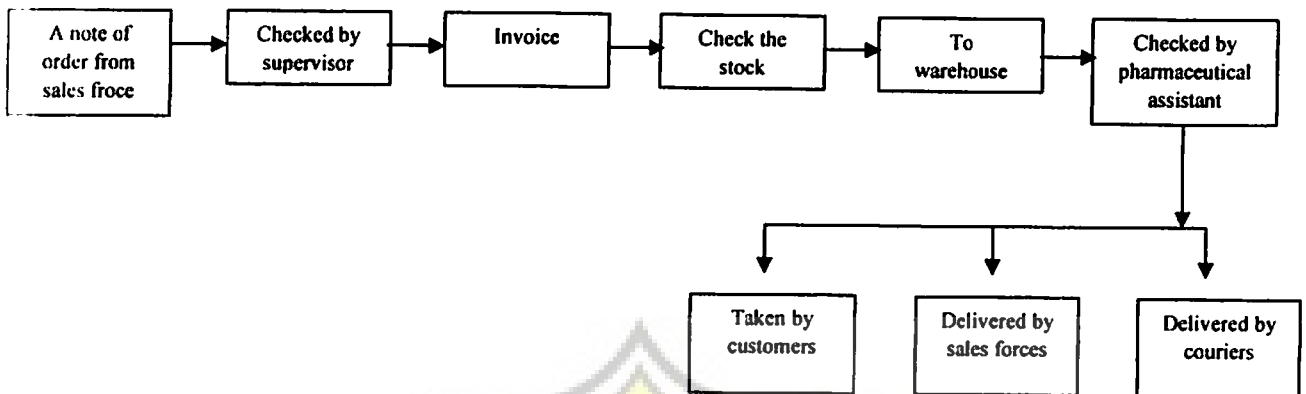


Figure 7: Operational process of company
Source of the Data: Data of the Company

G. The challenge of the business

Citra Inc. has increasing sales, even though the price of medicine is getting higher. It is shown in the following table.

Table 2:
Sale Rating of Citra Jananuraga Incorporation; January-May 2009

No	Month	Sales in Rupiah	Increasing sales	
			Nominal	percentage
1	January	546.889.411		
2	February	724.410.175	177.520.764	32%
3	March	746.057.164	21.646.989	29%
4	April	871.508.174	125.451.010	16%
5	May	881.235.402	9.727.228	11%
6	June	1.059.109.483	177.874.081	20%

Source of the Data: Data of the Company, 2009

In the last six months, the sales of Citra Incorporation have increased even though it is not significant. 32% sale increase was from January to February, 29% was from February to March, 16% March to April, 11% April to May, and 20% May to June.

Externally, this company's strength lays in the bargain able price and its well - known name. However the challenge in the future is about how consistent the ability and competency of the company will be, for example the delivery system by courier. Delivery in time is an important factor considering that the product sent is medicine which is needed in time.

Internally, the challenge of the company lies in how the owner can organize the sale forces that cheat the company by taking the money collected from the customers. There once was a salesman in Citra Incorporation did the same thing and made the company lost Rp. 40.000.000. The next challenge is how the owner could maintain and develop the competency of sales force to communicate to the customers and sale the product well.