

## CHAPTER I

### INTRODUCTION

#### 1.1. PT Kalbe Farma Tbk

##### *1.1.1. Brief History*

PT Kalbe Farma Tbk, often known as Kalbe Farma, is a pharmaceutical company that began on September 10, 1966. Dr. Boenjamin Setiawan was the founder alongside his five brothers and laid the foundation of Kalbe Farma in 1971, where the first factory was established in Pulomas, East Jakarta. In 1977, Kalbe became one of the leading pharmaceutical companies in Indonesia competing with 41 multinational companies. Over the years, PT Kalbe Farma Tbk developed and opened branches all over the country within ten years and went international. PT Saka Farma Laboratories (Kalbe Consumer Health), PT Bintang Toedjo, and PT Sanghiang Perkasa (Kalbe Nutritionals) are the most prominent operating companies belonging to Kalbe Farma that thrive in the Indonesian market as of now (Kalbe, 2022).

Kalbe International is the international marketing company that primarily manages the trading and export activities for the whole Kalbe Farma group of companies. Furthermore, Kalbe International was reconstructed from a trading firm into a multinational corporation in charge of the entire value chain circulating in the company. There are currently 12 countries where the Kalbe International Marketing Division is present, including Cambodia, Singapore, Malaysia, the Philippines, UAE, Sri Lanka, Myanmar, South Africa, Nigeria, Thailand, and Vietnam.

All the companies under Kalbe Farma develop and work closely to their value known as “Panca Sradha” which consists of five values. “Trust is the glue of life,” the first and foremost value where mutual trust and respect between colleagues are upheld. “Mindfulness is the foundation of our actions,” the second point where all decisions and actions are connected to the company’s values, with its responsibility to be taken into account with each decision making. Furthermore, the third point, “innovation is the key to our success,” is that innovation coming from simplicity can improve the quality of life for consumers. “Strive to be the best,” there are equal chances for everyone to develop their full potential and continue learning and improving throughout the working period in Kalbe. Lastly, “Interconnectedness is a universal way of life,” where Kalbe makes efforts that could be useful to others and future generations.



**Figure 1. Kalbe International Logo**

### *1.1.2. Vision and Mission*

All activities done by Kalbe Farma Tbk are to achieve its mission to improve health for a better life. Kalbe Farma's vision is to be the best Indonesian global healthcare company driven by innovation, strong brands, and excellent management. Meanwhile, Kalbe International's vision is to develop Kalbe as a Global company with a strong foothold in ASEAN through Quality, Global Brand, Innovation, and global Operational excellence enabled by Global Talent Management.

### *1.1.3. Main Activity*

Kalbe International operates as the international marketing team that handles sales, marketing, legal, and international relations with countries around the world. Additionally, the company is in charge of new product development, procurement, marketing, distribution, and logistics as the core business. Kalbe has three product categories which include prescription products, consumer health & over-the-counter drugs, and nutritional products. From licensed pharmaceuticals to branded generics and unbranded generics, the Pharmaceuticals Division offers a wide variety of goods available in many stores (ex. Paracetamol, Ranitidin, Leucogen, etc). For Consumer Health Division (CHD), Kalbe sells over-the-counter medicines that have benefits mentally and therapeutically, consumer goods with health advantages, such as vitamins and other preventative products, as well as energizing drinks and nutritious ready-to-drink items. Some brands known are Extra Joss, Hydrococo, Promag, Mixagrip, Procold, and Woods. Lastly, the nutritional division focuses more on developing products related to toddlers, teens, children, and lactating mothers. Hence, the products have more functionalities such as Prenagen, Slim & Fit, Milna, Zee, and Fitbar.

### *1.1.4. Organizational Structure*

Kalbe International is divided into several main divisions which include the Pharmaceutical Division, Consumer Health Division 1 (CHD1), Consumer Health Division 2 (CHD2), and Nutritional Division. Furthermore, under the Head of Kalbe International, there are some directors and general managers in charge of several regions worldwide as shown in **Figure 2**.



Figure 2. Kalbe International Organizational Structure

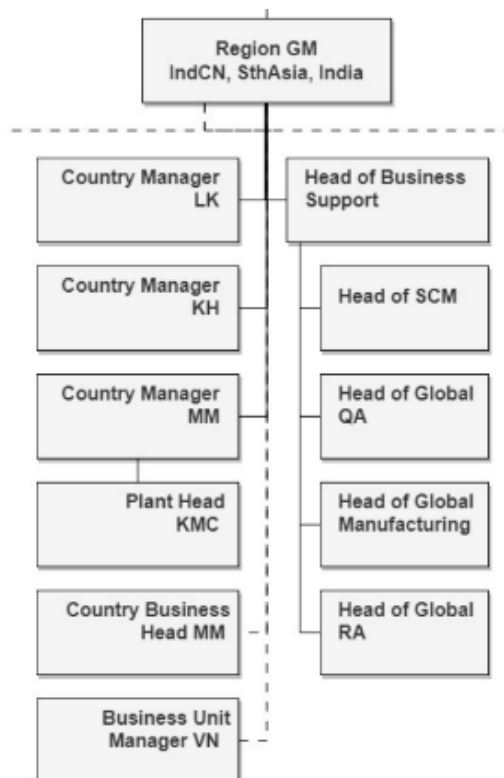


Figure 3. Kalbe International Organizational Structure Region GM IndCN, SthAsia, India

### 1.1.5. Consumer Health Division 1 (CHD1)

Consumer Health Division 1, also known as CHD1, is one of the divisions present in Kalbe International that deals with international marketing. CHD1 focuses on products, which include Extra Joss, Komix, and Red-G. These products are brands manufactured by PT Bintang Toedjoe with sales in and out of Indonesia. CHD1's primary responsibility is to manage social media and post content for each of the products, along with the development of new campaign ideas aimed at increasing brand awareness. For example, online-to-offline (O2O) events involve promotions online on social media platforms before the execution of the actual event. CHD1 works to invite and attract audiences through promotions, which contribute to the event's success. Hence, products handled by CHD1 can achieve their peak productivity.

Extra Joss is one of the best-selling brands in Kalbe, an energy drink in the form of powder. Extra Joss is the first energy drink in powder form in Indonesia which triggered the development of other powder energy drinks (Hemaviton & Kukubima) that later served as a competitor of Extra Joss.



Figure 4. Extra Joss Logo

The second product that CHD1 focuses on is Komix which is well known to reduce cough and flu symptoms in children and adults. Komix works as an expectorant, nasal decongestant, and antihistamine with a dosage that differs depending on age (Kalbe, 2023). With consumption beyond the intended

usage, Komix can cause side effects such as drowsiness, indigestion, headache, insomnia, restlessness, etc.



**Figure 5. Komix Logo**

The last product that CHD1 is in charge of is Red-G, a product from PT Bintang Toedjoe, a Kalbe company. Red-G is a brand made of red ginger syrup and instant Red Ginger Powder that brings out the complete naturalness of red ginger and contains antioxidants to increase the immune body system. Red ginger itself has many benefits compared to other types of ginger, such as the chemicals present, which include gingerol, oleoresin, and a high concentration of essential oils. Additionally, Gingerol acts as a good antibacterial, antioxidant, and anti-inflammatory agent (Sinamo & Hutabarat, 2021).



**Figure 6. Red-G Logo**