

CHAPTER 1

INTRODUCTION

1.1 Brief History

PT. XYZ, established in December 1933, is a multinational company engaged in manufacturing consumer goods that became a leading Fast Moving Consumer Goods (FMCG) company in Indonesia. The company is built based on a purpose, which is determined to manage and implement the business responsibly and sustainably in order to continue to grow while reducing our environmental impact, and increasing positive social impact on society. In Indonesia, XYZ company sponsors 40 brands divided into five business units: Home Care, Personal Care, Beauty & Well-being, Nutrition, and Ice Cream. The XYZ's current headquarters is in Tangerang and has 9 factories in Jababeka Industrial Park, Cikarang & Rungkut Industrial Park, Surabaya. All XYZ's factories have been certified by Majelis Ulama Indonesia (MUI) for their Halal certifications. All products, whether produced by or distributed by XYZ company, are already registered by the National Agency of Food and Drugs of Indonesia (BPOM). In terms of the distribution process, the company also built a massive distribution network to ensure that its products are readily available across the country.

1.2 Vision and Mission

The global company's vision is to be the global leader in sustainable business by demonstrating how the company's purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of the industry. To achieve its vision, PT. XYZ also enforces **Compass** (brands with purpose grow, companies with purpose last, and people with purpose thrive) to help the company deliver superior performance and drive sustainable and responsible growth, while:

- Improving the health of the planet;
- Improving people's health, confidence, and well-being; and
- Contributing to a fairer and more socially inclusive world.

1.3 Main Activity

As a leading consumer goods manufacturer, XYZ focuses on brand development of their products such as home care, personal care, premium beauty products (beauty & well-being), nutritious foods and beverages with beneficial nutrients such as vitamins, minerals and supplements. Moreover, the company also tries to spread joy through ice cream business units that develop various products under several brands. By providing the market with premium products from various

brands, XYZ also wants to share its role in helping to address the social and environmental issues that exist in the world, while improving people's health and well-being through their products.

Each business unit in XYZ has a very wide range of product categories. XYZ company has three business units for the non-food category: home care, personal care, beauty and wellbeing. In the home care business unit, they develop products such as: detergent, softener, floor disinfectant & cleanser, dish soap, and sanitizing agents. The company carefully develops products to help remove the dirt and stains that are all part of people living healthier, more enjoyable lives by aiming for a “Clean Home. Clean Planet. Clean Future”. They develop products such as deodorant, shampoo, conditioner, shower cream, body wash, soap, dental and oral care products for their personal care business unit. The main objective of the company's purpose in developing its personal care products is to help people protect themselves and their families from preventable diseases by keeping their bodies clean and healthy. The last business unit category for non-food products, XYZ has beauty and wellbeing brands that develop a variety of products such as lotion and moisturizer, skincare, and cosmetics. The company believes that good products could instill body confidence and thus will create a positive beauty and healthy lifestyle.

XYZ has two main categories for the food business unit: nutrition and ice cream. The nutrition business unit develops various products in the food and beverage category ranging from seasonings, soups, sauce and emulsions, tea, and juice. XYZ company is committed to helping the transformation of the world's food system by giving access to quality nutrition in their food choices. Lastly, the ice cream business unit from PT. XYZ is considered as the world's largest ice cream company with the vision to create happier and healthier people within the communities where the company operates its business. In short, from all the business units owned by XYZ company, they want to develop products that sustain their business operations and contribute to people's health and wellbeing.

1.4 Organizational Structure

In running the business, XYZ has six departments that work together with different roles and responsibilities. The departments in XYZ are supply chain, marketing, finance, research and development, customer development (sales), and human resources. Each department might have a different number of roles depending on the responsibilities. The complete organizational structure of XYZ is strictly confidential, in this chapter, the author will only discuss the general organizational structure in the Research and Development department. The organizational structure in R&D is divided into hierarchical and functional structures, as illustrated in Figure 1. This means that the R&D manager will be responsible for direct reporting to the R&D regional director, because the R&D

department is managed under the global team as in functional structure. However, the R&D manager should also align and give updates to the business director within the country as included in the country's hierarchical structure. Both structures are running concurrently to ensure that the business goes well and all stakeholders are aware of any projects under the R&D department.

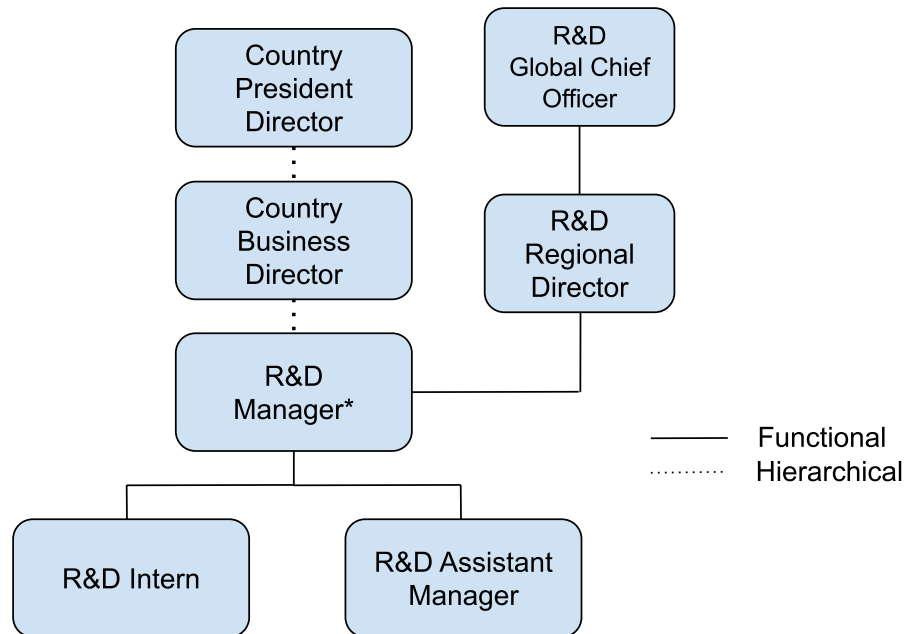


Figure 1. Organizational Structure of PT. XYZ

1.5 Student's Unit or Department

Research & Development (R&D), the business operation unit for the author's internship period PT. XYZ has two subdivisions: product and packaging. The assistant manager will be assigned to manage either product or packaging. The product team will be responsible for managing the end-to-end flow of product development, including the raw materials, formulation, process, and regulation. Similar to the product team, the packaging team will be responsible for managing the end-to-end packaging flow for the products. During this internship period, the author was assigned to work with both teams on different projects.

In the Nutrition category, the R&D teams are divided into two sub-categories: foods and beverages, where each category is responsible for managing several sponsored brands under XYZ. The food sub-category oversees several brands classified as savory products, including sauces and seasoning powder. The beverage sub-category oversees several brands in juice and tea-based products. All those sub-categories are working on the XYZ R&D Food Centre office in Cikarang, Indonesia.