

# CHAPTER I

## BACKGROUND

### 1.1. Background of the Business

A few years ago, Bandung had a big problem with rubbish, and it is still a problem now. Eventhough the problem now does not seem as urgent as a few years ago, rubbish seems to always be a major problem for the city. People are used to littering. Despite all the efforts done by the local government, such as providing extra forces on waste management as well as regulating laws on littering, people still do not seem to care about this issue.

According to Dr. Ir. Ari Darmawan Pasek, the head of Feasibility Study Team of PLTSa Bandung, the total volume of waste in Bandung in January 2008 reached 2,785 m<sup>3</sup> per day (par. 5). He also adds that 58% of that figure is non-organic waste (par 6). Prof. Dr. Ir. H. R Sudradjat, Msc., the writer of *Mengelola Sampah Kota*, adds that 12% of the total waste comes from paper, plastics and cans. This means that there are about 150 tons of these kinds of waste in Bandung everyday. Unfortunately, to handle the problem is not easy as the facilities available

in the city such as: the management of the waste and the availability of landfills are not adequate.

Obviously, the Leuwigajah tragedy cannot be easily forgotten. The tragedy has created a demand in finding new landfills. Dr. Ir. Ari Darmawan Pasek also mentions that several landfills such as Cicabe, Pasir Impun, Babakan Ciparay and Jelekong are closed down following the Leuwigajah tragedy (par 3). In addition, Budi Rajab, an Anthropology teacher in Padjadjaran University, says that finding a new place for waste dump will be very difficult because people are traumatized by the tragedy which results in resistance among them (par 8).

## **1.2. About the Business**

Based on several facts mentioned above, I would like to open a recyclable waste collection called TERORIS. TERORIS stands for *Terima Rongsokan-Rongsokan Istimewa*. This business will be located on Jalan Nataendah, Bandung. The business will focus on collecting waste such as paper, plastics and cans from places that produce a lot of those kinds of rubbish. The business also has a slogan which states, "Make Something Out of Nothing." Many people do not realize that they can actually make money from the rubbish they throw out everyday. Although rubbish has a negative connotation, this business will make something out of it.

This business is inspired by the green peace movement which goal is to prevent Global Warming. Green peace has made a breakthrough by increasing the awareness of the society about Global Warming. However,

despite all the efforts to alert the society of the harms done to the universe, people still do not do what they are supposed to do to prevent Global Warming.

As the problem keeps going on and people tend to ignore simple things to make this universe a better place, TERORIS will try to alert the society with a different approach. Despite the increasing awareness of the society like what the green peace has been doing, TERORIS will involve the society in taking practical action. TERORIS will buy and collect recyclable rubbish which will be sold to the recycling center. This will help people who do not even bother about Global Warming at all to actually be indirectly involved in it by selling their rubbish to TERORIS.

This kind of situation has become a momentum for TERORIS to start its business in Bandung. It also gives an additional point to the business because the business can provide the service that the city needs, to help Bandung deal with a rubbish problem.

### **1.3. Vision Statement**

According to Susan Ward, a writer in About.com, a vision statement is defined as a picture of the company in the future. However, she also adds that it is not only about it. It is a source of inspiration as well as the foundation of the company strategic planning.

The vision of this business is to make Bandung clean from rubbish through proper waste management, and to make the business become the largest waste collection center in Bandung in 2019.

#### **1.4. Mission Statement**

Susan Ward defines a mission statement as a brief description of a company's main purposes. It includes both internal and external purposes of the company.

The missions of TERORIS in order to reach its goals are:

- to open access to recycling center in order to reduce nature destruction.
- to make Bandung green by supporting recycling activities.
- to prevent Global Warming through recycling activities.
- to collect recyclable waste such as: paper, plastics and cans.
- to increase the awareness of civil society about the importance of recycling.
- to encourage people to use more of recycled materials based products.

#### **1.5. Values**

Robbins (62) says that "values represent basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state existence." He also adds that values are essential parts of an organization or company because they are the foundation for the understanding of attitudes and motivation because values can influence one's perception (62).

In running the business, TERORIS emphasizes on some values that will be applied to all the customers and the workers. These values include:

- **Togetherness.**

This means that in this business, TERORIS does all things together. There is no gap between the Director and the workers. TERORIS treats each other; including our suppliers and customers, as family.

- **Acknowledgeability.**

This business has a negative connotation because of its relations with rubbish. Therefore, the workers will need acknowledgement and appraisals for working in this business.

- **Fairness.**

This business will treat all the stakeholders fairly, especially those who have direct relationship with the business such as, suppliers, customers, and workers.

- **Accountability.**

This is a professional and legal business. Therefore, the business will maintain its credibility and reliability in working with its stakeholders.

- **Love for Nature.**

By collecting waste and recycling waste, this business has a great impact to the nature, especially in the business work area.

- Cleanliness

The business develops a clean culture for the working environment.

All of the workers must clean their hands with antiseptic hand soap everytime they put off their hand gloves.

## **1.6. SWOT Analysis**

According to Steve Harper, a writer of About.com, SWOT analysis is a very simple tool to help entrepreneurs avoid costly mistakes in the future (“SWOT Analysis – A Peek Behind the Curtain”). SWOT is simply an acronym for Strength, Weakness, Opportunity and Threat. It is also used to identify internal and external factors that can affect the business.

Below are the explanations of Strength, Weakness, Opportunity and Threat that TERORIS has identified.

### **1.6.1. The Strength**

According to Robert W. Bradford, Peter J. Duncan and Brian Tracy, writers of Simplified Strategic Planning (qtd. in Quickmba.com), strength is the resources and capabilities that the firm has which are used as a basis for developing competitive advantage.

The strength of this business is:

- There is no complex bureaucracy in the business structure.

The owner gives delegation straight to the workers, as to run this business only needs a few people.

- This business is led by an educated leader.

Most of the other competitors are led by people who have never been to university. By having an educated leader, this business can increase its access to the providers.

- This business also provides a price list for new providers.

The price list will be regularly updated according to the change of price in the recycling center. By having a price list, the business will be more professional.

### **1.6.2. The Weakness**

Robert W. Bradford, Peter J. Duncan and Brian Tracy defines weakness as the absence of certain strengths. In other words, it is about what the firm does not have.

The weakness of this business is:

- The business has only a small scope of work area.

According to a person who has been in the same business for a while, this kind of business has its own area, and new business cannot just enter a place where there is already one business existed.

### **1.6.3. The Opportunity**

Based on Robert W. Bradford, Peter J. Duncan and Brian Tracy's explanation, opportunity is the external environmental condition that can help the business to achieve its objectives.

The opportunities of this business are:

- It is located in a city which has a problem with rubbish.

This business can be well accepted by local society as well as the government because it helps and support the government program in dealing with rubbish.

- This business is different from other similar business, as it is handled professionally.

The business will develop an agreement with its providers supported by contracts or Memorandum of Understanding.

Therefore, this kind of attachment between the business and the providers can avoid the business losing its providers to other business.

#### **1.6.4. The Threat**

Robert W. Bradford, Peter J. Duncan and Brian Tracy mention threat as an external condition that can harm the business as a whole. Changes in the external environment may also create threats to the company.

The threat of this business is:

- It is possible that the workers are infected by the disease that comes from the rubbish. Therefore, the company must prioritize the health for all the staff. This will be done by making a Standard Operational Procedure of General Precautions for the business.



- Another threat comes from the price which always fluctuates. The owner of the business will keep updating the latest price with the recycling center.

### **1.7. Competitors**

The competitors of this business are those who are in the same business. This business depends on the price set by the recycling center. Therefore, those who are at the same business will have to strategically offer the most reasonable price, which gives advantage to both, the provider and the buyer.

### **1.8. Unique Selling Proposition**

This business has two main purposes which are to make profit out of recyclable waste as well as to help the society in creating a better environment through supporting recycling activities.

The uniqueness of this business is that it is led by an educated leader. This can increase the access to the providers as well as develop credibility of the business itself.

### **1.9. Prospect of the Business**

This kind of business has a good prospect, due to the supporting facts which provide great opportunities for the business to run in this city. In addition, this business is located in the right place, Bandung. According to Wikipedia.com, Bandung is the third largest city in Indonesia and the

second largest metropolitan area with 7.4 million populations (par 1). In addition, Prof. Dr. Ir. H. R Sudradjat, Msc. mentions that there are more than 150 tons of paper, plastic and can waste everyday in Bandung (qtd. in [wargahijau.org](http://wargahijau.org) par. 5). This situation has made a good prospect of the business.