

## CHAPTER 3

### ORGANIZATION OVERVIEW

#### 3.1. Company Background

In the beginning, PT Cahaya Sakti Furintraco is home industry of loudspeaker box producer with materials particle board that founded by three brothers that are AU Bintoro, Eddy Mulianto and Simarba Atong in 1975. And up to 1979 this home industry still is small industry which borrowed a very simple warehouse in Bogor area.

In 1980, the three brothers formed a small private company by name as CV Cahaya Sakti Elektronik and develop its effort in area Kaum Sari RT 01/05 Kelurahan Cibuluh, north Bogor and build a factory by producing of loudspeaker box .

This factory has been growing fast, on 29 November 1983 the three brothers found PT Cahaya Sakti Furintraco. It's business channel that gone through manufacturer and marketing desk products that have the character of knockdown furniture by adoption of Olympic Furniture as it's brand name.

Product type that produced are very varied products, that consist of kinds of furniture panel with trademark Olympic. Olympic is the first producer knock down panel wood in Indonesia. And then in 1984, PT Cahaya Sakti Furintraco have acquisitioned CV Cahaya Sakti Elektronik.

Because market is growing open and fast, so it's needed effort development and expansion of market, and also needed distribution company independently. In year 1986, PT Cahaya Sakti Multi Intraco was founded, as the company of marketing and distribution. And starting in 1986, company starts recruit roof professional for its effort management. Mr. Au Bintoro as Chairman Olympic Group thinks that the importance of marketing extension and distribution also must followed by the extension of product group and product type, starting with at Bed Room Set, Living

Room Set, Children Set, Kitchen Set, and Office Set, as it's objective to cover the increasing of request to knockdown products for home furniture and also office.

In 1990 is preparation era of take-off where all systems and procedures has started applied either in company management or the usage of equipments and newest machine for production process. Restructuring in organization conducted also where owner involvement in operational technique has started limited and delivered to professional.

The Successful of PT Cahaya Sakti Furintraco as the pioneer of furniture knock down and creating demand of furniture and increase product quality, so in 1995, this company has achieved the ISO certificate 9002 and also this company can develop international market.

At this time Olympic Furniture has became one part of the life of consumer in domestic market and also foreign market. This condition are proven by with existence of more than 70 branches of Olympic in all around Indonesia that distribute to more than 3600 stores, either Traditional Retails Outlet or Modern Retails Outlet, and also distributed to more than 100 countries in the world.

Knowing the importance of consumer request accomplishment, PT Cahaya Sakti Multi Intraco distributes to the market the products of a kind with brand differences, matching with market demand, like: Albatross, Solid, Princess, Olympia, & Inovative. The Successful of Olympic Group in Indonesia society as Indonesia Best Knock Down Furniture is proved with accepted various of awards from Indonesia and also abroad. Some awards which already achieved are : Indonesia Customer Satisfaction Award (2002-2008), 28<sup>th</sup> International Award For The Best Trade Name (2004), Super brand (2006/2007), Indonesia Good Design (2006), Solo Best Brand Index (2008), Marketing Award (2006), Indonesia Golden Brand (2006), The 7 Indonesia's Most Admired Companies (2007), Top Brand (2003-2008), ISO 9001 – 2000 (2005-2008), Primaniyarta Award (2006 & 2007), E-Company Award (2007), & 12 Achievements recorded in Museum Rekor Indonesia (MURI) (2004 – 2007).

### 3.2 Philosophy, Vision and Mission

On November 2006, Olympic Furniture Group has launched new Philosophy, Vision and Mission. Our Philosophy is the best generation conducting for the best regeneration which has values as follows :

1. The Best Generation :

Values : Organization, Leadership, Yield of Business, Management, Infrastructure, Cooperation (OLYMPIC)

2. Conducting for :

Values : Flexible, Unilateral Benefit, Reasonable, National, Inspiration, Timing, Under Controlled, Realization, Effective & Efficient (FURNITURE)

3. The Best Generation

Values : Gentlemanly, Rational, Organizer, Universal Conduct, Proudness (GROUP)

The company Vision is become the world class integrated and comprehensive furniture company and the mission is to give performance excellence and cooperation harmony for business relations and benefit for all the take holders.

To support the successful of this philosophy, the company has socialization 7 steps, as follows :

**1. Awareness Step**

The employee must know and aware that Olympic Furniture Group has A new philosophy, Vision and Mission, and they know the content

**2. Perusal**

The employee must read philosophy, Vision, and Mission together every day in the morning on “Sarapan Pagi” at Head Office and “Briefing Pagi” at Branch Office

**3. Memorization**

The employee must memorize the content of philosophy, Vision, and Mission

#### **4. Comprehension**

The employee must understand the meaning of philosophy, Vision, and Mission

#### **5. Full and Total Comprehension**

The employee must understand the good impact if there is the values and if there is no value

#### **6. Application**

The employee must do action in their activity and do their job based on the values

#### **7. Implementation**

The values become second nature of the employee

### **3.3. Organization Structure**

PT Cahaya Sakti Furintraco implement non-bureaucratic organization structure as shown in figure 3-1. In this organization , managing director has a main role and supervises chief procurement officer, chief operating officer, chief marketing officer, chief human resources management, chief financial officer.

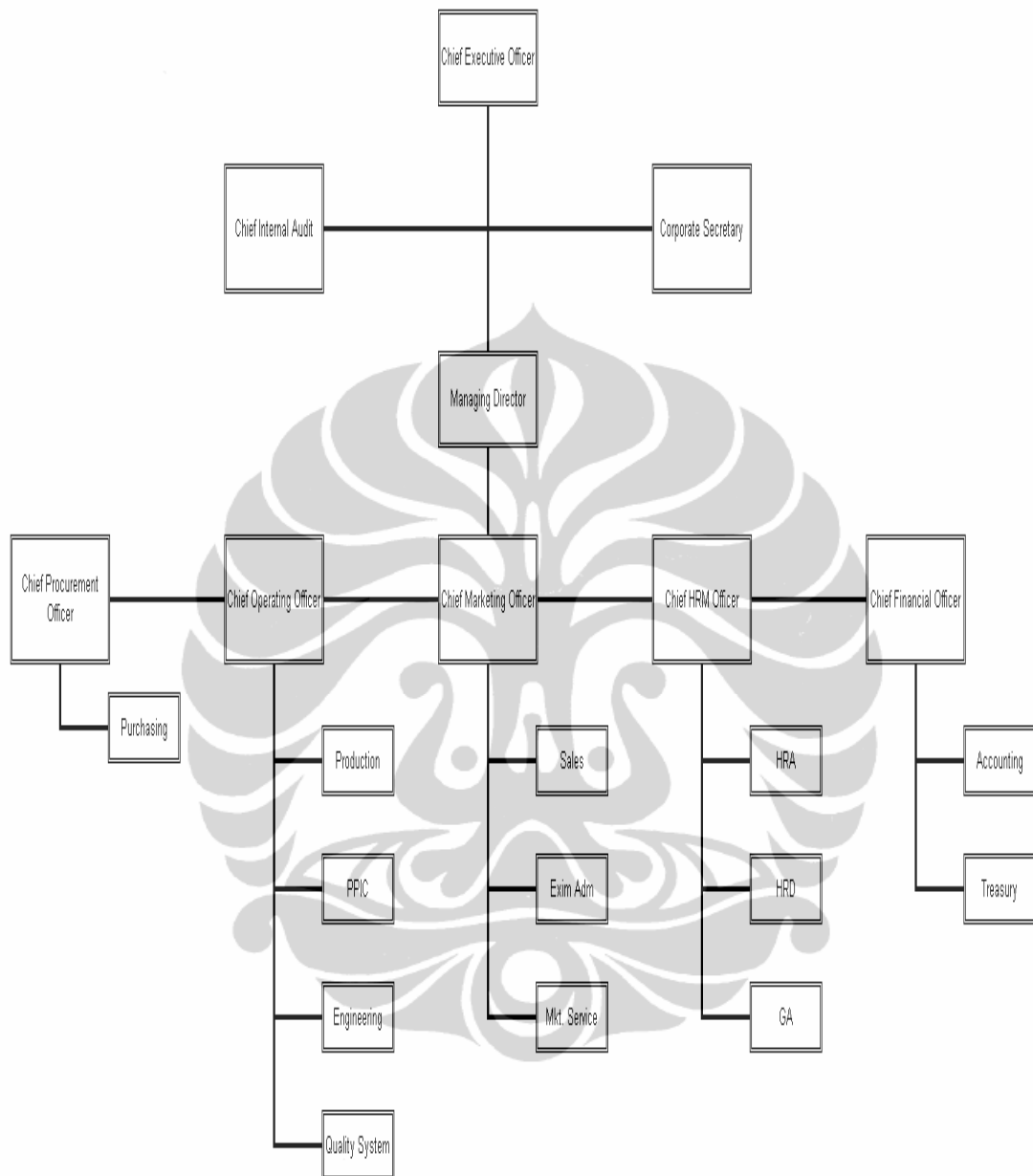
Chief Operating Officer has a role to control the production operational either from the quantity or quality aspect to reach production goals and targets bases budget determined.

Chief Procurement Officer has a role to provide and control the supply of material based production requirement based on quality standardization specified.

Chief Marketing Officer has role responsible in controlling to fulfill demand from international market and also to increase new market to the other country in the world.

Chief Human Resources Management has role responsible for human resources administration, human resources development, general administration services.

Chief Financial Officer has role responsible in controlling finance, budget, cash flow report , cash, payment and financial statement reporting.



**Figure 3-1 PT. Cahaya Sakti Furintraco Organization Structure**

### 3.4. Company Product

As a big producer factory of furniture, PT CSF uses complete and modern machines. All production process are conducted effectively with system computerization and high and sophisticated technology, so that it produces kinds of product efficiently. Newest designs that fixed consistence and made product quality always make surprise and competitive price.

This company always concerned about its product by orientation at consumer, quality and quantity become an important attention for the company. That is why in supporting certifiable product, company in its business activity operate modern machine that bought from Germany and Italian.

Some kind of product can be categorized as follows:

- a. Office Furniture, like : computer desk, writing desk, study desk, book cabinet, cupboard of archives repository.
- b. Family room Furniture, like : TV rack, Video rack, accessories/decorative cupboard.
- c. Bed room set Furniture , like : wardrobe, decorative desk, study desk.
- d. Kitchen set Furniture, like : cupboard to keep kitchen flavors, cupboard for draining-board.
- e. And other furniture products.

As for raw material as used in supports its business activity shall be as follows

:

1. Raw material that consist of :
  - Particle Board .
  - *Medium Density Fiber Board*
  - *Solid*
  - *Foil*
  - Chemical Glue
  - *Sides edging*
2. Accessories Material that consist of :

- Screw
- Door Hasp
- Cupboard key
- Door Hold (Handle)

Nowadays, this company has brand name as follows :

1. Brand Albatros : Middle up market
2. Brand Olympic : Middle market
3. Brand Solid-Inovatif : Low-middle market :





**Figure 3-2 : Brand Albatros product**

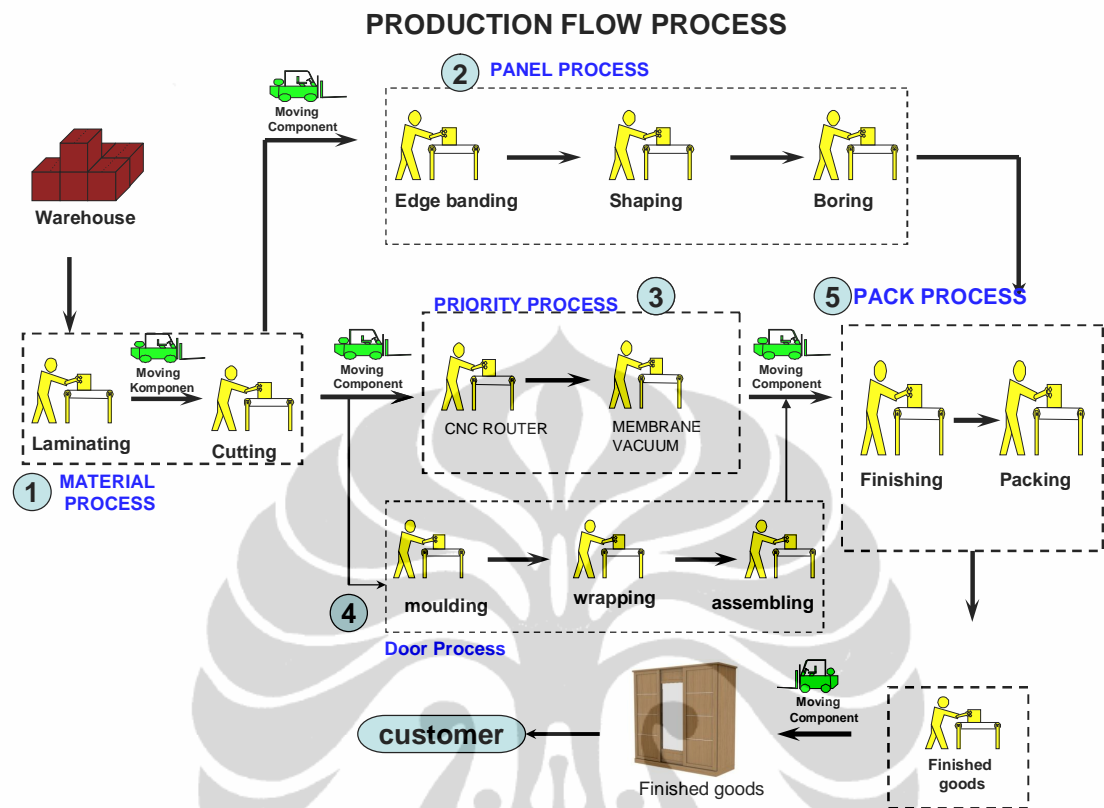




**Figure 3-3 : Brand Olympic & Solid Product**

#### **3.4. Production Flow Process**

Production flow process starts from raw material (pure material) as particle board (PB) or material density fiber board (MDF) and go to next process like as laminating, cutting, shaping, edgebanding, boring, cnc router, finishing and finally in packing process out put become as finished goods (as shown in figure 3.4)



(Source : QSO Department CSF Olympic)

**Figure 3.4 : Production Flow Process**

Production flow process has 8 processes, as follows :

1. **Laminating** process is a process to laminate foil on material like as Particle Board (PB) or Medium Density Fiber (MDF) by using hot press & cool press machine ( as shown in figure 3-5 ).



**PLAIN PARTICLE BOARD**



**MEDIUM DENSITY FIBRE BOARD**

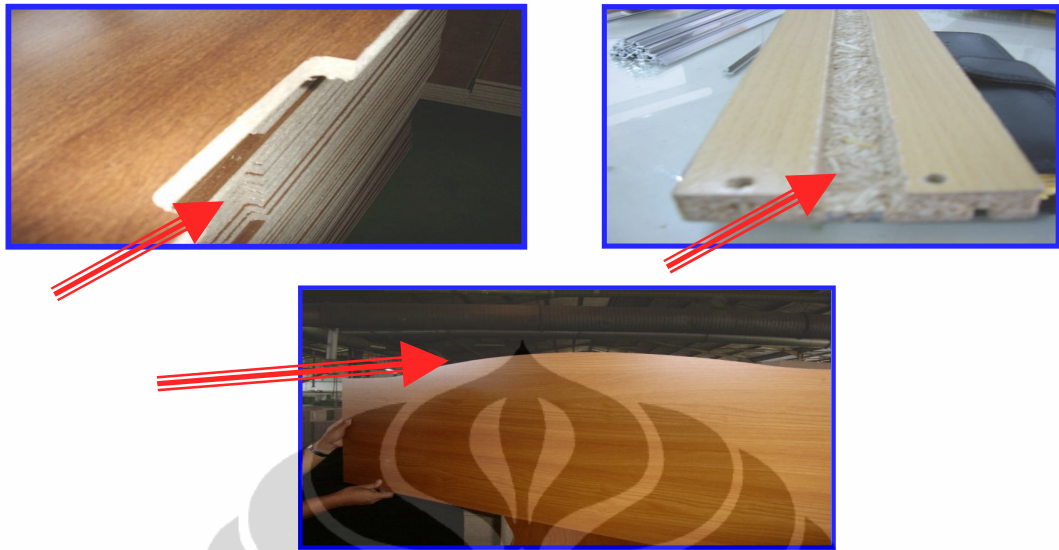
## RAW MATERIAL



**Foil PO & PVC (Paper Overlay)**

**Figure 3-5 : Laminating process**

2. **Cutting** Process is a process to cut the material (PB/MDF) based on size determined by using the cutting machine which operated computerized and semi automatic.
3. **Shaping** Process is a process to shape the component according to drawing/grooving by using router machine with high speed (as shown in fig.3-6)



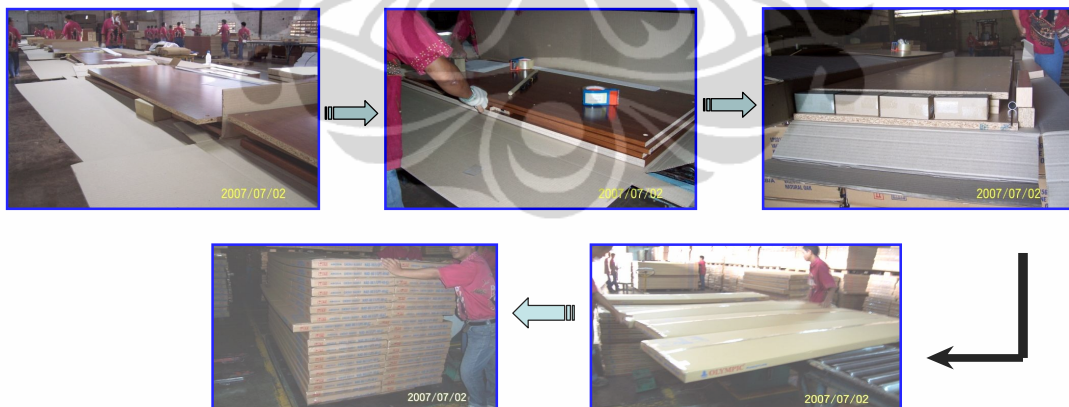
**Figure 3-6 : Shaping Process**

4. **Edgebanding** Process is a process to edge the side part (thick side) of the component by using straight line machine or brandt machine (as shown in figure 3-7).



**Figure 3-7 : Edge banding Process**

5. **Boring** Process is a process to drill holes on the component based on size and drawing determined in order every piece part of component can be assemble properly.
6. **CNC (Code Number Computerize) Router** is a process to make profile, grooving, circle, motif, on the component by using router machine with multi spindles automatically.
7. **Finishing** Process is a process in finishing the component like as visual and function of the component in order to make better quality.
8. **Packing** process is a process to pack the components in to a package with a proper lay out based on quality standard (as shown in figure 3-8)



**Figure 3-8 : Packing Process**