The Public Contribution of Astra
YDBA Experience

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Shared by: Henry C. Widjaja
Secretary of Dharma Bhakti Astra Foundation

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Yayasan Dharma Bhakti Astra
Astra at a Glance
Long journey to be an Asset To The Nation

<table>
<thead>
<tr>
<th>Year</th>
<th>Astra</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>56&lt;sup&gt;th&lt;/sup&gt; Anniversary Partners include Fuji Xerox, Komatsu, Standard Chartered, etc.</td>
</tr>
<tr>
<td></td>
<td>• 185,580 employees in 170 companies (December 2012)</td>
</tr>
<tr>
<td></td>
<td>• Market Capitalization USD 32 billion (2012)</td>
</tr>
<tr>
<td>1990</td>
<td>Listed on Jakarta Stock Exchange (JSX)</td>
</tr>
<tr>
<td>1978</td>
<td>Established PT Daihatsu Indonesia (AI held 75% of shares)</td>
</tr>
<tr>
<td>1973</td>
<td>Established PT United Tractors – Heavy Equipment Business Unit</td>
</tr>
<tr>
<td>1970</td>
<td>Sole distributor of Honda motorcycle</td>
</tr>
<tr>
<td>1969</td>
<td>Sole distributor of Toyota</td>
</tr>
<tr>
<td>1965</td>
<td>Established (February 20, 1957) – commodity trading</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Astra Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Yayasan Pendidikan Astra – Michael D Ruslim</td>
</tr>
<tr>
<td>2008</td>
<td>Yayasan Karya Bhakti United Tractors (UT Schoool)</td>
</tr>
<tr>
<td>2001</td>
<td>• Yayasan Astra Bina Ilmu</td>
</tr>
<tr>
<td></td>
<td>• Yayasan Amaliah Astra</td>
</tr>
<tr>
<td>1995</td>
<td>Yayasan Astra Honda Motor</td>
</tr>
<tr>
<td>1990</td>
<td>• Koperasi Astra</td>
</tr>
<tr>
<td></td>
<td>• Astra Mitra Ventura</td>
</tr>
<tr>
<td>1987</td>
<td>Dana Pensiun Astra</td>
</tr>
<tr>
<td>1980</td>
<td>Yayasan Dharma Bhakti Astra</td>
</tr>
<tr>
<td>1974</td>
<td>Yayasan Toyota dan Astra</td>
</tr>
</tbody>
</table>
Headcount as per December 2012
185,580 employees in 170 companies
In 6 main business value chains
Focus on GREEN Corporation Initiatives and support Local Community Green Program

Focus on Program for Child and Mother, in collaboration with Local Government and Community

Focus on Primary and Secondary in the Poorest Region in Indonesia as Corporate Wide Program and in Surrounding Area of Astra Group Premises

Focus on Subcontractors of Astra and Local Community Surrounding each Astra Group Premises

Focus on SME/IGA
YDBA in Brief
1. To be an asset to the nation
2. To provide the best service to our customers
3. To respect individuals and promote teamwork
4. To continually strive for excellence

YDBA Operating Values

C ompassionate
A daptive
R esponsible
E xcellent

Our believe and commitment to CARE the MSMEs
Values and Astra Management System have been transformed

A Bar of Benchmark

Development agent to promote entrepreneurship in Indonesia

Solution Provider

Consultant Role

Reliable Hub

Key Success

Resourceful Partner

Key Success

“Built Performance base on Competency”

“To be a Trusted Partner”

“To become a Role Model of Development Agent for the growth of MSMEs”

Theme

2013

2015

2018
Program

1. Training & Mentoring
   1. Human Resource Dev
   2. Production
   3. Marketing
   4. Finance
   5. EHS & CSR

2. Marketing & Financing Access
   1. MSMEs GALERY
   2. BDA
   3. MFI

Note:
BDA = Business Development Agency
MFI = Micro Financial Institution
Collaboration Programs

**AFFCOs within the group**
- MSMEs trainings & mentoring
- Establishment of BDAs & MFIs
- Modules Training Improvement
- Financial value chain
- MSMEs development Blue Print

**Minister of Industry, MO Education, MO Corporation & SME**
- Trainings, workshops and seminars for MSMEs
- Exhibitions
- Consultancy
- Establishment of BDA

**The state owned enterprises**
- Training and workshops for MSMEs
- Training and workshops for young mechanics

**Other Private Companies non ASTRA**
- Establishment of BDAs, training and workshops
- Financing facilitation

**ILO**
- SCORE project facilitation and mentoring

**HIDA**
- The Overseas Human Resources and Industry Development Association (AOTS-JODC)
- Training and benchmarking for MSMEs in Japan
- Benchmarking in Japan for YDBA instructors

**UNIDO**
- United Nation Industrial Development Organization
- Benchmarking MSMEs Development

Funding:
- Astra
- Astra and Govt
- SOE
- Other Private Companies
- Astra and ILO
- Astra and HIDA
- UNIDO
Number of Unemployed High School Graduates Trained to be Junior Mechanics

accumulated
Business Development Agencies (BDAs) & Micro Financing Institutions (MFIs)

Per Dec 12
BDAs: 12
MFIs: 10
<table>
<thead>
<tr>
<th>No.</th>
<th>MSME Sectors</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unit</td>
<td>Headcount</td>
</tr>
<tr>
<td>1.</td>
<td>Subcontractors linked to Astra business value chain</td>
<td>184</td>
<td>23,776</td>
</tr>
<tr>
<td>2.</td>
<td>General manufacturing not linked to Astra business value chain</td>
<td>51</td>
<td>945</td>
</tr>
<tr>
<td>3.</td>
<td>HONDA service station partner</td>
<td>60</td>
<td>180</td>
</tr>
<tr>
<td>4.</td>
<td>AHASS (Astra Honda Authorized Service Station)</td>
<td>607</td>
<td>3,642</td>
</tr>
<tr>
<td>5.</td>
<td>2W general service station</td>
<td>135</td>
<td>512</td>
</tr>
<tr>
<td>6.</td>
<td>4W general service station</td>
<td>241</td>
<td>3,084</td>
</tr>
<tr>
<td>7.</td>
<td>Member of BDAS (LPB)</td>
<td>1,503</td>
<td>9,664</td>
</tr>
<tr>
<td>8.</td>
<td>Member of MFIs (LKM)</td>
<td>4,313</td>
<td>4,629</td>
</tr>
<tr>
<td>9.</td>
<td>Handicraft makers</td>
<td>144</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td>TOTAL of MSMEs (accumulated)</td>
<td>7,238</td>
<td>47,150</td>
</tr>
</tbody>
</table>
Total transaction of MSMEs to Astra Group is USD 146.43 Million from 102 1st tier MSMEs, an increase of 1.6 % compared to 2011.
## Number of MSMEs & Amount Financed Facilitated by YDBA

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MSMEs (Unit)</td>
<td>Amount (USD Million)</td>
<td>MSMEs (Unit)</td>
</tr>
<tr>
<td>PT Astra Mitra Ventura</td>
<td>5</td>
<td>0.08</td>
<td>47</td>
</tr>
<tr>
<td>Permata Bank</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>PT Surveyor Indonesia</td>
<td>60</td>
<td>0.19</td>
<td>44</td>
</tr>
<tr>
<td>Niaga Bank</td>
<td>12</td>
<td>3.12</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>77</td>
<td>3.39</td>
<td>131</td>
</tr>
</tbody>
</table>
YDBA Blueprint for the Development of Manufacturing MSMEs (an example)

1st Grade
- Standard Quality Improvement for New Starter

2nd Grade
- Improvement for Competency & Capability

3rd Grade
- Operational Excellence

Programs
- Basic Training
- Owner’s Commitment
- TPS for Executive
- Self Assessment
- Mentoring
- MSMEs Forum
- Socialization of certification, assessment & regulation

Programs
- Intermediate Training
- Mentoring
- MSMEs Forum
- Introduction of ISO

Programs
- Advance Training
- Mentoring
- MSMEs Forum
- Assessment of Self Reliant MSMEs
- AGC & AFC
- Quality Management System (Pre ISO)
- Implementation of Standard Certification

Awarding

Self Reliant MSMEs
PT WAJA KAMAJAYA SENTOSA ‘S PROFILE
1. Employess : 150 persons
2. Land : 1,000 m2
3. Building : 8,000 m2
4. Established : 1997
5. Member since 2002

YDBA’S IN-CLASS TRAINING ATTENDED
I. Basic: Basic Mentality, 5S
II. Intermediate:
   1. Total Productive Maintenance
   2. Cost Reduction
   3. Production Management
   4. Supervisory Management
   5. Quality Control Circcle
III. Advance:
   1. Marketing
   2. Human Resource Officer Development Program
An example of Implementation of YDBA Mentoring program

<table>
<thead>
<tr>
<th>NO</th>
<th>DESCRIPTION</th>
<th>BEFORE</th>
<th>AFTER</th>
<th>%</th>
<th>REMARK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DISTANCE BETWEEN PROCESS</td>
<td>220 M</td>
<td>87 M</td>
<td>61 %</td>
<td>PRODUCTIVITY</td>
</tr>
<tr>
<td>2</td>
<td>PROCESSING TIME</td>
<td>296 second</td>
<td>111 Second</td>
<td>62.5 %</td>
<td>PRODUCTIVITY</td>
</tr>
<tr>
<td>3</td>
<td>MAN POWER</td>
<td>7 PERSON</td>
<td>4 PERSON</td>
<td>43 %</td>
<td>PRODUCTIVITY</td>
</tr>
<tr>
<td>4</td>
<td>WIP</td>
<td>2000 Pcs</td>
<td>200 Pcs</td>
<td>90 %</td>
<td>PRODUCTIVITY</td>
</tr>
<tr>
<td>5</td>
<td>YAMASUMI CHART (LOADING CHART)</td>
<td>UNBALANCE LOADING</td>
<td>MOSTLY BALANCE</td>
<td>WORKER LOADING NEARLY SAME</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>PACKING</td>
<td>CARTON BOX</td>
<td>POLYBOX</td>
<td>SET IN ORDER</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>ASSY TABLE</td>
<td>NARROW</td>
<td>WIDE</td>
<td>MODIFIED</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>REJECT PART</td>
<td>NO DATA</td>
<td>START TO COLLECT DATA</td>
<td>CONTROLLABLE</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>WORK SPACE</td>
<td>NARROW</td>
<td>WIDE</td>
<td>MORE SAFE &amp; COMFORT</td>
<td></td>
</tr>
</tbody>
</table>

RESULT

- DISTANCE BETWEEN PROCESS
  - BEFORE: 220 M
  - AFTER: 87 M
  - %: 61%
  - REMARK: PRODUCTIVITY

- PROCESSING TIME
  - BEFORE: 296 second
  - AFTER: 111 Second
  - %: 62.5%
  - REMARK: PRODUCTIVITY

- MAN POWER
  - BEFORE: 7 PERSON
  - AFTER: 4 PERSON
  - %: 43%
  - REMARK: PRODUCTIVITY

- WIP
  - BEFORE: 2000 Pcs
  - AFTER: 200 Pcs
  - %: 90%
  - REMARK: PRODUCTIVITY

- YAMASUMI CHART (LOADING CHART)
  - BEFORE: UNBALANCE LOADING
  - AFTER: MOSTLY BALANCE
  - REMARK: WORKER LOADING NEARLY SAME

- PACKING
  - BEFORE: CARTON BOX
  - AFTER: POLYBOX
  - REMARK: SET IN ORDER

- ASSY TABLE
  - BEFORE: NARROW
  - AFTER: WIDE
  - REMARK: MODIFIED

- REJECT PART
  - BEFORE: NO DATA
  - AFTER: START TO COLLECT DATA
  - REMARK: CONTROLLABLE

- WORK SPACE
  - BEFORE: NARROW
  - AFTER: WIDE
  - REMARK: MORE SAFE & COMFORT
Importance of SMEs to Large Corporations

• Important source of local supply and service provision to larger corporations
• Extensive local knowledge of resources, supply patterns and purchasing trends
• By working closely with SMEs, large corporations can develop a new customer base that may not be accessible to the traditional distribution networks of these corporations.
• Important source of innovation – SMEs tend to occupy specialized market “niches” and follow competitive strategies that set them apart from other companies

Lack of capacity-building programs and inadequate provision of vocational training

Access to formal finance

Quality industrial infrastructure

Marketing of products

Lack of adequate working capital

Technology upgradation and improvement in quality of products

Quality of products

Prof. Deepak Tandon, 2010
<table>
<thead>
<tr>
<th>Issues Identified</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of finance</td>
<td>55%</td>
</tr>
<tr>
<td>Shortage of skilled labour</td>
<td>39%</td>
</tr>
<tr>
<td>Getting business site</td>
<td>38%</td>
</tr>
<tr>
<td>Bribes</td>
<td>21%</td>
</tr>
<tr>
<td>Orders/Marketing of Product</td>
<td>28%</td>
</tr>
<tr>
<td>Lack of Knowledge</td>
<td>12%</td>
</tr>
<tr>
<td>Government interference</td>
<td>12%</td>
</tr>
<tr>
<td>Raw Material</td>
<td>10%</td>
</tr>
<tr>
<td>License for work</td>
<td>8%</td>
</tr>
<tr>
<td>New Technology</td>
<td>8%</td>
</tr>
</tbody>
</table>
Indonesia is the best place for entrepreneurs to start a business

Index derived from the mean scores (on a scale from 1 to 4) of four questions:

- valuation of creativity/innovation in own country
- difficulty to start own business in country
- valuation of people who start own business
- ease of putting ideas into practice
Thank You...