CHAPTER II

THE PROFILE OF PT. TELEKOMUNIKASI INDONESIA, Tbk

PT. TELEKOMUNIKASI INDONESIA (PERSERO) Tbk. well-known as **TELKOM** is a company which provides the biggest telecommunication services in Indonesia. PT. Telkom now is trying to be the communications and information (Infocom) company providing telecommunications network and services (network provider and full service). Telkom provides Infocom services through the company association, including fixed-wirelines service, fixed wireless service, cellular service, Pay TV and Cable TV, Multimedia and Internet service, and other services.

By the end of December 2002, Telkom held majorities interests of PT. Telekomunikasi Selular (Telkomsel), PT. Dayamitra Telekomunikasi (Dayamitra), PT. Pramindo Ikat Nusantara (Pramindo), PT. Indonusa Telemedia (Indonusa), PT. Infomedia Nusantara (Infomedia), and PT. Graha Sarana Duta (GSD),

2.1 The History

In 1882, a private company to provide postal services and telegraph was established by The Dutch Colonial Government. In 1906, The Dutch Colonial established a *Jawatan* to control all postal services and telecommunication that was called *Jawatan Pos,* Telegraph, and Telephone (Post, Telegraph and Telephone Dienst/PTT). The status was turned into Perusahaan Negara Pos dan Telekomunikasi (PN Postel) in 1961. In 1965, PN Postel was divided into Perusahaan Negara Pos dan Giro (PN Pos & Giro) and Perusahaan Negara dan Telekomunikasi (PN Telekomunikasi). In 1974, PN Telekomunikasi was turned into Perusahaan Umum Telekomunikasi (Perumtel) which provided national and international telecommunications services.

In 1980, PT Indonesian Satellite Corporation (Indosat) was established to provide international telecommunications services separated from Perumtel. Based on PP no. 25/1991, Perumtel was transformed into a Perusahaan Perseroan (Persero) PT. Telekomunikasi Indonesia. In 1995, the first offered of TELKOM interest (Initial Public Offering / IPO) was conducted on November 14, 1995. Since then, TELKOM interest noted and commercialized in Jakarta Stock Exchange (BEJ), Surabaya Stock Exchange (BES), New York Stock Exchange (NYSE), and London Stock Exchange (LSE). The share of TELKOM is also in Public Offering without Listing / POWL in Tokyo Stock Exchange. On 1 January 1996, Partnership Operation (PO) was implemented in Regional Division I – Sumatra collaborated with PT. Pramindo Ikat Nusantara (Pramindo); in Regional Division – III West Java and Banten collaborated with PT. Aria West

Internasional (Aria West); in Regional Division – IV Central Java and D.I Jogyakarta collaborated with PT. Mitra Global Telekomunikasi Indonesia (MGTI); in Regional Division – VI Borneo collaborated with PT. Dayamitra Telekomunikasi (Dayamitra); in Regional Division – VII Indonesia East Area collaborated with PT Bukaka Singtel.

In 2001 TELKOM took over 35% interest of Telkomsel from PT. Indosat as part of the implementation of restructuring telecommunications services industries in Indonesia. By this transaction, TELKOM has taken over 72, 72% interest of Telkomsel. TELKOM took over 90,32% interest of Dayamitra and consolidated the financial report of Dayamitra into financial report of TELKOM. In 2002 TELKOM bought all interests of Pramindo.

2.2 Vision and Mission

2.2.1 The Vision

The vision of PT. Telekomunikasi Indonesia, Tbk is:

"To become a leading Info COM player in the region"

It means that Telkom has strong will to become a leading Information and Communication in South East Asia, Asia, and to all over Asia Pacific.

2.2.2 The Mission

The Mission of PT. Telekomunikasi Indonesia, Tbk are as follows:

a. TELKOM guarantees that customers will get the best services of excellent which provides good products and network with competitive prices.
b. TELKOM will maintain business through the best ways with its qualified human resources; apply the competitive technology and build mutual benefits among business partners.

2.3 The Company Products

2.3.1 Content and Application

a. I-Vas

I-VAS is a single card that can be used to purchase contents or Internet services that require micro payment.

b. Ventus

Ventus is a value-added service that promotes convergence for electronic mailing and mobile system (cellular/wireless).

2.3.2 Telephone (Fixed Line)

a. TELKOM International call

SLI is an International Direct Dialing (IDD) phone call in which the corresponding subscribers are located in different countries.

b. TELKOM Local (Local call)

Local calls constitute the primary telephone service from TELKOM, which connect different subscribers in an area less than 30 km or within a certain local area.

c. TELKOM Domestic Long Distance Calls (SLJJ)

SLJJ is a long distance call service designed for customers who live in different area but still it locates within one country.

d. TELKOMGlobal-017

Global-017 is a new service from TELKOM that provides international call either to 253 destinations around the world, to fix telephone or to cellular.

e. TELKOM Free (0.800)

It is a service that facilitates public to call TELKOMFree costumer without any charge, because the charge will burdened to destination number/TELKOMFree customer.

f. TELKOM Unicall (0.807)

Unicall is a service that provides companies with many branches to have one unique phone number for their customers.

2.3.3 Flexi (Fixed Wireless)

a. Flexi Classy

Flexi classy is a postpaid Flexi service.

b. Flexi Home

Flexi Home is a Flexi service for homes or offices, which are serviced using the fixed terminal, based on the number of ESN, activation tariffs, and usage fee it with home telephone number.

c. Flexi Trendy

Flexi Trendy is a prepaid Flexi service based on rechargeable simcards.

d. FlexiCombo

Flexi Combo is an improvement over the regular TELKOM Flexi pre-paid and post-paid wireless phone services that allows users to have 2, or even 3 numbers on the same simcard.

2.3.4 Internet

a. e-Business (i-Deal)

i-Deal provides application and platform for electronic business dealings that can connect buyers and sellers, investors and their local partners, and producers with suppliers on-line.

b. e-Business (i-Manage)

i-Manage provides hosting and collocation services for companies that need outsourcing to store business critical data and applications (application outsource enterprise).

c. i-Settle

i-Settle provides business transaction and payment services through electronic payment system.

d. i-Xchange

i-Xchange applications implementation generally aims to increase speed and efficiency of a certain process.

e. Speedy

Speedy is a high-speed Internet service from PT.TELKOM, with Asymmetric Digital Subscriber Line (ADSL) access technology that allows simultaneous data, voice, and video communication through copper wire telephone lines.

f.. TELKOM ISDN BRA

ISDN is a digital network that provides multimedia telecommunication services. It was first develop based on integrated telephone services.

g. TELKOMNet ASTINET

ASTINet is an Internet access and multimedia services from TELKOMNet for Global Internet Access.

2.3.5 Network

a. TELKOMNET Whole Sale (VPN DIAL)

It provides remote and mobile dial-up access to a company Intranet through TELKOMNet dedicated TCP/IP data network (MPLS/tunneling).

b. TELKOMPhone-VSAT

TELKOMPhone-VSAT is similar to TELKOMPhone-LDS, except that it uses satellite as transmission media.

c. TELKOM Satellite – Transponder Leasing

TELKOM also provides satellite channel leasing using C-band radio frequency transponders with 36 MHz bandwidths.

2.3.6 Public Phone

a. TELKOMCoin

Coin-based public phone *(Telepon Umum Koin - TUK)* uses one type of coin as an accepted payment for call charge.

2.4 The Company Organization

The company organization can be seen in appendix 3 of this report.

2.5 The Unit of STRATEGIC INVESTMENT and CORPORATE PLANNING GROUP (SICP)

Based on *Board Decree (Keputusan Direksi*) number 04, Strategic Investment Corporate Planning unit assures strategic & business planning to give sufficient guideline as a way of achieving the target of the company and assuring the realization of company strategy by optimizing company resources through business development portfolio.

2.5.1 Sub Unit STRATEGIC BUSINESS DEVELOPMENT (SBD)

Based on *Board Decree* number 04, Sub Units Strategic Business Development is assigned:

1. to manage and develop business portfolio.

2. to have accuracy in executing strategic investment program (merger / acuities), including the execution of divestment, the eligibility in choosing business partner, the execution schedule, and to fulfill a various compliance prerequisite in execution of strategic investment according the rule of public company. The duty of AVP Strategic Investment Execution (SIE) is to assist VP SBD especially in the execution of strategic investment which has been approved by director council, such as:
    a. to fulfill various compliance prerequisite in execution of strategic investment according to the rule of public company.
    b. to recommend the criteria and identification of company's subdivision whose process is under the control of COO .
    c. to prepare and fulfil various compliance prerequisite needed to execute merger or acuities or divestment.
    d. to review various compliance prerequisite and procedur on strategic investment program which will be executed, including to review the execution schedules which have been programmed.
    e. to coordinate the team from various related units which will execute the transaction of merger or acuities, including execution of divestment.
    f. to prepare the program and other important preparation, including the things that related to legality and other related licences.
    g. to coordinate the preparation and execution of Inter-Government cooperation programs.