

CHAPTER II

OVERVIEW OF PT TELKOM INDONESIA

In this chapter the author will describe the research subject, namely the Indonesian telecommunications company PT Telkom Indonesia, both from the company's history, goals, vision, mission, strategy, core values, company logo, organizational structure, TelkomGroup structure, business activities, and transformation for digital acceleration. carried out by the company.

2.1 Company Profile

Company Name	: Telekomunikasi Indonesia
Type of Legal Entity	: Limited Liability Company
Office Address	: The Telkom Hub area, Telkom Landmark Tower, 39th Floor, Jalan Jenderal Gatot Subroto Kav. 52, West Kuningan, Mampang Prapatan, South Jakarta, DKI Jakarta, Indonesia 12710
Telephone/Fax Number	: +62 21-808-63539
E-mail	: corporate_comm@telkom.co.id
Capital Status	: State-Owned Enterprise (BUMN)
Business Field	: Technology, Telecommunications and Information

2.2 Brief History of The Company

Telkom Indonesia was formed in 1991 based on Government Regulation no. 25 of 1991. It started in 1882 when a private business entity providing postal and telegraph services was established, then its status was changed to the State Post and Telecommunications Company (PN Postel) in 1961. In 1965, PN Postel was split into the State Post and Telecommunications Company (PN Postel). Giro (PN Pos & Giro) and State Telecommunication Company (PN Telekomunikasi).

The next development was in 1974, where PN Telekomunikasi was changed to the Public Telecommunication Company (Perumtel), then changed again to the Indonesian Telecommunication Company in 1991. Initial share offering of PT. Telkom was established in 1995, and since then Telkom shares have been listed and traded on the Jakarta Stock Exchange & Surabaya Stock Exchange (now called the Indonesian Stock Exchange). Not only in Indonesia, Telkom shares are also traded on foreign stock exchanges such as the New York Stock Exchange and the London Stock Exchange. Telkom's majority shareholder is the Government of the Republic of Indonesia amounting to 52.09%, while the remaining 47.91% is controlled by the public. Telkom shares are traded on the Indonesia Stock Exchange (BEI) with the code "TLKM" and the New York Stock Exchange (NYSE) with the code "TLK".

In 1999-2010, PT. Telkom Indonesia launched the Telkom-1 satellite in 1999 and the Telkom-2 satellite in 2005. Telkom also successfully completed the JaKaLaDeMa

underwater fiber optic cable project. In 2011, Telkom completed the Super Nusantara Highway project and the True Broadband Access project. Then in 2014, Telkom became the first operator in Indonesia to provide 4G LTE services. A year later, Telkom launched IndiHome, a service package consisting of broadband internet, fixed wireline telephone and interactive TV services. In 2016, PT. Telkom Indonesia completed construction of the Southeast Asia-Middle East-Western Europe 5 (SEA-MEWE 5) submarine cable. A year later, Telkom launched the Telkom 3S satellite and completed the Southeast Asia-United States (SEA-US) underwater fiber optic cable line.

In 2018, PT. Telkom Indonesia launched the Merah Putih Satellite and inaugurated the Telkom Hub as a Centre of Excellence and Source of Inspiration to Build Digital Indonesia. Telkom also completed the construction of the Indonesia Global Gateway (IGG) submarine cable. A year later, in the context of expansion, TelkomGroup acquired 2,100 towers belonging to Indosat Ooredoo through Mitratel and acquired 95% of PT. Persada Sokka Tama which has 1,017 towers. Telkom also received the "2019 Indonesia IoT Service Provider of the Year" award at the Frost & Sullivan 2019 Asia Pacific Best Practice Awards.

In 2020, TelkomGroup carried out several initiatives at the company, community and national levels to respond to the COVID-19 pandemic. Several corporate actions carried out by Telkomsel include signing a conditional sale and purchase agreement for the sale of 6,050 telecommunications towers to Mitratel as well as entering into cooperation and

investing in Gojek. A year later, Telkomsel officially launched 5G services and became the first cellular operator to provide 5G in Indonesia. Telkom also continues to increase its collaboration through additional investment in Gojek and signing an MoU with Microsoft. Telkom's subsidiary, Mitratel, successfully conducted an Initial Public Offering (IPO) and obtained funds amounting to IDR 18.8 trillion.

In 2022, Telkom will complete the first phase of construction of the Hyperscale Data Center in Cikarang. Apart from that, at the end of 2022, Telkom will also start groundbreaking for the construction of a Hyperscale Data Center in Batam. In terms of connectivity, in 2022 Telkom will open a second gateway in Manado, and also through its Telin subsidiary, Telkom has also joined the SEA-ME-WE 6 Undersea Cable consortium. This year, Telkom has also established strategic cooperation with several of the world's big technology companies such as Microsoft. At the end of 2022, Telkom's market capitalization value will reach IDR 371 trillion.

2.3 Company Purpose, Vision, Mission, and Core Values

2.3.1 Purpose

Telkom determined the company's purpose, vision, mission, strategy and core values as stated in the long-term plan and approved by the Board of Commissioners and Directors on December 9 2019. This was done to support national digitalization and internalize transformation. As a state-owned enterprise, PT Telkom Indonesia has a goal, namely "Creating a more prosperous and competitive nation and providing the best

added value for stakeholders." This is the company's main objective in carrying out its duties and functions as one of the state-owned enterprises in Indonesia.

2.3.2 Vision

Every organization, whether operating in the business realm or not, is required to have a vision, because the vision will be the ideals or hopes that the organization will achieve in the future. As a business organization operating in the field of information and communication, PT Telkom Indonesia has a vision, namely "Becoming the Digital Telco of the Main Choice to Develop Society", with the hope that in the future PT Telkom Indonesia can further develop and always be the main choice for the public when using information services. and communication.

2.3.3 Mission

Apart from the vision, a company needs to formulate a mission as a strategic plan to achieve the company's vision or ideals. The mission prepared by the company must be prepared as well as possible so that the mission can be carried out and implemented by company employees. Therefore, in this case PT Telkom Indonesia's mission is:

- Accelerate the development of intelligent digital infrastructure and platforms that are sustainable, economical and accessible to the entire community.
- Develop superior digital talent that helps drive the nation's digital capabilities and digital adoption rates.
- Orchestrate the digital ecosystem to provide the best customer digital experience.

2.3.4 Corporate Strategy

In an effort to achieve the company's goals, vision and mission, PT Telkom Indonesia also plans strategies that will be implemented within the company. Telkom translated its strategic framework into a portfolio direction strategy which includes the development of 3 (three) digital business domains, namely digital connectivity, digital platform and digital service. The portfolio direction strategy in this business domain is supported by a value delivery model strategy which includes portfolio optimization strategies, technology, organization, synergy and operational excellence, talent management and corporate culture, inorganic initiatives, and corporate governance. In general, Telkom's long-term strategy is contained in the acronym WINDIGITAL, which includes:

- **Win** broadband connectivity business to maximize cash flow.
- **Invest** to scale DC and become The National B2B Digital Leader to Maximize Value
- **Nurture** Digital Service Ecosystem through Smart Investment to Maximize Synergy Value and Value Creation
- **Drive** continuous and strict optimization of business and asset portfolio
- **Increase** group technology integration and digitalization
- **Gear up** for streamlined lean digital-ready organizations
- **Improve** operation quality and synergy for cost leadership and better customer experience

- Transform to digital telco talents and incorporate digital culture
- Acquire digital capabilities inorganically and accelerate ecosystem partnerships
- Link up group strategic planning and implementation and enhance risk management and compliance

2.3.5 Corporate Core Values

Based on the Circular of the Minister of BUMN Number SE-7/MBU/07/2020, to realize the role of State-Owned Enterprises (BUMN) as engines of economic growth, accelerators of social welfare, providers of employment opportunities and providers of talent, transformation is needed Source Human Resources of State-Owned Enterprises, one of which is through establishing Core Values for Human Resources of State-Owned Enterprises as the identity and cement of work culture that supports sustainable performance improvement (BUMN RI, 2020). The following is an explanation of the core values of BUMN which are also implemented by PT Telkom Indonesia:

- Trustworthy, upholding the trust given
- Competent, continue to learn and develop capabilities
- Harmonious, caring for each other and respecting differences
- Loyal, dedicated and prioritizes the interests of the nation and state
- Adaptive, continues to innovate and is enthusiastic in driving or facing change
- Collaborative, building synergistic cooperation

2.4 Transformation for Corporate Digital Acceleration

In 2022, the world will enter the next new normal era, where the digital economy will develop even faster with increasingly demanding customer expectations. This encourages an increasingly dynamic competitive situation accompanied by the acceleration of various product and service innovations. On the other hand, the Indonesian market, which is still growing, is still attractive for global players and technology giants to enter the domestic market. Telkom answers this challenge through the company's journey, namely Investing for the Future. Telkom focuses on strengthening essential competencies in the digital domain, supported by corporate restructuring and partnership development while improving the company's business fundamentals. To accelerate the transformation towards a digital telco company, Telkom's corporate theme in 2022 is "Enhance digital capability and business performance for sustainable growth" with three main programs, namely:

- Deliver the best quality of service with excellent customer experience

In the next normal era, service quality and customer experience management will be the main keys to gaining customer loyalty. Telkom strives to understand customer needs and behavior comprehensively. Furthermore, Telkom also manages customer data systematically and sustainably by maximizing the implementation of data analytics at every stage of the customer journey.

- Excel in the 3 digital domains and unlock business leveraging group synergy

The dynamics of the telecommunications industry continue to move and several integrated telcos are implementing delayering strategies to reach wider customer segments and increase company value. Telkom will continue to strengthen its position and competitive advantage in the digital connectivity, digital platform and digital services domains, supported by business unlocking initiatives and utilizing all potential synergies. Telkom also manages operations and services in a customer-centric manner, efficient infrastructure, and digital business as a growth engine simultaneously.

- Accelerate digitalization and lean organization development for impactful operations

Telkom continues to accelerate improvements to its operating and business models to become leaner by utilizing digital and artificial intelligent technology. Telkom also ensures the readiness of various supporting talents, especially digital talents, so that the company's growth milestones can take place at the right momentum.

Telkom also initiated a value unlocking strategy known as five big programs (five bold moves) to build competitive advantages in the fields of digital connectivity, digital platform, digital services, as well as strengthening Telkom's position to become a world-class digital telecommunications company, with the long-term goal of creating higher

value for the company's stakeholders. These five big programs (Five Bold Moves) consist of:

- Fixed Mobile Convergence (FMC)

Telkom continues to strengthen market penetration, cost efficiency and operational excellence, along with enhancing the best customer experience by developing Telkom technology and services to optimize interoperability between Telkom's fixed and mobile networks to enable customers to switch seamlessly regardless of location and device

- Infrastructure Co

Telkom seeks to unlock the potential for consolidating Telkom infrastructure assets which include optical access network infrastructure and towers, thereby creating higher value. Telkom is confident that this initiative will provide benefits including optimal asset utility, effective connectivity costs, and accelerated market penetration so that in the end it will be able to increase the value of infrastructure assets and attract investors to join.

- Data Center Co (DC Co)

Telkom is in the process of consolidating data center assets and increasing data center business capacity. Apart from that, Telkom is also collaborating with hyper-scale and technology giants to accelerate the growth of the data center

business and expand the existence of Telkom's data centers in the region - starting from Indonesia and ASEAN.

- B2B Digital IT Service Co

Telkom is transforming towards B2B Digital IT Services through partnerships and collaboration with technology giants, such as Microsoft and AWS. Furthermore, Telkom is preparing Telkom Sigma to become a leading B2B Digital IT Service player serving the corporate, state-owned enterprises, government and MSME markets.

- DigiCo

Telkom is developing a digital company (DigiCo) that focuses on the B2B and B2C segments to accelerate digital services by utilizing Telkom's advantages that competitors do not have. Telkomsel through PT Telkomsel Ekosistem Digital (TED) is developing a vertical business portfolio in the digital sector, namely health-tech, edu-tech and mobile gaming.

2.5 Company Logo

When working on a company logo, it cannot be done haphazardly or haphazardly. A company must have a logo which will function as a company identity and be able to attract consumers. Apart from that, a logo can also be an identity that functions to differentiate the brand or company from other companies. If the company logo is not good, then there is a possibility that the logo will be less attractive in the eyes of

consumers and could be detrimental to the company itself. Therefore, PT Telkom Indonesia has a logo that is well made and even has a philosophy, here is the PT Telkom Indonesia logo which can be seen in Figure 2.1.



Figure 2.1 PT Telkom Indonesia Company Logo

Source: Company Documentation (2022)

2.6 Corporate Organizational Structure

In achieving success in an organization operating in the business or other domains, organizational structure is of course an important component. An organizational structure can explain the flow of coordination and division of tasks and authority of each component within an organization. Likewise owned by PT Telkom Indonesia, the following is the organizational structure of PT Telkom Indonesia.

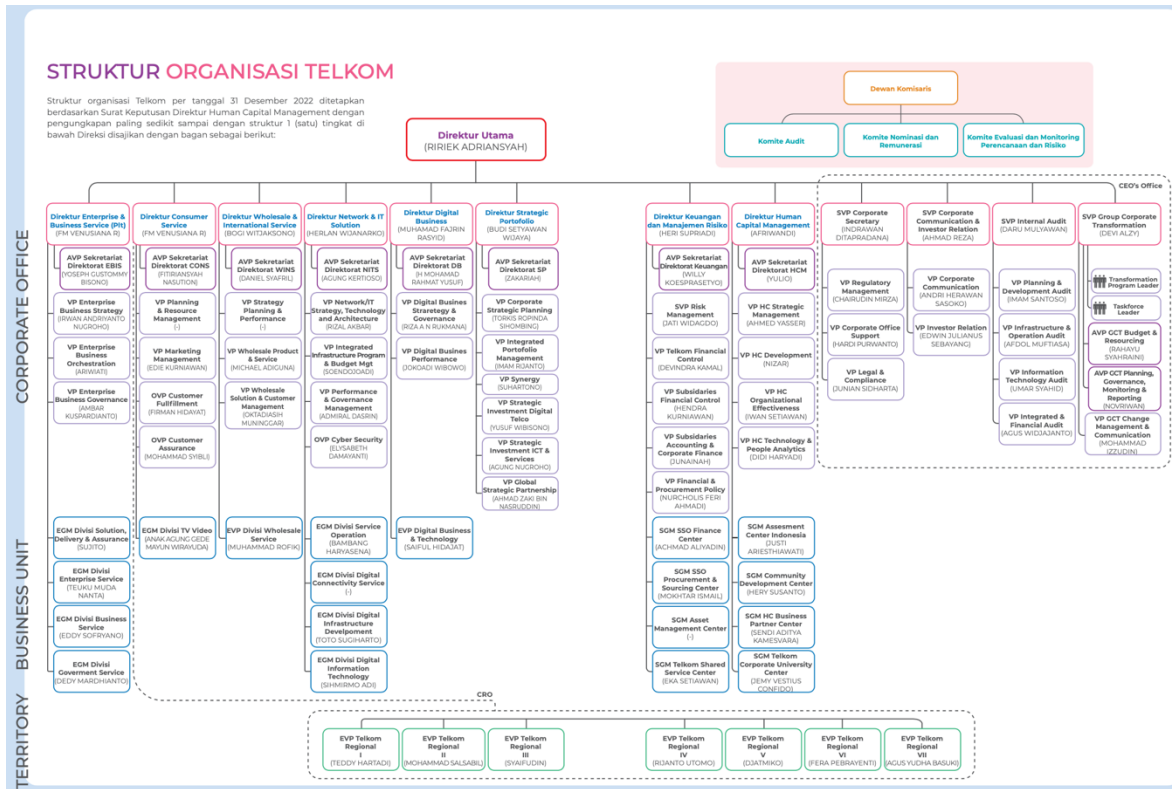


Figure 2.2 PT Telkom Indonesia Organizational Structure

Source: Company Documentation (2022)

2.7 Telkom Group Structure

PT Telkom Indonesia is a state-owned company which is a holding company. Like a holding company, PT Telkom Indonesia certainly has various subsidiaries operating in several sectors of the telecommunications realm. As a holding company, PT Telkom Indonesia also has responsibility for coordinating the various subsidiaries it owns. The following is the structure of Telkom Group.

Telkom Group's business activities grow and change along with developments in technology, information and digitalization, but are still within the corridors of the telecommunications and information industry. This can be seen from the business lines that continue to develop, complementing the existing legacy. Telkom divides its business into 3 Digital Business Domains:

- Digital Connectivity: Fiber to the x (FTTx), 5G, Software Defined Networking (SDN)/ Network Function Virtualization (NFV)/ Satellite.
- Digital Platform: Data Center, Cloud, Internet of Things (IoT), Big Data/Artificial Intelligence (AI), Cybersecurity.
- Digital Services: Enterprise, Consumer.

2.9 Key Informant Identity

Resource persons are parties who are interviewed to obtain primary data in research. Each source selected has been adapted to research needs that will dig deeper into Agile Adoption Best Practice in implementing the 5 Bold Moves. In this research, the sources interviewed were the actors and parties involved in the formulation, facilitators and operations of PT Telkom Indonesia's 5 Bold Moves.

Table 2.1 Key Informant Identity

No.	Name	Gender	Occupation	Position
1.	Yusuf Wibisono	Male	State-Owned Enterprises Employee	Vice President Strategic Investment Digital Telco
2.	Yusfi Ardiansyah	Male	State-Owned Enterprises Employee	Assistant Vice President Corporate Strategic Planning
3.	Tinton Tadarus Suwarjana	Male	State-Owned Enterprises Employee	Assistant Vice President Group Corporate Transformation
4.	Adhi Wibisono	Male	State-Owned Enterprises Employee	Project Management Officer FMC
5.	Dicke Aditya	Male	State-Owned Enterprises Employee	PIC Data Center Co and B2B Digital IT Service
6.	Army Aristofany	Male	State-Owned Enterprises Employee	Project Management Office Coordinator InfraCo