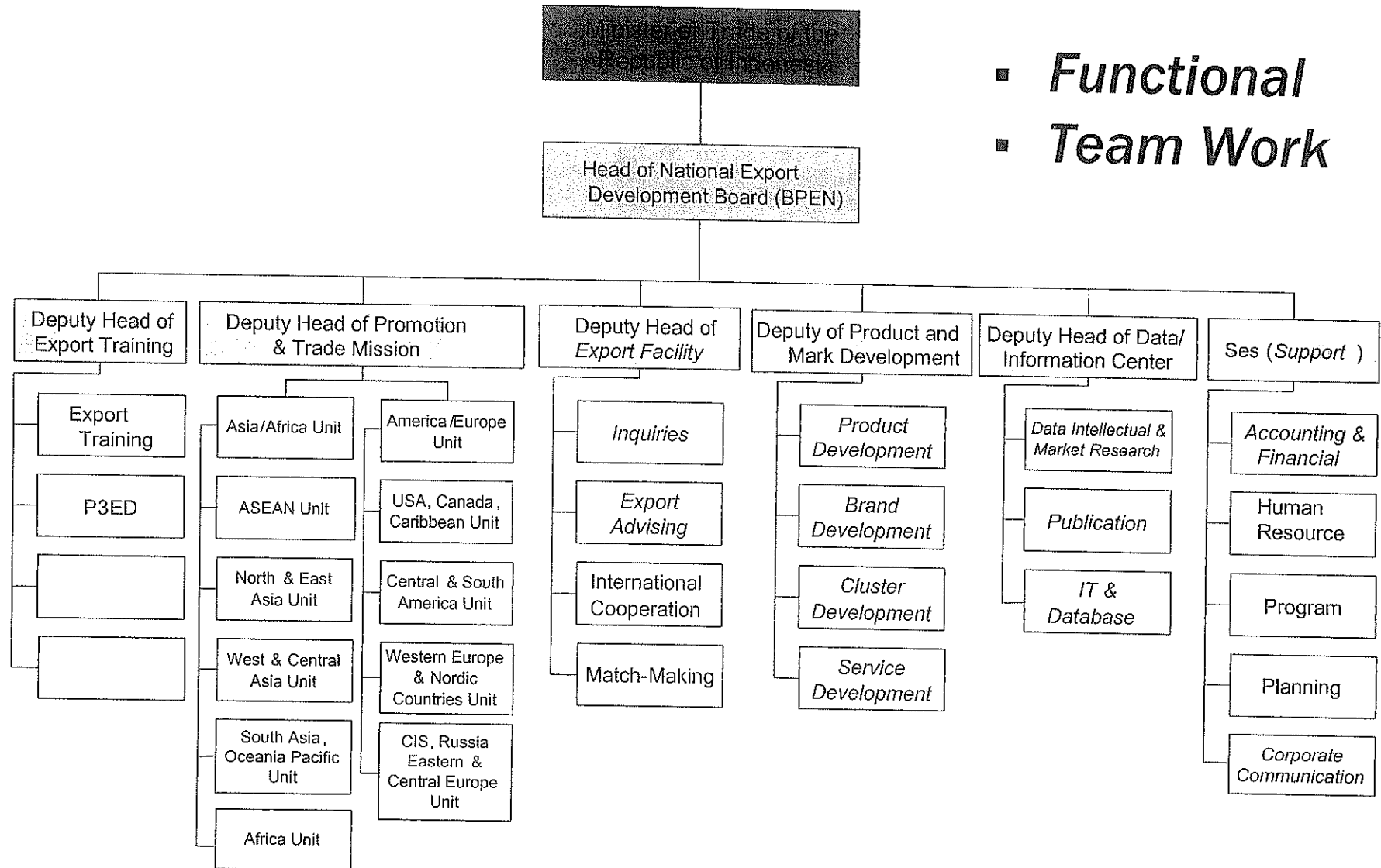


C. New Structure & Culture

- **Period:** January - December 2007
(Prepared since mid 2006)
- **Objective :**
 - Complementing change in BPEN to produce sound and effective organization, which can meet demand for economic development, especially national export development;
 - Establishing characterized semi corporate BPEN:
 - Entrepreneurial bureaucrat;
 - Customer oriented;
 - Responsive, Smart, Conceptual;
 - Knowledgeable;
 - Pro-business;
 - Achievement Oriented .
- **Activities :**
 - Creating new structure (prepared since 2006), conducting legal steps and recruitment;
 - Preparing “the man behind the gun”;
 - Discovering new values;
 - Implementing new values, buy-in process;
 - Outbound training, workshop;
 - Symbolic Campaign;
 - Internal discussion forums .

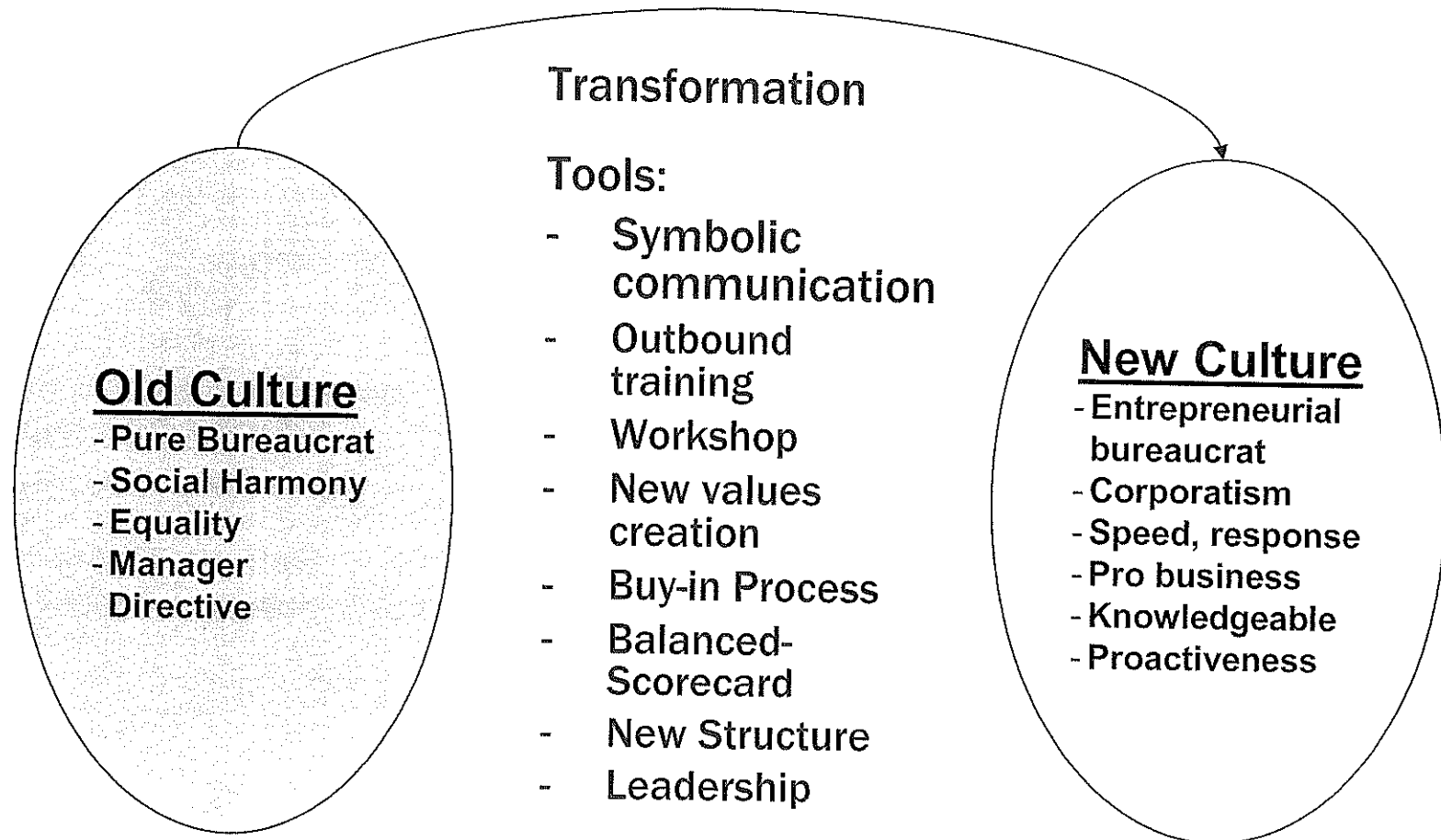
Proposal of BPEN New Organizational Structure



- *Functional*
- *Team Work*

BPEN Culture Transformation

- Supporting :
 - New Organization Structure;
 - HR System – Balanced Scorecard;
 - Leadership.



D. New Attitudes

- Period : January – December 2008
- Objective :
 - Having all BPEN staffs with new attitudes and focusing BPEN officials on leadership according to BPEN new values as agreed.
- Activities :
 - Adjusting all BPEN activities to the given values;
 - Establishing circles to form new values, either for existing or new officials;
 - Getting support from all officials available in the Ministry of Trade;
 - Public relations for obtaining public support as professional, output-based & entrepreneurial organization.

E. Endorsement: The New BPEN

This is a new organization that we wish, not only good on the paper, but also workable, free from KKN (Corruption, Collusion and Nepotism), professional, entrepreneurial, bringing optimum benefit and public support .

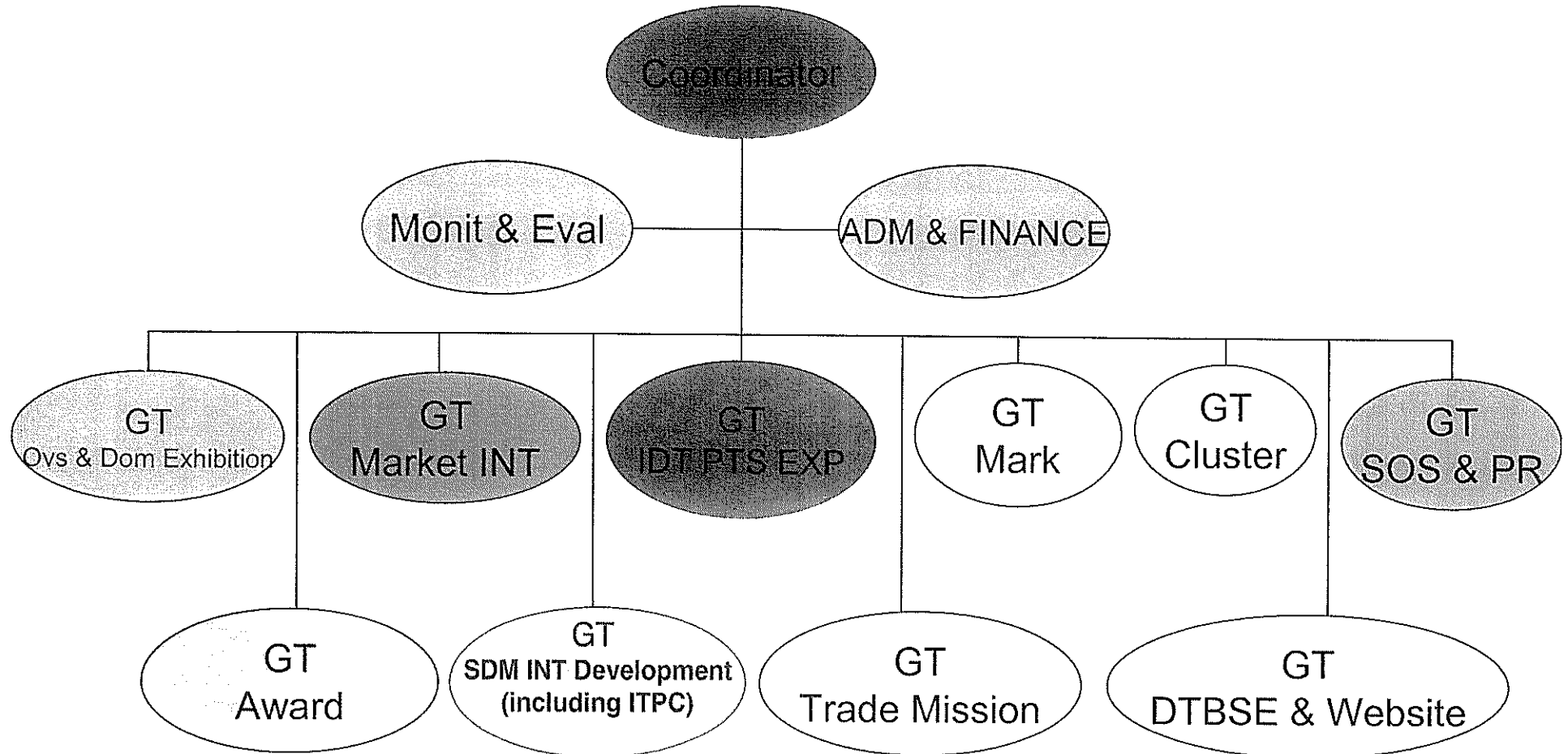
Activities:

1. Maintaining values and strategies;
2. Visioning;
3. Preparing 2nd phase change toward new organization desired by the Indonesian people.

Appendix 1

Job Description

A. Establishing as embryos to new BPEN organization



Today, taskforces have been established to become embryos of new organization

Objective of Taskforces

(Commenced December 2005 – January 2006, and continued until December 2006)

- Improving weakened coordination and reducing information and business process restrictions among BPEN Directorates which are existing so far;
- In new taskforces, organizational function will be divided into three sections:
 - Supporting:
 - Namely taskforces created to serve interests and needs of other taskforces;
 - Consisting of Monitoring & Evaluation Taskforce, Admin & Finance Taskforce, Database & Web Site Taskforce, Marketing Intelligence Taskforce and International Human Resources Development Taskforce.
 - Think – Thank:
 - Namely taskforces created to establish concepts and strategic action plans;
 - Taskforces including into think – thank category have indirect and long-term beneficial responsibilities;
 - Consisting of Brand Taskforce and Cluster Taskforce .
 - Operational:
 - Namely taskforces created to provide direct development to exporters;
 - Consisting of International Human Resources Development Taskforce (ITPC), Trade Mission Taskforce, Domestic and International Exhibition Taskforce.

B. Preparing Detailed Work Plan of Each Taskforce

- Attached in the proposal;
- Aiming at revitalizing BPEN services to each exporter's segment.

C. Revitalization of BPEN Technology and Communication Channels

Segments	Approach	Service Provided	Market Channels
Potential exporters	<ul style="list-style-type: none"> • Reactive • Not customized 	<ul style="list-style-type: none"> • Off the shelf • Call centre screening & referral • Exporter education 	<ul style="list-style-type: none"> • Hotline • Website • PR/Media • Trademark magazine • Direct mail/Email • Seminars/networking • PPEI
New to exporting	<ul style="list-style-type: none"> • Needs analysis • Customization • Proactive with information & strategy 	<ul style="list-style-type: none"> • Off the shelf • Exporter education • Market selection • Export Networks • Online services • Identify buyer/partner 	<ul style="list-style-type: none"> • Direct mail/Email • PR/Media • Trademark magazine • Hotline • Website • Seminars/networking • ITPC and GT Marketing Intelligence • PPEI
Inexperienced exporter: (new in market)	Understand business & push for next challenge/next level	<ul style="list-style-type: none"> • Off the shelf • Identify buyer/partner • Market engagement • Facilitation • Export networks • Online services • Monitoring • Market selection 	<ul style="list-style-type: none"> • ITPC, Marketing Intelligence Taskforce, Brand Taskforce, Cluster Taskforce, Trade Mission Taskforce, Domestic & International Exhibition Taskforce • Direct mail/Email • Website • PR/Media • PPEI

Segments	Approach	Service Provided	Market Channels
Inexperienced exporters: Further in market	Sustainable & consistent sales base has been secured: looking for more detailed advice on market/inside knowledge	<ul style="list-style-type: none"> • Off the shelf • Monitoring • Identify buyer/partner • Market engagement • Facilitation • Monitoring • Online services 	<ul style="list-style-type: none"> • ITPC, Marketing Intelligence Taskforce, Brand Taskforce, Cluster Taskforce, Trade Mission Taskforce, Domestic & International Exhibition Taskforce • Account • Direct mail/Email • Website • PR/Media • PPEI
Experienced exporters: New to market	Providing expertise & access to specialist market contacts	<ul style="list-style-type: none"> • Off the self • Foundation services • Export Networks • Online services • Identify buyer/partner • Market engagement • Facilitation • Monitoring • Market selection 	
Experienced exporters: Further in market	Detailed advice Providing contacts/appointments/exclusive opportunities	<ul style="list-style-type: none"> • Off the shelf • Monitoring • Online services • Identify buyer/partner • Market engagement • facilitation 	

Appendix 2

Operational Renovations

International Exhibition [1/2]

1. Each participant is liable to contribute 30% for exhibition support;
2. Transparent use of contribution;
3. Extending stand size and increasing exhibition participants;
4. Attractive stand appearance;
5. Selective products and participant;
6. Focused exhibition;
7. Involving stakeholders as much as possible;

International Exhibition [2/2]

8. Establishment of selection team to evaluate products and participants;
9. Synergy among BPEN units thru information and experience sharing;
10. Cooperation with Indonesian Chamber of Commerce and associations;
11. Increased support activities for successful exhibition (for example, one on one meeting, seminar, company visit, etc.);
12. Existence (monitoring) of taskforces on the implementation, evaluation and follow up;
13. Optimizing PR role, either domestic or international.

Revitalization of International Exhibition

- Today, participation and organization BPEN exhibition are decreased from +/- 60 international exhibitions to 30 exhibitions. This is aimed at:
 - Improving exhibition quality;
 - Focusing development on specific sector and market;
 - Reducing participation of “global retailers” and increasing role of “the real exporters”;
 - Rendering complementary services such as brand and product development, market-based culture.

Domestic Exhibition [1/2]

- 1. Price discrimination for foreign participants;**
- 2. Ideas of implementation come from the related association;**
- 3. PR will be conducted abroad;**
- 4. Tourism will be promoted following the exhibition;**
- 5. Foreign participants/buyers will reserve hotel's extra service;**
- 6. Recruiting products design and display consultant;**
- 7. Exhibitor presentation;**

Domestic Exhibition [2/2]

- 8. Selection of local products;**
- 9. Improving supervision on preparation and implementation;**
- 10. Reducing as much as possible retailers into B2B;**
- 11. Preparing exhibition report to exhibitor and buyer;**
- 12. Each participant is liable to contribute 30% for exhibition support;**
- 13. Transparent use of contribution;**

Evaluation & Monitoring

- Standard Operating Procedure will be established for implementation and reporting system;
- Establishment of Key Performance Indicators associated with reward & punishment.

Trade Mission

- 1. Clear SOP and criteria for mission participants and prospective trade counterpart;**
- 2. Measurement of key performance indicators;**
- 3. Professional use of PR;**
- 4. Optimum synergy and empowerment of BPEN organization and abroad representative;**
- 5. Programmed tasks of Trade mission (especially TTI and Buying Mission).**

Export Training (PPEI)

- Cooperating with UNHAS and University of Indonusa Esa Unggul on export training for students;
- Increasing cooperation with Local Export Promotion Agency (LPED) on export training for local level;
- Revitalization of teaching system, syllabus, and education method in the PPEI.

ITPC

- **Establishment of Standard Operating Procedure to explain activities detail based on TUPOKSI;**
- **Establishment of KPI (Key Performance Indicators) for ITPC performance supervision and assessment;**
- **Basic trainings will be provided to ITPC officials such as personal grooming, table manners, and personality.**

Appendix 3

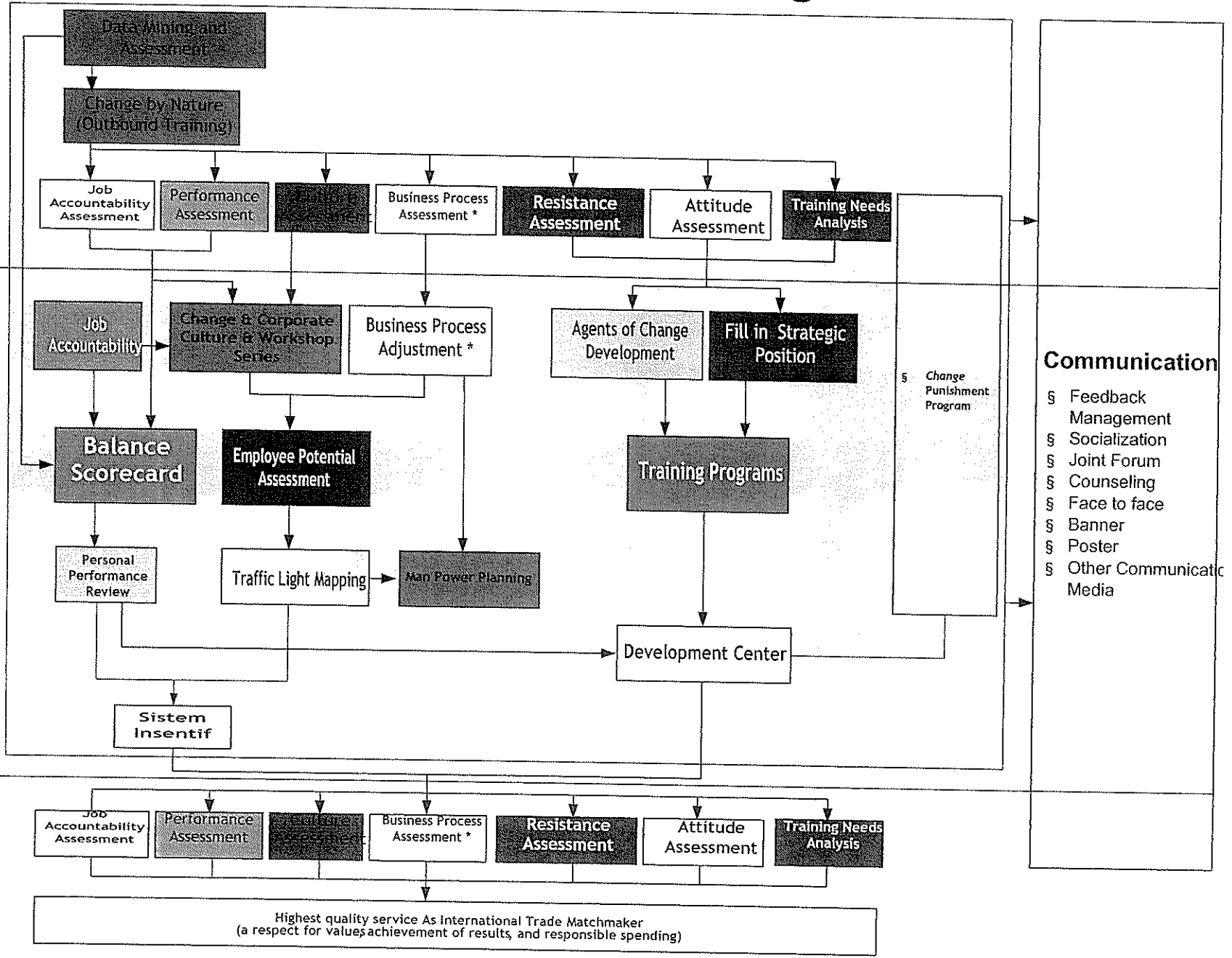
Method & Tools for Change Support

Activities of BPEN Change Management

Conceptual

Operational

Evaluation



CONCEPTUAL PHASE

Conceptual phase includes:

1. Change by nature (outbound training);
2. Culture assessment and formulation;
3. Resistance and strategy assessment and formulation;
4. Attitude change assessment and formulation;
5. Job accountability assessment and formulation;
6. Performance assessment and formulation;
7. Business process assessment and formulation;
8. Training needs analysis.

1. CHANGE BY NATURE (Outbound Training)

- **Change by nature (outbound training):**
 - **Method : experiential learning, outdoor training.**

 - **Objective :**
 - **Changing paradigm;**
 - **Minimizing self-resistance against change;**
 - **Conditioning “out of comfort zone”;**
 - **Increasing adversity quotient;**
 - **Developing positive mentality;**
 - **Practicing leadership;**
 - **Team building.**

2. CULTURE ASSESSMENT AND FORMULATION

INTRODUCTION

Culture is a set of values, guiding belief to something, understanding and way of thinking discovered by organization members and fully accepted by new members.

Alternatively, it means "behavior, social and morality norms basing each act in an organization and established by belief, attitude and priority of its members." (Turner, 1992)

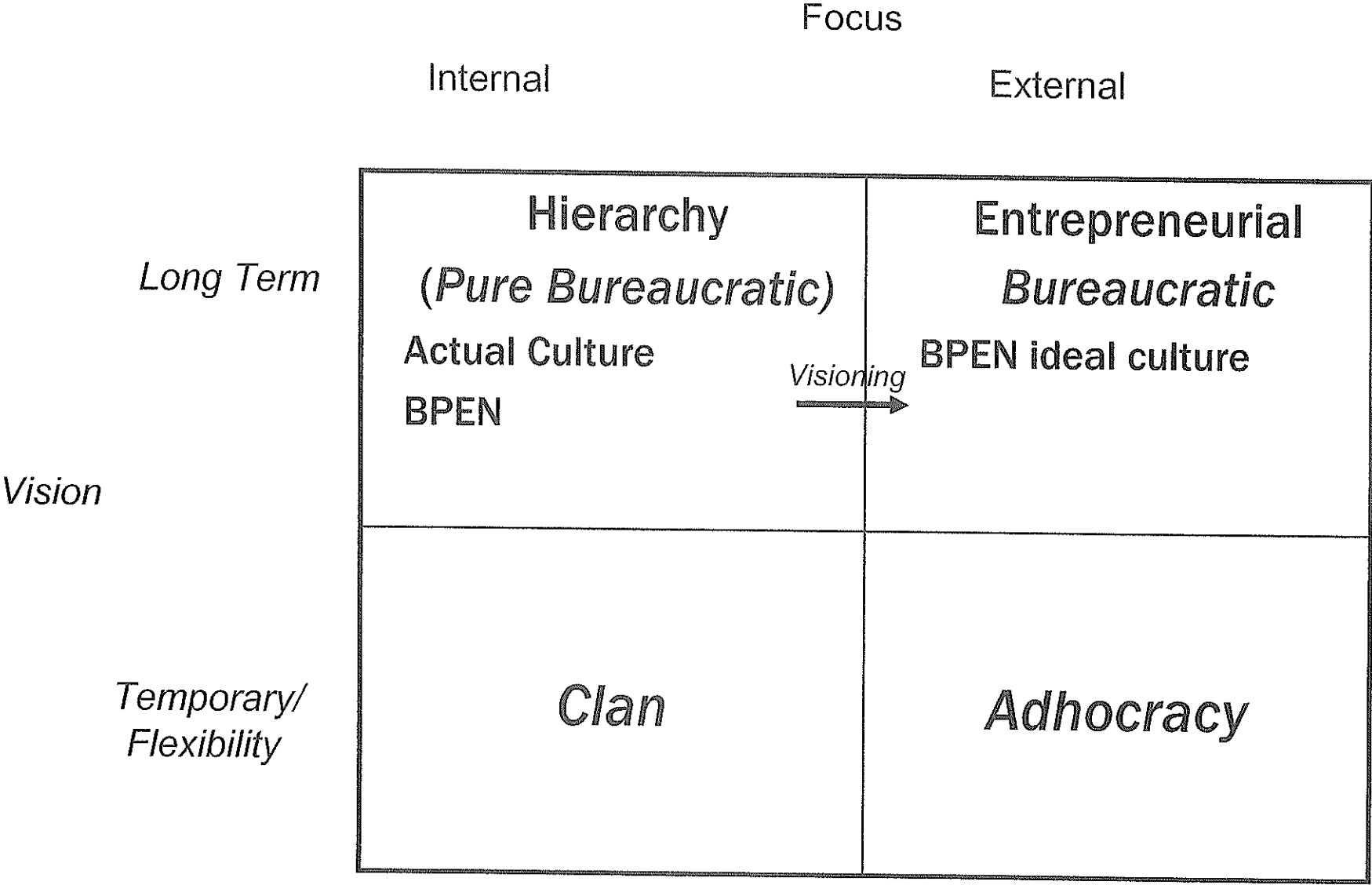
Culture contains two circle directions as result of change. Form of circle directions can be seen in Vicious Circle and Virtuous Circle Chart.

BPEN culture assessment is conducted through in-depth interview, observation, and quantitative measurement by using Organizational Culture Assessment Instrument (OCAI). Example of OCAI can be seen in the Chart of Organizational Assessment Result by Using OCAI.

OCAI conducts variables measurement as follows:

- Internal focus vs. external focus;
- Temporary & flexibility orientation vs. long-term orientation.

Form of Culture Through Culture Assessment



Objective of Culture Existence

Equipping members with organization identity and committed to organizational values.

Characteristics of Corporate Culture

- Established by belief of corporate individuals;
- Reflecting aspiration of members;
- Having consequence;
- Difficult to understand;
- Creating identity, confirming image, positioning and achievement oriented;
- Requiring balance among values;
- Learning;
- Pattern;
- Creating synergic relationship;
- Being part of strategy.

Visioning : A Process Integrating Values Of Corporate Culture

1. Formulating values of each subculture;
2. Presenting values of subcultures to a forum for values formulation;
3. Enriching future organizational values and visions and formulating them into culture strategy.

Results of Corporate Culture Formulation

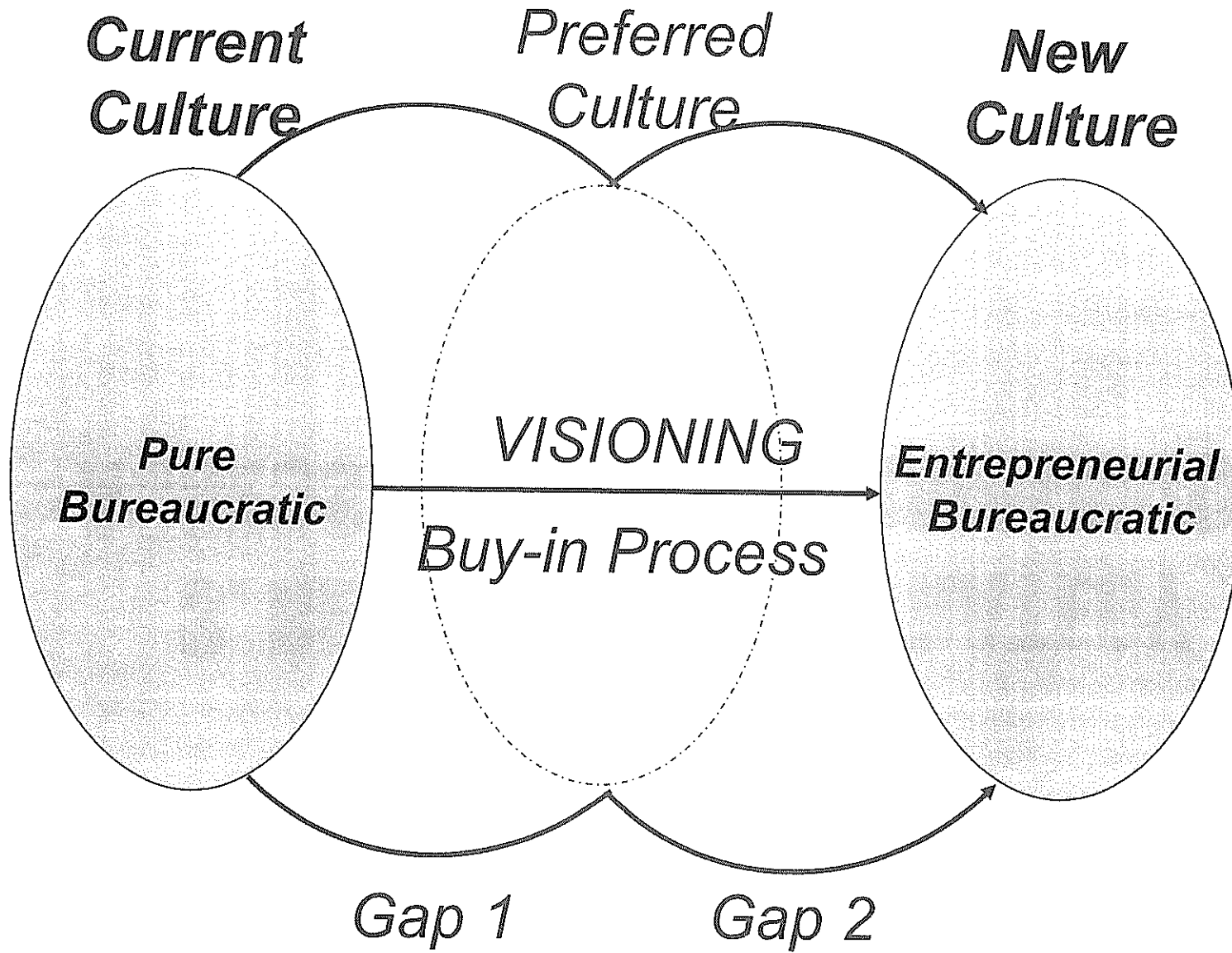
- Principal values and basic assumptions of BPEN people
- Origin of values;
- Relevant and to be established visible artifacts;
- Recommendation on values union;
- Recommendation on values and practices to be disposed of;
- List of don'ts.

7 (Seven) Vicious Cultures That May Cause Organizational Contamination (Deal & Kennedy, 1998)

1. Culture of fear;
2. Culture of denial;
3. Culture of self interest;
4. Culture of cynicism;
5. Culture of distrust;
6. Culture of anomie;
7. The rise of underground subcultures.

CORRECTIVE MEASURES

- Collecting data by using assessment tools Organizational Culture Assessment Instrument (Cameron & Quinn, 1999);
- Analyzing assessment result;
- Identifying gap between current culture, preferred culture, and ideal culture;
- Making recommendation for alleviating gap between preferred culture and ideal culture;
- Removing 7 (seven) vicious cultures during transitional period.



3. RESISTANCE & STRATEGY ASSESSMENT AND FORMULATION

INTRODUCTION

Resistance needs to be concerned because it can hamper and even “counterattack” the change.

CHARACTERS OF RESISTANCE

- Irrational;
- Counter-productive (minority claiming as majority);
- May be natural (human feels “irritated” by his routines);
- Filled with confusion and frustration;
- May be “political”.

PROCEDURE

To deal with the abovementioned problems, real precautions should be taken before such resistance can make actions supported by public and external components beyond BPEN and Ministry of Trade.

1. Consistent Mapping

- Objective : Identifying current description and be able to act proactively in dealing with resistance .
- Tools :
 - Attitude change measurement;
 - Personality Test (16 PF) Saville and Holdsworth's Occupational Personality Questionnaire (OPQ).

2. Intervensi Behavioral

- Objective : Increasing cohesiveness & trust.
- Tools : Outbound & Team Building.
- Target quantity : Must reach the critical mass ($\pm 30\%$ - 70% staffs of both directorate).
- Time : Should be completed in the first year .
- Venue : Outbound, nature .
- Structure : Unstructured (people from different groups).

PROCEDURE

3. Participation & Involvement

- Involving key people (either pro or contra change) in formulating change and new future.
 - Objective: Inviting all staffs and leaders to buy-in process and removing resistance.
 - Tools : Discussion forums and workshop series.

4. Communication & Education

- Resistance occurs because staffs are poorly informed and thus makes them illiterate and lack confidence to control their life.
 - Objective: Memberikan first-hand information.
 - Tools :
 - Face to face communication;
 - Internal print media;
 - Internet & websites;
 - Pamphlet, poster, banner;
 - Memo, mail, and so on.
- Types of Communication:
 - Persuasive and focusing on two aspects (featuring benefit and persuasion against lack of old attitude values);
 - Framing arguments by using “their logics & terminology”.

PROCEDURE

5. Facility & Support

- In critical situation, leaders (echelon II to V) should be supportive to staffs during transitional period.
 - Objective : Minimizing worry and conflict, getting support
 - Tools :
 - Formal leaders and change agents;
 - Conselling, training, workshop.

6. Manipulation and Co-Option

- Resistance should sometimes be manipulated by inserting "positive people" into certain groups, for example, inviting them to a forum.
 - Tools : "Confidant" (people inserted into forums).

7. Explicit and Implicit Compulsions

- In some cases, change requires consistency, courage and assertion.
 - Tools : formal policies that support change and specific technical directive.

8. Public Relations

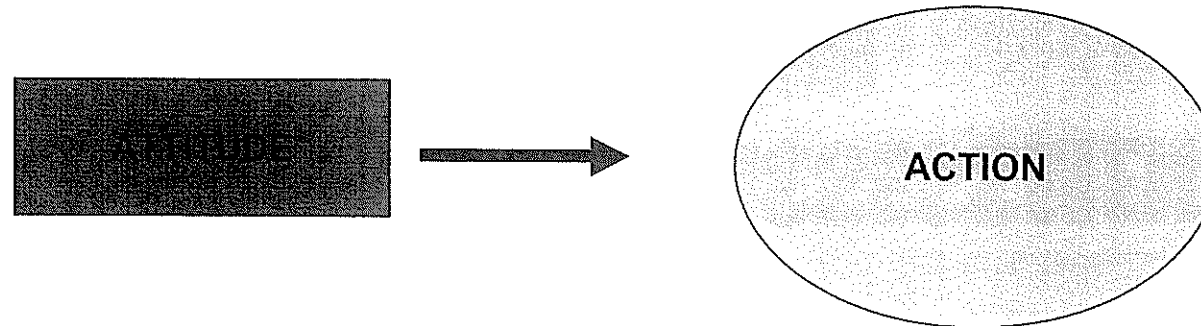
- Resistance can also be addressed by posting formal publications on the mass media that pronounce development and support of the stakeholders.
 - Tools :
 - mass media and stakeholders' voice;
 - lobbies and dissemination of positive information.

4. ATTITUDE CHANGE ASSESSMENT & FORMULATION

INTRODUCTION

Attitude is basis for establishing human personality, which is used to assess environment and as predisposition in response to anything.

It is often said that human action is generated from his attitude.



Therefore, each change requires attitude assessment

Characteristics of Attitude

- Reflecting what is someone thinking, feeling and will do to an object (attitude object).
- Components of an attitude:
 - Cognitive : one's belief on something;
 - Affective : one's emotional reaction against something;
 - Conative : one's tendency to respond to something.
- Attitude is expressed as like and dislike.
- In certain cases (although no easy), attitude can be changed. In this case, strategy could be treatment to change one's attitude.
- In certain cases attitude is regarded consistent, tends to be longer than mood, which is only situational.

Process of Attitude Change



A_0 = Initial Attitude

A_1 = *Attitude after treatment1* (t_1)

A_2 = *Attitude after treatment2* (t_2)

A_3 = *Attitude after treatment3* (t_3)

Attitude change is conducted through a series of structural or cultural actions. By adopting management tools offered in the BPEN change program, the change is then measured by using difference between:

A_3 and A_2 and A_1

Through statistical test, it is known if a significant change takes place. Attitude is measured by using questionnaire (attached) with 1-10 Likert scale that reflects favorable/unfavorable.

When should measurement be conducted?

Attitude measurement should be conducted periodically, starting from pre-implementation period. This is called initial attitude. Furthermore, measurement should be conducted every two to six months by taking representative respondents randomly.

Measurement is separated per unit.

Attitude Object

To enable implementation, attitude object should be operated as new work ethos.

5. ASSESSMENT AND FORMULATION

Job Accountability

INTRODUCTION

Job Accountability is an identification of employee's responsibility within BPEN organization.

SCOPE

- Position in BPEN organization;
- Main function of position;
- Concrete output of position (Key result areas/KRA);
- Type of activity resulting in output/KRA; together with implementation frequency (until smallest time unit: per day);
- Authority and responsibility;
- Type of work relationship with other units, either internal or external.

CORRECTIVE MEASURES

- Job accountability format socialization forum;
- Identification of job accountability by each employee (individual assignment);
- Crosscheck of format content which has been filled business process in BPEN.

(Source person: related superior, top management & other well-informed sources on BPEN business process).

6. PERFORMANCE ASSESSMENT AND FORMULATION

INTRODUCTION

Performance assessment and formulation are intended to identify performance of each employee based on assessment tools available in BPEN.

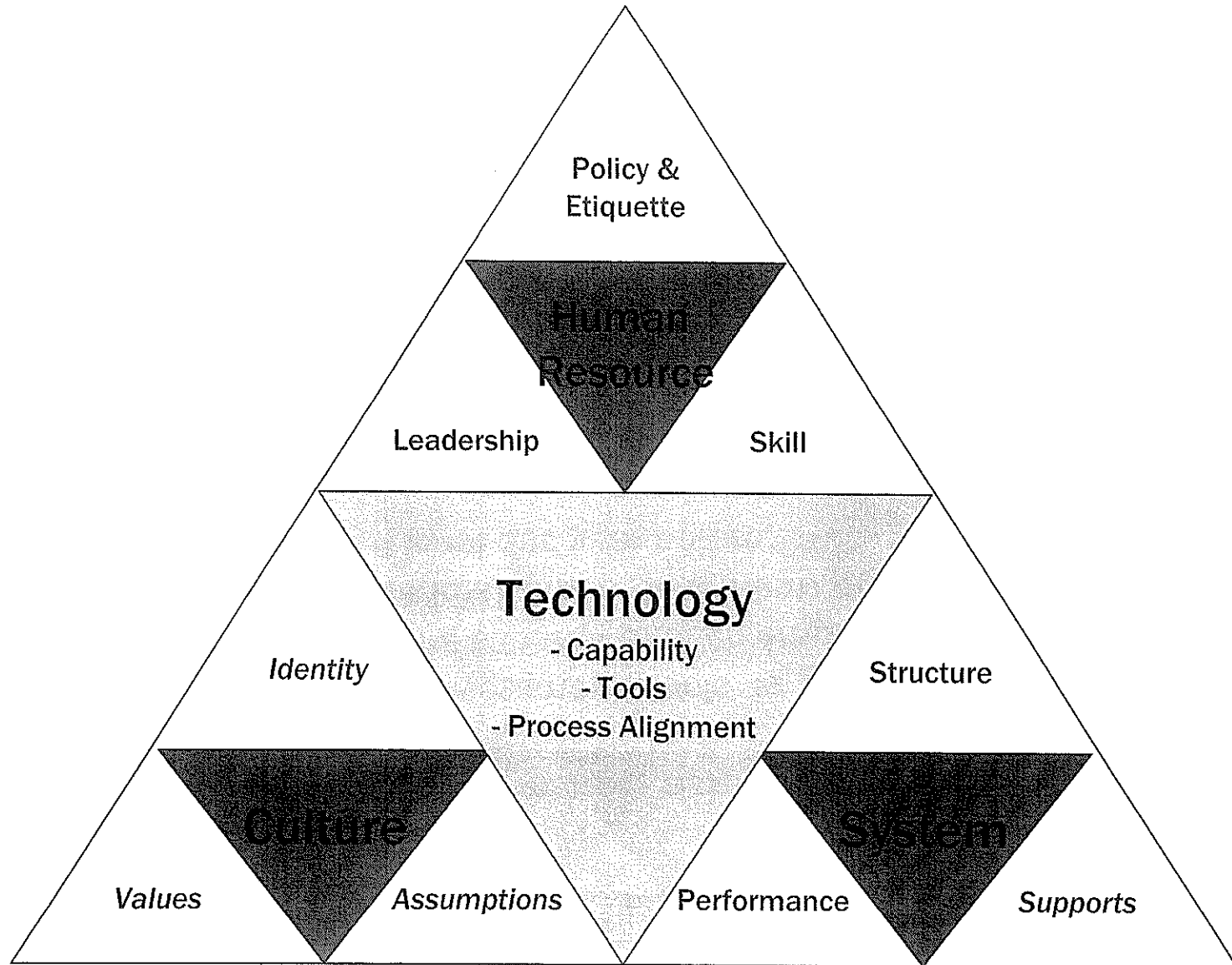
OBJECTIVE

Obtaining assessment on individual performance during pre-implementation phase to be elaborated in the traffic light assessment in order to produce overall description on human resources in BPEN.

PROCEDURE

1. Collecting data of performance assessment based on the available assessment tools;
2. If data of standard assessment tools is unavailable, data is collected by interviewing superior of each employee;
3. Source persons (superiors) make 'judgment' on performance of their subordinates at least one year before.

7. BUSINESS PROCESS ASSESSMENT AND FORMULATION



PROCEDURE

1. Process Mapping

- Objection** :
 - Identifying a variety of core and critical processes in BPEN, which are restrictive to decision making;
 - Verifying if overall business process support one another (culture, design, and human resource policy).
- Tools** :
 - Process Mapping;
 - Operations Process Chart.

2. Process Alignment

- Objective** :
 - Aligning and simplifying core process in BPEN in order to support timely and accurate decision making;
 - Automation of routine business processes, “labor intensive” and “time consuming”.
- Tools** : Business Process Re-engineering
(may involve specific technical assistance).

PROCEDURE

3. Process Analysts/Innovators

- Objective** :
 - Preparing process champions either in medium level (tool pushers) or lower level (executors) to conduct continuous improvement of business process
 - Preparing special teams for process innovation
- Tools** :
 - IT and advanced application program training (for example, database, etc.)
 - Business Innovation Training
- Support** :
 - Rewards System/Incentive Program

8. TRAINING NEEDS ANALYSIS

INTRODUCTION

Training needs analysis is a process of identifying training needs in PBEN .

PROCEDURE

- Interview and survey on training needs in BPEN;
- Data analysis;
- Producing recommendation for BPEN development center BPEN;
- Preparing relevant training modules.

IMPLEMENTATION PHASE

Implementation phase consists of:

1. Change & corporate culture (3c) workshop series;
2. Creation and development of change agent;
3. Training programs;
4. Employee potential assessment;
5. KPI identification;
6. Traffic light mapping;
7. Man power planning;
8. Incentive System.

1. Change & Corporate Culture (3C) Workshop Series

INTRODUCTION

- 3C workshop series are activities of socializing and internalizing the change and corporate culture (3C) within BPEN area, which are aimed at:
 - Creating common ground of the key people on change & corporate culture;
 - Identifying BPEN strategic plan.
- 3C workshop series produce the following outputs:
 - Socialization of change & corporate culture;
 - Revitalization of BPEN vision, mission & value;
 - Revitalization of cultural symbol;
 - Code of ethics establishment;
 - BPEN strategic planning based on vision and mission.

PROCEDURE

- Implementation of 3C (change & corporate culture) workshop series is divided into several batches, starting from workshop for BPEN top management;
- Must produce real & written commitment in the form of “commitment egg” of all workshop participants;
- Must produce corporate plan complete with KPM & KPI BPEN.

2. Creation and Development of Change Agent

- Change Agent constitutes a group of people that direct change in an organization. It consists of the right people with excellent teamwork.
- Characteristics of Change Agent:
 1. Relevant knowledge;
 2. Relevant skill;
 3. Clear authority;
 4. Leadership capability;
 5. Credible in the organization;
 6. Adaptive with the change needed at each organizational level.

3. TRAINING PROGRAMS

INTRODUCTION

- Objective of Training programs:
 - Obtaining clean, transparent, effective & efficient, accountable, entrepreneurial, good and professional public servant organizational culture;
 - Minimizing resistance;
 - Providing change recipient with capability and skill in conducting business process change;
 - Giving hard skill and soft skill required in the new business process (in accordance with the needs for organizational technology, culture and design).

AVAILABLE TRAININGS

- **Soft Skill Training**
 - Training on managerial, communication, motivation, and leadership skills.
- **Hard Skill Training**
 - Training on support technical skills.
- **Meta Skill Training**
 - Training for trainers, facilitating skill, coaching skill.

PROCEDURE

- Reviewing competency needed for implementing new business process;
- Identifying skill gap between staff and management;
- Integrating the needs into training center to coordinate all trainings, annual schedule, internal trainers, etc.;
- Cooperating with domestic and international training institutes to design training programs and giving trainings which cannot be self-supported;
- Cooperating with external organization to provide the training which cannot be self-supported;
- Developing focused group for discussing strategic issues available in the change process.

4. EMPLOYEE POTENTIAL ASSESSMENT

INTRODUCTION

- Employee Potential Assessment means an assessment conducted on BPEN employee;
- It aims at obtaining description of employee's individual potential to be elaborated into traffic light assessment to produce overall description of individual potential and functional needs in the form of M (Match), O (Over), U (Under);
- Variables of Employee Potential Assessment:
 - Leadership Role (including : Decision Making & Controlling Potential);
 - Work Style & Direction (Organized/Theoretical Orientation, Achievement Motivation, Tenacity);
 - Interpersonal Relationship;
 - Emotional Regulations;
 - Work Quality;
 - Educational Background;
 - Work Experience Background.

PROCEDURE

- Conducting assessment on target assessment (officials up to echelon IV, it's better applicable to all employees) in several batches;
- Evaluation of assessment results in MOU Modified Form;
- Result analysis to produce conclusion on M, O or U.

5. KPI IDENTIFICATION

INTRODUCTION

- KPI Identification is the way of identifying KPM (Key Performance Measurement) and KPI (Key Performance Indicator) of BPEN members in the form of Customized balanced scorecard (PPR – Personal Performance Review).

PROCEDURE

- BPEN strategic planning for “decreasing” Directorate General’s KPI;
- Conducting social forum on KPI identification (together with socialization of PPR Format)
Note: KPI of each employee is identified by using Directorate General’s KPI to produce KPI of Directors, Head of Sub Directorate, Head of Section and Head of Sub Section;
- Cross-check of format content filled in with BPEN business process
(Source person: related superior, top management & other well-informed sources on BPEN business process).

6. TRAFFIC LIGHT MAPPING

INTRODUCTION

Traffic light map is organizational human resources' power map, in the understandable form to be visualized into structural organization, in which each structural position is given with specific colors .

Traffic light mapping is a process of mapping BPEN human resources into structural organization template and given red, yellow, and green colors based on results of employee potential assessment and performance assessment.

Traffic light mapping is aimed at giving information on organizational human resources' position & power in the simple and understandable illustrations to be recommendation in decision-making regarding transfer, mutation, promotion, development, and man power planning.

PROCEDURE

- Analysis of traffic light map;
- Elaborating employee potential assessment and performance assessment data into structural organization format to produce BPEN traffic light map;
- Making conclusion on the traffic light map.

7. MAN POWER PLANNING

- Man Power Planning is a strategy of mapping the needs for BPEN human resources in the short, medium and long-term periods, including anticipating possible redundancy.

8. INCENTIVE SYSTEM

INTRODUCTION

Incentive System is part of remuneration system, namely a system dealing with employee's remuneration on functional basis and taking into account organizational aware of rewarding its employees.

CHARACTERISTICS

- Should be suitable with objective;
- Given according to employee's capability;
- Remuneration depends on employer;
- Fixed vs variable.

OBJECTIVE

- Designing tailor made - remuneration system as per PBEN requirement and strategic goal;
- Giving proportional remuneration to BPEN members;
- Minimizing "hidden income" by adopting output optimizing based new system in consistent manner.

PROCEDURE

- 1. Collecting data on job description and functional responsibility of an employee;**
- 2. Defining functional factors and formulating factor codes for each function;**
- 3. Producing functional values map;**
- 4. Establishing ad-hoc “remuneration committee” responsible for final assessment on functional values and converting them into grading system;**
- 5. Ad hoc “remuneration committee” consists of internal party, that is, echelon 1 & 2 of BPEN and independent external party such as consultant and community leaders;**
- 6. Conducting in-depth Interview brainstorming with “Remuneration Committee” in order to obtain input on the ideal system for BPEN current situation;**
- 7. Benchmarking Remuneration System in countries with successful Change Management;**
- 8. Preparing Recommendation Report on BPEN Remuneration System (including Incentive System therein).**