

ABSTRACT

e-Office owned by PT Sigma Cipta Caraka is one of the pioneers of Software as a Service in Indonesia. In the intense competition to Telkom Sigma should provide a good service at an affordable price. To be able to determine the price of the service, then one factor that deserves consideration is the cost.

Bottom-up modeling method using detailed data to build network hypothesis which can provide telecommunications services, including capital costs and operating costs and maintenance, and then allocated to all of the services provided (www.ictregulationtoolkit.org). This reasearch aims to quantify the cost of production of e-Office service and find out the influence of the exchange rate of the US Dollar's value changes against the profit obtained so that the company can determine whether the reduction cost is required to achieve the profit target.

Based on the results of calculation by using the method of Bottom Up Long Run Incremental Cost obtained the total cost of the provision of services amounting to Rp. 14.383.994.627,86,-. with the cost per user per month amounting to Rp.24.462,58,— To find out if required a cost reduction to achieve the profit target, performed a sensitivity analysis and profitability analysis.

Based on analysis of the ratio profitability, the company still able to set the selling price of Rp 130.000,- for Enterprise package, Rp 125.000,- for Medium package, and Rp 120.000,- for Small Package as well as the target margin of 30% of the selling price of the service. It is because the company still able to achieve the profit exceeds the target margin which is set. Also, based on the analysis of sensitivity the company is no need to perform the cost reduction untill the exchange rate buy dollars reached up to Rp 15.684,55,-.

Keywords : Bottom up Long Run Incremental cost, e-Office, Cost Reduction