

Competitive Strategy Analysis of Logistics Companies PT XYZ

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Abstract:- This study aims to identify the factors that influence PT XYZ in developing its business, analyze strategic factors that affect the internal and external environment in formulating and determining the priority strategies that can be applied through a descriptive analysis approach. The analytical tools used are the IFE (Internal factor Evaluation) and EFE (External Factor Evaluation), SWOT (Strengths, Weaknesses, Opportunities, and Threat) and QSPM (Quantitative Strategic Planning Matrix) and QSPM (Quantitative Strategic Planning Matrix) tests. The data used are primary data (questionnaire results and interview results) and secondary data (journals, books, related documents). This research uses descriptive quantitative method, with a saturated sample of 5 people. Based on the results of the IFE and EFE obtained weighted values respectively (2.349; 3.102) so that the company's position in the IE matrix is in quadrant II, which is to grow and develop. Based on the results of the SWOT analysis, six alternative strategies were obtained. (1) Penetrating markets through the Sales Campaign Console Product for export shipments via air to Japan at premium prices; (2) Developing markets by opening branches in Semarang, Balikpapan and Bali as planned; (3) Developing products by starting to focus on adding services or services offered to customers; (4) Carrying out the backward integration strategy by increasing the human resources and truck fleet itself so that the company can control all its business activities and without using services or facilities from vendors or third parties of the company; (5) Carrying out future integration strategies by using the services of PPJK (Entrepreneur of Customs Services Management) on behalf of PT XYZ; (6) Carry out a horizontal strategy by merging with local companies that have a strong position in Indonesia and can certify employees according to Management's needs for PPJK services.

Keywords:- Strategy Formulation, IFE, EFE, SWOT Matrix, QSPM.

I. INTRODUCTION

Sourced from data obtained from the Supply Chain Indonesia (SCI) through www.SupplyChainIndonesia.com (downloaded in March 2019) which predicts that the logistics sector will grow by 11.56% from Rp 797.3 trillion in 2018 to Rp 889.4 trillion in 2019. In 2018, the logistics sector (which in the grouping of business fields of the Central Bureau of Statistics as Transportation and Warehousing) contributed 5.37% of the Gross Domestic Product (GDP) valued at Rp 14.837,36 trillion. The logistical sector growth rate in 2019 which is predicted to be 11.56% is higher than in 2018. Based on the analysis of the Supply Chain Indonesia (SCI) of the Gross Domestic Product (GDP) data from the Central Bureau of Statistics, the logistics sector (transportation business and Warehousing) in 2018 grew by 8.44% from 2017 which amounted to 735.2 trillion. However, the contribution to GDP has decreased from 5.41% in 2017 to 5.37% in 2018. From the SCI analysis, one of the reasons for the decline in contributions is due to the influence of the non-oil processing industry sector. Although the food and beverage industry is growing, the sector has slowed down in 2018. Also, export growth has declined. The development of a slowing global economy and affecting national economic growth also had an impact on Indonesia's logistics sector in 2018 where the growth of the logistics sector requires the role and synergy of the parties concerned. Logistics service providers, logisticians, and logistics infrastructure facilities/providers with the Government need to establish standardization in logistics, which includes people (HR competencies), processes (operational practices), and technology (infrastructure, facilities, and equipment). Collaboration between logistics service providers needs to be improved, also between logistics service providers and logistics facility/infrastructure providers, such as ports and airports.

On the other hand, the Government needs to encourage the development of the logistics sector with implemented programs and policies. A program to improve connectivity must be prepared in line with infrastructure development to be able to achieve balance and integration between transport modes. Still according to SCI sources (March 2019) which predicts the contribution of the logistics sector to GDP in 2019 will increase to 5.55%. This makes the value of contributions higher than contributions in the 2016-2018 period. Gopal R, Vice President of Global, Transportation & Logistics Practice, Frost & Sullivan said that the key growth in macroeconomic indicators such as GDP, economic growth and purchasing power parity will encourage personal consumption which increases trade volume and value, to support the distribution of goods. In the middle class, income will drive demand for goods which results in high demand for transportation activities. Seeing the development of the national and local logistics industry in Indonesia, the logistics business opportunity can be said to be very lucrative. As SCI did in analyzing the growth of the logistics sector was driven, among other things, by the growth of the Non-Oil and Gas Processing Industry, especially the food and trade industry due to increased production of domestic and imported goods. In addition to the agricultural sector which grew, the construction sector also grew with increased infrastructure development. Blueprint for the Development of the National Logistics System (Sislognas) issued in 2012 needs to be revised immediately to suit the development of national needs. Adjustments also needed to deal with global changes such as digitalization. This double-digit growth in logistics business growth is in line with economic growth in Indonesia. As explained above by Prost & Sullivan where economic growth will encourage an increase in the middle class and public consumption is supported by the growth of international trade. Foreign dominance in the logistics services sector more or less affects the concern for logistical businesses in the face of the digitalization era. The potential for growth in the logistics sector has increased so that it has an impact on the number of foreign businessmen who are tempted in their businesses. Indirectly, logistic service industry businesses must make changes and strengthen the foundation of their business activities. Along with the growth rate of the logistics services business at the time of the enactment of the 2015 MEA which integrates 10 ASEAN countries (Indonesia, Malaysia, Singapore, Vietnam, Thailand, Brunei Darussalam, Cambodia, Laos, Myanmar, Philippines) in a free market network, so competition is felt to be more competitive with the local industrial service sector including logistics services. Therefore the competition will be more intense between companies. It is also closely related to the condition of customers demanding high and excellent service at a more efficient cost. This condition causes the price offered by logistics services to be more competitive and the resulting margins will be smaller. This condition feels like a favorable differentiation for logistic service businesses that implement certain industrial sector services to focus their business on certain channels.

PT XYZ is a joint venture company between PT XYZ and PT RPX, which is a company engaged in the freight forwarding business that was founded in 2004 and based in Mampang, South Jakarta. PT XYZ itself also has branches in Cengkareng and Surabaya. PT XYZ is a company that provides Air Cargo Transportation services, Ocean Cargo Transportation, Import and Export Customs Clearance Business, Air Cargo Bonded Storage and Warehouse Inventory Management and Domestic Freight Transportation. This logistics company is part of XYZ Global Logistics - Japan. The increasing number of freight forwarder service companies in Indonesia which are supported by qualified and integrated technology and supported by a large number of human resources is a big challenge for PT XYZ. Considering that PT XYZ still uses a manual system that has not yet been integrated, this is a benchmark for PT XYZ to carry out internal and external reinforcement to maintain its quality and existence in this business. Some strengthening steps that can be taken include training and hiring competent logistical professional HR by conducting ongoing training and minimizing the level of turnover of employees over the tight competition in this industry where the problem faced by domestic logistics industry players is quality HR is still lagging behind other ASEAN countries. One way that can be done to maintain existence and win the competition in the logistics services industry in the digitalization era is to find a competitive advantage through HR compared to other logistics service providers through analyzing the company's internal and external conditions. With PT XYZ's position globally down to 36th in 2018 from 25th in 2017, PT XYZ must improve its quality and service to consumers to achieve a better position in the future.

From the description above, the writer wants to formulate an appropriate marketing strategy formulation by considering the competitive advantage of the company, by previously trying to determine the condition of the company's internal environment and the external logistics environment.

This study aims to identify the factors that influence PT XYZ in developing its business to the potential that might be developed, analyze the strategic factors that affect the internal and external environment of PT XYZ in developing its business and formulate and determine what priority strategies can be applied by PT XYZ in developing its business. The scope of this research is referring to the Map of Logistics Company Services in Indonesia, quoted from SWA Magazine Research (2012), the distribution of logistics service categories offered is a special thing that needs to be considered in the framework of this research. The logistical service categories listed are Shipping, Integrated, Special Logistics, Freight Forwarders, Airline Cargo, Warehouse Management, Courier, and Project Logistics. The division of service categories offered is important in the formulation of strategies that will be compared with other providers. The main focus of PT XYZ is consumers from Japan. The resulting strategy is addressed to PT XYZ and its implementation is left to the company.

II. LITERATURE REVIEW

This research is intended to formulate an appropriate strategy for PT XYZ. The steps taken are the process of identifying internal and external factors from the development of the freight forwarding logistics service industry in Indonesia. Identification of the external and internal environment includes analysis and diagnosis of the environment so that the formulation of a strategy can know the strengths and weaknesses as well as opportunities and threats from the development of the freight forwarder logistics service industry in Indonesia. The steps taken in the data analysis are: 1) IFE (Internal factor Evaluation) and EFE (External Factor Evaluation) analysis, which are used to identify influential environmental factors. The factors presented in the EFE matrix are the essence of the

description of the macro external environment, while the factors presented in the IFE matrix are the essence of internal strategic factors that are described generally based on a functional approach: 2) SWOT (Strength-Weaknesses Opportunities-Threats). The next stage is the integration stage, which is the stage of developing alternative strategies through matching between external factors (Threats and Opportunities) and Internal factors (Strengths and Weaknesses); 3) After successfully developing an alternative strategy, evaluation and determination of the priority of the strategy that best fits the company's internal conditions and environmental situations use the QSPM (Quantitative Strategies Planning Matrix) matrix.

Here is a diagram of the framework.

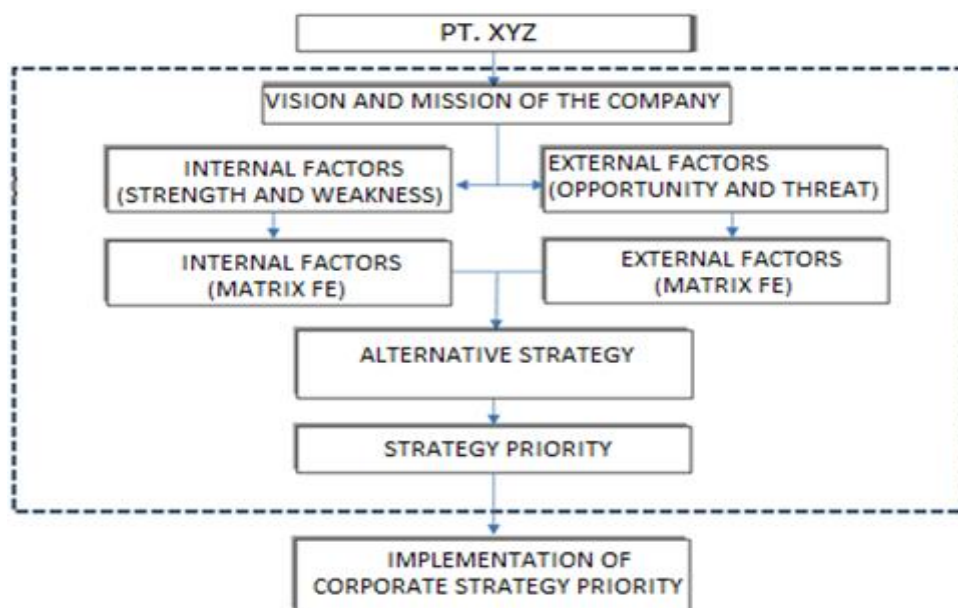


Fig 1

III. RESEARCH METHOD

Sources of data in this study consisted of primary data and secondary data. Primary data obtained from filling out the questionnaire and assisted from the results of the interview (in-depth interview). While secondary data from this research is in the form of literature studies such as books, journals, and documents related to the study material. The sampling technique is done by non-probability sampling and the respondent is determined by purposive sampling. This is done with the consideration that the selected respondents have the relevant knowledge, abilities, experience, and understanding in their fields, such as managers, senior managers and general managers in PT XYZ, with a total of 5 informants consisting of 1 (one person) General Manager, 1 (one person) Branch Manager, and 3 (three persons) Managers. This technique is done by selecting samples because they are at the right time, situation and place (Prasetyo and Jannah, 2005). The research method uses descriptive qualitative analysis in the form of case studies at PT XYZ which aims to identify internal and external factors to formulate an alternative

strategy of PT XYZ. Descriptive analysis is done by direct observation, interviews (in-depth interviews) and literature studies.

IV. DISCUSSION AND RESULTS

A. Internal Environmental Analysis

The main strength of PT XYZ is supported by a large holding company group with a weight of 0.222. The second strength is having agreements with major customers for long-term delivery contracts with a weight of 0.200. The main weakness of PT XYZ is the number and capability of its human resources are still very limited and the system is still done manually with a weight of 0.126. The second weakness, the existence of a dual-position held by a manager and employee with a weight of 0.133. The third weakness, the organizational structure is still not well ordered with a weight of 0.259 and the fourth weakness is the company is less aggressive in finding new customers because at present the company only focuses on one Japanese customer with a weight of 0.160. For more complete IFE score results, see Table 1.

STRENGTH	WEIGHT	RATING	SCORE
Supported by a large holding company (S1)	0,222	4	0,886845512
Have a delivery contract agreement with the main customer for a long period of time (S2)	0,200	4	0,799787689
TOTAL SCORE OF STRENGTH		1,6866332	
WEAKNESS	WEIGHT	RATING	SCORE
The number and capability of human resources owned is still very limited and the system is still done manually	0,126	1	0,126006282
There is a dual position held by a General Manager (Air and Sea)	0,133	1	0,185934332
The organizational structure is still not well ordered	0,159	1	0,191233706
The company is less aggressive in finding new customers, because the company currently only focuses on Japanese customers	0,160	1	0,160163759
TOTAL SCORE OF WEAKNESS		0,6633381	
TOTAL SCORE OF INTERNAL FACTOR		2,3499713	

Table 1:- Weight and rating of internal factor evaluation

B. External Environmental Analysis

Based on the results of the evaluation of external factors (EFE) conducted, the EFE value of PT XYZ is 3.10. according to David (2006), if the EFE score obtained is more than 2.5, it means that the company or organization responds to various opportunities and threats, carried out with high response, the main opportunity from the formulation of PT XYZ's business strategy is that Indonesia is geographically an archipelagic country with two one-third of the sea area is bigger than land with a weight of 0.159, the biggest threat factor of the formulation of PT XYZ's business strategy is the relatively high corruption in Indonesia with a weight of 0.158. More complete EFE score results can be seen in Table 2.

OPPORTUNITY	WEIGHT	RATING	SCORE
Expected market growth (prospects for an increase in import and export flows through sea and air transportation)	0,175	3	0,560665159
One of the government's missions is to develop sea tolls for the development of the country's economy	0,168	3	0,538035425
Indonesia is geographically an island nation with two-thirds of the ocean area larger than the mainland	0,159	3	0,444116497
TOTAL SCORE OF OPPORTUNITIES		1,5428171	
THREAT	WEIGHT	RATING	SCORE
Substitution of leadership can affect policies and strategies that have been running before	0,195	3	0,585114825
Fluctuating rupiah exchange rate	0,145	3	0,405877991
Corruption is still relatively high in Indonesia	0,158	4	0,568973997
TOTAL SCORE OF THREATS		1,5599668	
TOTAL SCORE OF EXTERNAL FACTORS		3,1027839	

Table 2:- Weight and evaluation ratings of external factors

C. Company Position and Strategy Options

The IFE and EFE matrices that already have complete weight scores are put together in the form of an IE matrix to show the position of PT XYZ in the forwarding logistics industry. Determining the IE matrix is done by looking at the location of scores in quadrants in the internal and external matrices. Based on the value of IFE and EFE the position of PT XYZ is in quadrant II with an IE matrix score (2.349; 3.102). According to David (2009) the position in the quadrant shows that PT XYZ's business strategy based on internal and external factors is to carry out a growth strategy and develop IE matrix on PT XYZ's business strategy, more clearly can be seen in Table 3 where PT XYZ is in the area position with the symbol "O".

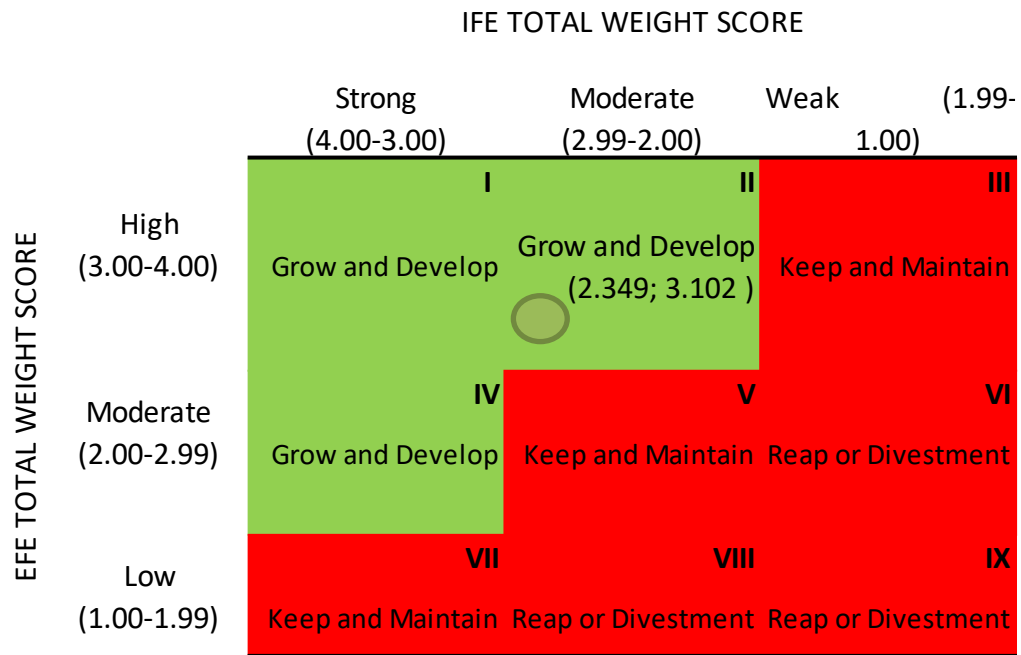


Table 3:- Position of PT. XYZ in the freight forwarding services industry

The IE matrix is based on two key dimensions: the total IFE weight score on the x axis and the total EFE weight score on the y axis. The total weight scores obtained from these divisions allow for the compilation of an IE Matrix at the company level. On the x axis of the IE Matrix, a total IFE weight score of 1.0 to 1.99 indicates a weak internal position; a total IFE weighting score of 2.0 to 2.99 is considered moderate, and a score of 3.0 to 4.0 is strong. Similarly, on the y axis, a total EFE weight score of 1.0 to 1.99 is considered low; a score of 2.0 to 2.99 is considered moderate, and a score of 3.0 to 4.0 is high.

The IE matrix can be divided into three broad sections that have different strategic implications. First, the provisions for the divisions included in cells I, II, or IV can be described as growing and build. An intensive strategy (market penetration market development, and product development) or integrative (backward integration, forward integration, and horizontal integration) can be the most appropriate for these divisions. Secondly, the divisions in cells III, V, VII can be handled well through a hold and maintain strategy; Market penetration and product development are the two strategies most widely used in this type of division. Third, the general provisions for divisions included in cells VI, VIII, or IX are harvest or divest. Successful organizations can reach business portfolios that are in or around cell I in the IE matrix.

With PT XYZ's position in cells I and II, the strategies that can be carried out are market penetration, market development and product development in the intensive strategy category, then forward integration, backward integration and horizontal integration in the integrative strategy category. The strategies that can be carried out by PT XYZ for the intensive category include: (1) Penetrating the market by creating a Sales Campaign Console Product

for shipping air via export to Japan at a premium price. This strategy is considered effective to attract curiosity and increase the desire of customers to deliver their goods with PT XYZ at a premium or flat price from Minimum to 1000kg; (2) Develop market by opening branches in Semarang, Balikpapan, and Bali as planned. The opening of branch offices in major cities in Indonesia is adjusted to the demands and opportunities of the head office in Japan and domestic demand in Indonesia. Considering that Indonesia is an archipelagic country with many ports, opening new branches is considered effective in meeting customer needs and facilitating the flow of shipping and supervision services to the performance of each branch; (3) Developing products by starting to focus on adding services offered to customers. For example, domestic shipping via air and sea, domestic trucking needs between islands in Indonesia, warehouse services, hand-carry shipping, packing services and so on. If PT XYZ can focus also on some of the product development above, then all customer needs can be accommodated by PT XYZ itself without having to use vendors or services from third parties; (4) Carrying out the backward integration strategy by increasing the human resources and truck fleet itself so that the company can control all its business activities and without using services or facilities from vendors or outside parties. So companies can reduce costs and control prices in full and get the maximum margin or profit; (5) Carry out future integration strategies by using the services of Customs Services Arrangement on behalf of PT XYZ. If the XYZ Customs Services Arrangement have been undertaken by PT XYZ itself, PT XYZ does not need to pay vendors or services from third parties. Considering that the Customs Services Arrangement which covers PEB PIB, handling and trucking services will be expensive if they are still carried out by vendors and not on the services of PT XYZ itself; (6) Carry out a horizontal strategy by merging with local companies

that have a strong position such as PT RPX in Indonesia and can certify employees under management needs for Customs Services Arrangement.

D. Alternative Strategies

Determining alternative strategies to improve the competitiveness of PT XYZ is done using SWOT analysis, the SWOT matrix uses organizational strengths to take

advantage of opportunities and overcome threats and reduce weaknesses with opportunities and threats. According to David (2009), the SWOT matrix is a suitable tool to match these important factors by formulating several types of strategies, namely SO (Strength-Opportunities), WO (Weakness-Opportunities), ST (Strength-Threats), and WT (Weaknesses-Threats). for more details can be seen in Table 4.

		Strength (S) :		Weakness (W) :	
Internal Analysis		1 Supported by a large holding company (S1)		1 The number and capability of human resources owned is still very limited and the system is still done manually (W1)	
		2 Have a delivery contract agreement with the main customer for a long period of time (S2)		2 There is a dual position held by a General Manager (Air and Sea) (W2)	
Eksternal Analysis				3 The organizational structure is still not well ordered (W3)	
				4 The company is less aggressive in finding new customers, because the company currently only focuses on Japanese customers (W4)	
		Opportunity (O) :		Strategy S-O	
Eksternal Analysis		1 Expected market growth (prospects for an increase in import and export flows through sea and air transportation) (O1)	1 Collaborate with the government in preparing a special fleet for domestic transportation to support the national logistics and forwarding industry (S1, S24, O1, O2, O3)	Strategy W-O	
		2 One of the government's missions is to develop sea tolls for the development			
		3 Indonesia is geographically an island nation with two-thirds of the ocean area larger than the mainland (O3)		Strategy W-T	
		Threat (T) :		Strategy S-T	
Eksternal Analysis		1 The possibility of changing the leadership of the country can affect policies and strategies that are already running (T1)	1 Establishing agreements with relevant parties to eradicate corruption, collusion and nepotism (S1, S2, T3)	Strategy W-T	
		2 Fluctuating rupiah exchange rate (T2)			
		3 Corruption is still relatively high in Indonesia (T3)			

Table 4:- Results of the SWOT Matrix analysis

E. Strategy Priority

Determining strategic priority is carried out using the QSPM (Quantitative Strategic Planning Matrix) method. QSPM is one of the methods commonly used in determining the priority order of strategies, which aims to evaluate the alternative strategies that are most likely to be implemented first. Through QSPM analysis, alternative strategies obtained through the SWOT analysis are determined in order of priority based on the level of relevance to the internal and external environment of PT XYZ so that alternative strategies can be carried out based on the priority level of their importance. Table 5 shows the results of calculations from QSPM so that the resulting business strategy priorities of PT XYZ.

	Alternative Strategies	TAS	PRIORITY ORDER
1	Collaborating with trusted vendors, prepare a special fleet for domestic transportation to support the national logistics and forwarding industry	7,341	4
2	Collaborating with other parties outside Japanese companies	7,405	3
3	Capacity building on logistics industry development, especially forwarding to staff and improving manual processes into automation	7,659	1
4	Establishing agreements with related parties to eradicate corruption, collusion and nepotism as well as bribery practices.	7,240	5
5	Build a good work mechanism in accordance with organizational structure so that it can improve work efficiency	7,511	2

Table 5:- Results of QSPM calculations

In giving priority order here does not mean that one of the five strategies is not implemented, but the strategy is carried out in order of priority. The main priority of the alternative strategy is capacity building on the development of the logistics industry especially forwarding to staff and making process improvements with a TAS (Total Attractive Score) of 7.659. employee capability development is one of the factors that need to be developed because without adequate employee capability, of course, the company will find it difficult to compete with other national forwarding companies and the company will find it difficult to carry out strategic planning if it is not supported by adequate human resources. The second strategic priority is to build a good working mechanism following the organizational structure so that it can improve work efficiency. While cooperation/contracts with new customers outside of Japanese companies is the third priority. The fourth strategic priority is with trusted vendors preparing special fleets for domestic transportation to support the national logistics and forwarding industry. And the fifth strategic priority is PT XYZ in collaboration with relevant agencies through a mutual agreement not to give extortion money to authorized officials. With an intense form of cooperation in each related agency not to provide gratuities or extortion in the form of money or anything to every authorized officer at the port will create good conditions for every investor who will come into the logistics industry, especially forwarding, so the national logistics industry will be more developed in the future.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

PT XYZ's internal and external environmental evaluation results show that PT XYZ has strengths and opportunities that can overcome the deficiencies and threats they face. Based on the results of internal analysis (IFE) it can be seen that internal factors that play a major role in PT XYZ are supported by a large holding company group. While the main weakness of PT XYZ is that the company is less aggressive in finding new customers because the company currently only focuses on one Japanese customer. Based on the results of an external analysis (EFE) carried out, it can be seen that the main opportunity owned by PT XYZ is that Indonesia is geographically an archipelagic country with two-thirds of the sea area larger than the mainland. While the main threat to PT XYZ is the relatively high level of corruption in Indonesia. Based on the results of the IFE and EFE analysis the position of PT XYZ is in quadrant II. This position shows that PT XYZ's corporate strategy in the formulation of a business strategy is to carry out a growth and development strategy in the form of market penetration, market development, product development or forward or backward integration.

In obtaining alternative strategies, a SWOT analysis is carried out, wherein the SWOT analysis, five alternative strategies can be carried out by PT XYZ in the formulation of the company's business strategy, namely: (1) Collaborating with trusted vendors in preparing a special fleet for domestic transportation to support the logistics industry and national forwarding; (2) Cooperating with other parties outside Japanese companies; (3) Capacity building on developing the national logistics industry to

staff and improving processes; (4) Establishing agreements with related parties to eradicate corruption, collusion, and nepotism; (5) Building a good working mechanism following the organizational structure so that it can improve work efficiency; (6) The main strategic priority is capacity building on the development of the logistics industry, especially forwarding to staff and making process improvements with a TAS (Total Attractive Score) of 7.659.

B. Suggestions

PT XYZ is a Japanese forwarding company that has the potential to be developed into a successful national and international logistics company, but the development of the national and international logistics industry often experiences rapid changes and intense market competition that requires the full attention and commitment of all company management both the management of PT XYZ and also from the head company group management for every strategic planning that has been designed.

The results of this study are expected to be an input for PT XYZ in finding alternative company strategies that can be developed into corporate planning in the future so that PT XYZ which is a subsidiary does not only depend on the holding company alone but becomes an independent national forwarding logistics company and can become more developed.

Related to suggestions that can be given to PT XYZ based on the results of the QSPM table calculation, it can be elaborated according to the order of priority level of strategies that can be carried out as follows: (1) PT XYZ can increase the capacity and skills of employees regarding the logistics industry especially in the field of forwarding with how to conduct periodic internal and external training directly in the field so that employees can understand the actual processes that occur and apply to the company's performance processes. Related to process improvement, PT XYZ can make improvements in the internal process by holding a process of alignment repeatedly and conducting an internal rolling process so that all employees can increase their abilities, knowledge, and skills gradually and comprehensively. Process improvements externally can be done by PT XYZ by working with External Independent Auditors such as Ernst and Young for the Accounting and SGS Indonesia division to measure and find out how well and not well the performance processes at PT XYZ; (2) PT XYZ can build a good working mechanism following the organizational structure so that the creation of work efficiency by distributing job descriptions with clearer limits and agreed upon by all employees. Multiple positions can be removed so that instructions can't cause failure in achieving the SOPs that have been set. A good work mechanism can also be created by hiring the right employees according to the background of experience and qualified education so that every job can be done well and optimally; (3) PT XYZ can cooperate with other parties outside Japanese companies by conducting trade cooperation for shipments to more European, African and Australian countries to create profits for company revenues.

Cooperation can be done by more often applying more Sales Lead to Countries outside of Japan so that revenue is not focused on intra-Asian countries alone but business cooperation can also be created with other countries; (4) PT XYZ can collaborate with trusted vendors to prepare a special fleet for domestic transportation to support the national logistics and forwarding industry; (5) PT XYZ can establish agreements with related parties in the context of eradicating Corruption, Collusion and Nepotism by conducting periodic audits to avoid employees from receiving funds from companies outside of PT XYZ outside of company knowledge. Considering that the service industry carried out by PT XYZ is very closely related to the Customs Agency and the Investment Coordinating Board (BKPM), for any cooperation contract between PT XYZ and the vendor can be done openly and linking the internal Legal parties.

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