

Swot Strategy For (Business Process) Handling Claim Irregularity In Warehouse

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Abstract: Consignee receive cargo from shipper through services from warehouses. Some irregularities are occurred during cargo handling in warehouse. This research's aim to find the best alternative operational strategy in overcoming either to eliminate or minimize the claim irregularity and improve cargo handling in warehouse. SWOT analysis Methodology was applied to analyze the Strength, Weaknesses, Opportunity, and Threats. This research use literature review and secondary data of irregularities at PT Aerojasa in 2021. The result shows each score of the highest weight of strength is 0,74, for weakness is 0,58, for Threat is 0,74 while for Opportunity is 0,75. Those result positioned the Aerojasa on aggressive strategy quadrant at Space Matrix. The average score on IFE Matrix is 4,3 and of EFE Matrix is 4,16, those intersection show the vertical integration Operation or service strategy on Internal External Matrix.

Keywords : claim irregularities, warehouse, swot strategy

Abstrak: Consignee menerima kargo dari pengirim melalui layanan dari gudang. Beberapa kejanggalan terjadi selama penanganan kargo di gudang. Penelitian ini bertujuan untuk menemukan alternatif strategi operasional terbaik dalam mengatasi baik untuk menghilangkan atau meminimalkan penyimpangan klaim dan meningkatkan penanganan kargo di gudang. Metodologi analisis SWOT diterapkan untuk menganalisis Kekuatan, Kelemahan, Peluang, dan Ancaman. Penelitian ini menggunakan kajian literatur dan data sekunder penyimpangan di PT Aerojasa pada tahun 2021. Hasil menunjukkan masing-masing skor bobot kekuatan tertinggi adalah 0,74, untuk kelemahan 0,58, untuk Ancaman 0,74 sedangkan untuk Peluang adalah 0,75. Hasil tersebut menempatkan Aerojasa pada kuadran strategi agresif di Space Matrix. Skor rata-rata pada Matriks IFE adalah 4,3 dan Matriks EFE adalah 4,16, ketiga ruas tersebut menunjukkan strategi operasi atau layanan integrasi vertikal pada Matriks Internal Eksternal.

Kata Kunci :Penyimpangan Klaim, Gudang, Strategi SWOT

1. Introduction

“Aero Express” is a brand of PT. Aerojasa Cargo as one of the company belongs to Aerowisata Group, working on transportation, tourism, hotels, logistics and food services; all the shares are subjected to PT. Garuda Indonesia.

PT. Aerojasa Cargo is established in 2005, As in the beginning, the company focuses on air cargo for internal services of PT. Garuda Indonesia Group.

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In accordance to long term programs of PT. Garuda Indonesia to widen the services of PT. Aerojasa Cargo using “Aero Express” as a brand to serve not only as internal utilities but also markets general.

The development of cargo business in the logistic service sector in Indonesia is increasing in complexity, competition, change and business uncertainty. This situation creates intense competition between cargo handling companies, both because of increasing competitors, service users are increasing and rapidly technological development. Seeing from these conditions, the company needs a strategy so that can survive and win the competition. One of the main problem is the Cargo irregularities as obstacles that sometimes occur can be caused by internal and external factors. Internal factors include human resources, corporate image, services, facilities, methods, namely controlling less than optimal packaging, the process of unloading storage. External factors can include community needs, prices, consumer loyalty, among others, emerging competitors, weather, price competitiveness, high taxes, build up errors from the origin airport, layout errors on the plane, other causes (Achir et al., 2022). Many organizations carry out SWOT analysis at a strategic planning stage, try to identify and examine the existing resources, both internally and externally, investigating their trends and patterns that may have either positive or negative impacts to businesses. In the digital era, many changes occur in the business strategies including or negative impacts (Namugenyi et al., 2019).

2. Method

Mixed Method Research is a research method that is applied when researchers have questions that need to be tested in terms of outcomes and processes, and involve a combination of quantitative and qualitative methods in one study. Because it focuses on outcomes and processes, the MMR design is commonly used in program evaluation research. But now, MMR has often been used for social sciences, such as: counseling, social psychology, management, and behavior organization (Masrizal, 2021).

“SWOT Analysis is a simple but powerful tool for sizing up an organization’s resource capabilities and deficiencies, its market opportunities, and the external threats to its future” (Thompson et al., 2007: 97).

Strength at organizational level involves properties and abilities by which an organization gains an advantage over other organizations and competitor organizations that are revealed as a result of the analysis of its internal environment. In other words, organizational strength defines the characteristics and situations in which an organization is more effective and efficient compared to their competitors. An organization can be described as strong, equal or weak compared to their competitors based on five criterias: Relative market situation, relative financial structure, relative production and technical capacity, relative research and development potential, relative human capacity and management effectiveness (Dinçer, 2007: 145).

“A weakness is something an organization lacks or does poorly -in comparison to others- or a condition that puts it at a disadvantage” (Thompson and Strickland, 1989: 109). In this context “a weakness is a limitation or deficiency in resource, skills, and capabilities that seriously impedes an organization’s effective performance. Facilities, financial resources, management capabilities, marketing skills, and brand image can be sources of weaknesses” (Pearce and Robinson, 1991: 182).

For organizational managements, an opportunity is the convenient time or situation that the environment presents to the organization to achieve its goals. Opportunities are those that would yield positive results for the organization determined as a result of the analysis of its environment. Competition and the intense work presents organizations big opportunities. In fact “opportunities are conditions in the external environment that allow an organization to take advantage of organizational strengths, overcome organizational weaknesses or neutralize environmental threats” (Harrison and St. John, 2004: 164).

For organizational managements, a threat is the element that makes it difficult or impossible to reach the organizational goals. Threats are the situations that come out as a result of the changes in the distant or the immediate environment that would prevent the organization from maintaining its existence or lose its superiority in competition, and that are not favourable for the organization (Ülgen and Mirze, 2010: 161).

3. Discussion and Result

Our secondary data below is quantitative record of cargo irregularity upon delivery taken from PT Aerojasa for one semester , consist of last quarter of year 2021 and first quarter of year 2022. Data Warehouse is a collection of data that is subject oriented, integrated, non-volatile, and as time variance to support management decision making. The data warehouse (in various forms) represents a central database for the entire company to store and access historical data and its existence is separate from the operational system (Efendi & Krisanty, 2020) .

Table 1. Irregularity Report last quarter of PT Aerojasa 2021

No	Month	<i>Type of Irregularity</i>				Total
		<i>Missing Cargo</i>	<i>Damage Cargo</i>	<i>Found Cargo</i>	<i>Overload Cargo</i>	
1	October	14	38	84	2	138
2	November	6	20	95	29	150
3	December	131	19	66	85	301
Total		151	77	245	116	589
Average/Month		50,3	25,7	81,7	38,7	196,3

Table 2. Irregularity report First quarter of PT Aerojasa 2022

No	Month	Type of Irregularity				Total
		Missing Cargo	Damage Cargo	Found Cargo	Overload Cargo	
1	January	3	69	29	29	130
2	February	9	59	31	4	103
3	March	15	74	60	7	156
Total		27	202	120	40	389
Average/Month		9	67,3	40	13,3	129,7

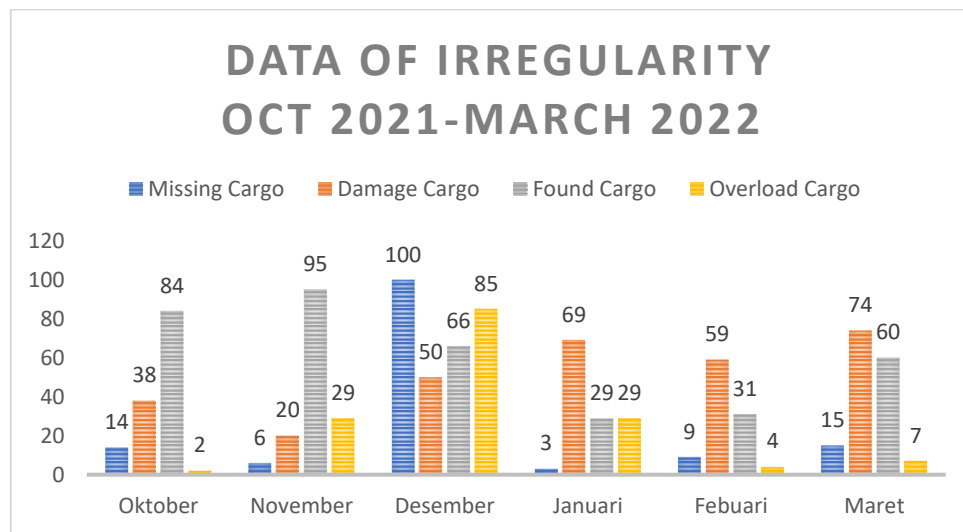


Figure 1. Irregularity Graph data from October 2021 (Last quarter) till March 2022 (1st quarter).

This data figure describe, trend of irregularities cargo, there four types of irregularity cargo. Trend of irregularity seemed increase or shown the dynamics pattern,

warehousing system is like a human heart in a body, which collects raw and other materials, finished products, and/or goods from different sources, and distributes them to different destinations where there is a demand for them. Accordingly, it can be stated that the “delivery service” starts in the warehouse. According to the literature, when warehouse productivity decreases, negative effects are felt within the entire logistics network (Popović et al., 2022). Appropriate methods and tools to follow the various steps in the explained process has been determined. Identification, analysis and evaluation of internal and external key factors will be achieved with the help of a SWOT analysis. The segmentation, targeting and positioning (STP) model will help target the strategy planning, utilization of resources and action planning (Flognman et al., 2021).

SWOT strategy Analysis

From the previous study analysis related to strength and weakness of the airfreight cargo company in Jakarta, we got internal key factor analysis such as strength and weakness as well as the selected indicator of the airfreight cargo company, while for the external key factor analysis such as threat and opportunity, we got from observing the global condition related to warehousing and airfreight activity in Indonesia.

Table 3. Indicators and calculation of SWOT in PT Aerojasa

List of 4 factor and 14 indicator an swot analysis	Bobot	Rating	Skor Bobot
Strength			
1. GS's ability to control emotions by being calm and patient in handling problems with goods that have irregularities	0,15	5	0,73
2. Cleanliness and reliability of forklifts/handpallets/carts that transport goods that are also equipped with safety devices and carry out KIR as well as routine service instructions	0,14	4	0,57
3. Adequacy and clarity of security instructions (marking) or sign boards or placards, relating to the handling of storage and receipt of goods in the warehouse and delivery area	0,15	5	0,74
Weakness			
4. Unprepared Gateway staff (GS) in helping with irregular cargo complaints	0,15	4	0,58
5. GS's ability to provide information regarding services for irregularity cargo	0,14	4	0,56
6. 6.Guarantee the condition of cargo that is damaged when transported by forklift/handpallet equipment when handled when it will be removed from the warehouse to the delivery area	0,13	4	0,54
7. Aerojasa provides a guarantee of compensation in the event of damage to the irregularity cargo that is handed over while it is stored in the warehouse in accordance with the applicable terms and conditions.	0,14	4	0,57
Total IFA			4,30
Threat			
8. Increase in claim compensation value per kg set by IATA	0,13	3	0,40
9. There is competition for services by other warehousing	0,15	5	0,74

10. The amount of cargo that will be handled after the pandemic	0,14	4	0,55
Opportunity			
11. International regulations have issued a reference for handling claims	0,15	4	0,58
12. A network of loyal customers who believe in cargo handling	0,15	5	0,75
13. There is still a need for better domestic and international cargo handling	0,14	4	0,56
14. There are still very few customers who understand good claim procedures	0,14	4	0,58
Total EFE			4,16

So the Result of our analysis has been reflected into several figure and table below

1. Space Matrix Analysis/ Grand Strategy Matrix

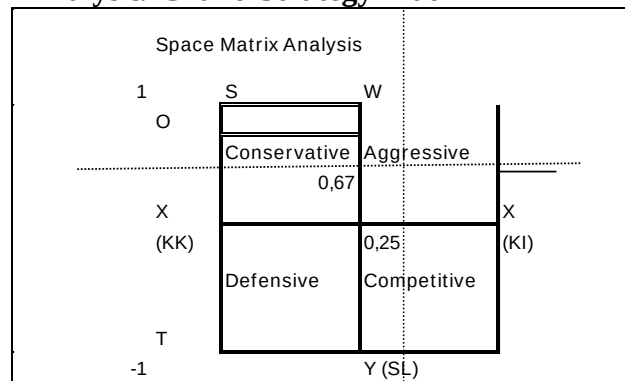


Figure 2. Matrix Space analysis of airfreight cargo in handling Claim

From the figure above and our calculation, shown that Airfreight cargo is recommended to have aggressive strategy, because the result of calculation between KU (Strenght indicator)= 4,66 add with SL (Environment stability) as a Threat = (- 4) , so will be equal with 0,67 and will be represent of Y axis. While KK (competitive advantage) to use the weakness indicator as anticipation in internal factor = (- 4) add with KI (industry strength) as the opportunity indicator on external factor is 4,25 so will be equal with 0,25 and will be represent of X axis. The final result of the intersection between Y and X axis is shown on the figure will be positioned on 1st Quadrant and the meaning when the number on this quadrant, so the company should have vertical integration or do aggressiveness in handling the claim.

2. Internal and External Matrix Analysis

Then we do further analysis by using Internal and external Matrix, as shown on figure 2

2. *Matrix Internal - external* (GE)
Industry attractiveness

EFE score		Eks			
		Int			
5			strong (3.3-5) 4,164	Average (1.7-3.2)	Weak (1-1.6)
3.2	High (3.3-5) 4,3		Growth 1 vertikal inte gration concentration	Growth 2 horizontal integration.	Retrenchment 3 Turn around
	Medium (1.7-3.3)		Stability 4 Selective growth	Growth 5 horizontal integraty/stabil	Retrenchment 6 divestment
1.6	Low (1-1.6)		Growth 7 Consentric diversification	Growth 8 conglomerat diversification	Retrechment 9 liquidation
1					

Figure 3. Matrix Internal and External analysis

From the calculation of internal score which got from sum of the strength and weakness score , the strength score =2,05 and weakness score = 2,25 , so the total score is **4,30** and will be positioned on the first **high** quadrant woth range 3.3 – 5 , while the external score got from sum of the opportunity and threat score, the Threat score = 1,7 and opportunity score = 2,46 , so the total score of external factor is **4,16** will be positioned on the first Strong quadrant , so the intersection between internal and external will be on the Growth 11 vertical integration and concentration strategy for airfreight cargo to focus in improving claim handling service.

Table 4. IFAS and EFAS diagram/ SWOT Matrix

IFAS	Strenght (S)	Weakness (W)
	- Gateway Staff's (GS) ability to control emotions by being calm and patient in serving problems with goods that have irregularities -Cleanliness and reliability of forklifts/hand-pallets/cargos that are also equipped with safety devices and carry out periodically transportation examination as well as routine service instructions - Adequacy and clarity of security instructions	-Unprepared Gateway staff in assisting the problem of irregular cargo complaints -The ability of Gateway Staff in providing information regarding services for irregularity cargo - Guarantee the condition of cargo that is damaged when transported by forklift/hand-pallet equipment when handling or removing the package from the warehouse to the delivery area -Aerojasa provides a guarantee of compensation in the event of
EFAS		

	(marking) or sign boards or placards, relating to the handling of storage and receipt of goods in the warehouse and delivery area	damage to the irregularity cargo that is handed over while it is stored in the warehouse in accordance with the applicable terms and conditions
Opportunities (O) -International regulations have issued a reference for handling claims -A network of loyal customers who still trust in cargo handling - There is still a need for better domestic and international cargo handling -There are still very few customers who understand good claim procedures	SO Strategy - by having Good emotion control of GS can explain the process of claim handling to customers, and Due to the cleanliness and reliability of forklifts / Hand-pallets / freight transport carts which are also equipped with safety devices and carried out periodically transportation examination , this may maintain the networks of customers who still loyal and trust in cargo handling of PT Aerojasa	WO Strategy Not having well preparation as well as the ability in providing standard information by GS in assisting the problem solving of claim handling, Then having less guarantee of good condition cargo during handling, also the compensation still not standardized based on International standard can be overcome by Proper training of IATA Basic cargo regulation, especially on standard procedure and claim handling matter
Threats (S) -Increase in claim compensation value per kg set by IATA -There is competition for services by other warehousing -The hugh amount of cargo that will be handled after the pandemic	ST Strategy By having Gateway Staff who can control emotions such as calm and patient during cargo irregularities, this may advantage PT Aerojasa to improve customer services when have competition with other freight company, while the good condition of equipment can be used to handle hugh amount of cargo after pandemic Covid-19	WT Strategy Because Aerojasa still lack in having guarantee of compensating the claim cargo, aerojasa management can refer also to increase the claim compensation value based on IATA standard if they facing big amount of claim declared by customer .

SWOT Matrix Analysis for SO . Strategy

To see the power or strength used to take advantage of the opportunities that the Gateway Staff of Aerojasa has which can form a operational strategy in the company by improve quality services in processing the claim handling from customers therefore will raise the understanding of customers in good and better claim handling procedure, beside that the strength due to the cleanliness and realibility of Operational equipment ,

such as forklift, tractor, hand pallet that has been examined properly and periodically will maintain the loyalty and trust of customer to keep using Aerojasa Freight's services, and of course those strength prove that there is still a big need of better domestic and international cargo handling in the future, especially related to the claim handling service.

SWOT Matrix Analysis for WO . Strategy

From the weaknesses and opportunities owned by PT Aerojasa, so the strategy that can be drawn up to minimize existing weaknesses so that the company can take advantage of opportunities and determine operational strategies by proper training of international standard , starting to standardize procedure and and improving employee soft skills to improve service quality

SWOT Matrix Analysis for ST . Strategy

Judging from the strength and threat of PT Aerojasa use his power or strength to overcome threats of claim handling that can come at any time, namely by providing well services equipment and good staff performance for handling costumers, increasing service quality by having good relationships with consumers and business partners and provide convenience in conducting the professional claim handling service with good attitude and better equipment.

SWOT Matrix Analysis for WT Strategi Strategy

Weaknesses and threats that exist in PT Aerojasa can be minimized internal weaknesses to avoid external threats, namely utilizing IATA Standard claim handling service as an innovative and attractive promotional media, improving claim management to support services, improve employee knowledge and timeliness in carrying out claim handling

4. Conclusion

Based on the results of calculations using the SWOT approach, it can be concluded that the position of PT Aerojasa is in the position that will be very profitable for the company to carry out an aggressive/growth strategy. Then the results of the IFE internal factor and EFE external factor obtained the value of strength and opportunities (SO) of (2,05 and 2,46), strengths and treats (ST) of (2,05 and 1,7), weaknesses and opportunities (WO) of (2,25 and 2,46) and weakness and treat (WT) of (2,25 and 1,7) or the score of internal strategy has 4,3 and score of external strategy has 4,16 state that the strategy is on Vertical integration concentration and should be aggressive in improving the service. PT Aerojasa, later on should provides services by well trained staff in handling claim and also have standard compensation fees in accordance with IATA and local standards that apply to maintain loyalty of customers and increase and increase cooperation with online business-based partners. After conducting the analysis, the author still feels that there are many shortcomings in conducting this research so suggestions for further research to examine these SWOT strategy in the operational strategies that have been analyzed in this research.

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