

BUSINESS STRATEGY OF PT MONANG SIANIPAR ABADI (MSA) CARGO SOEKARNO HATTA CENGKARENG IN 2015

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ABSTRACT

PT Monang Sianipar Abadi (MSA) Cargo is freight forwarding company that serve in shipping goods domestically and internationally, customs clearance and imported warehouse sales or warehousing. MSA Cargo has some branches that focus more on import division to increase imported warehouse space. The objective of this study is to find out the exact business strategy of this company by using SWOT analysis method. The result of the study shows that the company strategy is horizontal strategy. This strategy is gained from 2 SWOT matrix methods, which are IE matrix and SPACE matrix whose data are produced from the result of IE evaluation Matrix with the internal factor of (3.01) and the external factor of (2.98) for IE matrix data and for SPACE matrix, the data are gained from IE evaluation matrix balanced total with the horizontal X axis of (0.63) and vertical Y axis of (0.84). Therefore, by using the integration of horizontal strategy, the company will have a big control of the competitor companies.

Keyword: Business Strategy, PT. MSA, SWOT analysis, IE and SPACE Matrix

BACKGROUND

In this globalization era, there is a lot of freight forwarding companies that operate domestically or internationally. The growth of aircraft movement, cargo and air transport service in Indonesia increase rapidly. Besides, there is also an immense elevation in cargo business, whether domestically or internationally, that cause congestion in warehouse line 1.

Having a lot of freight forwarding companies whether foreign or invented national companies, there are more goods come into (import) and out of Indonesian territory (export). Generally, these companies with cargo shipping and import cargo sales have a very tight competition in import warehousing business. Freight forwarder is an intermediary company between the shippers and the consignees.

PT MSA Cargo is one of the big shipping companies in Indonesia serving domestic and international shipment. Besides serving shipment, PT. MSA Cargo also serves related documentations that are needed in shipping process, such as Letter of Credit/ Certificate of Receipt/ Bill of Lading/ Sea Waybill/ Air Waybill/ House Sill of Lading/ Fiata Bill of Lading/ Delivery Order and also serve packing, trucking and custom clearance handling of the goods shipped by PT. MSA Cargo or by other freight forwarder company. PT. MSA Cargo also provide a goods depositing service in warehouse or Short-Term Storage and go through packing to maintenance, and storing process of imported goods in import warehouse of PT. MSA Cargo. Before the goods get into the warehouse in line 2 or imported goods warehouse, the goods are stored in line 1

warehouse such as JAS, GARUDA, GAPURA, UNEX and RPX warehouse. One of the problems that PT. MSA cargo face is the large number of competitors in imported good storage space sales, among others are Shenker, DHL, Yusen, etc. Moreover, the unbalance calculation of the goods that come into and out of the storage often happens because there are only 9 personnel from the operating staff who handle imported good storage space sales. The placement of the imported goods is often disorganized and do not follow the storage system allocated by PT.MSA cargo. The lack of dry ice car armada to deliver cold goods would also add up the cost, because there is additional renting cost.

METHOD

Data analysis method that is used is SWOT analysis. It is one of the company environment analysis model that function to explain the changes of the company, the suitable strategy so that the weakness and the threat can be used to strengthen the opportunity to compete with the foreign companies. SWOT Analysis is identifying factors to formulate company strategy systematically. This analysis based on the logics of maximizing the *Strength* and *Opportunity* and at the same time can minimize *weakness* and *threats*. By using SWOT analysis method, that is to gather external and internal data of the company, will give information about the opportunities and the threat that is faced by the company.

RESULT AND DISCUSSION

A. Business Development Description in Increasing Imported Goods Storage Space of PT. Monang Sianipar Abadi (MSA) Cargo in 2015.

The recent trend of using imported goods by Indonesian people have given a positive impact to companies in imported good storage space sales business. The companies take benefits from the agents who need to store their goods in the warehouse. Therefore, the biggest benefit in PT. Monang Sianipar Abadi is in import division especially in imported good storage space sales or as warehouse rental, usually termed as Short-Term Storage. Before the goods are stored in line 2 warehouses or short-term storage, the goods are placed in line 1 warehouse as in JAS, GARUDA, GAPURA, and others. This imported good storage space sales business does not deal with storage only but also has contracts between agents by PT. Monang Sianipar Abadi (MSA) cargo. The services given by this company is excellent, particularly custom clearance. Since the warehouse of the company is under the supervision of Indonesian Customs, therefore there is a customs clearance process that has to be undergone before the goods are stored in imported goods storage of PT. MSA Cargo.

The writer analyzed the development of imported good storage space sales business of PT. MSA cargo and observed the sales figures of imported good storage space sales every month in 2014. Here, writer had processed the imported good storage space sales data, as follow:

Table 1: Storage Space Sales,

Month	Import Cargo (Koli)
January	33.000
February	27.500
March	26.496
April	24.646
May	21.943
June	34.650
July	37.952
August	34.848
September	33.224
October	31.502
November	44.832
December	39.204
Total	358.268

Source: PT. MSA Cargo, processed by writer

In January to May, the sales went down from 33.000 koli to 21.943 koli. That was 11.057 koli lower. This happened because in certain months, the price of imported goods changed according to currency rate in 2014 due to the presidential election in Indonesia therefore it affected the price of the imported products.

Internal Factor Analysis of PT. Monang Sianipar Abadi (MSA) Cargo

1. Strengths

Strength is a special competency in an organization that affects to the excellence ownership in a company so that it can improve the competitiveness in market. The following are the strength of PT. Monang Sianipar Abadi (MSA) Cargo:

a. Large Warehouse

PT. MSA cargo has large warehouse of 14 different storage allocation systems. From small goods to big ones marked with letter A – N. Not only for general cargo,

dangerous goods are also treated the same. The company provides a warehouse in every branch office. PT. MSA cargo also provide short term storage rental.

- b. Sufficient Operational Fleet
Having sufficient operational fleet smoothen the shipment from line 1 or line 2 storage.
- c. Excellent Customer Service
Warehousing service from this company is remarkable. The company gives a free-of-charge warehousing facilities, hence, there is no additional cost for the customers. PT. MSA cargo also makes the process of storing and issuing goods easier. It is also provide forklift, 1 ton capacity balance, trolley, packing, hand pallet for free.
- d. Numerous Branches
Having numerous branches enables PT. MSA Cargo to

give better service to satisfy the customers.

Table 2. PT. Monang Sianipar Abadi (MSA) Branches

Kantor Cabang	
1. Jakarta	4. Denpasar
- Soewarna	5. Balikpapan
- JPT	6. Medan
- Tanjung priuk	7. Makasar
- Minangkabau	8. Semarang
- Otista raya	9. Solo
2. Bandung	10. Batam
3. Surabaya	

Source : PT. MSA Cargo

e. Weekly Meetings

One of the strategy that the company uses to monitor all issues that occur within a week is by having weekly meetings. By doing so, problems that might happen can be resolved as soon as possible. This also prevents employees from making continuous mistakes.

2. Weakness

Weakness is the shortcomings in internal condition in a company, as a result, this will hurdle company's operations.

a. No Dry Ice Cars

The lack of dry ice cars becomes a weakness of this company. When dry ice car is needed, the company spends extra cost to rent one to fulfill the need. Dry ice cars are needed to ship perishable goods such as vegetables or fruits. Dry ice cars are also needed to ship blood so that the blood will

stay fresh during the shipment.

b. Limited Number of Employees and Poorly Trained Employees

The mutual understanding between the employees and the company is very important because this affects how the management of the company directs the employees. Educational Level : High school 35 person; Vocation Program 7 person, Undergraduate : 22 person.

The lack of operational personnel who handle imported goods storage space sales slowing down the progress of the company. The company has only 20 personnel so far.

c. Miscommunication among employees

Good communication and information exchange is a crucial thing in business activities. It will ensure that the business works as

planned. However, there is still communication problems occur in this company. A poor communication condition among employees may trigger misunderstanding especially those related to working system issues.

- d. Lack of Advertisement in Electronic and Printed Media

There has been less advertising in electronic and printed media to promote import warehouse rental for agents who need short term storage services.

B. External Factors Analysis

External Factors Analysis is an environmental analysis that comes from the outside of a company or an organization. One of the fundamental aspect in a management strategy is the ability of a company to formulate some strategy to take as much benefits from external opportunities and to avoid or to minimize the impact of the external threats.

1. Opportunity

Opportunity is a positive external factor that is able to guide company's activities towards it. The opportunities obtained by PT. MSA Cargo are as follow:

- a. Advanced Cooperation with Other Agents
The increasing number of cooperation with other agents gains more benefits. As a result, more customers use the services offered by the company.
- b. Developing Import Business
Indonesia is a consumptive country. More and more

people or company or organization prefers to use imported goods according to the individual or organizational purpose.

- c. The Vast Advanced of Technology Development
The company has to use a well advanced technology to give sophisticated facility to support its employees' performance. It is also to facilitate the company's employees in giving high-quality service.

- d. The Increasing Trust from the Customers

Given rewarding service, customers will likely be loyal the company. Customers will be satisfied with the service provided by the company. The customers will be delighted by getting better facilities and reasonable price. This is very important to increase the customers' trust.

- e. Economic Growth

Economic growth in global market has a good impact to the business, especially in domestic and international shipping business.

2. Threats

Threats in external factors that can slow down the development of a company. There are some threats that may threaten a company:

- a. Currency Rate Changes

Change in currency rate is a threat for a company since it can force a company to adjust the price that has been agreed before. Otherwise the company will

- be at loss. This creates a tight competition between freight forwarding companies.
- b. **Costly Warehouse Equipment**
The increasing development in Indonesia affects in many aspects including currency rate. The unstable currency rate influence the warehousing equipment price. The costly warehouse equipment also becomes an immense threat to the company.
 - c. **Company Lifestyle**
Different lifestyle which is conducted by different company has also become a threat to a company. If one company gives a lavish lifestyle with sophisticated facilities to its employees, it will make the employees from other company demand to get the same treatment. This is one form of a threat too.
 - d. **Tight Competition among Cargo Company**
The vast development in freight forwarding business has created a tight competition among cargo companies. Every company gives extra facilities to attract the customers, such as fast and safe service, supportive cooperation, worldwide network, big capital, warehousing facilities to handle custom clearance, fast and safe trucking, and also adequate warehousing equipment such as forklift, trolley pallet and scanner. Competitor are DHL, Schenker, Yusen, Nippon Express, KWE.
 - e. **The Migration of customers to Other Companies**
There are some factors that may lead customers' dissatisfaction. Poorly trained personnel usually cannot provide a fast custom clearance service. Unorganized import storage and short term storage in MSA makes it hard to find certain items which are about to be sent. This condition may trigger the migration of customers to other companies that give better service.

Table 3 : IFAS Matrix IE

Internal Factors		Quality	Value	Measured Value
No	Strength			
1	Large Warehouse	0,13	4	0,52
2	Sufficient Operational Fleet	0,11	3	0,33
3	Excellent Customer Service	0,13	4	0,52
4	Numerous Branch Office	0,13	4	0,52
5	Weekly Meetings	0,12	3	0,36
Sub Total Company Strength		0,62		2,25
No	Weakness			
1	No Dry Ice Cars	0,06	2	0,12
2	Poorly Trained Employees	0,09	2	0,18
3	Limited Number of Employees	0,08	2	0,16
4	Miscommunication among employees	0,07	2	0,14
5	Lack of Advertisement in Electronic and Printed Media	0,08	2	0,16
Sub Total Company Weakness		0,38		0,76
Total Internal Score		1,00		3,01

Source: processed writer

Table 4 : EFAS Matrix IE

External Factors		Quality	Value	Measured value
No	Opportunities			
1	Advanced Cooperation with Other Agents	0,11	4	0,44
2	Developing Import Business	0,11	4	0,44
3	The Vast Advanced of Technology Development	0,10	3	0,30
4	The Increasing Trust from the Customers	0,12	4	0,48
5	Economic Growth	0,10	3	0,30
Sub Total Company Opportunity		0,54		1,96
No	Threat			
1	Currency Rate Changes	0,11	2	0,22
2	Costly Warehouse Equipment	0,07	2	0,14
3	Company Lifestyle	0,07	2	0,14
4	Tight Competition among Cargo Company	0,10	3	0,30
5	The Migration of customers to Other Companies	0,11	2	0,22
Sub Total Company's Threat		0,46		1,02
Total External Factors		1,00		2,98

Source: Writer

Table 5: Total Measured Value

Internal and External Variable category		Quality	Value	Measured Value
No	Strength			
1	Large Warehouse	0,21	4	0,84
2	Sufficient Operational Fleet	0,18	3	0,54
3	Excellent Customer Service	0,22	4	0,88
4	Numerous Branch Office	0,20	4	0,80
5	Weekly Meetings	0,19	3	0,57
Sub Total Company's Strength		1,00		3,63
No	Weakness			
1	No Dry Ice Cars	0,16	3	0,48
2	Poorly Trained Employees	0,23	3	0,69
3	Limited Number of Employees	0,20	3	0,60
4	Miscommunication among employees	0,19	3	0,57
5	Lack of Advertisement in Electronic and Printed Media	0,22	3	0,66
Sub Total Company's Weakness		1,00		3,00
Total Internal Score				6,63
No	Opportunities			
1	Advanced Cooperation with Other Agents	0,20	4	0,80
2	Developing Import Business	0,20	4	0,80
3	The Vast Advanced of Technology Development	0,19	3	0,57
4	The Increasing Trust from the Customers	0,22	4	0,88
5	Economic Growth	0,19	3	0,57
Sub Total Company's Opportunities		1,00		3,62
No	Threat			
1	Currency Rate Changes	0,24	3	0,72
2	Costly Warehouse Equipment	0,15	3	0,45
3	Company Lifestyle	0,16	3	0,48
4	Tight Competition among Cargo Company	0,22	2	0,44
5	The Migration of customers to Other Companies	0,23	3	0,69
Sub Total Company's Threats		1,00		2,78
Total External Score				6,40

Source: writer

Formula to count coordinate value in X axis

Horizontal X axis = subtotal strength –
subtotal weakness

$$= 3.63 - 3.00$$

$$= 0.63$$

Formula to count coordinate value in Y axis

Vertical Y axis = subtotal
opportunities – subtotal threats

$$= 3.62 - 2.78$$

$$= 0.84$$

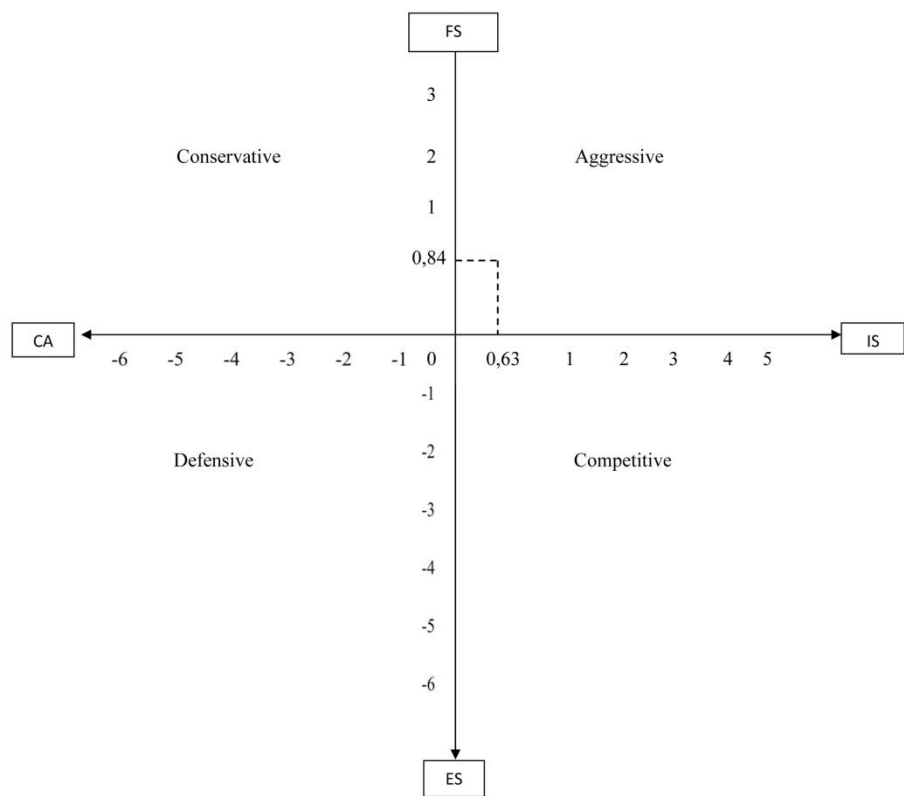


Figure 1: SPACE Matrix

According to total measured value data in figure 1 above, it is set that the average score value that is obtained from the calculation, the total measured value will be used in SPACE matrix figure to determine the most suitable strategy to be applied by the company. Aggressive strategy is gained in right quadrant for the company. This position is very excellent to make the most of every internal strengths, to get benefits from the external

opportunities, to resolve internal weakness and to avoid various external threats. This aggressive strategy has backward integration, forward integration, horizontal integration, market penetration, market development, product development, diversification (related and not related) all are make sense to be chosen, depends on the specific situation faced by the company.

Table 6: SWOT Matrix

	Strength (S)	Weakness (W)
IFAS	1. Large Warehouse 2. Sufficient Operational Fleet 3. Excellent Customer Service 4. Numerous Branch Office 5. Weekly Meetings	1. No Dry Ice Cars 2. Poorly trained employees 3. Limited numbers of employees 4. Miscommunication among employees 5. Lack of Advertisement in Electronic and Printed Media
EFAS		
Opportunities (O)	STRATEGY SO	STRATEGY WO
1. Advanced Cooperation with Other Agents 2. Developing Import Business 3. The Vast Advanced of Technology Development 4. The increasing trust from the customers 5. Economic Growth	1. To increase maximum service to get customers' satisfaction and to add up more cooperation with other agents. (S3, O1) 2. Having numerous branch offices will help to fulfill customers' requests, so that customers' trust will increase. (S4,O4) 3. Having large warehouse facilities with high technological support facilities that are developing in Indonesia (S1, O3) 4. Because of the growing import business, companies are competing to give the best service; that is by giving directions to its employees to develop, by having weekly meetings. (S5,O2)	1. The companies have to take advantage from the development of technology to advertise in printed or electronic media so that it could open opportunities for the agents that has a cooperation a good cooperation with the company. (W5, O3, O1) 2. The growing import business will be resulted in a unpleasant impact to the company if the number of operational personnel dealing with the imported goods is limited. (W3, O2)
Threats (T)	STRATEGY ST	STRATEGY WT
1. Currency Rate Changes 2. Costly Warehouse Equipment 3. Company Lifestyle 4. Tight Competition among Cargo Company 5. The Migration of customers to Other Companies	1. Having large warehouse needs sophisticated supporting facilities to accelerate employees' performance. The awareness to other affecting condition such as unstable currency rate and the costly warehousing equipment is also needed. (S1, T1, T2) 2. Excellent customer service is highly needed by a company. Realizing that giving a good service will surely satisfy the customers. however, seen from different factor, as in company's lifestyle, it may also become a threat.(S3, T3) 3. Having numerous branch offices may be a way to survive in a tight competition among cargo companies (S4, T4) 4. Having weekly meeting has given more benefits to the company. Mistakes and substandard services can be evaluated soon. This may prevent the migration of the customers to other cargo companies.(S5, T5)	1. Persaingan perusahaan kargo yang semakin meningkat memberikan suatu dampak ancaman yang besar terhadap perusahaan , jika perusahaan kurang melakukan promosi semakin meningkatnya daya saing terhadap perusahaan (W5, T4) 2. Gaya hidup sangat berdampak sekali terhadap perusahaan, dengan karyawan yang kurang terlatih dapat mengakibatkan pindahnya konsumen keperusahaan lain (W2, T3, T5)

Source : Rangkuti, processed by writer

CONCLUSION

Based on the SWOT table calculation and visualization, it is seen that PT. Monang Sianipar Abadi (MSA) Cargo is in quadrant 1 that is between the Strength and the Opportunity so that the strategy used in SWOT matrix is S.O strategy (Strength – Opportunities).

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