

# STRATEGIES IN ENHANCING THE QUALITY SERVICES OF TRAFFIC SPECIAL DIVISION

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## ***ABSTRACT***

*The purpose of this research is to find out the strategies in enhancing the quality of services of PT. SchenkerPetrologUtama which is focused on cargo handling. This research is using SWOT analysis to find out the internal and external factors of PT. Schenker. They are the company's good image, good relations with the customers, owned-vast capacity warehouse, insurance-sent goods, and the company's well-documented shipment. On the other hand, it is also found that the company has some weaknesses such as lack of transport owned by the vendor, lack of supervised-material system, undetailed-packing process, less communication and coordination between branches and the minimum number of vendors. The external factors start with the opportunity owns by PT. Schenker which are the vast developing of delivery services, the varieties of exhibition and other events, the fast growing business of technology and information, joining other companies' tender, and the increasing number of local mover companies. However, PT. Schenker also has some threats due to the fast growing of other cargo handling companies, the movement of employees to other division, the disloyal vendors, the time constraints in sending goods, and the consequences (delay) met in Customs and Immigrations. Based on the quadrant, the proposed strategies should be used by the company are aggressive and intensive. They are market expansions, market and product development.*

**Keywords:***enhancing quality services, SWOT analysis, PT. SchenkerPetrologUtama, the first quadrant, aggressive and intensive strategies*

## **INTRODUCTION**

Any activities done by the company or even personal activities needs cargo services for exporting, importing, by air, sea, or land. Therefore, the competition between the cargo handling companies is very tight. Today, people think distance and cost is not the main obstacles for delivering goods as long as the goods are sent safely on the right address and in the right time. PT. Schenker Petrolog Utama in handling the cargo does not work by itself. It cooperates with some vendors especially for delivering the goods. In some cases, there are troubles done by the vendors such as delay and lose of goods. It happens due to miss communication and lack of coordination related to information about the goods. Other problems could threat the company is the slow response in handling the cargo by the vendors operational division which cause the lack of trust from the customers. It could support the customers to use another cargo handling companies. The third problem is the time needed when the goods is at the airport or port. Each delivery should obey certain rules and regulations made by the government in order to avoid chaos. The fourth is made by the vendor related to the condition of goods when it is received by the customer. Sometimes, the goods are broken. It could happen because the vendor employees do not handle the goods carefully when packing and loading onto a truck. As an example, the fragile small goods should be wrapped by plastic bubble and the rough loading goods onto a truck which cause the goods broken. The last problem is a classical one, timing. Vendors do not work for PT. Schenker alone. It also provides services for other companies. With their limited number of transport and facilities, time is always a problem. This study used the qualitative and quantitative method (Sugiyono, 2013) and SWOT analysis (Freddy Rangkuti, 2011).

## **RESULT AND DISCUSSION**

A. Internal and External Analysis of Traffic Special Division of PT. Schenker Petrolog Utama, based on the observation in the field and interview, there are some internal (strength and weakness) and external (opportunity and threat) factors to enhance the strategies of quality services in special traffic division.

### **1. Strength**

- a. Perform good and strong image of freight forwarder,
- b. Create good relation with the customer,
- c. Own vast-capacity warehouse spreads across Indonesia,
- d. Insurance the goods that is sent,

- e. Documented well each cargo handling activities.
  - 2. Weakness
    - a. Lack of transport owned by the vendor,
    - b. Lack of supervised-material system,
    - c. Undetailed-packing process,
    - d. Less communication and coordination between branches,
    - e. The minimum number of vendors.
  - 3. Opportunity
    - a. The vast developing of delivery services,
    - b. The varieties of exhibition and other events,
    - c. The fast growing business of technology and information,
    - d. Joining other companies' tender,
    - e. The increasing number of local mover companies.
  - 4. Threat
    - a. The fast growing of other cargo handling companies,
    - b. The movement of employees to other division,
    - c. The disloyal vendors,
    - d. The time constraints in sending goods,
    - e. The consequences(delay) met in Customs and Immigrations.
- B. The SWOT Analysis of Special Traffic Division of PT. SchenkerPetrologUtama in enhancing the quality of services SWOT analysis in this study is presented in two ways: Diagram and Matrix to give the alternative strategies for companies by matching internal and external factors.
- 1. Strengths
    - a. Perform good and strong image of freight forwarder  
The company has the value 0.20 and rank 4 which results in 0.80.
    - b. Create good relation with the customer  
The company has the value 0.10 and rank 4 which results in 0.40.
    - c. Own vast-capacity warehouse spreads across Indonesia  
The company has the value 0.13 and rank 4 which results in 0.52.
    - d. Insurance the goods that is sent  
The company has the value 0.10 and rank 4 which results in 0.40.
    - e. Documented well each cargo handling activities  
The company has the value 0.10 and rank 3 which results in 0.30.
  - 2. Weaknesses

- a. Lack of transport owned by the vendor  
The company has the value 0.04 and rank 4 which results in 0.08.
- b. Lack of supervised-material system  
The company has the value 0.10 and rank 2 which results in 0.20.
- c. Undetailed-packing process  
The company has the value 0.09 and rank 2 which results in 0.18.
- d. Less communication and coordination between branches  
The company has the value 0.10 and rank 2 which results in 0.20.
- e. The minimum number of vendors  
The company has the value 0.04 and rank 1 which results in 0.04.
- 3. Opportunities
  - a. The vast developing of delivery services  
The company has the value 0.15 and rank 4 which results in 0.60.
  - b. The varieties of exhibition and other events  
The company has the value 0.13 and rank 4 which results in 0.52.
  - c. The fast growing business of technology and information  
The company has the value 0.14 and rank 4 which results in 0.56.
  - d. Joining other companies' tender  
The company has the value 0.10 and rank 3 which results in 0.30.
  - e. The increasing number of local mover companies  
The company has the value 0.07 and rank 4 which results in 0.28.
- 4. Threats
  - a. The fast growing of other cargo handling companies  
The company has the value 0.09 and rank 2 which results in 0.18.
  - b. The movement of employees to other division  
The company has the value 0.11 and rank 2 which results in 0.22.
  - c. The disloyal vendors  
The company has the value 0.08 and rank 2 which results in 0.16.
  - d. The time constraints in sending goods  
The company has the value 0.08 and rank 2 which results in 0.16.
  - e. The consequences(delay) met in Customs and Immigrations  
The company has the value 0.05 and rank 1 which results in 0.05.

(Table I and II and Figure of Matrix are presented at the last page)

- C. The strategic analysis of enhancing the quality of services by special traffic division of PT. SchenkerPetrologUtama, Based on the result of the study above, the position of PT. Schenker is in Quadrant 1 which performs grow and build characters which should apply intensive strategies (market

expansion, market and product development) based on IE matrix on the table shown (Fred R. David)

The intensive strategies' explanations are:

1. Market expansion

The strategy of this market expansion of a product or service is by giving new and variety of services. For cargo handling companies, based on a good image and reliable relations with the customers, they could offer a new delivery system: office and factory relocations. It means when a company wants to move or relocate their facilities from the old office to the new one, they just need to contact PT. Schenker who will handle everything including designing the interior based on the old style.

2. Market development

This strategy means introducing the special service of product by sending special goods such as dead body in a coffin or oil and gas. To expand the market of PT. Schenker, the company needs to cooperate with many vendors which already have reliable human resources in handling special cargo and have many branches.

3. Product development

This strategy means the company enhances their product by modifying or fixing the product or services. This should rely on a well-documented product or services such as providing GPST (Global Positioning System Tracking) for all shipping transport in order to supervise the shipment and re-managing the performance of product and service insurance by adding the number of employees who handle the insurance.

## **CONCLUSION**

Based on the result and discussion above, the service inside the company has performed well, however the company's performance for customers has not performed well enough. It is hoped in the future that the company could serve the best to their customers based on their good value of strengths and opportunities. Due to the value of strengths (2.42) and weaknesses (0.70), it is certain that the traffic special division of PT. Schenker could overcome the weakness factors by maximizing the strength factors of the company. Based on the external factors (opportunity 2.26 and threat 0.77), it is also certain that the special traffic division of PT. Schenker could overcome the threat from outside

the company by using the company's opportunities. The best strategies should be used by the company is the aggressive and intensive strategies including market expansion, market and product development.

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Table 1

| No.              | SWOT Analysis                                           | Priority of the answer |          |          |           |   |   |   |   |   |   | Result of the interview |   |   |    |      |   |      |  |  |  | Value | Rank | Score |
|------------------|---------------------------------------------------------|------------------------|----------|----------|-----------|---|---|---|---|---|---|-------------------------|---|---|----|------|---|------|--|--|--|-------|------|-------|
| Internal Factors |                                                         | SK<br>(4)              | K<br>(3) | L<br>(2) | SL<br>(1) | 1 | 2 | 3 | 4 | 5 | 6 | 7                       | 8 | 9 | 10 |      |   |      |  |  |  |       |      |       |
| Strengths        |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    |      |   |      |  |  |  |       |      |       |
| 1                | Company's Brand Image                                   | X                      |          |          |           | 4 | 4 | 4 | 4 | 4 | 4 | 4                       | 4 | 4 | 4  | 0.20 | 4 | 0.80 |  |  |  |       |      |       |
| 2                | Good relations with the customers                       | X                      |          |          |           | 4 | 4 | 3 | 4 | 4 | 4 | 4                       | 4 | 4 | 4  | 0.10 | 4 | 0.40 |  |  |  |       |      |       |
| 3                | Owned vast capacity warehouse                           | X                      |          |          |           | 4 | 4 | 4 | 4 | 4 | 4 | 4                       | 4 | 4 | 3  | 0.13 | 4 | 0.52 |  |  |  |       |      |       |
| 4                | Insurance-own goods                                     | X                      |          |          |           | 4 | 3 | 4 | 4 | 4 | 4 | 4                       | 4 | 3 | 4  | 0.10 | 4 | 0.40 |  |  |  |       |      |       |
| 5                | The company's well-documented shipment                  |                        | X        |          |           | 3 | 3 | 3 | 3 | 3 | 3 | 3                       | 4 | 3 | 3  | 0.10 | 3 | 0.30 |  |  |  |       |      |       |
| Total            |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    | 0.63 |   | 2.42 |  |  |  |       |      |       |
| Weaknesses       |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    |      |   |      |  |  |  |       |      |       |
| 1                | Lack of transport owned by the vendor                   |                        |          | X        |           | 2 | 2 | 2 | 2 | 2 | 2 | 2                       | 2 | 2 | 2  | 0.04 | 2 | 0.08 |  |  |  |       |      |       |
| 2                | Lack of supervised material system                      |                        |          | X        |           | 2 | 2 | 2 | 2 | 2 | 2 | 2                       | 2 | 1 | 2  | 0.10 | 2 | 0.20 |  |  |  |       |      |       |
| 3                | Uncertain picking process                               |                        |          | X        |           | 2 | 2 | 2 | 2 | 1 | 2 | 2                       | 2 | 1 | 2  | 0.09 | 2 | 0.18 |  |  |  |       |      |       |
| 4                | Less communication and coordination between branches    |                        |          | X        |           | 2 | 2 | 2 | 2 | 2 | 2 | 2                       | 2 | 1 | 2  | 0.10 | 2 | 0.20 |  |  |  |       |      |       |
| 5                | The minimum number of vendors                           |                        |          |          | X         | 2 | 1 | 1 | 1 | 1 | 1 | 2                       | 1 | 1 | 1  | 0.04 | 1 | 0.04 |  |  |  |       |      |       |
| Total            |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    | 0.37 |   | 0.70 |  |  |  |       |      |       |
| Total            |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    | 1.00 |   | 3.12 |  |  |  |       |      |       |
| External Factors |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    |      |   |      |  |  |  |       |      |       |
| Opportunities    |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    |      |   |      |  |  |  |       |      |       |
| 1                | The vast developing of delivery services                | X                      |          |          |           | 3 | 4 | 4 | 4 | 4 | 4 | 4                       | 4 | 4 | 4  | 0.15 | 4 | 0.60 |  |  |  |       |      |       |
| 2                | The varieties of exhibition and other events            | X                      |          |          |           | 4 | 4 | 4 | 4 | 4 | 3 | 4                       | 4 | 4 | 4  | 0.13 | 4 | 0.52 |  |  |  |       |      |       |
| 3                | The fast growing business of technology and information | X                      |          |          |           | 4 | 4 | 3 | 4 | 4 | 4 | 4                       | 4 | 3 | 4  | 0.14 | 4 | 0.56 |  |  |  |       |      |       |
| 4                | Joining other companies' tender                         |                        | X        |          |           | 4 | 3 | 3 | 3 | 3 | 4 | 3                       | 4 | 3 | 4  | 0.10 | 3 | 0.30 |  |  |  |       |      |       |
| 5                | The increasing number of local mover companies          | X                      |          |          |           | 4 | 4 | 4 | 4 | 4 | 4 | 4                       | 4 | 4 | 3  | 0.07 | 4 | 0.28 |  |  |  |       |      |       |
| Total            |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    | 0.59 |   | 2.36 |  |  |  |       |      |       |
| Threats          |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    |      |   |      |  |  |  |       |      |       |
| 1                | The fast growing of other cargo handling companies      |                        |          | X        |           | 2 | 2 | 2 | 2 | 2 | 2 | 2                       | 2 | 2 | 2  | 0.09 | 2 | 0.18 |  |  |  |       |      |       |
| 2                | The movement of employees to other division             |                        |          | X        |           | 2 | 2 | 2 | 2 | 2 | 2 | 2                       | 2 | 1 | 2  | 0.11 | 2 | 0.22 |  |  |  |       |      |       |
| 3                | The dissoyal vendors                                    |                        |          | X        |           | 2 | 2 | 2 | 2 | 1 | 2 | 1                       | 2 | 1 | 2  | 0.08 | 2 | 0.16 |  |  |  |       |      |       |
| 4                | The time constraints in sending goods                   |                        |          | X        |           | 2 | 2 | 1 | 2 | 2 | 1 | 2                       | 2 | 1 | 1  | 0.08 | 2 | 0.16 |  |  |  |       |      |       |
| 5                | The consequences (delay) met in Customs and Irrigations |                        |          |          | X         | 1 | 2 | 1 | 1 | 1 | 1 | 1                       | 1 | 1 | 1  | 0.05 | 1 | 0.05 |  |  |  |       |      |       |
| Total            |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    | 0.41 |   | 0.77 |  |  |  |       |      |       |
| Total            |                                                         |                        |          |          |           |   |   |   |   |   |   |                         |   |   |    | 1.00 |   | 3.03 |  |  |  |       |      |       |

|                                                    |                                                      |                                   |
|----------------------------------------------------|------------------------------------------------------|-----------------------------------|
| I<br>Growth                                        | II<br>Growth                                         | III<br>Turnaround<br>Retrenchment |
| IV<br>Careful<br>Stability                         | V<br>Growing Stability                               | VI<br>Divestment<br>Retrenchment  |
| VII<br>Growth of<br>Concentrate<br>Diversification | VIII<br>Growth of<br>Conglomerate<br>Diversification | IX<br>Liquidation<br>Retrenchment |

**FIGURE I IE MATRIX (INTERNAL AND EXTERNAL)**

**Total Score of Internal Factors**

Source : Fred R. David 2009 & processed by the writer



## Tables and Figures

**TABLE II. SWOT MATRIX**

| SWOT Matrix Analysis of Special Traffic Division of PT. SchenkerPetrologUtama |                                                         | Strengths                                                                                                                                                                                             |                                                      | Weaknesses                                                                                                                |                                                      |
|-------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
|                                                                               |                                                         | S1                                                                                                                                                                                                    | Perform good and strong image of freight forwarder   | W1                                                                                                                        | Lack of transport owned by the vendor                |
|                                                                               |                                                         | S2                                                                                                                                                                                                    | Create good relation with the customer               | W2                                                                                                                        | Lack of supervised-material system                   |
|                                                                               |                                                         | S3                                                                                                                                                                                                    | Own vast-capacity warehouse spreads across Indonesia | W3                                                                                                                        | Undetailed-packing process                           |
|                                                                               |                                                         | S4                                                                                                                                                                                                    | Insurance the goods that is sent                     | W4                                                                                                                        | Less communication and coordination between branches |
|                                                                               |                                                         | S5                                                                                                                                                                                                    | Documented well each cargo handling activities       | W5                                                                                                                        | The minimum number of vendors                        |
| Opportunities                                                                 |                                                         | Strategy of SO                                                                                                                                                                                        |                                                      | Strategy of WO                                                                                                            |                                                      |
| O1                                                                            | The vast developing of delivery services                | The strategies are: maintaining good relations with the customers, maintaining company's brand image of winning the tender, and adding the facilities of warehouse, document keeping and local mover. |                                                      | The strategies are: minimizing the mistakes when doing the process of packing and loading.                                |                                                      |
| O2                                                                            | The varieties of exhibition and other events            |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |
| O3                                                                            | The fast growing business of technology and information |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |
| O4                                                                            | Joining other companies' tender                         |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |
| O5                                                                            | The increasing number of local mover companies          |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |
| Threats                                                                       |                                                         | Strategy of ST                                                                                                                                                                                        |                                                      | Strategy of WT                                                                                                            |                                                      |
| T1                                                                            | The fast growing of other cargo handling companies      | The strategies are:<br>To overcome the strict competition, the disloyal vendors, and the movement of employees to other division, the company could maximize the strengths it has.                    |                                                      | The strategies are:<br>Adding the vendors that have many transports and facilities and selecting the best employees only. |                                                      |
| T2                                                                            | The movement of employees to other division             |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |
| T3                                                                            | The disloyal vendors                                    |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |
| T4                                                                            | The time constraints in sending goods                   |                                                                                                                                                                                                       |                                                      |                                                                                                                           |                                                      |

|    |                                                          |  |  |
|----|----------------------------------------------------------|--|--|
| T5 | The consequences (delay) met in Customs and Immigrations |  |  |
|----|----------------------------------------------------------|--|--|

Source : Data processed by the writer