



PROPOSED BUSINESS STRATEGY AND ITS IMPLEMENTATION FOR A CONSTRUCTION COMPANY CASE STUDY OF PT. GMS

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Abstract

PT GMS is one of the construction companies in the South Sumatra region. This company has several main assets such as asphalt mixing plant, batching plant, and heavy equipment's. Along with the construction development in South Sumatra, the opportunity for PT GMS to get projects is also increasing. However, company's current performance is not optimal. It is experiencing unstable income from year to year due to the lack of strategy formulation. The objective of this research is creating business strategy to make higher economic value added (EVA) through better company performance. PT GMS needs to analyze external environmental conditions to identify existing opportunities and threats to be faced, as well as internal analysis of the company to identify the strengths and weaknesses possessed by PT GMS. This process called SWOT analysis.

Several strategic making process that used in this research includes directional strategy, Porter's Generic Competitive Strategy, TOWS matrix, Balanced Scorecard, and Key Performance Indicator. After finding the company SWOT, it was continued by looking for alternative strategies that should be carried out by PT GMS in dealing with the current conditions using directional company strategy. Then, they proceed with the business strategy through Porter's Generic Competitive strategy to determine the focus strategy that will be used. Functional strategies created with TOWS Matrix that will be completed with a Balanced Scorecard. Balanced scorecard is made by referring to the company's vision and mission, as well as current conditions to determine the target performance of each company top manager which will be measured by key performance Indicator (KPI). All strategies are made in line with the main goal of increasing net worth companies called value-based management.

The results of this research are expected to generate EVA companies through the strategies that have been made. By implementing the strategy, company performance will be monitored by achieving targets using the KPI. This strategy is implemented for short-term (1 year) and long-term (3-5 years) goals.

Keywords: Construction Company, Company Strategy, Business Strategy, Economic Value Added, Balanced Scorecard, Key Performance Indicator.
