PROPOSED BUSINESS STRATEGY FOR INTERNATIONAL FREIGHT FORWARDING COMPANY (CASE: PT JAHERMOSA)

Sebayang Lovanda C. A., Mustika Sufiati Purwanegara & Satya Aditya Wibowo Bandung Institute of Technology, Indonesia. *Corresponding email*: <u>sebayang_anasthasya@sbm-itb.ac.id</u>

Abstract

PT Jahermosa is an international freight forwarding company established in 2012. This company has experience handling several types of goods with various services and modes of transportation. The services provided include export-import goods delivery using sea, air, and land modes. Due to COVID-19, the company's sales performance has decreased from 2019 to 2021. However, according to data from the Central Bureau of Statistics, Indonesia's total exports and imports from 2020 to 2021 have experienced a drastic increase. This gap indicates an increase in the market for goods delivery services to and from Indonesia but did not accompany PT Jahermosa's ability to absorb the market. Therefore, this study aims to provide strategic business proposals for PT Jahermosa in the freight forwarding industry to improve the company's sales performance.

This research is qualitative research using primary data and secondary data. Primary data was obtained through interviews with several customers and management participants. While secondary data is obtained through company financial reports, websites, journals, and articles. The conceptual framework used in this study is the AFI strategy (Analysis, Formulation, and Implementation). First, an analysis was carried out on the external and internal conditions of PT Jahermosa's freight forwarding business. External analysis was conducted using the PESTEL Framework, Porter's Five Forces Model, Customer Analysis, and Competitor Analysis. Meanwhile, internal analysis was carried out using the Resource Based View Model, VRIO Analysis, Porter Value Chain Analysis, and Business Model Canvas. Then, SWOT analysis is used to evaluate the strengths, weaknesses, opportunities, and threats to assess the condition of PT Jahermosa using the data from external and internal analysis. Evaluation of these four factors forms the basis for formulating strategic alternatives using the TOWS Matrix. The strategy is formulated based on strengths-opportunities (SO), strengths-threats (ST), weaknesses (WO), and threats (WT). Finally, root cause analysis is carried out to find the real cause of the problems encountered using Problem Tree Analysis. It was found that the root causes of the decline in sales performance were the absence of a marketing team, lack of selfdevelopment programs for employees, limited IT experts, and lack of customer relationship management.

Based on the results of this research, the strategy is formulated using the Diamond Strategy Model by considering four factors: vehicles, arenas, differentiators, speed, and economic logic. The strategy proposed in the arena element is hiring IT consultants (WO3) and developing added value in the value chain (WT1). Strategies for differentiating element are organizational structure adjustment (WO2), mentoring program development (WT3), and leadership (SO3). In comparison, the strategy for the vehicle element proposed is to increase brand and service awareness (ST3) and develop a culture of innovation (SO2) and knowledge management system (SO1). The strategy on the speed element is to improve customer relations (WT2) and score customer satisfaction (ST2). Finally, the economic logic element is to develop risk management per shipment (ST1). 6th Asia Pacific Conference on Contemporary Research (APCCR, Indonesia) ISBN: 978-0-6482404-6-4; <u>www.apiar.org.au</u>

The limitation of this research is that financial reports need to be explained in detail to keep company documents secret. In addition, this research only covers PT Jahermosa as a freight forwarding and logistics service company. Further investigation can be made based on this research in supply chain management, human resource management, and marketing strategy.

Keywords: Freight Forwarding, Business Strategy, Sales Performance & Strategy Diamond.





Asia Pacific Institute of Advanced Research (APIAR)