ABSTRACT

Strategy Formulation PT. Panca Prima Ekabrothers
Facing Toward The Changes of Environment

Henry Simarmata

Textile and Textile Product (TPT) is the commodity that has significant contribution to the earning of foreign exchange despite the on-going economic crisis. Garment as part of textile product one of the leading export commodity as well in the 1980-2000 period. The steep rupiah depreciation, and comparative advantage of low labor cost have been making its positive impact felt in the industry which has become a driving force of the national economy in the last two decades.

Recently, national Textile and Textile Product (TPT) facing a strongly changes business environment such as transition towards an economic crisis, deregulated and more open economy, global recession, AFTA, NAFTA, APEC and highly competition of the new emerging countries. It means stiff competition will be faced by the firms. This change can be viewed as a very good opportunity but also can be considered as a serious threat to the Indonesian garment Industry.

PT. Panca Prima Ekabrothers, one of medium scale garment industry which have 4000 sewing machines with total capacity of 5 million pieces garment per year. The performance of company is more strongly judged by their care for environment preservation. This mean that the company can become more competitive if they give adequate attention to preserve the environment.

The objectives of this study are to identify the internal and external factors that influences PT. PEB performance on highly business competition environment, to formulate strategies that could be implementing by PT. PEB in garment industry, to recommend strategies and alternative strategies that could be implementing by PT. PEB in order to develop the industry, to improve competitiveness and to maintain its sustainability.

The data collected are primary and secondary data and analyzed by Five Porter's Model Competitiveness, The Internal Factors Evaluation (IFE), The External Factors Evaluation (EFE), Internal – External Matrix, and SWOT Matrix.

The conclusion of this research shown that national Textile and Textile Product (TPT) facing a big challenges and strong competition in the future. Recommended strategies and alternative strategies are penetration and market development strategy, product development strategy, quality leadership strategy, cost leadership strategy, technology leadership strategy and joint venture strategy.

Suggestions that could be implementing by PT. PEB are improving Standard Operating Procedure (SOP), arranging production time schedule, increasing skill and knowledge of production employee, applying Total Quality Management (TQM), building an integrating information system, developing market to Asean and non quota country, increasing high quality and service, to maintain loyal customers.