SUMMARY

INDRA SETIA DEWI. Strategy Formulation for the Existence of the Indonesian Ecolabelling Institute. Under direction of ARIEF DARYANTO and IDQAN FAHMI.

This research was conducted in Indonesian Ecolabel Institute with the aim of (1) analyzing the internal and external factors that are strengths, weaknesses, opportunities, and threats for the LEI, (2) formulate strategic alternatives for LEI, and (3) determine appropriate priorities for management strategies organization. The study was conducted in Bogor for 5 months from July to November 2012. The data used in this study is in the form of primary and secondary data. Primary data was collected from the respondent of internal of LEI as well as external using a combination of interviews, questionnaires, and focus group discussions. The collection of data and information through interviews, questionnaires, focus groups, and literature to obtain internal information and external. Purposive sampling was used as a method to select internal and external respondent by deliberately selecting respondents considered an expert or understand the problems studied. Respondents of internal are 9 people consisted of the Executive Director, Chairman of the BoR, 6 representatives of the constituent member, 1 LEI EB staff, while external respondents are representative of 5 people which are certifiers, FKD, management unit, industry, and the Ministry of Forestry.

The research was using AHP-SWOT method which is a method that combines strategy formulation from SWOT method with prioritization of factors and strategies from AHP. It consists of three stages: identification of problem and strategic factors internal and external, formulation of alternative strategies, and prioritization of strategies. Identification of internal factors was made qualitatively through analysis of internal management. Identification of external factors was made both qualitatively and quantitatively, with the PEST method to analyze the external macro factors, and Porter industry analysis method to analyze the micro internal factors. After internal and external strategic factors such as strengths, weaknesses, opportunities, and threats can be identified, a matching stage was performed using SWOT matrix in order to produced alternative strategies for the institution. The matching stage obtaining four alternative strategies: 1) Strengthening the LEI certification system, 2) Improving the performance of the network constituents to promote the LEI system, 3) Improving marketing for community based forest management and plantation forest certification; and 4) Expanding the LEI marketing network which includes not only members of LEI constituents. Alternative strategies resulted from SWOT matrix that quantified using AHP was producing that ST strategy of improving the performance of the network constituents to promote LEI system is a priority strategy.

Eversince LEI becoming CBO, it has a General Outline Programme (GOP) established during every LEI Assembly. GOP is a common strategy to guide the work of LEI, but its implementation still requires elaboration, prerequisites, and further strategies. However, elaboration of GOP gained on
Rakernas is just a list of work derived from the wishes and expectations of the constituents of LEI, in other words, LEI Board of Representatives (BoR) and the Executive Board (EB) do not have a proper strategy in accordance with the environmental conditions faced by LEI. Currently the number of constituent members numbered 141 people that has grown from just a number of 31 people in 2004. Resource constraints in the internal environment can be one of the factors that hinder the development and achievement of organizational goals. LEI’s member constituencies and BoR also have not optimally contribute to the outline of LEI programs both in terms of funding and program implementation. External circumstances also threaten the existence of LEI as government policies that do not support and the competition of international certification initiatives in Indonesia as well as mandatory certification from the government. In order to maintain its existence, it is believed that formulation of strategic measures for LEI is necessary.

The results of analysis of factors using AHP-SWOT during the period of study resulting that the Strength factor of LEI has the lowest weight on 0.138. The Weakness factor has a weight of 0.223, the Opportunity factor has a weight of 0.298, and the Threat factor has the highest weight on 0.341. Sensitivity analyzes conducted on the factors and groups of factors indicate that the Strength factor and the Threat factor were responsive to change, compared with the Weakness factor. The Opportunity factor was also responsive to change. To improve the Weakness, it is recommended that LEI should improve its Strength factors. AHP-SWOT analysis results also recommend that LEI must prioritize strategies that addressing the Threat using its Strength, namely the ST strategy, that improving the performance of the network constituents to strengthen the implementation of the LEI certification. The three other strategies resulting from the SWOT analysis are: strengthening the LEI certification system, improving marketing for community based forest management and plantation forest certification, and expanding LEI marketing network which includes not only members of LEI constituents.

It is recommended for LEI management to better improve the Strength factors which are Certification System, CBO, BoR and constituent member, and also Financial Management in order to improve the existing weaknesses. Weakness factors may hinder the implementation of programs LEI as indicated by the weight of Weakness factors that higher than the Strength. However, improving the Weakness factor cannot significantly improve the other factors.

Keywords: strategy formulation, LEI, AHP-SWOT, Indonesia.