An Analysis On Business Portfolio Of Indonesian Port Corporation II

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Indonesian Port Corporation II as a state-owned enterprise faces an increasingly fierce business competition in the future. Moreover, the community who utilize port services is getting more critical, especially in regard to demand side of port services. In the endeavor to satisfy the needs of those port services customers, there is a need for corporate position in order to preserve the port’s function as a port service for the community.

Indonesian Port Corporation II has seven business segments and four affiliates consisting of Vessel Services, Cargo Handling Services, Terminal Services, Container Terminal Services, Land, Buildings, Water, and Electricity Services, Dedicated Port and Berth Services, Other Revenue, Joint Operation of Koja Container Terminal, PT Rumah Sakit Pelabuhan, PT Elektronik Data Interchange Indonesia, and PT Multi Terminal Indonesia.

The aims of this research are to: (1). To obtain knowledge of the position and direction of the company in the future, (2). To obtain knowledge of the company’s business position in the port services industry by using matrix portfolio, and (3). To provide an alternative strategy and action in line with alteration of the industry environment and business position in the matrix portfolio.

The methodology adopted in this research is the descriptive method with study case in subject Indonesian Port Corporation II by means of the quantitative data source from both internally and externally related party. The data and information obtained were processed using several analyses i.e. descriptive analysis, SPACE matrix and General Electric matrix.

Based on the result of corporate analysis, the alternative strategies which can be carried out by Indonesian Port Corporation II are market penetration to increase its market share in regional sense and as well as the targeted market segment by adopting a more aggressive marketing efforts, market development in the effort to introduce new products to a new geographical location, formulate services cooperation with business partner, and revenue optimization by creating an innovative business opportunity, product development in the effort to increase company’s profit by improving the quality of the services rendered and continuously developing new type of services to attract customers, and concentric diversification in the effort to increase its revenue by committing business expansion through creation of a cooperation with related business units.

While based on business portfolio analysis, the strategic approach for each business segments and affiliates are as follows: strategic approaches needed to be taken for Vessel Services, Cargo Handling Services, Terminal Services, Container Terminal Services, Land, Buildings, Water, and Electricity Services, Other Revenue, Joint Operation of Koja Container Terminal, PT Rumah Sakit Pelabuhan, PT Elektronik Data Interchange Indonesia, and PT Multi Terminal Indonesia are maximizing investment, growth and market domination. While the strategic approaches to the Dedicated Port and Berth Services are segmental growth, specialization, and selective investment.