SUMMARY

ANDIESTA EL FANDARI. A Resource Based Framework for Development Strategic of Geothermal Company (Case Study at PT PLN Geothermal). under supervision of ARIEF DARYANTO and GENDUT SUPRAYITNO.

Sustainability of various activities in the community as well as national industrial sector highly depend on the availability of electricity. This causes dependency on the availability of electrical energy is increasingly rising. In line with the Law no.30 of 2007 on energy, the security and sustainability of supply of domestic energy need to be pursued synergistically between government, private sector and communities. If there is no anticipation of security and sustainability of energy supply from the beginning, it would have consequences that are more serious in the future. A new alternative, renewable and more environmentally friendly energy sources are necessary to overcome energy supply crisis and to avoid environmental damage due to global warming. Ruled by Presidential Decree No. 5 of 2006 on National Energy Policy, the government formulated a national energy management strategy 2006-2025, which is mentioned in the rules that the national energy supply should meet 17% of renewable energy.

According to a report released by WWF in 2012 titled “Igniting the Ring of Fire: A Vision for Developing Indonesia’s Geothermal Power” Indonesia has the largest geothermal energy potential in the world, with a total of at least 29 Giga Watt of geothermal energy. From the number, Indonesia only used about 1.2 Giga Watt. The National Energy Policy has targeted that geothermal can contribute 5% of the national energy mix by 2025, but until now the new geothermal contributed 1% with slow development.

PT. PLN Geothermal also called PLN-G, is a subsidiary of PT. PLN (Persero), a state-owned company which carries on business electricity in Indonesia. PLN-G is required to be a price setter in the business of developing geothermal energy in Indonesia and to reduce the cost of local electricity production due to displacement of fossil fuels.

Based on the background described earlier, the purpose of this study are (1) assessing the development of geothermal energy in Indonesia, (2) identifying the competitive advantage of PLN-G ongoing basis at this time, (3) formulate appropriate strategic alternatives to enhance the competitive advantage geothermal developing company in PLN-G and (4) Determining the strategic priorities in improving the competitive advantage of geothermal developing company in PLN-G.

This research has been conducted in PT PLN-G in February to October 2013. The method used is descriptive research method. The data used in this study are primary data and secondary data. The primary data obtained from questionnaires and in-depth interviews and secondary data obtained from various relevant sources. Processing and data analysis are conducted using qualitative and quantitative descriptive. Analysis of qualitative and quantitative descriptive technique are conducted by strategy management conceptions approach, which derived from the scientific literature, expert opinion and practitioners in the strategic management. Descriptive analysis conducted to analyze the utilization of geothermal conditions in Indonesia and in the PLN-G
today. Furthermore, analyzing the resources of the PLN-G with VRINE approach and followed by analyzing the factors and strategic objectives in the SWOT matrix which then generates alternative strategies and continue to prioritize the factors, strategic objectives, as well as strategic alternatives through the AHP-SWOT.

The results of the descriptive analysis for the existing conditions geothermal development in Indonesia explained that resources for the utilization of renewable energy, especially geothermal energy in Indonesia is quite extensively, yet still not optimal. Exploitation of geothermal activity in the PLN-G is currently is merely services as well as operation and maintenance management field. From the statement of cash flows for 3 consecutive years (2011, 2010 and 2009) show that cash from operating activities have not been able to fund construction of geothermal power plants. If it is assumed the fixed condition, which limited the income earned PLN-G only from operating activities, then it would take a very long time to provide funds for the PLN-G.

Results from VRINE analysis shows that PLN-G still has not been able to achieve competitive advantage of its human resources, financial, reputation, technology and organization. From data processing in accordance with the assessment of the expert respondents, the first priority of the strategy is to build partnership with other companies that have more experience in geothermal development integrated from upstream to downstream have weight of 0.302. The second strategy is to build gradually HR management system with reference to a system that is already running in other subsidiaries (0.254). The third strategy is to increase the competence and available resources to win the auction process and implement geothermal development activities from upstream to downstream (0.168). Proposing financing templates with a soft loan mechanism and shareholder loans (SHL) to PLN (0.134) became the fourth strategy. The fifth strategy priority is to implement an integrated project management contract for drilling work (0.90). The sixth strategy is to work with the API to set the input and suggestions to the Government related to technical and non-technical aspects that can thwart exploratory drilling (0.052). AHP-SWOT found that the first step and the main strategic priority to improve competitive advantage in PLN-G is to build partnership with other companies that have more experience in geothermal development in an integrated manner from upstream to downstream.

Keyword: competitive advantage, geothermal, geothermal developing company