ABSTRACT

An Analysis of Competitive Strategy of PT. Nalco Indonesia in water treatment business at palm oil industries

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The objective of this research are: (1) to analyze strengths, weaknesses, opportunities, and threats of PT. Nalco Indonesia in water treatment business at palm oil industries (2) to analyze intensity of competition of PT. Nalco Indonesia in water treatment business at palm oil industries (3) to identify Internal Strategic Factor and External Strategic Factor of PT. Nalco Indonesia and (4) to formulate alternative competitive strategy in water treatment business at palm oil industries. The study is a descriptive case study employed SWOT analysis. Evaluation of Internal Factor (IFE) and External Factor (EFE) to find out the internal and external strategic key factors of PT. Nalco Indonesia and then the IFE and EFE score were plotted in the IE matrix. The Five Forces Porter’s analysis is used to identify intensity of competition in the industry. The alternative strategies that got in the previous analysis were compiled in the matrix compilation, and to make priority strategy using the QSPM analysis. The data were collected from several executives of PT. Nalco Indonesia who expert in water treatment business at palm oil industries. The study shows PT. Nalco Indonesia in the fourth cell of IE matrix, its mean the company is in the growth and built phase. Bargaining power of buyer is the most important of external challenge for company, and from SWOT analysis got market penetration, market development, and product development strategies. In the matrix compilation the study got market penetration, market development, and product development strategies also. And from QSPM analysis got the first priority strategy is market penetration (improvement and effectiveness sales activity in the current customers of PT. Nalco Indonesia), the second priority is product development (research and development of product and technology which support differentiation and services), and the third priority is market development (increase sales activity in new market).

Keywords: Competitive Strategic, Palm Oil Industry, Water Treatment,