Building Competitive Advantage through Value Chain in Plantation Forest Company
(Case Study on PT. Musi Hutan Persada)

As'at Supriyanto

The intention of the research is to identify the complexity of plantation forest industry in providing pulp industry raw material, activity analysis, its interaction and its cost allocation in the value chain of the company, and lastly the analysis of source and form of the competitive advantage. The purpose of environment industry analysis is to identify the competition intensity of plantation forest industry. The forestry policy analysis is to identify its policy and raw material of the industry.

Descriptive method is used in this research in the form of case study on PT. Musi Hutan Persada. Primary data is taken from the result of field visit and interview, which covers value chain activity in the company.

The potency of forestry industry can be expanded further if it is reflected by the demand of pulp industry. The potential in pulp industry is relatively low. The competition level of plantation forest industry is relatively low. The competition intensity of the industry is relatively low. The negotiation power of the buyer and competition among companies are two key factors in the market. The strategy of building plantation forest competitive advantage are: (1) price competitiveness through the most efficient operational cost, and (2) appropriate value chain, through building strategic business unit (SBU) in the harvesting and transportation.

In general, competition level of plantation forest industry is relatively low. The negotiation power of the buyer and competition among companies are two key factors in the market. The strategy of building plantation forest competitive advantage are: (1) price competitiveness through the most efficient operational cost, and (2) appropriate value chain, through building strategic business unit (SBU) in the harvesting and transportation.

Descriptive method is used in this research in the form of case study on PT. Musi Hutan Persada. Primary data is taken from the result of field visit and interview, which covers value chain activity in the company.