SUMMARY

NUGRAHA DWIPUTRA. Strategic Formulation for Business Performance Improvement in Family Property Company Case Study at PT XYZ. Supervised by LUKMAN M BAGA and ARIEF SAFARI.

This study aims to improve the business performance of a property family owned company in Bogor, PT XYZ. The company was founded three decades ago, and has transformed from its beginnings as a contractor of government projects, becoming a housing developer. Ten years of the current transformation, the company has owned a land asset with about 150 hectares. The land is divided into several housing projects.

In recent years, the company has constrained its business performance, which is clearly indicated by the increase in debt to equity ratio (DER) in the last three years. The DER value based on the financial statements per December 31, 2016, reached 4.79. According to the experts involved as respondents in this study, along with the supporting literature, DER PT XYZ is precarious, and shows the company is in an unhealthy condition. Over the past four years, families have always decided to increase debt to meet the company's operational needs, rather than efficiency. The family decision to issue an obligation in the capital market, also resulted in increased operational costs, while to support the company's ability to pay against all its obligations, not balanced by adequate organizational capacity.

This study aims to analyze the causes of business performance decline at PT XYZ, and formulating strategy, so it can be a recommendation to solve the problems faced, and improve its business performance. This is qualitative research, where the expert judgment plays an important role in this regard. The analytical tools, that used in this study are corporate strategy analysis, EFAS, IFAS, SFAS and also TOWS analysis by using TOWS matrix.

The results of this study, it is known that there are several aspects that cause the decline in PT XYZ business performance, the family aspects, decision-making aspects, organizational aspects, also human resources, financial and operational aspects. The grand strategy recommended in this study, is retrenchment strategy. The company release a part of the assets or family's shares, thus having liquidity to settle its various obligations and as working capital to improve its business performance through organizational restructuring. The company must also affirm the boundaries of roles and functions of family in the company operations. Based on the Three Circle Model Tagiuri and Davis, a clear boundary is required regarding decision making between the family as a shareholder, the family as the shareholder as well as the operator and the family outside the company.

Keywords: strategic formulation, business performance, family owned property company