ABSTRACT

Formulation of strategies for PT Socfin Indonesia in facing Environmental Changes

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Plantation is an industry which has a good prospect for development in the home country. The cost of production, mostly local-based, along with the supporting Indonesia natural resources and the high exchange rate of dollars against rupiahs, bring up an export opportunity for plantation commodities to increase a comparative advantage.

However, there has not been a great interest in taking the opportunity in investment and development of plantation for the reasons in internal condition of companies, domestic problem and global trade problems. The internal condition of companies is for example related to business efficiency, business risk, and technological competence; and the domestic problems include for instance the socio-political condition, law and security.

PT Socfin Indonesia is a plantation industry that processes the commodities of oil palms, rubber and oil palm seedlings, having an area of 47,910.22 Ha in the province of North Sumatera and Nagroe Aceh Darussalam. The purposes of this research are to indentify internal and external factors that influence PT Socfin Indonesia in managing its business in facing environmental changes, to formulate strategies that would be implemented by PT Socfin Indonesia, to recommend alternative strategies and to determine strategy priorities to be applied by company developers to increase the competitiveness and maintain continuity of the company. Primary and secondary data collected is analyzed by the matrices of IFE, EFE, Internal-external and TOWS. And QSPM is used to obtain strategy priority.

The result of the research shows that PT Socfin Indonesia possesses the strength of taking opportunities. The recommended strategies are the strategies of market penetration and development, product development, social responsibilities, acquisition and information system development. The strategy priority is the strategy of social responsibilities.

The recommendation that can be considered by PT Socfin Indonesia in facing the environmental changes are among others to build an integrated information system to support the administrations in production, transportation, marketing and decision making by management; to apply Total Quality Management (TQM) that emphasizes on the commitment on customers' satisfaction, quality and excellent product; to set up Quality Planning Board to improve the quality of products and to prepare plans to achieve the ISO Certificate of 9001:2000 for the product of CPO and its derivatives; to increase the security of production assets through both formal regulation and neighboring community; to build waste processing facilities; regulate factory activities; and encourage staff and employees to socialize with the neighboring community.