

Strategy Modeling to improve Organizational competitiveness Sustainability (A reformulation of the model for implementation)

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Abstrak

Purpose: The current study aims to analyze response of the state-owned company of shipping service sector in adjusting the antitrust law and their implementation of the objectives of the law in increasing the competitiveness of companies through value creation strategies and the distribution of the value throughout company's branches. **Research design, data and methodology:** This study was conducted using a qualitative approach to analyze the value formation model carried out by the company and compare the value formation models that have been proposed by experts and previous studies. The current research was conducted in Office Centre of Pos Indonesia and its main branches to find out the Distribution of Value Creation Strategy settled by the Company. All data was analyzed by using data analysis techniques in qualitative approach. **Results:** The results of this study indicate that the value creation model that has been implemented by the company has referred to the existing value creation models before by adding specific new factors so that the model can be internalized properly and is able to lead the company to take a role in a very dynamic competition in the delivery service sector in Indonesia

Kata Kunci: *Anti Monopoly, Value Creation, Value Distribution, Competitiveness*

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INTRODUCTION

Since 1999 the antitrust law has been enforced in Indonesia. The sector affected by this law is a state-owned company which has had privileges and operates monopoly. One of the state-owned companies is PT Pos Indonesia, which is operated in shipping services. Responding to changes as the antitrust law mentioned, PT Pos Indonesia immediately rebranded the delivery service business unit which called TIKI in order to perform modernly and be able to compete fairly with other shipping service companies from domestic as well as international companies such as DHL, UPS and others. (Samawati Saleh, 2019).

Twenty-two years since the issuance of the antitrust law, many things have been done by state-owned companies where they are no longer have negative presupposition toward the presence of other private companies running in the same field. However, the most important thing to consider by state-owned companies is

how to respond to changes continually growing up now so that companies may be surviving and progressing competitively with others (Iqbal, Sucherly, Azis, & Kaltum, 2020); (Hartomo, 2014) (Hartomo, 2014). Surviving and competing strategically, it is important for companies to have effective and efficient business processes and the ability to be able to create superior value so that the company may achieves a good competitive position compared to existing competitors. (Auliana, 2012);(P.M.Singh; H.Jonkers; M.E. Lacob; M.J. Van Sinderen, 2014); (Cengiz, Haksever; Radha, Chaganti; Ronald G, 2004)

Value creation according to (McKinnon, Gowland, & Worzel, 2005) is a transformation of the results of creativity and innovation through discovery or development in producing a product or service. In terms of value creation,(Goedhart; Tim Koller, 2020) states that competitive advantage can be achieved through extra value creation efforts addressed to customers, employees, supplier communities (including the physical environment) and shareholders so that value creation must involve all organizational components and organizational operations. A company's business processes will be derived into the company's operational activities that generate added value and focus on future value creation. These process activities can be seen from the realization, cost, time (delivery) quality and flexibility that are directed to build a competitive advantage. Value creation should be viewed as a long-term and sustainable strategy (Evans, Fernando, & Yang, 2017) to achieve the sustainability of value creation. (Evans et al., 2017) stated that companies need to prepare the concept of value creation as seen from the main ideas on systems thinking, whole system design, systems innovation and sustainable business models as the key concepts for sustainable value creation.

Sustainable value creation is also strongly influenced by sustainable business process operations because the sustainable business processes will automatically lead the company to build and create values that are in line with the business faced by the company from time to time. The ability to have flexibility in understanding Contemporary business will be one of the factors the company can maintain business competitiveness (Hartomo, 2014). This was also conveyed by (Badurdeen & Jawahir, 2017) who stated that sustainability manufacturing can be the basis for sustainable value creation.

Based on the views above, state-owned shipping companies in Indonesia must have awareness of this in facing of the very tight competition, especially with the presence of very creative and innovative delivery services such as gosend from Gojek, JNE, JNT, Meratus, TNT. MSACargo, David Distribution DHL/Caraka Repex, Fedex, Lion Parcel and other modern shipping services that are very adaptable to the use of very modern technology and business packaging.

Business in the shipping service industry is currently growing at an average of 5-10% per year. This condition shows that Indonesia in the future will become a very potential courier service market. Thus, various strategies to dominate market share need to be explored in accordance with the characteristics of the company, the environment. and the level of competition they are facing. One approach can be applied by company in order to win the competition is creating new values and innovation.

2. Literature Review

2.1 Value Creation

Value creation requires efforts from the company so that it can proceed in a sustainable manner. This requires management's understanding that the value creation process is included in the business process. There are several things that need to be considered in value creation as stated by (Brozović, D'Auria, & Tregua, 2020); (Julie; mads ludgard, 2011). In the context of sustainable value creation, Julie sees that value is obtained from premium profit while premium profit is obtained from the company's ability to create margin improvement and revenue growth. This value creation is more likely to see value creation from the financial side so that value is considered as the company's success in obtaining premium profit.

(Evans et al., 2017) have a slightly different view from that conveyed by (Julie; mads ludgard, 2011) in which Julie sees value from financial view then (Evans et al., 2017) looking at value from the management process where in creating value a company needs to pay attention to System Thinking where the system is owned by the company that manages various things in a complex manner then allows the company to utilize the resources owned by the company. The system must be able to identify and utilize relationships and linkages of various matters within the company. Value creation must also concern about the Whole System Design where in this context value will be greatly influenced by the company's overall system. This thinking shows that the existing systems in the company actually have an inseparable relationship with one another. Two other things that need to be considered in value creation according to (Evans et al., 2017) is system of innovation and sustainability Business model.

2.2. Value Creation Models

In line with the importance of value creation in companies, many researchers and experts have proposed value creation models that make a great contribution to companies in order to develop the most appropriate value creation model. Some of them are models proposed by (Short et al., 2017) which reveals the value creation model depicted through the opportunities for value Innovation shown in Figure 1

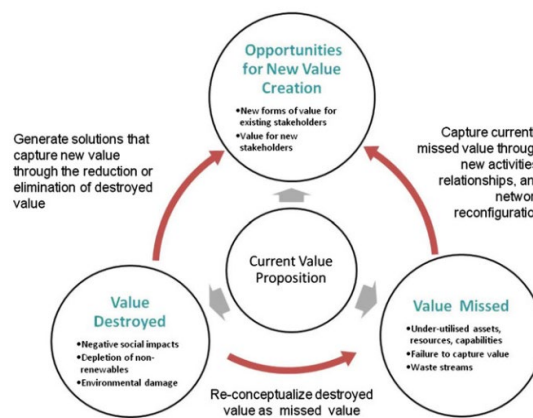


Figure 1 Opportunities for Value Innovation

(M. Yang, Evans, Yang, Rana, & Evans, 2013) revealed that value creation needs an in-depth analysis of this value which states that the company needs to identify its value proposition. The identification is seen from three forms of value, namely value absence

and value surplus. This analysis is conducted in order to determine the suitability between them. This result then needed further analysis, namely the analysis of value destroyed and value missed. The results of this analysis will produce value opportunities that can be taken by the company which will be realized in value opportunities to be developed. This analysis requires several stages of analysis so that this model is called the Multiple form of value model.

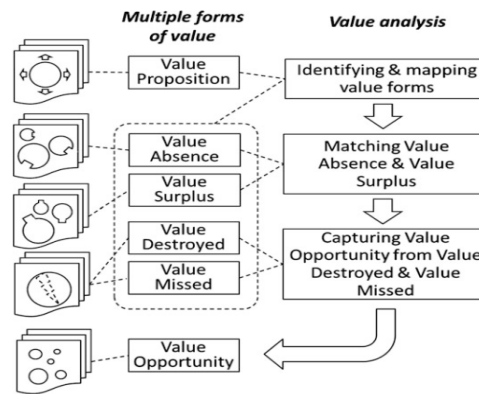


Figure 2. Multiple Form of Value Model

Whereas (Julie; mads ludgard, 2011) describes the value creation model through financial approach which states that the company's value creation is basically the company's ability to achieve profit premium that is degenerated by the company's ability to increase margins and revenue growth.

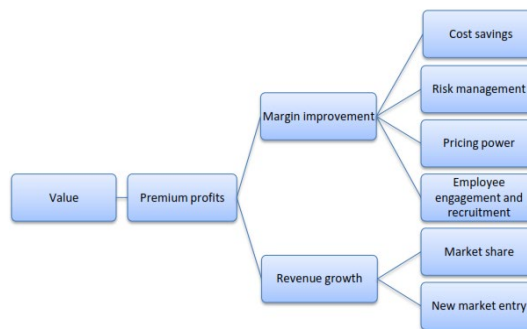


Figure 3. Value Creation Levers for Sustainability

All organizations and companies are very interested in value creation, especially in the highly dynamic and increasing competitive conditions currently in the digitalization era. The importance of value creation also occurs in e-business as stated that "we enter the twenty-first century", business conducted over the Internet (which we refer to as 'e-business'), with its dynamic, rapidly growing, and highly competitive characteristics, promises new avenues for the creation of wealth. Established firms are creating new online businesses". This condition is increasingly occurred today, especially in Indonesian context so that the value creation becomes a model that needs to be taken into account for companies that inevitably enter the era of digitalization as it is today. The value creation model for e-business delivered by Yang (C. Yang, 2001) described as follows :

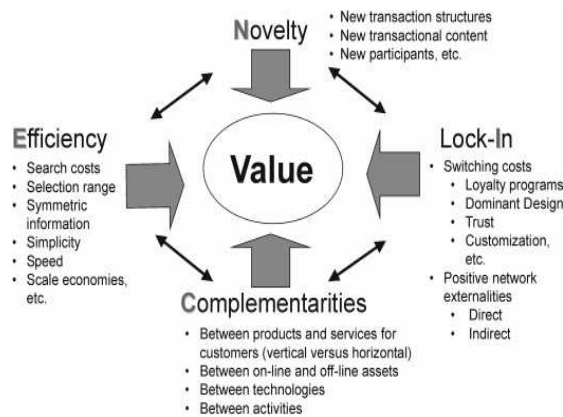


Figure 4. Source of Value Creation On e-Business

In the model image above (C. Yang, 2001) emphasizes that value creation in e-business is determined by four important factors, namely (1) Efficiency, the company will be able to streamline costs by selecting proper costs to be used and being able to use information in order to provide simple but effective services to target consumers (2) Complementarities, ability to create adaptive products among various consumer needs both online and offline as well as ability to harmonize the use of technology and the activities (3) Lock in, which is seen from two things, namely Switching costs which are directed to loyalty programs, dominant design, trust and customization and (4) Novelty, ability to create something new.

METHOD

This study is intended to analyze the suitability of the value creation model that has been prepared by PT Pos Indonesia, by conducting a study of the policies that have been made and comparing them with existing value creation models. Data collection was carried out in accordance with this research approach, namely qualitative research so that the main data of this study were taken from interviews with selected informants and were considered to have the capacity to make company management decisions. Data analysis is carried out by elaborating the results of interviews to find out the value creation process that has occurred in the company's operations. These results are then described in the company's value creation model with the help of existing value creation models.

Results and Discussion

The anti-trust policy that was promulgated in Indonesia had a positive impact on SOEs, which all this time have had privilege and some of them monopoly operated. With this policy, state-owned companies have metamorphosed to become independent companies, one of which is a company operating in shipping services. After the enactment of Antitrust policies, the companies are necessarily faced with very tight business competition. The company should face off the shipping companies growing in Indonesia due to the relaxation of regulations of company establishment. Competition is not only faced by domestic shipping service companies that continue to grow but also international shipping service companies operating in Indonesia such as DHL, FEDEX, UPS and others.

Data in this current research is anything related to efforts has been strived by the Company in facing of intense competition and data associated with the value creation process by considering on the existing value creation models.

The main concern of Value creation of the company is company operational as stated in the Company's policy. In order to anticipate increasingly tight and open business competition as well as to concern on the opportunities of the company, the first step taken is to determine the main company policy, namely: Translating the policies, operational policies derived as follow:

1. Policy on Business Operations and Communication

This policy is the company's effort to improve service quality by improving operational processes that are focused on minimizing non-adding time, the company's operations are also focused on managing core business competencies, both in terms of network and delivery. The company is directed to concern with the efficiency effort and quality awareness commitment. In order to strengthen the Company's positioning, the company as the most intensive integrated and reliable service network, should direct the network management to regional empowerment to build interconnectivity of effective networks post with support of information technology. The company should also create standardization of operational process design directed to process simplification in an effort to increase compliance of the implementation of SOP while it remain concern on the development of innovation capabilities implemented after going through the process and standardization.

The operational policy in the business and communication sector is returning business on the company's competence, namely physical delivery while continuing to develop and multiply the role of technology and information, providing flexibility to operational areas and technical implementing units to develop products within their respective operational areas and the framework of product reviews. The Biskom Unit as a regulator, evaluator and its role in supervision will act to support the existing work program. Develop superior business, namely direct mail and premium delivery in cities with potential market of intercity courier and city courier.

2. Finance and Agency Business Sector Policy

Expanding cooperation with strategic partners through strategic alliances that can provide benefits to each party (win win solution) in supporting increased production and income. In this case, Pos Indonesia acts as an intermediary for private government institutions and distribution (fund distribution). This policy also regulates the application of competitive tariffs for all financial services, both money orders, giropos and agency services with reference to the cost of production of each similar service. Companies must streamline business activities by integrating operations marketing activities. The companies give priority in developing business activities on superior products with high value and strong competitiveness.

3. Policies for the Procurement of Engineering and Facilities

Optimizing operational support, improving technical and infrastructure from the juridical, social economy and administration side as well as creating new value and providing added value for the company

4. HR Policy

Fulfill operational needs based on the effectiveness of the staffing function, optimal HR development programs on the joint achievement of employee goals and interests.

The strategic plans are prepared by the company to pursue the company's goals in realizing the company's transformation from companies protected by the government to a professional delivery service company that has value for their customers. The description of the value creation process in a value creation model can be described as follows:

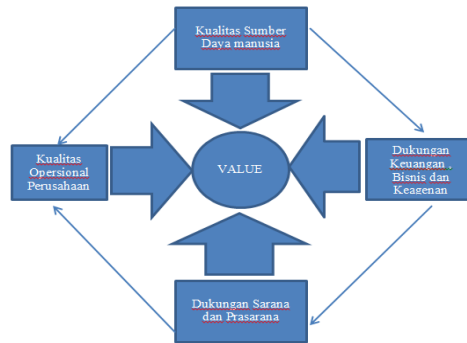


Figure 5. Value Creation Source Model by PT Pos Indonesia

4.2. Discussion

The value creation model above is the development of the value creation model initiated by (C. Yang, 2001) and Simatupang and Pramudito (2006). They conveyed through the developed model that value can be created through four important things that will contribute to the creation of company value. The matrix of these four factors shows as follow:

Table 1 Source of Value Creation Yang V.S Simatupang & Pramudito

Yang (2001)	Simatupang & Pramudito
Novelty	Supplier
Efficiency	Management
Lock in	Employee
Complimentarities	Customers

The value creation model created by PT Pos Indonesia focuses on four important things, namely 1) Quality of Human Resources 2) Financial, Business and Agency Support 3) Facilities and Infrastructure Support 4) Company operational quality. These four important things are related to the value creation model proposed by Yang can be seen through the following matrix

Table 2. Matrix Source of Value Creation Between Yang (2001) V.S PT Pos Indonesia

Yang (2001)	PT Pos Indonesia
Novelty	<ul style="list-style-type: none"> Policies in improving service quality through operational processes improvement which is focused on minimizing non-adding time and managing core

	<p>business competencies, both in terms of network and delivery.</p> <ul style="list-style-type: none"> • Create new value and provide added value for the company
Efficiency	One of the Company's Operational Quality is increasing efficiency focused on cost efficiency, financial strength and speed of action of the company
Lock in	Optimizing operational support, improving technical and infrastructure in terms of juridical, social economy and administration as well as creating new value and providing added value for the company
Complimentarities	<p>Expanding cooperation with strategic partners through strategic alliances that can provide benefits to each party (win win solution) in supporting increased production and income in this sector.</p> <p>Pos Indonesia acts as an intermediary for private government institutions and distribution. This policy also regulates the implementation of competitive tariffs for all financial services, both postal odds, giropos and agency services with reference to the cost of production of each similar service. Companies must streamline business activities by integrating operations marketing activities, companies give priority to developing business activities on superior products that have high value and strong competitiveness.</p>

Whereas if the value creation carried out by PT Pos Indonesia is associated with the value creation model proposed by Simatupang and Pramudito (2006). It shows in the following matrix:

Table 3. Matrix Source of Value Creation Between Simatupang & Pramudito V.S PT Pos Indonesia

Simatupang & Pramudito (2006)	PT. Pos Indonesia
Supplier	Expanding cooperation with strategic partners through strategic alliances that can provide benefits to each party (win win solution) in supporting increased production and income in which Pos Indonesia acts as an intermediary for private government institutions and distribution.
Management	Fulfill operational needs based on the effectiveness of the Management function
Employee	HR development program that is optimally on the joint achievement of the goals and interests of employees
Customers	Policies of improving service quality through maintaining the operational processes focused on minimizing non-adding time as well as managing core business competencies, both in terms of network and delivery.

From the results of the matrix above, it can be conveyed here that the value creation policy carried out by PT Pos has referred to academic studies that shows the willingness of corporate value creation consistently scientific based and scientifically reliable. The model has adopted value creation model by Yang (2001) and in line with Simatupang & Pramudito (2006) statement.

4.1. Value Distribution

The value creation model developed then applied as a program for the company that must be followed up by all branches of the company in Indonesia. The process of distributing these values is instilled through the development of corporate culture and formalized in the company's strategic plans. Strategic planning after the formulation

of this value creation model is prepared refer to the value creation model as the main reference

4.1. Practical Implication

The practical implication of this research is to provide input to company management on the importance of value creation for companies aimed at creating sustainable competitiveness, especially in confronting the very dynamic competition with similar companies that have operated professionally both national and international scale of delivery services. The results of this study may encourage company managers to be able to create targeted strategies with a scientific basis and concern with the specific factors of the company so that the resulting system can be internalized efficiently and effectively based on a good understanding of organizational members on The model created due to its basis on facts that actually occur in the management of the company.

4.2. Theoretical Implication

Theoretically, results of the current research will be able to contribute to science, especially in issues of corporate strategy to deal with internal and external factors that can affect the company's operations. This research can also provide input on theories of value creation as a company strategy to gain sustainable competitiveness

CONCLUSION

PT. Pos Indonesia has made progressive efforts related to anti-trust regulations issued by the government. The main effort is to formulate company policies related to value creation to face increasingly open competition. The policy consists of four important points namely (1) operations policy (2) business and agency policy (3) technical and facilities procurement policy (4) human resources policy. The four policies are all directed to create value both for the company and for the community (consumers), partners and suppliers. It is expected that the company can have strong competitiveness in facing today's dynamic competition. The current research concluded that if the value creation policy conducted by PT Pos Indonesia is in line with existing value creation models. This shows that PT Pos Indonesia has relied on their efforts to scientific studies in order to lead the corporate transformation into a more open and professional company run as expected and scientifically reliable. The model that has been created is expected to be well adapted by distributing the values jointly understood in the form of a value creation model officially adopted by the company

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