



Proposed Business Strategy for International Freight Forwarding Company (Case: PT Jahermosa)

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ABSTRACT: PT Jahermosa is an international freight forwarding company established in 2012. This company has experience handling several types of goods with various services and modes of transportation. The services provided include export-import goods delivery using sea, air, and land modes. Due to COVID-19, the company's sales performance has decreased from 2019 to 2021. However, according to data from the Central Bureau of Statistics, Indonesia's total exports and imports from 2020 to 2021 have experienced a drastic increase. This gap indicates an increase in the market for goods delivery services to and from Indonesia but did not accompany PT Jahermosa's ability to absorb the market. Therefore, this study aims to provide strategic business proposals for PT Jahermosa in the freight forwarding industry to improve the company's sales performance.

This research is qualitative research using primary data and secondary data. Primary data was obtained through interviews with several customers and management participants. While secondary data is obtained through company financial reports, websites, journals, and articles. First, an analysis was carried out on the external and internal conditions of PT Jahermosa's freight forwarding business. External analysis was conducted using the PESTEL Framework, Porter's Five Forces Model, Customer Analysis, and Competitor Analysis. Meanwhile, internal analysis was carried out using the Resource Based View Model, VRIO Analysis, Porter Value Chain Analysis. After that, the internal and external analysis will be put into the Business Model Canvas. Then, SWOT analysis is used to evaluate the strengths, weaknesses, opportunities, and threats to assess the condition of PT Jahermosa using the data from external and internal analysis. Evaluation of these four factors forms the basis for formulating strategic alternatives using the TOWS Matrix. Finally, root cause analysis is carried out to find the real cause of the problems encountered using Problem Tree Analysis. Based on the results of this research, the strategy is formulated using the Diamond Strategy Model by considering four factors: vehicles, arenas, differentiators, speed, and economic logic. Value proposition canvas is used to support the proposed strategy.

The limitation of this research is that financial reports need to be explained in detail to keep company documents secret. In addition, this research only covers PT Jahermosa as a freight forwarding and logistics service company. Further investigation can be made based on this research in the supply chain management, human resource management, and marketing strategy.

KEYWORDS: Business Strategy, Freight Forwarding, Sales Performance, Strategy Diamond

1. BUSINESS ISSUE

Based on data from Badan Pusat Statistik (2022), Indonesia's total exports and imports in 2018 increased from the previous year. The increase in total exports was supported by the activities of the Indonesian. For example, the trade mission which had been carried out in 2018, with the main markets were China, Japan, America, India, and Singapore. Badan Pusat Statistik (2022) recorded Indonesia's exports throughout 2019 at US\$ 167.53 billion. This figure is significantly lower than the export performance of the previous year, which reached US\$ 180.01 billion. Meanwhile, in 2020 Indonesia's total exports and imports decreased. Indonesia's exports decreased by 2.6% from the previous year due to COVID-19. Imports experienced a very drastic decline of 17.34%. In addition, the economic downturn caused global and domestic demand to decline. Simultaneously with the decline in Indonesia's total exports and imports, Jahermosa's sales trend also experienced a drastic decline in 2019. However, along with the increasing number of vaccines and economic recovery in several countries, Indonesia's total exports and imports increase drastically in 2021. The export increase is in line with the rising prices of some of Indonesia's mainstay commodities. Unfortunately, the sales trend of Jahermosa has been stagnant from 2019 to 2021. There was no corresponding increase in the trend even though Indonesia's total exports and imports were increasing. The increase of Indonesia's exports and imports, of course, attracts the growth of new



competitors, especially those that are more sophisticated with the use of technology. Therefore, it is necessary to develop an appropriate strategy for observing the growth of the freight forwarding industry in Indonesia to increase the competitiveness of PT Jahermosa.

2. RESEARCH QUESTION AND OBJECTIVE

Based on the business issue above, several things that will be the object of questions in this study are as follow.

1. To analyse the external and internal analysis of PT Jahermosa.
2. To proposed business strategy for PT Jahermosa.
3. To develop the implementation plan of the proposed business strategy.

Based on the business issue above, three research questions are formulated as follows.

1. What are the current internal and external factors of PT Jahermosa business condition?
2. What is the suitable business strategy to increase PT Jahermosa sales performance?
3. How to set an implementation plan of business strategy in PT Jahermosa?

3. RESEARCH METHODOLOGY

This research uses qualitative research where the data collection consists of primary data and secondary data. These data are essential information for internal and external analysis of PT Jahermosa.

Primary Data. The method to gather this data is using depth-interview with customers and employees of PT Jahermosa. Owners/CEO, Managers, and Employee will be interviewed to understand the about the daily operation and current situation of the freight forwarding business. Meanwhile, five customers of PT Jahermosa will be interviews about the capabilities of PT Jahermosa that are valuable to them. All interview was conducted in a semi-structured manner to create good report while allowing respondents to share in depth insight.

Secondary Data. Secondary data can be in the form of documentation, books or official archives. The author's secondary data sources are obtained through internet, books, company's report, and journal.

4. EXTERNAL ANALYSIS

The external environment of PT Jahermosa comprises factors that influence the potential to achieve sustained competitive advantage. By Scanning, monitoring, and evaluating the external factors, opportunities can be capitalized and threats can be alleviated. The external factors consist of the general environment, industry, and strategic group (Rothaermel, 2021). These factors will be analysed using PESTEL Analysis, Porter's Five Forces, and customer analysis, and competitor analysis.

4.1 PESTEL Analysis

The PESTEL Framework is a framework that categorizes and analyses an important set of external factors (Political, Economic, Socialcultural, Technological, Environment, and Legal) that might impinge upon a firm. It allows us to scrutinize, observe, and evaluate changes and trends in the firm's macroenvironment (Rothaermel, 2021).

Political.

- Minister of Trade Zulkifli Hasan declared, The G20 Trade, Investment, and Industry Ministerial Meeting (TIIMM), which was held on 22-23 September 2022 in Bali, was successfully conducted and supported the achievement of six priority issues to accelerate global economic recovery and sustainable development goals. By making contracts between countries that are members of the G20, there will be opportunities for imports and exports in the long term.
- Minister of Agriculture (Mentan) Syahrul Yasin Limpo emphasized that the three-time export movement or hereinafter referred to as Gratieks must be a turning point for all parties in igniting the spirit of Indonesia's agricultural revival.

Economic.

- In 2022, central banks throughout the world have raised interest rates with a degree of coherence not seen in the previous five decades. The very high rise in inflation in developed countries followed by extraordinary monetary policy responses and tight liquidity spurred the so-called capital outflows and volatility in the financial sector. Policymakers may change their attention from cutting consumption to increasing output in order to achieve low inflation rates, currency stability, and quicker



development. Meanwhile, this condition can reduce Indonesia's export rate because commodity prices will weaken due to falling demand.

- Trucking companies in Indonesia increased tariffs by 25% due to the increase in diesel prices. The Indonesian Logistics and Forwarders Association (ALFI) has confirmed that it will adjust the tariff for logistics services where the increase is 20%.

Social.

Freight forwarding sector requires understanding of work culture variations such as language barriers and communication process. PT Jahermosa primarily imports and exports to Singapore, Malaysia, Vietnam, China, and Korea. The most common language used in communication is English. Customers from China, on the other hand, do not all speak English. Typically, they will utilize translator or message translator. Thus, written communication is required in this language difference to minimize miscommunication. In addition, differences in working hours can also cause problems because Indonesia is one hour behind all of that countries.

Technology.

- Director of Information Empowerment, Directorate General of Information Applications at the Ministry of Communications and Informatics, Septriana Tangkary stated that the growth in the value of electronic commerce (e-commerce) in Indonesia reached 78 percent, the highest in the world. Online purchasing is common in Indonesia, and this practice has grown in popularity as the COVID-19 epidemic has spread. The value of market is expected to rise at a compound annual growth rate (CAGR) of 19.2% between 2020 and 2024, to reach IDR707.6 trillion (US\$51.0bn) in 2024. (Globaldata, 2021)
- Technological developments in the freight forwarding business process have reached the application development stage. In this application, customers can quote prices instantly and monitor their shipments directly from their mobile phone. In addition, communication with customer service can be done directly with the chat feature.

Ecology.

The freight forwarding business accounts for eight to ten percent of global carbon emissions, making it one of the most significant carbon polluters on the planet. Climate impacts, in turn, have secondary consequences ranging from infrastructure damage to micro-scale issues such as surety bond claims. The logistics industry bears high level of responsibility in global warming because their contribution in global CO₂ emissions. Therefore, several shipping lines have imposed Environmental Fuel Fee (EFF). Of course, this additional cost increases the price of freight ships.

Law.

This insurance provides compensation for damage or loss of goods in shipping by land, sea, or air. This insurance is commonly referred to as freight insurance, marine cargo insurance, and shipping insurance. With this insurance, the risk for cargo owners when the cargo is being transported domestically in Indonesia and internationally can be reduced. The types of insurance are distinguished based on the type of transportation by water/sea, land, and air.

4.2 Porter Five Forces

Threat of new entrants (High). The freight forwarding industry relies on customer switching costs in dealing with new entrants in the industry. High customer switching costs because it takes work for customers to trust a forwarding. There are many cases where the forwarding agent is not responsible for releasing the goods because the goods turned out to be problematic due to errors or lack of supporting documents. However, it will undoubtedly be easy for newcomers to enter this business when viewed in terms of product differentiation, capital requirements, access to distribution channels, and legal requirements.

Threat of substitutes services (Low). The freight forwarding industry using service rails between countries is still minimal. In 2021, the volume of transported freight on Indonesia's railway system amounted to approximately 50.04 million metric tons. Customers prefer to use other modes of transportation because the infrastructure of the railway is not integrated from the port to the customer's warehouse.

Bargaining power of supplier (Low). The existence of suppliers or vendors rather than freight forwarding nowadays is many. With the times, access to communicate with these suppliers is easier through the website. The prices offered between suppliers are the



same, but the quality can be different. If the workload is too large, the suppliers tend to finish the work late. Therefore, it is necessary to control each supplier so that the work can be completed on time.

Bargaining power of buyer (High). Freight forwarding companies usually sell to B2B customers. With the increasing e-commerce market in Indonesia, buying goods from abroad, primarily China, requires freight forwarders who can take care of their goods. Customers tend to switch to another freight forwarding if the price offered is not reasonable. Usually, the type of shipment that increases the ability to substitute is the type of shipment, such as general cargo, dangerous cargo, or perishable cargo.

Rivalry of competitors (Medium). Freight forwarding companies vary from small, medium, and large companies. This is influenced by the capital needed to work on a project. However, usually, large companies will share their projects with small companies because of this highly developed industry. Usually, freight forwarding companies can cooperate in certain cases.

4.3 Customer Analysis

Product. One of the service lines that take more work is Re-exports. Re-export is sending back goods imported into Indonesia to the country of origin or a country approved by customs. The obstacle in the re-export process is a complicated bureaucratic process for customs and shipping because the services of the two parties need to be synchronized. The re-export process will take months if the customer does not use unreliable freight forwarding. Meanwhile, the rating imposed for storage and detention is per day. In addition, customers also need dangerous goods services.

Place. Branch offices can make it easier for customers to collect original documents followed up as evidence in the customs clearance process at the port or airport. Also, the online presence of freight forwarding companies will gain their trust. The official website shall use the updated design to look more attractive and needs to be updated about the company's experience on the website.

Promotion. However, the customer considered that this good service was different from a good promotion by PT Jahermosa. Brand awareness of PT Jahermosa has yet to be heard well by the outside market. Lack of promotion is undoubtedly a further analysis for PT Jahermosa to improve its business strategy.

Price. The price given according to the customer is competitive and can compete with other agents. However, the price for problematic and difficult-to-work items is definitely higher. Of course, the price given is in accordance with the service and professionalism of freight forwarding companies.

Process. Customers expect a call center or red desk. Also, they hope the workers' English skills can be improved. Fluent English can speed up the work process so that it does not depend on the manager's level in responding to important emails or messages.

Physical Evidence. Documents are essential evidence in the freight forwarding industry so that the customs clearance process can run smoothly. Therefore, document storage must be carried out in hardcopy and softcopy

People. Customers needs freight forwarder who is friendly and polite in interacting through text and calls. In addition, freight forwarding should be patient and thorough in checking documents, even though customers often make mistakes. Moreover, customers need support in the field or online for 24 hours a day.

4.4 Competitor Analysis

Analysis of three competitors who played in freight forwarding industry with the same target market as PT Jahermosa by using competitor analysis in Table 1. Three companies include PT Prima International Cargo, PT Andhika Maju Mandiri and Dunex Logistic Solution.

Product/Service. Competitors have the same service line in term of air freight, sea freight, trucking, warehouse, custom clearance, and heavy equipment. However, competitors also have several added service lines such cold storage, packaging and perishable goods.

Place. Competitor have the headquarters near the Tanjung Priok Port and branches in several big cities in Indonesia, such as Surabaya, Semarang, Bali, Pontianak, Natuna, Palembang, Jambi, Batam, and Kendal.

Promotion. Competitors use website, email, Facebook, LinkedIn, and Instagram.



Price. The price between competitors using unit price and relatively the same.

Process. Competitors use advance technology such as Integrated Application System and Live Tracking for their process in custom clearance. The technology help customers to input the data easily. Also, competitor already apply ISO 9001:2008 in the management system.

Physical Evidence. Competitors use advance technology such as Vehicle Management System (Apps), Live Tracking, and E-Portal.

People. Competitors have trained employees. Also, they make the well-organized structure for their employees. For example, they have Marketing Manager, Air Freight Manager, Branch Coordinator, Branch Manager, Procurement Manager, and Legal & GAF.

Table 1. Competitor Analysis using Marketing Mix 7P

Marketing Mix 7P Element	PT Jahermosa Competitors			PT Adhika Maju Mandiri (Amman Cargo)	Dunex Logistic Solution (Dunex)
	Prima (Prima)	International	Cargo		
Product/Service	Air Freight Sea Freight Trucking Custom Clearance Undername Warehouse Packaging			Air Freight Sea Freight Trucking Warehouse Heavy Lift Equipment Custom Celarance Undername	Air Freight Sea Freight Trucking Warehouse Heavy Lift Equipment Cold Storage Custom Clearance Undername
Place	Head office: Jakarta Pusat Operational office: Soetta Airport Branch Office: Bali, Medan, Semarang, Surabaya, Bandung			Head office: Tanjung Priok Branch Office: -	Head office: Sunter Branch Office: Lampung, Surabaya, Batam, Kendal
Promotion	Website, Facebook, Instagram, Twitter			Website, LinkedIn Instagram, Email	Website, Facebook, Instagram, Email
Price	Same			Same	Same
Process	Internal Audit and ISO			Integrated Logsitic Solution	Email, Whatsapp
Physical Evidence	Email			Vehicle Management System (Apps) Live Tracking E-Portal	Email
People	Trained and organized			Trained and organized	Trained and organized

5. INTERNAL ANALYSIS

5.1 Resource Based View Analysis.

Table 2. RBV Analysis of PT Jahermosa

Tangible Resources	
Physical Resources	<ul style="list-style-type: none"> • Head office in Serang, Banten • Branches in Makassar and Surabaya • Workshop in Krakatau Steel
Financial Resources	Owner's capital and bank loans



<i>Intangible Resources</i>	
Human Assets & Intellectual Capital	Trained employees (90% are millennials and Gen Z)
Brand, company image, and reputational assets	<ul style="list-style-type: none"> • Excellence reputation and reward from POSCO • Experience in handling Re-export • Specialist in handling steel structure • Specialist in handling heavy equipment • Specialist in temporary import • Specialist in handling perishable goods • API-P certification
Relationship	<ul style="list-style-type: none"> • Strong relationship with the stakeholders • Partners with big forwarders around the world, especially China, Singapore, and Malaysia

5.2 VRIO Analysis.

To assess resources and whether they support a firm's competitive advantage, they must meet the VRIO criteria: Valuable, Rare, Imitation Costly, and Organized to capture value, which is called the VRIO framework (Rothaermel, 2021). The VRIO analysis result of PT Jahermosa can be seen in the Table 3.

Table 3. VRIO Analysis of PT Jahermosa

Resources	V	R	I	O	Competitiveness
Tangible					
Head office in Serang, Banten	Yes	No	No	No	Competitive Parity
Branches in Makassar and Surabaya	Yes	No	No	No	Competitive Parity
Workshop in Krakatau Steel	Yes	No	No	No	Competitive Parity
Owner's capital and bank loans	Yes	No	No	No	Competitive Parity
Intangible					
Trained employees	Yes	No	No	No	Competitive Parity
Excellence reputation and reward from POSCO	Yes	Yes	No	No	Sustainable Advantage Competitive
Experience in handling re-export	Yes	Yes	Yes	No	Sustainable Advantage Competitive
Specialist in handling steel structure	Yes	Yes	Yes	No	Temporary Advantage Competitive
Specialist in heavy equipment	Yes	Yes	No	No	Temporary Advantage Competitive
Specialist in temporary import	Yes	Yes	Yes	No	Sustainable Advantage Competitive
Specialist in handling perishable goods	Yes	Yes	Yes	No	Sustainable Advantage Competitive
Strong relationship with the stakeholders	Yes	No	No	No	Competitive Parity
Partners with big forwarders around the world, especially China, Singapore, and Malaysia	Yes	No	No	No	Competitive Parity

5.3 Value Chain Analysis.

The primary activities of PT Jahermosa are consist of four stages activities: inbound logistics, operations, outbound logistics, marketing and sales, and services. PT Jahermosa can collect the shipment from the warehouse or ask the seller to send goods to their partners. Once the shipment and the documents have arrived in Indonesia, PT Jahermosa processes the operations by declaring the custom clearance in the destination port. Outbound logistics involves delivering the packages by trucking to the final destination by trailer or van. PT Jahermosa relies on word-of-mouth marketing. The key to customer loyalty is trust in handling their shipment. This trust leads them to promote PT Jahermosa in their other business relationships. However, PT Jahermosa has tried digital marketing using a website, Instagram, and Facebook. Jahermosa relies on its manager to maintain the information channel between customers. This process is to reduce the missed perception of the shipment's situation. Meanwhile the supporting activities of PT Jahermosa are consist of firm infrastructure, human resource management, technology department, and procurement.



Figure 1. Value Chain Analysis of PT Jahermosa

5.4 Business Model Canvas

Table 4. Business Modal Canvas of PT Jahermosa

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
<ul style="list-style-type: none"> • Customers • Regulator • Vendors • Lessors • Partners • Employees • Competitors 	<ul style="list-style-type: none"> • Operations • IT • Finance • Marketing and Sales • SCM 	<ul style="list-style-type: none"> • Document check and shipment status 24 hours everyday (including holidays) • PT Jahermosa will bear the cost of the fine if there is an error on the part of PT Jahermosa (ex: detention, storage, re-export) 	<ul style="list-style-type: none"> • Monthly Meeting • Holiday gift (Christmas, Chinesse New Year, and Eid Fitri) 	<ul style="list-style-type: none"> • B2B Companies
	<p>Key Resources</p> <ul style="list-style-type: none"> • Excelence reputation and reward from POSCO • Experience in handling re-export • Sspecialist in handling steel structure & heavy equipment. 		<p>Channels</p> <ul style="list-style-type: none"> • Head Office • Website • Email • Instagram • Whatsapp • Vendors 	



	<ul style="list-style-type: none"> • Specialist in handling temporary import • Handling perishable goods 			
Cost Structure		Revenue Streams		
Fixed Cost : <ul style="list-style-type: none"> • Employee • Utilities Variabel Cost : <ul style="list-style-type: none"> • Freight • Document • Administrative • Custom Clearance • Trucking • Operational 		<ul style="list-style-type: none"> • Handling Fee • Undername • Import and Export Permit • Freight • Trucking 		

6. SWOT ANALYSIS

Table 5. SWOT Analysis of PT Jahermosa

Internal	Strength S.1 Excellence reputation and reward from POSCO S.2 Experience in handling Re-export S.3 Specialist in handling steel structure & heavy equipment S.4 Specialist in handling temporary import S.5 Specialist in handling perishable goods	Weakness W.1 No Integrated Application System W.2 Limited branches around Indonesia W.3 Lack of organizational structure W.4 Lack of employee’s confident W.5 No implementation of ISO 9001
	External	Opportunities O.1 The G20 Trade, Investment, and Industry Ministerial Meeting O.2 Gerakan Tiga Kali Lipat Ekspor O.3 Growth in e-commerce market O.4 Cargo Insurance O.5 Foreign Investment O.6 Freight Forwarding Growth O.7 High Customer Switching Cost

7. ROOT CAUSE

Using problem tree analysis, it is found 3 (three) root causes which are no marketing team, limited resources of IT expert, and less self-development program.



No marketing team. PT Jahermosa rely on their manager and director to promote the company. The employees only focus on the operational and finance sector. Therefore, there’s no department who focus on the marketing plan. Also, the development of website and social media are low due to no marketing team. Company can’t rely on their manager and director who already think about other task to set the focus and update their company’s social media. Someone should be responsible to make the strategy and schedule on the marketing.

Limited resources of IT expert. Forwarding business depend on their digitalization due to the moving of the goods. The shipment might be overseas but the documents can be handle by email and whatsapp. Also, customers can be from anywhere. The use of IT can help company in the decision making process and give information to the customers. However, PT Jahermosa lags behind its competitors due to the slow respon of technology. Competitors already develop the mobile apps and integrated system.

Less self development program. PT Jahermosa only provide training on how to do the job without giving the employees a place to develop themselves. It leads to the low confident of employees in doing their jobs. Strong character of employees can boost the service of PT Jahermosa.

Low customer relationship management. Based on the customer analysis, PT Jahermosa doesn’t provide call center or red desk for the customers. The absence of a call center makes it difficult for customers to get information about their shipments. The existence of a call center can correct errors in the completion of the previous shipment and put more trust in PT Jahermosa. With this trust, PT Jahermosa can improve sales performance in the future.

8. TOWS MATRIX

External Internal	Opportunities	Threats
	O.1 The G20 Trade, Investment, and Industry Ministerial Meeting O.2 Gerakan Tiga Kali Lipat O.3 Growth in e-commerce market O.4 Cargo Insurance O.5 Foreign Investment O.6 Freight Forwarding Growth O.7 High Customer Switching Cost	T.1 Global Economic Recession T.2 Rise in fuel prices T.3 Working culture differences T.4 Application development by competitors T.5 Climate Change
Strength	SO Alternatives	ST Alternatives
S.1 Excellence reputation and reward from POSCO	SO.1 Develop knowledge management system	ST.1 Develop management risk per shipment



External Internal	Opportunities O.1 The G20 Trade, Investment, and Industry Ministerial Meeting O.2 Gerakan Tiga Kali Lipat O.3 Growth in e-commerce market O.4 Cargo Insurance O.5 Foreign Investment O.6 Freight Forwarding Growth O.7 High Customer Switching Cost	Threats T.1 Global Economic Recession T.2 Rise in fuel prices T.3 Working culture differences T.4 Application development by competitors T.5 Climate Change
S.2 Experience in handling Re-export S.3 Specialist in handling steel structure & heavy equipment S.4 Specialist in handling temporary import S.5 Specialist in handling perishable goods	(S.2, S.3, S.4, S.5, O.6) SO.2 Improve facilities for handling perishable goods (S.4, O.2) SO.3 Improve customer relationship (S.2, S.3, S.4, S.5, O.7)	(S.2, S.3, S.4, S.5, T.1, T.2, T.5) ST.2 Create promotion plan (S.1, T.4)
Weakness W.1 No Integrated Application System W.2 Limited branches around Indonesia W.3 Lack of organizational structure W.4 Lack of employee's confident W.5 No implementation of ISO 9001	WO Alternatives WO.1 Develop alliance with freight forwarding in several cities (W.2, O.6) WO.2 Improve organization structure (W.3, O.6)	WT Alternatives WT.1 Hire IT Consultant for Integrated Application System (W.1, T.4) WT.2 Develop leadership program (W.4, T.3)

Based on TOWS Matrix, the best alternative strategy to improve organization structure (WO.2). The main reason is because the root cause of decreasing sales is no marketing team.

9. STRATEGY DIAMOND

The analysis of PT Jahermosa business can be defined by using strategy diamond based on five elements: arenas, vehicles, differentiators, staging, and economic logic.

Arenas. PT Jahermosa has a head office located in Serang, Banten. However, the branches are located in Surabaya and Makassar. The services provided include sea freight, air freight, trucking and perishable goods. Jahermosa can also be found through the official website www.jahermosa.com. In addition, PT Jahermosa is also a specialist in handling re-exports, steel structures, heavy equipment, temporary imports and perishable goods.

Vehicles. PT Jahermosa has been in alliance with partners in China in carrying out most of their shipments. Of course, the presence of COVID-19, which directly originated from China, had an impact on the total number of Indonesian exports and imports which decreased drastically. PT Jahermosa also collaborates with freight forwarding companies from Malaysia, Singapore, Vietnam and



Korea to deliver goods so door-to-door service can be carried out. In addition, PT Jahermosa also works with various shipping lines, making it easier for companies to get freight and document problem solving. The shipping line also asked for PT Jahermosa's help to solve the problems of their shipment clients who use their containers with long dwelling times.

Differentiators. PT Jahermosa gives 24 hours every day to check documents. This is because in the world of logistics, charges are calculated per day. With a service like this, checking documents on holidays can reduce the time needed for the process of issuing goods. In addition, PT Jahermosa also provides information regarding shipment status every day so that customers can estimate the arrival of goods for their business purposes. Moreover, PT Jahermosa also does not hesitate to pay fines if during the process of delivering goods there is an error from PT Jahermosa's work process. This is proof of the company's responsibility and credibility in prioritizing customer satisfaction.

Staging. PT Jahermosa initially used capital from the owner. As the company continues to grow and the number of jobs increases, PT Jahermosa takes loans using a stand-by loan facility from BCA and business credit from BNI. The properties owned by PT Jahermosa are only two-storey shophouses located in Serang. PT Jahermosa needs to increase its assets by buying a shop in Tanjung Priok as an operational office.

Economic Logic. In reducing costs, PT Jahermosa needs to keep the number of workers to a minimum. PT Jahermosa has a workforce of 24 (twenty-four) people, including the field and head office which are divided into the logistics, business development, accounting, finance and human resource departments. However, this emphasis on the number of workers has an impact on the management of PT Jahermosa so that the company needs to make improvements to the organizational structure to get the most effective minimum number of workers.

10. PROPOSED STRATEGY

Based on the five elements of strategy diamond, the proposed strategy for each element can be seen as follows.

Arenas

- *Opening branches in various ports.* PT Jahermosa needs to add more branches in several cities such as Semarang, Batam and Medan. Batam is a tax-free zone area which can certainly increase the number of exports-imports in the area. Meanwhile, Kuala Tanjung Port (Medan) will be integrated with an industrial area.
- *Update website to attract more customers.* By improving technology, freight forwarding companies can work on goods throughout Indonesia without having to be physically present. The existence of the website will make it easier for new customers to get information about PT Jahermosa more easily.
- *Development of services such as dangerous goods.* Dangerous goods such as screwdrivers, knives, vehicles, electric wheelchairs, air bags and lithium batteries have a large market but few players. Thus, PT Jahermosa can add a competitive advantage compared to other companies.

Vehicles

- *Maintain relationship with shipping liners.* Pelayaran makes it easy for PT Jahermosa to process documents such as Bill of Lading and Delivery Orders. Apart from that, shipping can also be a marketing channel for PT Jahermosa to introduce the company to their clients who need services according to PT Jahermosa's strengths.
- *Join the ALFI/ILFA community.* ALFI members can benefit from searching for sea freight digitally so that they can carry out export-import shipments more efficiently. In addition, ALFI members can also expand their connections with various other freight forwarders throughout Indonesia to learn from each other if they encounter difficulties in the field.
- *Implementation of ISO 9001:2015.* Freight forwarding work for general cargo is a repetitive job. Therefore, a system that has good work flow needs to be done so that the company can survive in the long term. One way is to implement ISO 9001:2015.

Differentiators

- *Provide low price but high-quality service.* Company can gain more projects by lowering the price but keep maintaining the high-quality of their services.



- *Fast custom and delivery process.* By accelerating expenditure and delivery of goods, the company can help clients and cash flow from PT Jahermosa. Payment is made when the goods arrive at the client's warehouse. Therefore, the faster the goods come out, the faster the company gets paid.

Staging

- *Development of warehouse facilities.* With a warehouse in Tanjung Priok, companies can develop their business and added their revenue. Warehouse facilities that are most in demand by customers as temporary storage or assembly of heavy equipment before being delivered to their destination.
- *Construction of operational office near tanjung priok.* Tanjung Priok is the main port for customer's PT Jahermosa in sending and receiving goods. With this operational office, it is also easier for customers to send original documents.

Economic Logic

- *Development of effective management system.* It is necessary to do a good leveling of the workload so that it does not pile up on one person with a large workload but a small number of human resources. PT Jahermosa should divide everyone into different posts. One example is in the logistics department, company needs to divide into document checking posts, field inspections, delivery of goods, and archiving of important documents. Thus, the work is done repetitively thereby reducing errors in each post.

As mentioned in the TOWS Matrix the best alternative strategy is to improve organization structure (WO.2). To be able to cover all of the proposed strategies above, PT Jahermosa needs to make improvements to the organizational structure by adding several departments as shown in Figure 2.

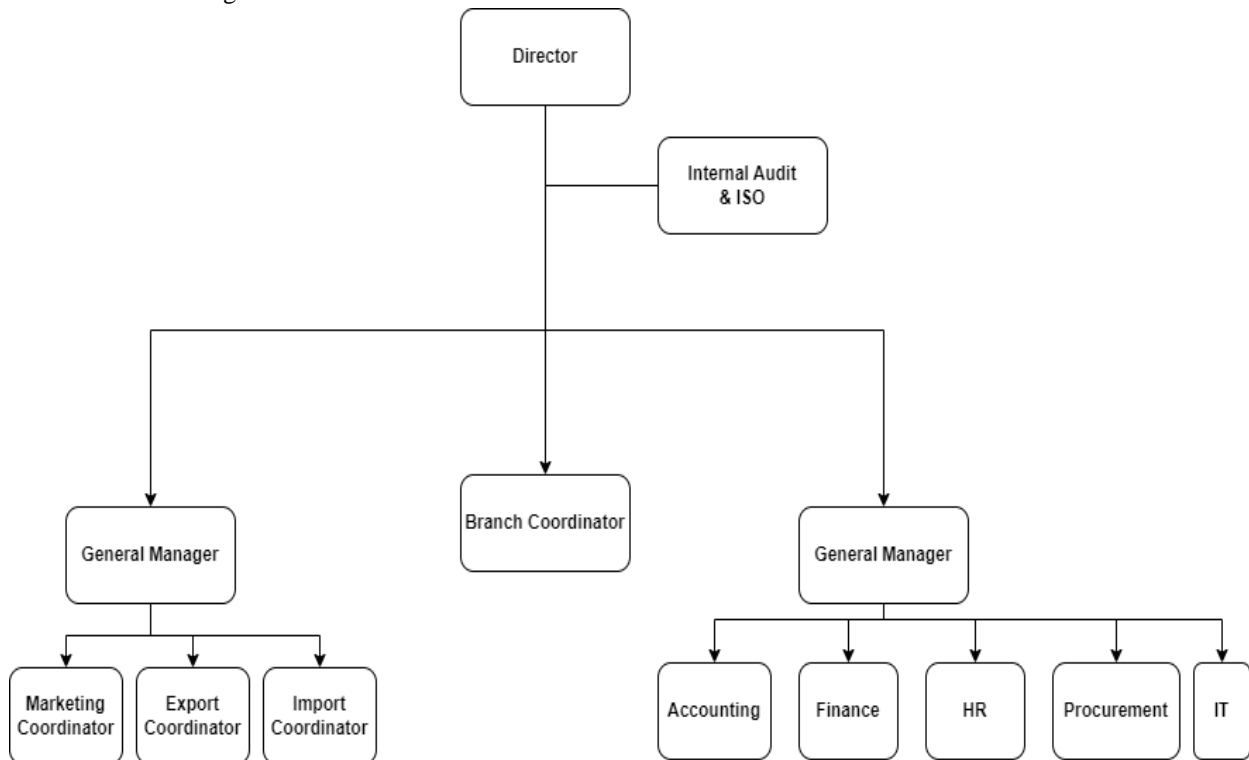


Figure 2. Improvement of Organization Structure in P T Jahermosa

By using the Value proposition canvas, the proposed business strategy can be clarified whether it is in accordance with customer needs. Based on Figure 3, the pains and gains from the customer in shipping their product can be relieved by the proposed strategy.

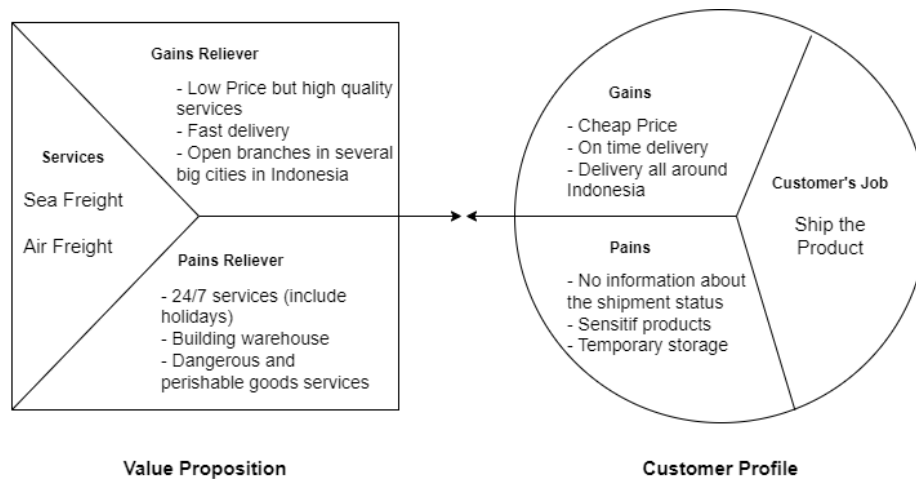


Figure 3. Value Proposition Canvas for proposed strategy

CONCLUSIONS

The purpose of the study was to provide strategic business proposals for PT Jahermosa in the freight forwarding industry to improve the company's sales performance. This study has been accomplished with a qualitative research. Interview with five customers and three employees of PT Jahermosa were conducted in the semi-structured manner to create good report while allowing respondents to share in depth insight. Analysis of external analysis use PESTEL Framework, Five Porter Forces, Customer Analysis and Competitor Analysis. Meanwhile, internal analysis use Resource Based View, VRIO Framework, Value Chain Analysis, Both analysis is compiled in the SWOT analysis to understand the strength, weakness, opportunity, and threat for PT Jahermosa in the industry. Based on the root cause, the proposed strategy using Strategy Diamond were given according to each element this strategy. Value proposition canvas is used to support the proposed strategy. A limitation of this research is that financial reports need to be explained in detail to keep company documents secret. In addition, this research only covers PT Jahermosa as a freight forwarding and logistics service company. Further investigation can be made based on this research in the supply chain management, human resource management, and marketing strategy in detail.

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