Analysis of the Business Position of PT MHE Demag Indonesia Makassar Branch Using the Typology Miles and Snow Strategy

Lufthansa Ardian1, Abdul Rahman Kadir2, Abdullah Sanusi3

1PT MHE Demag Indonesia (lufthansaardian@gmail.com)
2Master of Management, Faculty of Economics and Business, Hasanuddin University (rahamankadir80@yahoo.com)
3Master of Management, Faculty of Economics and Business, Hasanuddin University (a.sanusi2003@gmail.com)

ABSTRACT
This study aims to identify the business position of PT MHE Demag Indonesia in the Makassar Branch. This research is designed to direct the strategic decisions of the new branch in Makassar. The managerial strategy decisions in this study are in the scope of GE (general electric) analysis and Miles & Snow typology analysis. Location or place of research in Makassar, Sulawesi. The data collected includes secondary data. The population and sample in this study include general managers, managers and assistant managers to the board of directors totaling 30 people. Data analysis techniques using SWOT analysis, TOWS, BCG, General Electric, and Miles & Snow. The results showed that the business of PT MHE Demag Indonesia in the Makassar branch was generally in a profitable position with sufficient potential resources. Efforts to increase the competitive advantage of Branch Offices by maximizing all the strengths and opportunities they have, while simultaneously minimizing weaknesses and threats. Based on the analysis of Miles and Snow used, based on the People and Marketing indicators, the Makassar Branch implements the Prospector strategy, the customer care and products indicators apply the analyzers strategy, while the process and financial indicators apply the defenders strategy.

Keywords: Port business strategy, SWOT, QSPM, BCG, General Electric, and Miles and Snow Typology

INTRODUCTION.
Business competition in Indonesia is currently experiencing rapid progress. The increasing number of new companies from day to day makes competition in the business world in Indonesia to be tighter. Companies that are engaged in services, manufacturing, and warehousing compete with each other to survive and be the best. This encourages each company to carry out various innovations and business strategies to avoid bankruptcy.

Companies have multiple goals. Some say that the company focuses on achieving maximum profit or profit or maximum profit. There are also those who say the company aims to prosper the interests of its owners, and there are those who argue that the company must be able to achieve community welfare as its social responsibility.

Business development in Eastern Indonesia was triggered by the implementation of the Makassar New Port (MNP) project, which is a distribution channel, so that industry players simultaneously want to invest and expand to the Makassar area to gain market share in the Eastern Indonesia region.

For example, at this time many giant developers are making additional warehousing projects such as in the Parangloe, Pattene, Business Park, T-One, Summarecon areas, to state-owned companies such as PT. Kawasan Industri Makassar (Persero) which is currently under construction for the KIMA 2 project in Maros. Apart from that, large companies located in
Eastern Indonesia also have a very large contribution, such as PT. Vale Indonesia, PT. Aneka Tambang, PT. IMIP, and PT. Donggi Senoro LNG.

This opportunity is captured by various parties who have similar business segments, namely about Modern Warehouse Equipment such as the company that will be discussed by the author, namely PT MHE Demag Indonesia.

With the potential for regional development, PT MHE Demag Indonesia, which has an operational branch in Surabaya, has limitations and shortcomings in the speed of customer handling in the Eastern Indonesia Region. Thus, PT MHE Demag Indonesia decided to develop the region by opening a new branch in Makassar City, which is considered a strategic location to reach all regions in Eastern Indonesia.

PT MHE Demag Indonesia is a material handling company that provides solutions to buyers to develop and implement effective warehousing and material handling systems so that production and warehousing processes are optimal.

As a company that prioritizes safety factors and service excellence so that customers do not need to hesitate in terms of service and speed in dealing with a problem to consulting for industrial development. PT MHE Demag Indonesia is taking quick steps to gain market share in eastern Indonesia by opening a branch office in Makassar since June 2017, to bring the company closer to customers so that the company is able to provide optimal service to all customers in the Eastern Indonesia area.

However, as a framework, the successful application of strategic management in penetrating the market requires several methods and analyzes to determine what strategy is best for doing so. Therefore the authors propose for the research title "Business Strategy Analysis of PT MHE Demag Indonesia Makassar Branch

LITERATURE REVIEW
Management Strategic

Strategic management is a set of managerial decisions and actions that determine the company's long-term performance (Hunger and Wheelen, 2003: 15). David defines strategic management as "the art and knowledge in formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals" (David, 2009: 5).

Marketing strategy
Marketing Strategies in the Introductory Stage

According to Kotler (1994), there are four strategies in this introductory stage, including:

1. Rapid skimming strategy, which includes launching new products at high price levels and promotions in order to achieve as much gross profit as possible. A lot of costs are spent on promotion to influence the market with product advantages even though they are expensive.
2. The slow skimming strategy includes the launch of products with high prices and low promotions. High prices help to get as much gross profit per unit as possible, and low promotion rates keep marketing costs down.
3. The rapid penetration strategy includes product launches at low prices and with high levels of promotion. This strategy promises to gain the fastest market penetration and the largest market share.
4. The slow penetration strategy includes launching new products at low prices and low promotion levels.
SWOT Analysis

According to David (2011: 178) states that the TOWS (Threats-Opportunities-Weaknesses-Strengths (TOWS) Matrix is an important matching tool that helps managers develop four types of strategies:

1. SO (Strength - Opportunities) strategy to take advantage of the company's internal strengths to take advantage of external opportunities. All managers naturally want their organization to be in a position where internal strength can be used to take advantage of external trends and events.

2. WO (Weakness - Opportunities) strategy aims to improve internal weaknesses by taking advantage of external opportunities. Sometimes, great opportunities arise, but the company has internal weaknesses that prevent it from taking advantage of these opportunities.

3. ST (Strength - Threat) strategy uses the strength of a company to avoid or reduce the impact of external threats. This does not mean that a strong organization must always face threats directly in the external environment.

4. The WT (Weakness - Threat) strategy is a defensive tactic aimed at reducing internal weaknesses and avoiding external threats. An organization facing various external threats and internal weaknesses is really in a dangerous position. In reality, such a company may struggle to survive, merge, downsize, declare bankruptcy, or opt for liquidation.

Internal External Analysis (IE Matrix)

According to Fred R. David (2011: 188) states that the Internal - External matrix positions the various divisions of an organization in a nine-cell view. The IE matrix is based on 2 key dimensions: the total IFE weight score on the x-axis and the total EFE weight score on the y-axis. On the x-axis of the IE matrix, a total IFE weight score of 1.0 to 1.99 indicates a weak internal position; a score of 2.0 to 2.99 indicates an internal position that is considered moderate; and a score of 3.0 to 4.0 indicates a strong internal position.

BCG (Boston Consulting Group)

The most widely used approach to corporate analysis is the BCG Growth / Share Matrix which was created by the Boston Consulting Group. The objectives are (Rangkuti, 2013):

1. Develop a market share strategy for the product portfolio based on its cash flow characteristics.
2. Develop the company's product portfolio so that its strengths and weaknesses are clear.
3. Decide whether to continue investing in unprofitable products.
4. Allocating product marketing budgets in order to maximize long-term cash flow.
5. Measure management performance based on product performance in the market.

General Electric analysis

To explain the strategy, Wheelen and Hunger (2003: 35) use the concept from General Electric. General Electric states that in principle, generic strategies are divided into three types, namely:

1. Stability strategy (stability). In principle, this strategy emphasizes not adding to products, markets, and other company functions because the company strives to increase efficiency in all areas in order to increase performance and profits. This strategy is relatively low risk and is usually applied to products that are in a mature position.
2. Expansion Strategy (expansion). This strategy emphasizes the addition or expansion of products, markets, and other company functions, so that the company's activity
increases, but in addition to the greater profits to be achieved, this strategy also contains a significant risk of failure.

3. Depreciation strategy. In principle, this strategy is intended to reduce the resulting product or reduce the market and functions within the company, especially those with negative cash flows. This strategy is usually applied to businesses that are at a decline stage. This shrinkage can occur because the resources that need to be reduced are better deployed, for example, to other developing businesses.

Quantitative Strategic Planning Matrix (QSPM)

Umar (2001: 210) says there is an analytical technique in the literature regarding a design to determine the relative attractiveness of alternative strategic actions that can be implemented. The technique referred to is the Quantitative Strategic Planning Matrix (QSPM), which is a technique that uses decisions from the strategy formulation analysis framework. This technique objectively shows which alternative strategy is best to choose. QSPM uses input from the analysis results (EFE and IFE) and on processing (IE Matrix and SWOT Matrix) for further analysis through QSPM.

Typology of Strategy

Strategy can be identified on the basis of most elements of an organization's orientation towards market product development, Miles and Snow (1978) stated that there are four types of strategies, namely Prospectors, Defenders, Analyzers, and Reactors. "The focus is primarily on strategy and its correlation, not the processes used to formulate and implement strategies" (Snow and Hambrick, 1980) in Eli Segev (1987), a typology of strategy based on this definition is categorized into strategies based on its content. Another strategy typology is a strategy based on a process or a strategy based on making. This concept was put forward by Mintzberg (1973).
RESEARCH METHOD

Research sites
The location or place of research is the head office of PT. MHE Demag Indonesia in Jakarta, and the Makassar branch office.

Population and Sample
The population in this study includes leaders who play a strategic role in the development of PT MHE Demag Cabang Makassar including directors and officers under the directors, namely bureau heads, senior managers and their staff and General Manager, the sample used is 30 directors and all levels of PT MHE Demag Makassar Branch.

Data Analysis Techniques
This research uses quantitative and qualitative approaches). Analysis of the data used in this study is the SWOT analysis, BCG (Boston Consulting Group) and GE (General Electric).

RESULT & DISCUSSION

Input STAGE

Table 1

<table>
<thead>
<tr>
<th>Kode</th>
<th>Item Pernyataan</th>
<th>Bobot</th>
<th>Rating</th>
<th>Skor</th>
</tr>
</thead>
<tbody>
<tr>
<td>A KUATAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S1</td>
<td>Luasnya catupan Produk untuk melayani berbagai segmen bisnis</td>
<td>0.085</td>
<td>3.5</td>
<td>0.33</td>
</tr>
<tr>
<td>S2</td>
<td>Memiliki Depo Servis khusus untuk melayani pelanggan Kunci</td>
<td>0.096</td>
<td>3.5</td>
<td>0.34</td>
</tr>
<tr>
<td>S3</td>
<td>Lokasi cabang di Kota Makassar sehingga lebih dekat dengan pelanggan di area Indonesia Timur</td>
<td>0.109</td>
<td>4.0</td>
<td>0.43</td>
</tr>
<tr>
<td>S4</td>
<td>Dukungan Timelne dari Regional (SEA) meningkatkan produk MHE Demag unggul secara kualitas pelayanan</td>
<td>0.101</td>
<td>3.7</td>
<td>0.38</td>
</tr>
<tr>
<td>S5</td>
<td>Perusahaan ini menjalani Excellent Bussiness Practices yang menjaga kode etik berbisnis</td>
<td>0.100</td>
<td>3.7</td>
<td>0.37</td>
</tr>
<tr>
<td>S6</td>
<td>Memiliki Kedekatan Hubungan yang baik dengan tiap pelanggan baik perusahaan perseorangan, hingga instansi Pemerintahan</td>
<td>0.095</td>
<td>3.5</td>
<td>0.33</td>
</tr>
<tr>
<td>Jumlah</td>
<td></td>
<td></td>
<td></td>
<td>2.19</td>
</tr>
</tbody>
</table>

| B KELEMAHAN | | | |
| W1 | Perwakilan antar Divisi New Equipment and Services yang menimbulkan kesulitan dalam koordinasi internal | 0.092 | 3.4 | 0.31 |
| W2 | Kurangnya kegiatan pengembangan diri pada karyawan yang bertujuan untuk meningkatkan kualitas diri | 0.084 | 3.1 | 0.26 |
| W3 | Timeline Project yang panjang akibat ketergantungan terhadap komponen yang harus didatangkan dari Eropa | 0.070 | 2.6 | 0.18 |
| W4 | Keterlambatannya suku cadang tidak transparan sehingga membuat perusahaan perlu mengetahui ketersediaan suku cadang | 0.074 | 2.7 | 0.20 |
| W5 | Kegiatan Promosi yang tidak rutin didasarkan pada keterlambatan mengadakan kegiatan pemasaran belum optimal | 0.083 | 3.1 | 0.26 |
| Jumlah | | | 1.21 |
| TOTAL SKOR | | | 1.000 | 3.40 |

Source: Data Process 2020
At this stage, it contains all basic information related to the company's internal and external factors needed to formulate a strategy. In strategy formulation, the writer uses Factor Analysis Summary and External Factor Analysis Summary (Wheelen and Hunger 2001) to determine a list of strengths, weaknesses, opportunities and threats that will be used to formulate strategies.

After collecting basic information which is important company information both internally and externally as a basis for developing company strategies, the next step is to determine the weight and rating of each information, and compile it in the External Factor Analysis Summary (EFAS) matrix. and the Internal Factor Analysis Summary (IFAS) Matrix.

**Matriks SPACE**

![Figure 2.1 Matrix SPACE](image-url)
In quadrant I, PT MHE Demag Indonesia Makassar Branch is in a very advantageous position in a field that has opportunities and strengths so that it can take full advantage of existing opportunities. A strategy that can be developed is one that supports an aggressive growth policy, through the use of strength to seize large market opportunities.

**Internal and External Matrix Analysis**
The following is a table of Internal and External matrix analysis

<table>
<thead>
<tr>
<th>Posisi</th>
<th>IFE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDI Cabang Makassar (3,40;3,36)</td>
<td>Tinggi 3,0 - 4,0</td>
</tr>
<tr>
<td></td>
<td>Sedang 2,0 - 2,99</td>
</tr>
<tr>
<td></td>
<td>Rendah 1,0 - 1,99</td>
</tr>
</tbody>
</table>

Source: Data Process 2020

**Figure 3**

**Analysis Boston Consulting Group**

External internal matrix analysis is done by calculating using the data from the analysis that has been done above from the evaluation of external and internal factors, and the results are as follows:

- Sumbu X: $2,19 + 1.21 = 3.40$
- Sumbu Y: $2.20 + 1.17 = 3.36$

By using the same factors in the TOWS matrix, the results of the internal external matrix analysis put PT MHE Demag Indonesia Makassar branch in cell 1, namely the growth strategy. This shows that with an established company condition with significantly increased sales and profitability achievements, the strategy carried out will lead to growth by preparing resources, both office facilities and service deeply to increasing the number of human resources at the Makassar Branch office to support its running. maximum sales activity in both market segments, so as to maintain what has been obtained and penetrate new areas in the Eastern Indonesia region.

In developing the Eastern Indonesia region, the strategy implemented must focus on the market segment that has the largest contribution in terms of sales value. In addition, market penetration and product development must also be improved in order to achieve business development related to material handling in the Eastern Indonesia region.

**Analysis Boston Consulting Group**

The BCG matrix is used to determine the position of PT MHE Demag Indonesia to see the market potential in the Eastern Indonesia region. The following is a list of PT MHE Demag Indonesia’s sales reports for 2018-2019 which can be seen in the following table:
Table 3
Sales Report

<table>
<thead>
<tr>
<th>Uraian</th>
<th>Value</th>
<th>Budget 2018</th>
<th>Actual 2018</th>
<th>Budget 2019</th>
<th>Actual 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabang Makassar</td>
<td>P</td>
<td>25,000,000,000</td>
<td>27,778,000,000</td>
<td>50,000,000,000</td>
<td>82,257,000,000</td>
</tr>
</tbody>
</table>

Source: Data Process 2020

The calculation result of the relative market share of the Makassar Branch in 2019 compared to 2018 was 2.24. It shows that in 2019 MHE Demag Makassar Branch increased very rapidly compared to 2018, because the relative market share value was higher than one (1). Thus the Makassar Port has a business growth rate of 124% and a relative market share of 2.24. Then the position of Makassar Port in the BCG matrix can be seen in the following figure.

![Figure 3](image)

Analysis Boston Consulting Group

Based on the results of BCG calculations, PT MHE Demag Makassar Branch is in the Stars position. The position of the Makassar branch has been a leader in the material handling market with a large growth market. Therefore, it is necessary to increase the number of personnel to reach a larger market in the material handling business. More aggressive penetration can be applied to increase sales volume in the coming year along with the development of markets in the Eastern Indonesia region.
Hasanuddin Journal of Applied Business and Entrepreneurship (HJABE) Vol. 4 No. 1, 2021

Analysis General Electric

Source: Data Process 2020

Based on General Electric's analysis, the position of MHE Demag Makassar Branch is in an investment / growth position. Based on the analysis of General Electric, the position of MHE Demag Makassar Branch is in an investment / growth position. By maintaining this position, the Makassar branch can take a strategic approach including maximizing the facilities at the Makassar branch which aims to facilitate customers such as:

Selection of the location of the Makassar Branch office in a strategic place in Makassar City.

a. Has a special warehouse for the availability of units which are fast moving items to improve service to customers.
b. Increasing the amount of stock of goods that can speed up the process of delivery to customers, considering that the port area in Makassar can reach all areas in Eastern Indonesia.
c. Collaboration with several parties related to distribution, financial guarantees, and local contractors to increase the volume of orders obtained.

Decision Stage

Based on the identified internal and external factors. This stage is carried out in order to determine which strategy is considered the best to be implemented. The alternative strategy, the attractiveness level of each strategy will be calculated using the AS (Attractiveness Score) so that the total TAS (Total Attractiveness Score) will be known. The higher the TAS value, the more interesting and more related the strategy is to the factors that exist in the previously created matrix.

1. Strategi 1 (S-O)
   a. Based on the development of social media, which currently has a significant increase in the number of users, companies can use social media as a marketing tool regarding Company Overview, product advantages and Excellence Business Practices
   b. With the strong company and products, customer closeness, plus the rapid growth of the warehousing industry in Makassar, the company can penetrate more aggressively into the warehousing segment by approaching regulators (government).

2. Strategy 2 (W-O)
a) Carry out activities at key customers by involving the new equipment and services division which aims to improve the closeness of the relationship, so that coordination on work matters is better and customers will see the strength of the company.
b) Carrying out routine marketing activities that are characterized by always making improvements so that customers are always interested and curious to follow and attend these activities.

3. Strategy 3 (S-T)
   a. Educate customers about the importance of worker safety and which is associated with excellence in product safety systems that have an impact on comfort on the part of users and owners of the tool.
   b. Increase penetration to customers in the Eastern Indonesia region through marketing events and involving the government as policy makers, so that business people are interested in attending events and seeing the company's superior products.

4. Strategy 4 (W-T)
   a. Conducting a development program in the form of training for employees who are related to regulations in government agencies so that salespeople have insight and confidence in the work administration process related to government agencies based on testing to be selected, it turns out that the strategy "Carrying out activities at key customers by involving the new equipment and services division which aims to improve the closeness of the relationship, so that coordination on work matters is better and customers will see the strength of the company" has a Total Attractive Score (TAS) value which is higher than the TAS value of the other alternatives.

Conclusion

Based on the results of research and discussion and analysis, the conclusions made are as follows:
1. Based on the results of the identification of the company's internal and external factors, with respondents from internal companies, a strategy can be set for PT MHE Demag Indonesia Makassar Branch as the center of operations in the Eastern Indonesia region as follows:
   - Strategy I, based on the development of social media, which currently has a significant increase in the number of users, companies can take advantage of social media as a marketing tool on Company Image, product advantages and Business Practice Excellence.
   - Strategy II, With the strong company and products, the closeness of the customers, plus the rapid growth of the warehousing industry in Makassar, the company can penetrate more aggressively into the warehousing segment by approaching regulators (government).
   - Strategy III, carrying out activities at key customers by involving the new equipment and services division which aims to improve the closeness of the relationship, so that coordination on work matters is better and customers will see the strength of the company.
   - Strategy IV, conducting routine marketing activities that are characterized by always making improvements so that customers are always interested and curious to follow and attend these activities.
   - Strategy V, educating customers about the importance of safety for workers and associated with excellence in product safety systems that have an impact on comfort on the part of users and owners of the tool.
   - Strategy VI, increasing penetration to customers in the Eastern Indonesia region through marketing events and involving the government as policy makers, so that...
business actors are interested in attending events and seeing the company's superior products.

- Strategy VII, conducting a development program in the form of training for employees who are related to regulations in government agencies so that salespeople have insight and confidence in the work administration process related to government agencies.

Meanwhile, based on the analysis of the Miles and Snow strategy typology, as well as the analysis of General Electric's support, an effective strategy for use by PT MDI Makassar Branch in the area of East Indonesia is

- implementing a prospector strategy on the Entrepreneurial Problem, by increasing the number of employees as an effort to serve customers in Eastern Indonesia. In addition, PT MDI Makassar Branch is also looking for new market shares aggressively with marketing methods such as participating in marketing events held by government agencies or logistic and mining associations. Salespeople can also aggressively introduce the company by joining the community related to the company's business.

- Implementing the Analyzers Strategy for Engineering Problems, by maintaining products that are currently the company's superior products, at the same time developing new products.

- Implementing the Defenders strategy in Administrative problems. On the financial side, the company conducts an analysis based on the company's experience to make operational efficiencies, so as to increase the company's profitability.

Suggestion
It is hoped that the management of PT MHE Demag Indonesia can translate the strategic concept to all levels in the Makassar branch to increase sales and profitability in the Eastern Indonesia Region as a pilot project, and if this strategy proves to be effective, it can be applied to other branches that have a similar trend to the Makassar Branch. to increase volume and profitability more broadly. Looking at the increasing sales graph due to the increase in the number of employees, the author suggests an increase in the number of sales engineers to reach various business segments and focus so as to increase sales volume optimally. With the results of strategy typology analysis, the company is expected to be able to optimally implement the 2020 strategic direction to achieve company goals by implementing strategies according to their respective portions.

REFERENCES
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