

Strategy of Construction Service Market Growth PT Mitra Niaga Madani

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Abstract: This research explores strategic growth opportunities for PT Mitra Niaga Madani (MNM), a subsidiary of PT PNM Venture Capital, established on May 27, 2010, in Jakarta, engaged in construction services. The research applies qualitative descriptive methods, incorporating SWOT analysis, IFE, EFE, and QSPM matrices, supported by Nvivo 12, to evaluate internal and external business factors. Findings suggest that MNM must shift focus from captive markets to external business development by leveraging financial strength, vendor networks, and certified expertise. Strategic recommendations include expanding partnerships, optimizing operational efficiency, and strengthening market positioning to enhance competitiveness. The company faces growth challenges due to decentralization within PT Permodalan Nasional Madani, leading to reduced construction projects from PNM. The findings suggest that external business strategies positively impact MNM's growth. To remain competitive in the construction industry, MNM should focus on external market expansion by leveraging its certified experts, extensive network, and strong capital.

Keywords: Kata Kunci: Strategy, Growth, Construction Services Market.

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I. INTRODUCTION

The Company Long-Term Plan (RJPP) serves as a guide for companies in making strategic decisions and setting priorities to achieve long-term goals. The term RJPP first appeared in the Decree of the Minister of SOEs KEP-102/MBU/2002, and all SOEs are required to prepare RJPP.

Companies with a clear vision and mission for growth require a well-defined strategy. Strategic planning is important to describe the company's vision, mission and strategy. According to Thompson and Strickland, strategy is a combination of competitive moves and business approaches to satisfy customers and achieve organisational goals. Evaluation of past performance and application of the evaluation results to the company's strategy is important to improve performance and maintain competitiveness.

PT Mitra Niaga Madani (MNM), a subsidiary of PT Permodalan Nasional Madani Venture Capital (PT PNM VC), was established in Jakarta on 27 May 2010. MNM initially provided motorised vehicles for PNM, but later evolved into providing office buildings for PNM. MNM's current business focus is the provision of office buildings and construction services. Some of MNM's business activities include property rental services, property development,

property buying and selling, construction services (contractors), and housing for PNM employees.

According to Pramesti & Tulhanifah (2021), a recession can reduce all economic activities such as employment, investment, and company profits. If it continues for a long time, it will enter the economic depression phase. PT Adhi Karya has a special strategy to face a recession with incentives, related diversification, affordable prices for partners, HR training, SOP discipline, and SWOT analysis.

The study by Dantang et al (2020) emphasises the importance of analysing internal strengths and weaknesses to find and take advantage of opportunities. The number of competitors in the construction sector makes MNM need service innovation so that products are different from competitors. Based on this background, there are differences in variables and research results found by previous researchers, this study has the aim of obtaining new knowledge and findings as a comparison with previous research. This study aims to develop a comprehensive growth strategy for PT Mitra Niaga Madani by analyzing internal and external business factors using qualitative research methods. This study is significant as it provides strategic insights into overcoming market limitations and increasing competitiveness in Indonesia's construction services sector.

II. THEORETICAL FRAMEWORK

➤ Strategy Theory

Research conducted by Wijaya et al (2023), namely the definition of business strategy is the company's ability to analyse the external and internal environment of the company. According to research conducted by Wijaya et al (2023) business strategies are displayed at the business unit or product level, using this strategy the company can measure the competitiveness of its goods and services in the target market or the specific industry served by the business unit.

➤ Construction Services Market Growth

According to Dantang et al (2020) business growth in Indonesia will increase over time where this situation creates sharper competition between companies, especially for producers who produce the same product, or service or in the same industry, either because of emerging competitors, increasing sales volume, or increasing technological growth and development so that companies also try to recognise strengths and weaknesses in business competition.

➤ SWOT Analysis

According to David (2015) the SWOT matrix is Strengths, Weaknesses, Opportunities and Threats is a match for managers in determining four important strategies, namely strengths-opportunities weaknesses-opportunities, strengths-threats, and weakness-threats strategies. So being able to match external factors and internal factors is a difficult part in order to develop a SWOT Matrix. Strategic Business Unit (SBU).

➤ Structure

David (2015) As the number, size, and diversity of divisions in organisations increase, controlling and evaluating divisional operations becomes increasingly difficult for strategy makers.

➤ Matrix Structure

The matrix structure is the most complex of all designs because it relies on vertical and horizontal flows of authority and communication (this is the reason for the term matrix).

➤ Frame of Mind

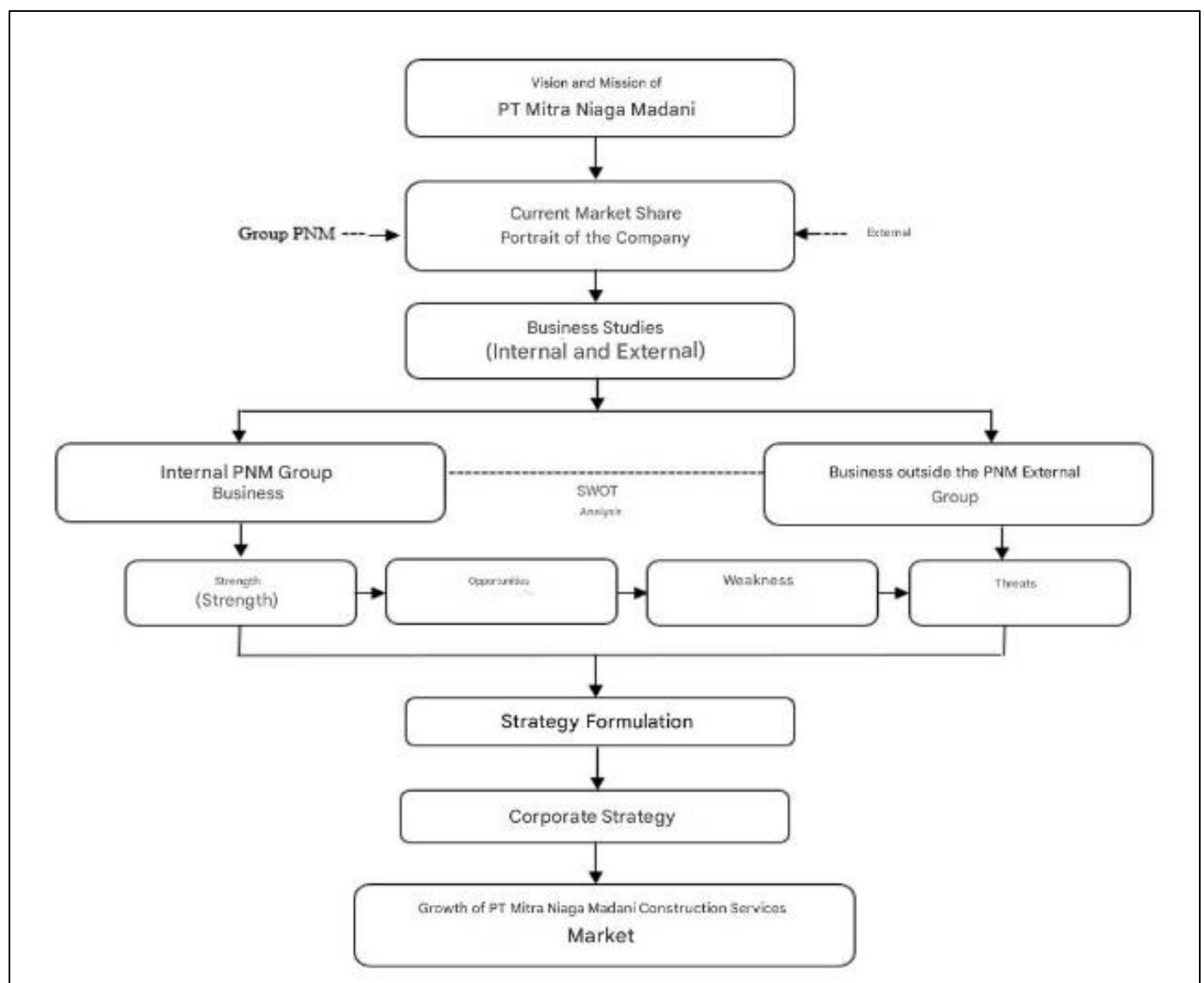


Fig 1 Frame of Mind

The framework for this research is based on the study to be carried out, namely research using descriptive qualitative methods with the title of the market growth strategy of the construction services company PT Mitra Niaga Madani with data collection using interviews and questionnaires and data analysis using SWOT analysis. SWOT analysis is a way to determine company goals and steps that the company will take based on current conditions. SWOT analysis here will describe the strengths, weaknesses and opportunities and threats that will arise in the construction services market growth at PT Mitra Niaga Madani.

III. METHODS

The research method used in this research is a descriptive qualitative approach.

Qualitative research identifies the characteristics and structure of phenomena and events in a natural context. This method can provide an in-depth understanding of a subject

and its contextual setting, explain reasons and relationships, evaluate effectiveness, and help develop theory or strategy. This study produces qualitative data analysis results using NVIVO 12. The data source consists of a questionnaire created via Google Forms and distributed directly to respondents. The population in this study were division heads and section heads at PT Mitra Niaga Madani.

The sampling technique in the study was purposive sample. In this study, researchers deliberately selected individual groups, or certain cases that were considered to have relevant and significant information to the research being conducted.

In this study, data measurement using QSPM. Data processing and analysis in this study using SWOT analysis. Processing and analysis of data in this study using Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE).

IV. RESULTS AND DISCUSSION

➤ Internal Factor Evaluation Test (IFE) and External Factor Evaluation (EFE)

Table 1 IFE Test Results

IFE Matrix Analysis Results													
COMPANY INTERNAL FACTORS													
IFE		NS1	NS2	NS3	NS4	NS5	NS6	NS7	Total Value	Bobot	Rating	Bobot x Rating	
Strengths	1. Has a staff of certified construction experts	3	4	3	4	4	3	4	25	0,13	3,57	0,45	
	2. Have experience in the construction field	3	4	4	2	4	2	4	23	0,12	3,29	0,38	
	3. Having a wide network of craftsmen will make labor easier	3	3	3	3	4	3	4	23	0,12	3,29	0,38	
	4. Can collaborate with vendors throughout Indonesia	3	2	3	3	4	3	4	22	0,11	3,14	0,35	
	5. Have large capital so you can work on large projects	3	4	4	4	4	3	4	26	0,13	3,71	0,48	
Total									119	0,60		2,03	
Weaknes	1. PT MNM is not yet known to the general public	1	3	3	2	2	3	2	16	0,08	2,29	0,18	
	2. Administrative requirements have not been complied with	1	3	4	2	2	3	2	17	0,09	2,43	0,21	
	3. Akan ketergantungan kepada beberapa klien besar	1	2	2	3	1	2	3	14	0,07	2,00	0,14	
	4. Lack of MEP members	3	3	3	3	3	2	2	19	0,10	2,71	0,26	
	5. No experience working on external projects	3	3	3	2	1	2	1	15	0,08	2,14	0,16	
Total									81	0,41		0,95	
Grand Total									200	1,00		2,98	

Source: by Data

Based on the internal factors of PT Mitra Niaga Madani, the IFE total score of 2.98 indicates that the company can run its internal business according to the PNM holding rules. The company is almost close to the average value of the

informants, so it is concluded that the company needs to immediately get a growth strategy, not only from the captive market but also from the non-captive construction services market.

Table 2 EFE Test Results

EFE Matrix Analysis Results												
COMPANY EXTERNAL FACTORS												
EFE		NS1	NS2	NS3	NS4	NS5	NS6	NS7	Total Value	Bobot	Rating	Bobot x Rating
OPORTUNITY	1. There are many opportunities for government/private procurement of goods and services	3	4	3	4	3	4	2	23	0,11	3,29	0,35
	2. Banyaknya pengusaha konstruksi sejenis namun tidak memiliki modal besar	3	4	4	3	4	3	3	24	0,11	3,43	0,38
	3. Has RO throughout Indonesia	3	4	3	3	3	3	4	23	0,11	3,29	0,35
	4. Construction demand will always increase	3	3	3	3	4	4	4	24	0,11	3,43	0,38
	5. There is a request from Holding employees for the construction of housing	3	3	3	2	4	2	3	20	0,09	2,86	0,26
Total									114	0,53		1,73
THREATS	1. Persaingan pengusaha konstruksi sangat banyak	3	4	3	4	4	4	3	25	0,12	3,57	0,41
	2. Business partner/bouwheer commits default	3	2	3	2	4	3	1	18	0,08	2,57	0,21
	3. Government policies and construction regulations will change	3	3	3	3	3	3	2	20	0,09	2,86	0,26
	4. There is Decentralization of PNM Holding	2	2	4	3	2	4	3	20	0,09	2,86	0,26
	5. Inflation means operational costs will increase	2	3	3	3	3	3	2	19	0,09	2,71	0,24
Total									102	0,47		1,40
Grand Total									216	1,00		3,12

Source: by Data

Based on the external factors of PT Mitra Niaga Madani, the total EFE score of 3.12 indicates that the company has a good response. This allows the company to handle threats and take advantage of opportunities in the construction business, so that it can enter the construction services market outside the captive market. The company is also very effective in seizing opportunities and minimising threats.

V. SWOT ANALYSIS

➤ Strategi SO (Strengths-Opportunities):

- Utilised skilled staff and a network of fitters to meet increasing demand.
- Collaborate with vendors to work on large projects across Indonesia.
- Utilising large capital to outperform competitors with limited capital.
- Optimise Regional Office (RO) to reach a wide market.
- Collaborate with holding companies for housing projects.

➤ Strategi ST (Strengths-Threats):

- Optimise experience and certification to enhance competitiveness.
- Establish strong contracts and co-operation agreements.
- Adapt to government policies and regulations.
- Utilise capital to deal with rising operating costs.

- Improve operational efficiency to cope with decentralisation.

➤ Strategi WO (Weaknesses-Opportunities):

- Capitalise on procurement opportunities to enhance the company's reputation.
- Improve administrative compliance through co-operation opportunities.
- Expand portfolio with small to medium-sized projects.
- Recruitment and training of MEP (Mechanical, Electrical, and Plumbing) experts.
- Optimisation of Regional Office to reach out to new projects.

➤ Strategi WT (Weaknesses-Threats):

- Strengthen branding and marketing to overcome competition.
- Improve administrative systems to avoid regulatory issues.
- Diversify clients to reduce dependency.
- Invest in training MEP experts to overcome limitations.
- Manage inflation and operational cost risks.
- Mitigate default risk through secure contracts.
- Leveraging decentralisation by optimising Regional Offices (ROs).


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graph TD
    A((PT MNC Vision and Mission)) -- Child --> B((Business Strategy))
    B -- Child --> C((Capital))
    B -- Child --> D((Capital 2))
    B -- Child --> E((FGD 2022))
    C -- Child --> F((Internal Business))
    F -- Child --> G((HR Competency))
    F -- Child --> H((Office Renovation))
    G -- Child --> I((Construction HR))
    I -- Child --> J((Service))
    H -- Child --> K((Quality of Work))
    D -- Child --> L((Contractor))
    L -- Child --> M((Subcon))
    L -- Child --> N((Vendor))
    E -- Child --> O((Company Growth))
    O -- Child --> P((External Business))
    P -- Child --> Q((Market Opportunities))
    P -- Child --> R((Threat))
    Q -- Child --> S((Construction Market Opportunities))
    R -- Child --> T((External Business Competitors))
  
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Shows that PT Mitra Niaga Madani (MNM) should get a strategy for external business growth with strong capital and experts. This opens up external market opportunities through vendors and marketing as well as utilising Regional Offices (RO) across Indonesia.

VI. CONCLUSIONS AND SUGGESTIONS

A. Summary

PT Mitra Niaga Madani (MNM) has strong capital and expertise but faces challenges in external market recognition. SWOT, IFE, EFE and strategic matrix analysis show that focusing on external partnerships, expanding service portfolio and improving operational efficiency can enhance competitiveness. To ensure sustainable growth, MNM should strengthen branding efforts and participate in government procurement opportunities.

B. Suggestions

For the growth of construction services and the long-term plans of PT Mitra Niaga Madani (MNM), it is recommended that the company focus on external business, so that it does not only depend on the captive market. With the digitisation of government procurement of goods and services every year, MNM can participate in tenders by working with local vendors throughout Indonesia or private construction services. This has the potential to boost revenue growth apart from the company's internal business.

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