

# Strategic Management

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This is the **subjective nature** in making decision



### Electric Mobility Ecosystem

IT & Cloud, EV, EVSE, Power Grid, EVSE, EVSE

Source: IHS Markit, 2019

Introduction, Growth, Maturity, Decline

Sales, Time

Fad, Fashion, Basic Product

Is the EV industry a fad, fashion or basic product? At what stage?

The Electric Vehicle (EV) industry in Indonesia is still in the early stages of development, but there are several factors that suggest it has significant growth potential in the coming 3 years:

- Government Support: 2025 target 20% of all vehicles sold, incentives and subsidies
- Growing Awareness: lower operating costs, reduced environmental impact, and improved driving experience, demand is expected
- Increasing Investment: example, in 2020, Toyota plans to invest \$2 billion in Indonesia over the next 3 years for EV production and infrastructure
- Technological Advancements in battery technology and charging

The critical success factors of the electric vehicle (EV) industry:

Critical Success Factors (CSF)

- Government Support
- Technological Innovation
- Charging Infrastructure
- Consumer Acceptance
- Brand Image
- Supply Chain Management

### PESTLE Analysis:

	Opportunities	Threats
<b>Technological</b>	<ul style="list-style-type: none"> <li>Battery technology can increase demand for EV</li> <li>Charging infrastructure can increase demand</li> <li>EVs are more performance than other cars</li> </ul>	<ul style="list-style-type: none"> <li>EVs are more expensive than other cars</li> <li>EVs are more expensive than other cars</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>Government incentives can increase demand</li> <li>EVs are more performance than other cars</li> </ul>	<ul style="list-style-type: none"> <li>EVs are more expensive than other cars</li> <li>EVs are more expensive than other cars</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>EVs are more performance than other cars</li> <li>EVs are more performance than other cars</li> </ul>	<ul style="list-style-type: none"> <li>EVs are more expensive than other cars</li> <li>EVs are more expensive than other cars</li> </ul>

### Porter's Five Forces Analysis

Industry Attraction: Low to Moderate

High: Entry barrier of suppliers of batteries and electric motors

High: traditional gasoline and vehicles reduce demand

Low: Limited number of players

High: due to government's part and potential of growth

Low: limited availability of EV roads

### Competitor Analysis

Price, Quality

Lexus, Toyota, BMW, Mercedes, Tesla, BYD, Honda, Volkswagen

The reasons why Electric Vehicles (EV) are not yet selling in high volumes:

- Price: relatively high
- Range Anxiety: limited range
- Charging Infrastructure: not widely available
- Consumer Awareness: not yet fully aware of the benefits
- Production capacity: still relatively limited
- Consumer Preferences: still prefer traditional gasoline vehicles, like variants such as performance, style, or brand loyalty

### External Opportunities & Threats

Should come from external analysis only. Nothing new or outside of the analysis

Opportunities	Threats
<ul style="list-style-type: none"> <li>O1: Market Growth</li> <li>O2: Infrastructure Development</li> <li>O3: Factoring Opportunities</li> <li>O4: Brand Differentiation</li> </ul>	<ul style="list-style-type: none"> <li>T1: Competition from Traditional Car</li> <li>T2: Economic Uncertainty</li> <li>T3: Regulatory Changes</li> <li>T4: Supply Chain Disruptions</li> <li>T5: Range Anxiety</li> <li>T6: Consumer Preferences</li> </ul>

### Strengths/Weaknesses

<b>Financial Resources</b>	<ul style="list-style-type: none"> <li>Low level of operating capacity</li> <li>Low level of operating capacity</li> </ul>
<b>Operational Resources</b>	<ul style="list-style-type: none"> <li>Low level of operating capacity</li> <li>Low level of operating capacity</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>Low level of operating capacity</li> <li>Low level of operating capacity</li> </ul>
<b>Technological Resources</b>	<ul style="list-style-type: none"> <li>Low level of operating capacity</li> <li>Low level of operating capacity</li> </ul>

### Internal Analysis dengan VRIO

	V	R	I	O	Manfaat
Government subsidies	NO	NO	NO	NO	Minor
Skilled workforce	YES	YES	NO	NO	Minor
Changing infrastructure	NO	YES	YES	NO	Minor-medium
Integrated Supply Chain	NO	YES	YES	YES	Major performance

### Internal Strengths & Weaknesses

Should come from internal analysis only.  
Nothing new or outside of the analysis.

Strengths	Weaknesses
<b>Strengths:</b> S1. Lower Operating Costs S2. Environmental Benefits S3. Quicker & Smoother Operations S4. Technological Advancements	<b>Weaknesses:</b> W1. Limited Driving Range W2. Charging Infrastructure W3. Higher Upfront Costs W4. Consumer Awareness

	INTERNAL	HARMFUL
INTERNAL	<b>S</b> STRENGTHS	<b>W</b> WEAKNESSES
EXTERNAL	<b>O</b> OPPORTUNITIES	<b>T</b> THREATS

- Think with your head
- Think with your gut
- Don't enough the big ideas

Nyetir di kabut yang sangat tebal. Apa yang akan dilakukan?

1. Stop
2. Jalan pelan?
3. Cari jalan lain
4. Tunggu gas

Which one would you choose?

	Internal Strengths (IS)	Internal Weaknesses (IW)
External Opportunities (EO)	SO: Growth OS: Aggressive Strategy	WO: Focus OW: Turn Around Strategy
External Threats (ET)	ST: Focus OS: Diversification Strategy	WT: Defend OT: Cultural Strategy

### Buat alternatif Strategi dengan TOWS matrix

1. Agresif
2. Diversifikasi
3. Fokus
4. Defensif

### ALTERNATIVE STRATEGIES | TOWS Matrix

INTERNAL FACTORS (SW)	Strengths (S)	Weaknesses (W)
<b>Opportunities (O)</b> O1 - High capital expenditure costs O2 - High operating expenses	<b>SO Strategies</b> Growth strategies that use internal strengths to exploit opportunities.	<b>WO Strategies</b> Turnaround strategies that use internal weaknesses to exploit opportunities.
<b>Threats (T)</b> T1 - High capital expenditure costs T2 - High operating expenses	<b>ST Strategies</b> Focus strategies that use internal strengths to defend against threats.	<b>WT Strategies</b> Defend strategies that use internal weaknesses to defend against threats.