



## SEKOLAH TINGGI MANAJEMEN IPMI

JL. Rawajati Timur I/1, Kalibata, Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12750  
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### NILAI PERKULIAHAN MAHASISWA

PRODI : S2 ADMINISTRASI BISNIS

PERIODE : 2022 EVEN

Mata kuliah : Immersion and Consulting Project

Nama Kelas : E0322

Kelas / Kelompok :

Kode Mata kuliah : RPR549

SKS : 3

No	NIM	Nama Mahasiswa	Individual Assignment (20%)	Group Work (30%)	Group Presentation (20%)	Final Exam (30%)	Nilai	Grade	Lulus	Sunting KRS?	Info
1	20222004	Frederick Ramadhani Samantha	92.00	90.00	95.00	95.00	92.90	A	✓		
2	21221016	Iri Fisher Nunut N.	90.00	90.00	95.00	95.00	92.50	A	✓		
3	21222001	Fauziyah Nafishah	90.00	90.00	93.00	95.00	92.10	A	✓		
4	21222002	Astrid Zenia Tanggara	95.00	90.00	95.00	95.00	93.50	A	✓		
5	21222003	Mitha Novenscha Vidya	92.00	90.00	92.00	90.00	90.80	A	✓		
6	21222004	Rachmat Tauhid Uno	95.00	90.00	92.00	90.00	91.40	A	✓		
7	21222005	Lee Hyun Joo	93.00	93.00	90.00	85.00	90.00	A	✓		
8	21222006	Fanny Kariadi	93.00	93.00	90.00	85.00	90.00	A	✓		
9	21222007	TENGGAR M SIREGAR	92.00	90.00	92.00	90.00	90.80	A	✓		
10	21222008	Suhendi	91.00	90.00	92.00	95.00	92.10	A	✓		
11	21222009	Giovani Shanti	92.00	90.00	92.00	90.00	90.80	A	✓		
12	21222010	B. Benny Halim	93.00	90.00	95.00	95.00	93.10	A	✓		
13	21222011	Tiarma Uli Sidauruk	93.00	93.00	90.00	85.00	90.00	A	✓		
14	21222012	Irwan Hamdi	93.00	93.00	90.00	85.00	90.00	A	✓		
15	22241001	Yulia Fitriana Yunus	90.00	90.00	95.00	95.00	92.50	A	✓		
Rata-rata nilai kelas			<b>92.27</b>	<b>90.80</b>	<b>92.53</b>	<b>91.00</b>	<b>91.50</b>	<b>4.00</b>			

Pengisian nilai untuk kelas ini ditutup pada **Sabtu, 17 Juni 2023** oleh **0329057901**

Tanggal Cetak : Selasa, 25 Juli 2023, 10:33:32

Paraf Dosen :

Sidrotun Naim, M.P.A., Ph.D.

Samuel PD Anantadjaya





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## LAPORAN PERSENTASE PRESENSI MAHASISWA S2 ADMINISTRASI BISNIS 2022 EVEN

Mata kuliah : Immersion and Consulting Project

Nama Kelas : E0322

Dosen Pengajar : Samuel PD Anantadjaya

No	NIM	Nama	Pertemuan	Not Attend	Attend	Permission	Sick	Presentase
1	20222004	Frederick Ramadhani Samantha	15		17			100
2	21221016	Irri Fisher Nunut N.	15		17			100
3	21222001	Fauziyah Nafishah	15		17			100
4	21222002	Astrid Zenia Tanggara	15		17			100
5	21222003	Mitha Novenscha Vidya	15		17			100
6	21222004	Rachmat Tauhid Uno	15		17			100
7	21222005	Lee Hyun Joo	15		17			100
8	21222006	Fanny Kariadi	15		17			100
9	21222007	TENGGAR M SIREGAR	15		17			100
10	21222008	Suhendi	15		17			100
11	21222009	Giovani Shanti	15		17			100
12	21222010	B. Benny Halim	15		17			100
13	21222011	Tiarma Uli Sidauruk	15		17			100
14	21222012	Irwan Hamdi	15		17			100
15	22241001	Yulia Fitriana Yunus	15		17			100

Jakarta, 25 Juli 2023

Ketua Prodi S2 Administrasi Bisnis

Prof. Dr. Ir. M Syamsul Maarif, M.Eng

NIP. 23-03-01-03



## Immersion & Project Consulting

Final Grades

May 2023

Group	Grade	Notes
Group 1 = Gionavi Shanti, Mithe Novensha Vidya, Rachmat Tauhid Uno, Tenggar Muda Siregar	90	Good to have the elaborated SIRE, but the VUCA appeared to big in consideration to the model in business strategies proposal. This needs to be boiled-down in business strategies which are relevant to the area on-hand; overview business strategies, SIRE, PESTEL, or specifically on P, E, S, T, E, L, or even on SWOT?
Group 2 = Fanny Kariadi, Tiarma Uli Sidauruk, Irwan Hamdi, Joseph (Lee Hyun Joo)	85	Have data with the elaborations but it may not be connected with the model. It shows too much attachments unto the quantitative models. This is really to address the "phenomenon" other than having the restructuring toward the model.
Group 3 = Benny Halim, Astrid Zenia Tanggara, Suhendi	95	Very much thorough and comprehensive. Electric cars are indeed the brand of today. The SWOT & SO/ST/WO/WT and leadership are good
Group 4 = Frederick Ramadhani Samantha, Irri Fisher Nunut, Yulia Fitriana Yunus	95	Employee Branding is comprehensive & the need to get a hold of women leadership in engineering is awesome.

May 30, 2023



Dr. Samuel PD Anantadjaya



# Immersion and Consulting Project

“Adapting The Uncertainty : An Analysis Of An Oil And Gas  
Company Response To VUCA”

*Case Study of PT. Vector Maritim  
Subsidiary of Soechi Lines*



SOECHI LINES

## Group 1

Giovani Shanti (21222009)  
Mitha Novenscha Vidya (21222003)  
Rachmat Tauhid Uno (21222004)  
Tenggar Muda Siregar (21222007)



## Lectures:

Dr. Samuel PD Anantadjaya  
Sidrotun Naim, M.P.A., Ph.D

**Sekolah Tinggi Manajemen IPMI**

**JAKARTA**



# Chapter I: Introduction

## 1. Industry Background

The oil and gas shipping industry is highly competitive, with numerous players vying for market share. Shipping companies compete on a range of factors, including vessel capacity, speed, safety, and reliability. The industry is also subject to pricing pressures, with rates for shipping services heavily influenced by global energy prices. During times of high demand, rates can increase significantly, while during times of oversupply, rates can fall, leading to a highly volatile market.

In recent years, the oil and gas shipping industry has also faced increased competition from alternative energy sources. As the world transitions towards a low-carbon future, demand for traditional oil and gas products may decline, potentially impacting the shipping industry. In response to this challenge, some shipping companies have begun to diversify their services to include the transportation of renewable energy products, such as wind turbines and solar panels. This diversification may help shipping companies to maintain their competitiveness and adapt to the changing energy landscape. Overall, the oil and gas shipping industry faces significant competition from both traditional and alternative energy sources, and companies must remain agile and adaptable to succeed in this dynamic market.

There are several major players in the oil and gas shipping industry, including:

1. **Maersk:** Maersk is a Danish shipping company that is one of the largest in the world. The company operates a fleet of tankers, container ships, and other vessels that transport a range of products, including oil and gas.
2. **ExxonMobil:** ExxonMobil is one of the world's largest oil and gas companies and also operates a significant shipping division. The company operates a fleet of tankers, LNG carriers, and other vessels that transport its products around the world.
3. **Shell:** Royal Dutch Shell is another major oil and gas company with a significant shipping division. The company operates a fleet of tankers, LNG carriers, and other vessels that transport its products to customers around the world.
4. **BP:** BP is a UK-based oil and gas company that also operates a significant shipping division. The company operates a fleet of tankers, LNG carriers, and other vessels that transport its products to customers around the world.
5. **Teekay:** Teekay is a Canadian shipping company that specializes in the transportation of oil and gas products. The company operates a fleet of tankers, LPG carriers, and other vessels that transport these products around the world.

The main competition among oil and gas shipping companies revolves around the transportation of oil and gas products from their source to their end-users, such as refineries, power plants, and other industrial facilities. Shipping companies compete on a range of factors, including vessel capacity, speed, safety, and reliability.



Additionally, these companies may also compete on the provision of value-added services such as offshore storage, floating production storage and offloading (FPSO), and terminal operations. Some companies may also specialize in the transportation of specific types of products, such as liquefied natural gas (LNG) or liquefied petroleum gas (LPG).

In recent years, some of these companies have also begun to diversify their services to include the transportation of renewable energy products, such as wind turbines and solar panels. This diversification may help shipping companies to maintain their competitiveness and adapt to the changing energy landscape.

Overall, the competition in the oil and gas shipping industry is fierce, and companies must continually innovate and improve their services to stay ahead of the competition.

## **2. Company Background**

Vektor Shipmanagement is a benchmark to the Indonesian Ship Management and Owner standards with IMO Res. 741(18), the ISM-Code, ISO 9001, 14001 and 45001 certifications. The ships in our fleet are managed with world-class management systems for quality, environment and information security; when your vessel is with a BSM Ship Management Centre, rest assured we will manage your vessel to the highest standards.

Our Ship Management Centres are continuously working to improve by getting certified for more ISO standards such as energy management, and occupational health and safety.

### **Domestic Leader**

The company is equipped with highly experienced management team at the helm, with successful track records of more than a decades in the shipping industry, Vector Maritim has established itself as the largest domestic player in tanker and in the country with managing more than 34 Tanker with compliance to the industries such SIRE inspection, TMSA for international market and CSMS, PSA approval from PERTAMINA

### **Family Culture**

Relationships with all parties – customers, seafarers, office staff, partners are important to us at Vector Maritim. We proactively live a family Culture as we are a family business. This means we are mindful of taking care of and maintaining the value of our customers' vessels while caring for our staff. The high employee retention rate and our long-term experience result in high vessel availability and sustainable OPEX.





### **Safety, Reliability, Efficiency**

We deliver safe, reliable and efficient ship management services through a Single office in Jakarta. We manage a fleet of 34 vessels, with a pool of more than 1300 seafarers and 200 shore-based staff to provide a high quality service for all types of vessels.

## **Structure & Culture Organization**

### **Ship To Shore Organization**

Vector Maritim as independent shipowners who have their own vessel operating capability, The Ship owner may choose to delegate various managerial functions to Vektor Ship Management as their managers. The Vector Maritim divided into three categories (General)

- Technical Management (Marine, Fleet, and Procurement)
- Commercial/ Operation Management, and
- Crewing management.

Vektor Ship management is located in Jakarta. They Manage large fleets on behalf of numerous ship owners. Many of the larger management companies also own vessels. Essentially, the decision to outsource a ship management function is a financially driven one, Ship management services means that the shipowner can conduct business at a reduced cost, primarily due to reduced in-house staff and resources. Another advantage to a shipowner in delegating management to Vektor ship manager is that the manager will be able to bring all fleets under its supervision to the table for purposes of negotiating contracts for maintenance and repair stores, marine insurance, etc. It generates savings via economies of scale. The Vektor ship management can also represent the ship owner's interests before industry groups and government.



## **Technical Management**

The Vektor Ship management provide technical management services such as:

- Insuring that the vessel complies with the requirements of the Flag State;
- Insuring compliance with the ISM Code;
- Insuring compliance with the ISPS Code;
- Insuring compliance of the Market such as oil / chemical / Gas company
- Providing competent personnel to supervise the maintenance and general efficiency of the Vessel;
- Arranging and supervising dry dockings, repairs, alterations and the maintenance of the vessel;
- Insuring that the vessel complies with all of the requirements and recommendations of the classification society;
- Arranging the supply of necessary stores, spares, and lubricating oil;
- Appointing surveyors and technical consultants as needed;
- Arranging for the sampling and testing of bunkers;
- Providing other related services.

## **Crew Management**

Crew Management services may also be required such as:

- Crew recruitment;
- Arranging for the deployment of crew to and from the vessel;
- Training of crew and career development;
- Payroll;
- Insurance and other employee benefits.

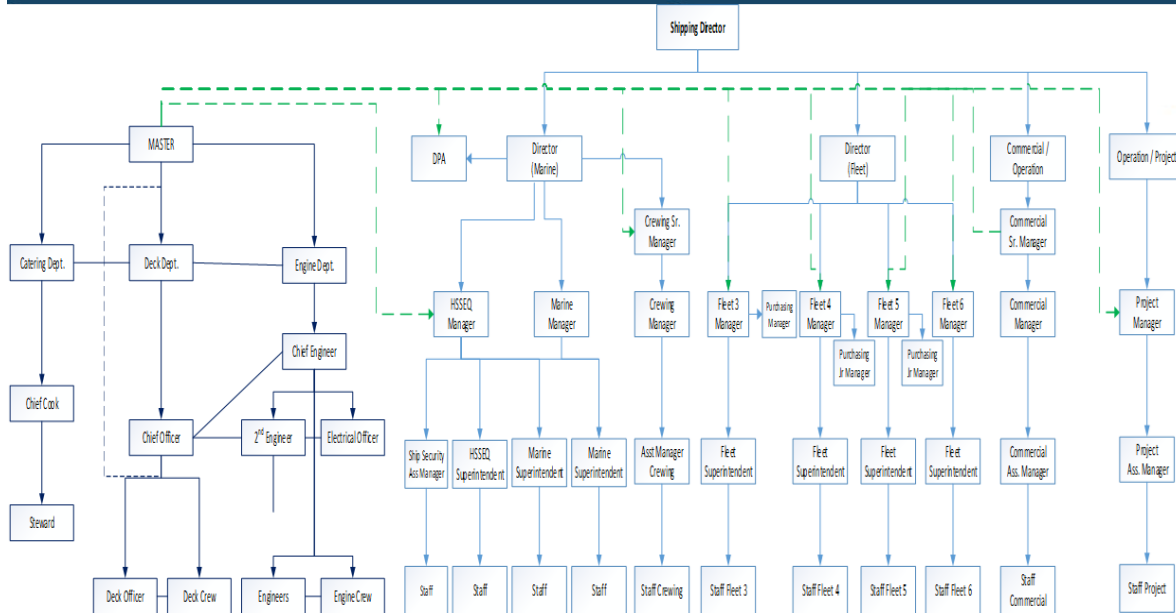
## **Commercial/Operation Management**

The duty of the operations department to provide post-fixture support to the vessels, to issue voyage instructions, to make sure that the ships perform as per the charterparty agreements, and to ensure the safe and efficient carriage and delivery of cargoes. In addition, the department has to supervise the disbursement of all funds necessary to run the ships, it has to arrange for freight / hire / demurrage collection from charterers, and finally it has to arrange for the provision of the vessels with bunkers.

Cargo handling, port activities, pilotage, towage, wharfage, dockage, canal transits, conveying of cargoes, cargo handling arrangements, loading and discharging of vessels, are some of the actions supervised by the operations department. It is exactly this operational involvement that keeps us so closely abreast and in touch with current market conditions - vitally important in maintaining a competitive edge.



## Vessel To Shore Organization



The ship's crews are the personnel who sail on board a ship and are responsible for its operation, primarily when the ship is at sea (with some responsibility when at port). For the purpose of ship operation and traditionally, the crew of a commercial ship is divided into three departments :

- Deck department
- Engine department
- Catering (steward's) department.

The Captain or Master is the ship's highest responsible officer, acting on behalf of the ship's owner/operator or manager. The Captain/Master is legally responsible for the day-to-day management of the ship. It is his/her responsibility to ensure that all the departments perform legally to the ship's owner /operator or manager's requirements. The ship has several deck officers that assist the master.

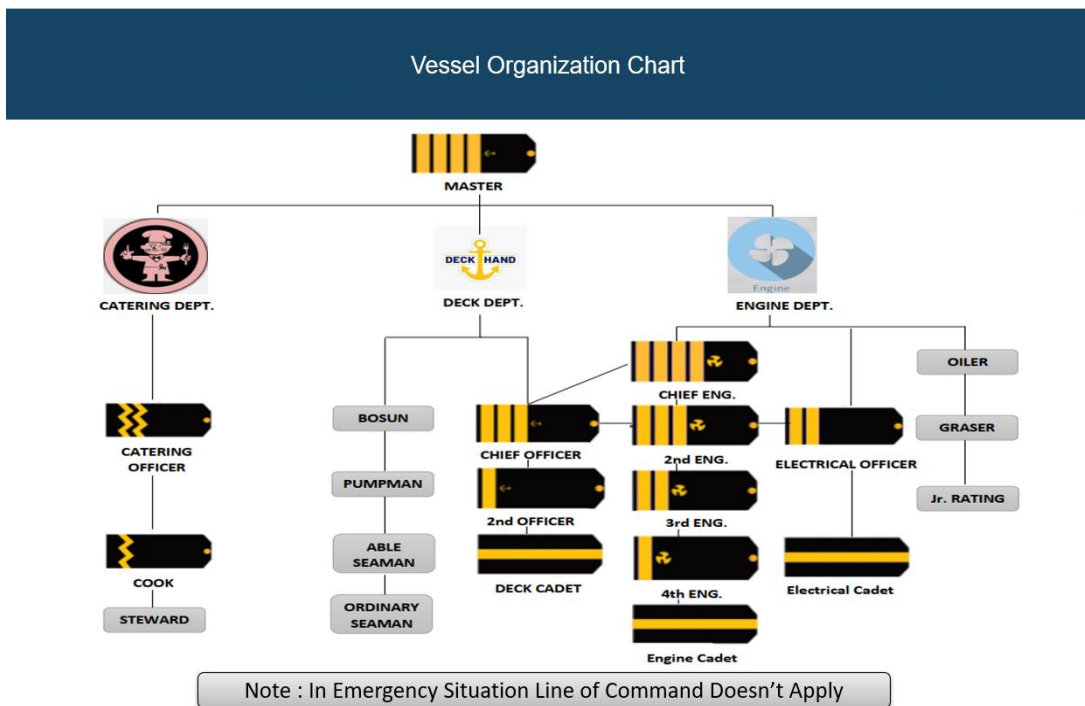
Master also usually has pilots' advice while the ship is navigating in restricted waters, such as narrow or shallow channels. Also, each shipboard department has a designated head who reports to the master. The deck department is headed by a Chief Officer. The engine department is headed by a Chief Engineer. He has other licensed engineers to assist him with engine room watch and the performance of maintenance and repair activities in the engine room. The Chief Steward is the head of the catering department. He assists the captain in dealing with embarkation (entering a port) and disembarkation (leaving a port) formalities and other administrative tasks.



Additionally, in ports, he will take care of ordering and supervising the delivery of provisions, galley supply, and distribution, crew wages, etc. The above roles and their level of engagement will vary from one ship type to another.

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Additionally, in ports, he will take care of ordering and supervising the delivery of provisions, galley supply, and distribution, crew wages, etc.



### 3. Problem Background

The international crude oil maritime transportation system has always been disturbed by the external environment and its own mechanism of supply and demand, which can sometimes last for a long time. BDTI (Baltic Exchange Dirty Tanker Index) is one of the most typical indexes in the crude oil maritime transportation market, which is affected by many uncertain events and often lasts for a long time. So it is very significant to study fluctuation characteristics of the crude oil maritime transportation system and assess the impact of critical events (Fei, 2009)



In terms of facing the uncertain events the company can be strengthened in the leadership development area. One of the approaches to this study relates to VUCA. The Boston Consulting Group (BCG) concurs. A recent BCG study concluded that organizations today must shift their business models—and their leadership skills—to become “adaptive firms.” Adaptive firms can adjust and learn better, faster, and more economically than their peers, giving them an “adaptive advantage.” (Lawrence, 2013)

Problem Statement:

1. How did PT. Vector Maritim facing uncertain events in the business?
2. What are the anticipated strategies proposed to PT. Vector Maritim to expand the business?

## **Chapter 2: Literature Review (Elaborate based on Strategic Business Tools)**

The notion of VUCA was introduced by the U.S. Army War College to describe the more volatile, uncertain, complex, and ambiguous, multilateral world which resulted from the end of the Cold War (Kinsinger & Walch, 2012). The acronym itself was not created until the late 1990s, and it was not until the terrorist attacks of September 11, 2001, that notion and acronym really took hold. VUCA was subsequently adopted by strategic business leaders to describe the chaotic, turbulent, and rapidly changing business environment that has become the “new normal.”

In the VUCA Prime, volatility can be countered with vision because vision is even more vital in turbulent times. Leaders with a clear vision of where they want their organizations to be in three to five years can better weather volatile environmental changes such as economic downturns or new competition in their markets, for example, by making business decisions to counter the turbulence while keeping the organization’s vision in mind.

Uncertainty can be countered with understanding, the ability of a leader to stop, look, and listen. To be effective in a VUCA environment, leaders must learn to look and listen beyond their functional areas of expertise to make sense of the volatility and to lead with vision. This requires leaders to communicate with all levels of employees in their organization, and to develop and demonstrate teamwork and collaboration skills.

Complexity can be countered with clarity, the deliberative process to make sense of the chaos. In a VUCA world, chaos comes swift and hard. Leaders, who can quickly and clearly tune into all of the minutiae associated with the chaos, can make better, more informed business decisions.

Finally, ambiguity can be countered with agility, the ability to communicate across the organization and to move quickly to apply solutions (Kinsinger and Walch, 2012). Vision,



understanding, clarity, and agility are not mutually exclusive in the VUCA prime. Rather, they are intertwined elements that help managers become stronger VUCA leaders.

VUCA leaders must have foresight to see where they are going but must also remain flexible about how they get there (Apollo Research Institute staff, 2012). They must be self-aware about their strengths and weaknesses as leaders, adaptable, open to change, and, according to the Center for Creative Leadership, knowledgeable about their organization beyond their function (Management Education Group staff, 2011). Finally, they must work collaboratively and be excellent communicators to thrive in a complex VUCA environment (Kail, 2010 December 3). Above all, VUCA learners must be able to learn fast because change is constant.

## Chapter 3: Methodology (Step by step process of the project or research)

### 1. Project Timeline

Description	Week-1	Week-2	Week-3 & 4	Week-5 & 6	Week-7
	(12-18 Mar)	(19-25 Mar)	(26 Mar-8 Apr)	(8-22 Apr)	29-Apr
Formulate Problem Background and Objective Project					
Collect Literature Review and Methodology					
Methodology and Finding Analysis Discussion					
Conclusion and Recommendations					
Presentation					

### 2. Strategic Business Tools

The strategy chosen for this research is survey research. This strategy is considered suitable because we can collect quantitative and qualitative data on the research questions and topic. The questionnaire will be a one time survey, exploring the data relevant to the research topic. Regarding the statement of the problem, the theory which is used in this project is PESTEL, Corporate Entrepreneurship Audit, Commercial & Competitive Environment and VUCA Analysis.

In this research the primary data source came from the conducting of observation and interview with the subject of this research who is working in PT Vector Maritim. While a secondary data source is a source of data that is taken by the researcher indirectly from the subject. It can be from relevant books, journals, etc. The secondary data source of this research was accepted to complete the primary data. It was from any relevant book, journal, company's website, company annual report, etc.

Interviews were conducted with managerial level in the company and observation was conducted through the questionnaire for managerial and non managerial in the company.



Unit analysis of the study will be individual of PT Vector Maritim in managerial and non managerial level. This is because we want to understand the organizational culture, organizational strategy, organization leadership and commercial environment. Data collection method chosen for this research is questionnaires which are going to be administered through electronic and online questionnaires. This will be considered as the effective, and efficient way in capturing the information. We distribute the questionnaire to 23 Persons in the company.

## Chapter 4: Findings, Analysis and Discussion

### 1. PESTEL ANALYSIS

POLITICAL	ECONOMICAL
<ul style="list-style-type: none"><li>- Political instability or changes in government could also impact the company's operations and business environment.</li><li>- The Indonesian government has been pursuing a policy of decentralization, transferring the authority and management of ports from the central government to local governments.</li><li>- However, this decentralization has led to some challenges, such as inconsistent regulations and standards across different ports, which can create confusion and hinder the smooth operation of shipping companies. Additionally, there have been concerns about corruption in the bidding process for port development projects, which can further impede the growth and efficiency of the shipping industry.</li><li>- the enforcement of regulations and safety standards in the shipping industry. Indonesia has a large number of small-scale shipping operators, many of which operate without proper licensing or safety equipment. This can lead to accidents and environmental damage, as well as unfair competition with more established and compliant shipping companies.</li></ul>	<ul style="list-style-type: none"><li>- Maritime market expected to witness growth post pandemic</li><li>- Supply chain and shipping problems expected to linger well into 2023</li><li>- business may be affected by fluctuations in the global economy, such as changes in demand for shipping services and fuel prices.</li><li>- The company's financial performance may also be impacted by the availability and cost of financing.</li></ul>



SOCIAL	TECHNOLOGICAL
<ul style="list-style-type: none"> <li>- operations may be influenced by societal and cultural factors, such as changes in consumer behavior and preferences.</li> <li>- The company's workforce may also be impacted by sociocultural factors, such as changing attitudes towards work-life balance and diversity and inclusion.</li> </ul>	<ul style="list-style-type: none"> <li>- Technological advancements in the shipping industry could impact Company operations and competitiveness.</li> <li>- The company may need to invest in new technologies to remain competitive and meet evolving customer needs</li> </ul>
LEGAL	ENVIRONMENTAL
<ul style="list-style-type: none"> <li>- operations may be impacted by local and international laws and regulations related to shipping, labor, and trade.</li> <li>- Compliance with legal requirements and regulations is essential for the company to avoid legal penalties and reputational damage.</li> <li>- Overall, VektorMaritim faces a range of external macro-environmental factors that could impact its operations and performance. Understanding and addressing these factors is crucial for the company to remain competitive and successful in the shipping industry.</li> </ul>	<ul style="list-style-type: none"> <li>- Operations may be impacted by environmental factors, such as climate change and regulations related to emissions and waste management.</li> <li>- The company may need to implement environmentally sustainable practices to comply with regulations and meet stakeholder expectations.</li> </ul>

**Political:** The political environment is a critical factor in the shipping industry, especially for tanker shipping, as it can impact trade policies and regulations. The tensions between major countries and their geopolitical interests can influence the shipping industry. In 2023, there could be potential changes in government policies or regulations in response to climate change concerns, which may affect the tanker industry. Additionally, political instability or conflicts in certain regions can lead to a reduction in oil demand or disruptions in oil transportation.

**Economic:** Economic factors such as global economic growth, exchange rates, and oil prices can significantly impact the tanker industry. In 2023, economic growth could result in increased demand for oil and gas, which could positively affect the tanker industry. However, rising oil prices could result in reduced demand for oil and gas, which could negatively affect the tanker industry.

**Social:** Social factors such as consumer preferences and lifestyle changes can impact the shipping industry. In 2023, there may be increased demand for eco-friendly shipping and transportation, which could lead to changes in the types of tankers used and a shift towards more sustainable shipping practices.

**Technological:** Technological advancements such as autonomous shipping and digitalization could have a significant impact on the shipping industry, especially for tanker shipping. The





integration of technology could lead to increased efficiency and reduced costs. However, the integration of technology could also result in job losses in the industry.

**Environmental:** Environmental factors such as climate change and sustainability concerns are critical factors in the shipping industry. In 2023, the industry may face increased pressure to reduce carbon emissions and adopt more sustainable practices. This could lead to a shift towards alternative fuels and cleaner technologies.

**Legal:** Legal factors such as regulations and compliance requirements can impact the tanker industry. In 2023, there could be new regulations or compliance requirements related to environmental sustainability, which could lead to increased costs for tanker companies.

## 2. SWOT

Based on the information that we received from the company, we analyze the company's situation into SWOT Analysis below:

Strength	Weaknesses
<ul style="list-style-type: none"> <li>- Crews Management in Compliance to cabotage Law</li> <li>- Diversified Vessel portfolio under management</li> <li>- Highly Experience in Oil, Chemical ,Gas Tankers Shore Support</li> <li>- Strong Safety Culture, From industries best practice.</li> </ul>	<ul style="list-style-type: none"> <li>- Limited Professional Seafarer in the country</li> <li>- Limited technology (innovation)</li> <li>- Vessel under Indonesian Flag ( which may High Risk to Overseas Authorities)</li> <li>- Age of the Vessel ( average of managing vessel more than 15 Years old)</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Strategic Partnership and Acquisitions</li> <li>- Expansion to other related business segment and switching to alternative options</li> </ul>	<ul style="list-style-type: none"> <li>- Rising Fuel Price and Geo –political condition cause ocean freight rate increasing and delay.</li> <li>- Cost maintenance of the Vessel ( Aging of the vessel passed the max performance)</li> <li>- Accident ( collision, oil spill, grounding)</li> <li>- High Capex Cost</li> </ul>

### Strength :

- Cabotage Law by Indonesian Government as one of the advantage to Indonesian Flag Vessel to saving the cost up to 30% compared to regular shipment ( road or air), which make product cheaper. The Non-Indonesian Sea Flag Vessel are prohibited to carry cargoes/liquid in bulk between Indonesian Port / Waters.
- The Vessel Types ( Oil,Chemical and Gas) which lead the company as Leader in Indonesia
- The Shore and Ship staff well experience and trained lead very effective of the operational of the vessel.



### Weakness :

- As the Number and volume of the vessel increasing in Indonesia , and limited resource of professional seafarer.
- Navigational Equipment and Machinery for the Indonesian vessel are still limited , not the latest models
- Indonesian Flag vessel consider as high-risk vessel as per Port State Control data base ( TOKYO MOU), which may lead the vessel detained in overseas port

### Opportunities :

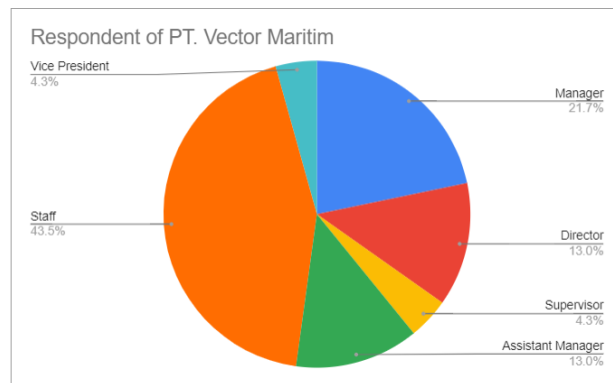
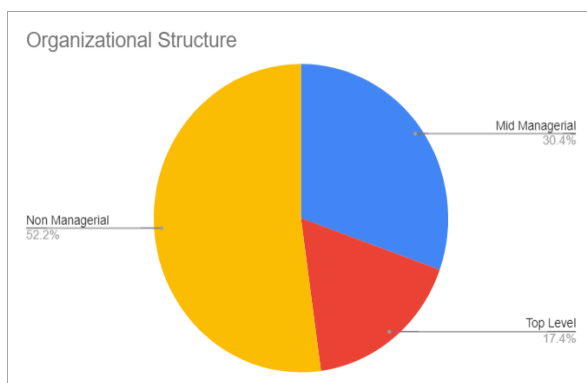
- The Company has good relations ship with the Ship Owner and other customers ( oil company) which lead the door opened and get new business.

### Threat:

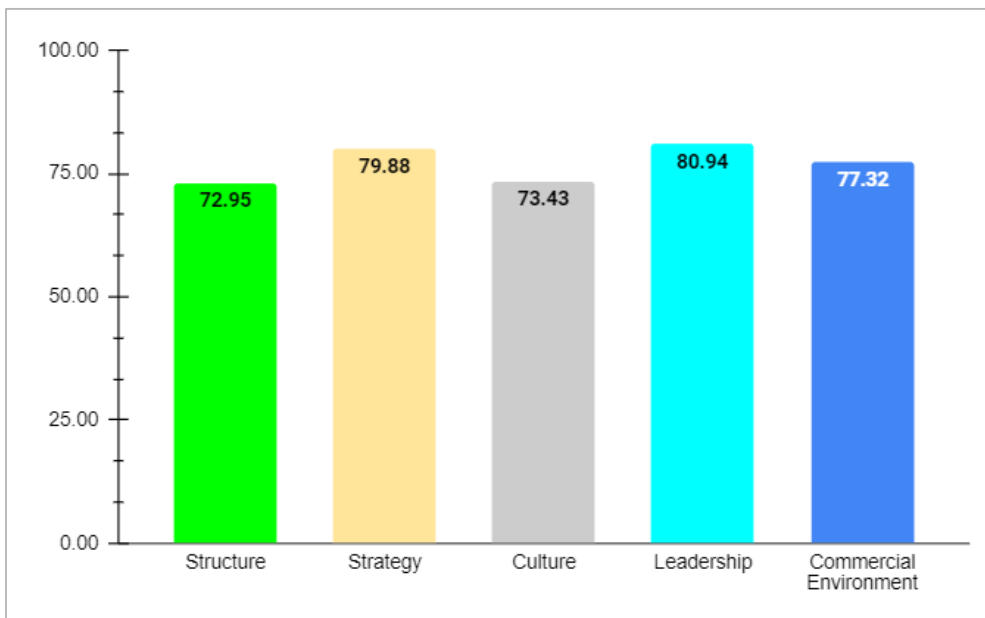
- Fuel oil price as one of the thought challenging for NON TIME CHARTER VESSEL, Due to vessel Ages, Intensive maintenance of the Vessel machinery require additional cost to achieve the best performance of the vessel
- Any accident and if the vessel having oil pollution to the sea which lead the catastrophic damage to the company ( cost for environment, reputations)

## 3. CORPORATE ENTREPRENEURSHIP AUDIT

In this chapter, the result of the CE Audit form is provided based on the questionnaire from Corporate Entrepreneurship and Innovation (4th edition.), by Paul Burns (Red Globe Press, 2020). In the questionnaire, it approached the 5 pillars of Corporate Entrepreneurship which are **“Structure, Strategy, Culture, Leadership, and Commercial Environment”**. Basically, we distribute the questionnaire to 23 Persons in the company with the respondent;s figure below:



op  
al  
rs



### **Organization Structure (Structure 72,95%)**

PT. Vector Maritim has a hierarchical organizational structure, with notable divisional characteristics and a low functional matrix. The hierarchy is a traditional structural feature in business organizations. The divisional characteristics refer to the product-based grouping within PT. Vector Maritim, such as for Shipment and Offshore. The weak functional matrix involves inter-divisional collaboration, while the hierarchy is preserved. The following are the main characteristics of Vector Maritim's corporate structure: This weak matrix is also impacted by the corporate culture dominated by family members in managerial positions.

### **Organization Strategy (Strategy 79,88%)**

PT. Vector Maritim in business strategy has a strong understanding in organization's core competencies. They have clear vision in the reality of competition, They prepare to have a tactical plan (short term and long term) and clear strategic objectives. The company is equipped with a highly experienced management team at the helm, with successful track records of more than 30 years in the shipping industry, PT. Vector Maritim has established itself as one of the largest domestic players in tankers as well as being the only shipping company who operates an integrated shipyard in the country.

### **Organization Culture (Culture 73,43%)**

PT. Vectore Maritim has a traditional organizational culture. The company's cultural characteristics emphasize the importance of maintaining a high level of integration and compliance, which includes consistency and integrity while doing business. The business relies on cultural support and coherence, which are determinants of competitiveness and industry leadership, particularly when it comes to dealing with aggressive and uncertain market situations. The following are the key features of corporate culture (part of Soechi Lines):



- Stakeholder services
- Organizational Awareness
- Excellent Teamwork
- Continuous Improvement
- High Operational Performance
- Integrity

### **Organization Leadership (Culture 80,94%)**

PT. Vector Maritim has quite excellent teamwork between Top Level, Mid Managerial and Staff. The communication flow is very effective through regular meetings. The Top Level mission is to create a comfortable workplace in which employees can effectively utilize their skills and talents and contribute to the overall betterment of the Company. It is also felt by the mid managerial and staff that their aspirations are heard and facilitated by the top level.

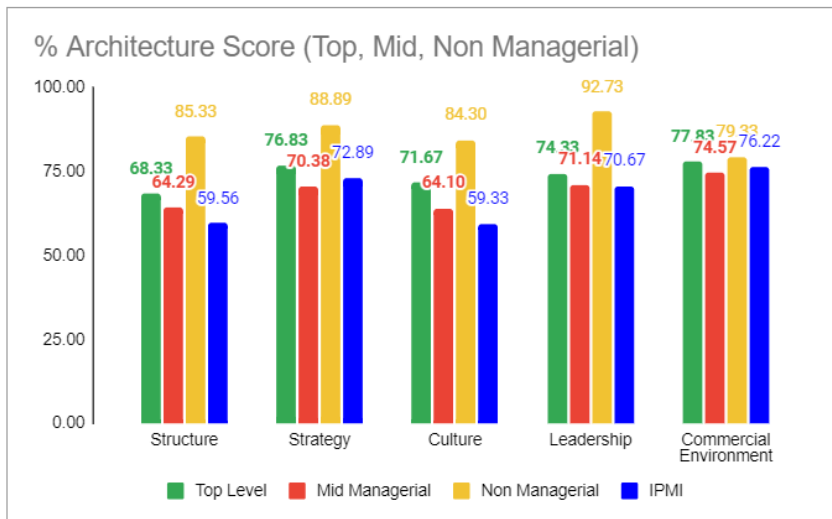
### **Commercial Environment (CE 77,32%)**

What makes the Company distinguished in the industry is its services by delivering one stop solution and integrated facilities. Offering inter-related services in oil, gas and chemical transportation, For years, they have built a strong relationship with r valuable customers and served some reputable clients, such as National Oil Company and Prominent Oil Company. The list of satisfied clients is still counting since we are known for our excellence in providing quality, reliability, and world-class services to our customers. Supported by more than 700 crews and 400 staff, our highly experienced and qualified management team in PT. Vector Maritim is always driven by the passion for mutual success in the shipping industry.

According to the survey's results, we are looking more deeper into managerial level (Top, Middle, Non Managerial), we found that Gap between Top and Middle Managerial compare to Non Managerial in every aspects. The below graphs showing the architecture score:



Architecture	Top Level	Mid Managerial	Non Managerial	GAP Analysis (IPMI )
Structure	68,33%	64,29%	85,33%	"Family related driven in strategic position, one of dominate factor in the organization structure (Owner's oriented)"
	"Top level facing bureaucratic structure in Shareholders's lines"	"Mangagers also facing bureaucratic structure for Top leaders & shareholders"	"Staffs have a convinient access to the Top-Mid Managerial by daily communication or through corporate events"	
Strategy	76,83%	70,38%	88,89%	" Basicaly, all the organization members know well their business capabilities and the challanges quite well. It helps them to achive ther mission "To build a professional, effective, efficient, and financially healthy organization."
	"Top Leaders understand clearly with the tactical strategies ito keep the business sustain"	"Managers have a good facilitate capabilities to escalate business initiation or distribute direction to staff"	"Staffs have clear direction and business vision that can make them align with the works"	
Culture	71,67%	64,10%	84,30%	"The Organization provide a comfortable workplace in which the employees can effectively utilize their skills and talents and contribute to the overall betterment of the Company."
	"Encourages managers & staff to build relationships at all levels (Openness & fairness)"	"The managers encourages and facilitates delegated decision-making"	"Staff feel responsible for the future of the organization (Ownership)"	
Leadership	74,33%	71,14%	92,73%	"The Staffs gave high score beacuse they quite satisfy with Top-Middle Managerial when facilitated their aspirations. While Top-Mid facing the diffrent challanges with the Shareholder's Leadership"
	"Have a good alignment with the managers & staffs, quite challenging dealing with the Shareholders"	" Excelent team work with the staffs and good collaboration with the Top Leader"	"High satisfaction with effective communcation and supportive leadership"	
Commercial Environment	77,83%	74,57%	79,33%	"The commercial environment changes rapidly and continuously"
	"Predicted economic and societal changes will greatly impact the industry"	"Developments in the industry depend very much on knowledge and information"	"The commercial environment is highly competitive"	





## 5. COMMERCIAL ENVIRONMENT & COMPETITIVE ANALYSIS

### A. PT. Buana Lintas Lautan, Tbk (BULL)



PT Buana Lintas Lautan Tbk (BULL) is a well-known oil and gas tanker company in Indonesia that was established on 12 May 2005 to meet the need for world-class domestic oil and gas transportation services. Over the years, BULL has proven its ability to not only succeed in strong markets but also prosper during market downturns. With experienced management for more than three decades catering to numerous domestic and international clients, BULL has taken the standards of international shipping into domestic waters. We started out with a range of oil and gas tanker, designed and dedicated to carry crude oil and oil products, as well as gas products such as LPG (Liquefied Petroleum Gas). We became the first domestic shipping company that owns and operate VLGC (Very Large Gas Carrier) in Indonesia.

#### Business Activities:

- Vessel Chartering
- Shipping Agency
- Ship Management
- Crew Management
- Cabotage Principle

### B. PT. HUMPUSS INTERMODA, Tbk



Since 2012, HITS has focused on Business Restructuring, including organization restructuring. HITS transforms from Operating Holding into an Investment Holding. Now, HITS supported by two subsidiaries are PT Humpuss Transportasi Kimia (HTK) and PT Humpuss Maritim Internasional (HUMI) , previously known as PT Misi Utama Internasional which was



established in 2016. HUMI and subsidiaries provide distribution services and energy infrastructures, including port and maritime ecosystems.

HITS further carried on the commitment to consistently develop its businesses until in 2018, HITS managed 8 business segments, namely:

- 1. LNG Transportation
- 2. Petrochemical Transportation
- 3. Oil Transportation
- 4. Offshore Supporting Vessels
- 5. Ship Management
- 6. Marine Support
- 7. Dredging
- 8. Human Capital Management & Development

The business income according to the business segment or type of services provided is as follows:

- 1. Chartered Vessel Services
- 2. Ship Management Services
- 3. Crew Management Services
- 4. Manning Training Center

The internalization process is also carried out through various media campaigns and activities involving employees, including e-mails, posters, and portals. Meanwhile, socialization through workshops is carried out to introduce and promote better understanding of derivative behaviors of HITS core values. HITS core values known as HITS consist of:

- Honesty & Harmony, reflected on integrity and networking.
- Innovation, reflected on continuous profitable growth of business and diversification and learning.
- Trust, reflected on collaboration and partnership.
- Service & Operation Excellence, reflected in providing energy infrastructure & distribution

## **5. VUCA (Volatility, Uncertainty, Complexity, Ambiguity)**

Volatility in resource availability; Uncertainty in business operations, Complexity in connecting with the customers; and Ambiguity in the global connectivity leading to a disrupted scenario (Bennett and Lemoine 2014). The literature classifies the risk based on the environment; network, and the organisations with which the business operates. (Wruck, Vis, and Boter 2017; Jabbour et al. 2020).



Volatility captures sudden, extreme and multi-layered fluctuations in economy, socio-politics, geopolitics and indicates the difficulty of identifying and describing these changes in a pattern like manner as it used to be the case in a stable world where certainty about the course of events was the salient feature. In this industry, we analyze that Market demand is one of the volatility that we can take the opportunity to help the company growth.

Given the incapacity to read the present through the lenses of past, that is “to sift, discern or decide” it becomes obvious that the predictability of future is more than uncertain, which “makes forecasting extremely difficult and decision making challenging”. Increased mobility of people around the globe or simply the burning of frontiers via intensive use of technology, along with diversity of mental patterns contributes to an increased complexity of the surrounding world and inherently difficulty in mastering if not at least understanding the current intricacies underlying the external and internal environment of states and organizations. As a result, systems’ complexity leads to fuzzy depictions of the “causes and the ‘who, what, where, how, and why’ behind the things that are happening [that] are unclear and hard to ascertain” [3]. Additionally, “the ease of accessibility to, and prevalence of, big data has only increased this level of complexity, and will continue to do so at an ever- quickening pace”[2].

The ambiguity of the environment is the result of all the above features. It is rendered by the inability to provide “yes/no” solutions and, hence, by the multifariously valid alternatives that might prove true depending on how, when and where a butterfly flaps its wings. The “it depends” answer becomes prevalent and it proves cumbersome for whoever has been accustomed to living in a world in which certainty about the future in as well. In this respect, the chapters to follow are to build on this idea more or less overtly.

Some points to tackle the VUCA world ;

- counter volatility with vision ( create your compelling vision and value for your people. this will give them a clear focus and help them to react quickly to change )
- meet uncertainty with understanding ( when you're “ in the know “ you'll be able
- anticipate threats and take advantage of new opportunities fight ambiguity with agility

## **SIRE PROGRAM**

SIRE (Ship Inspection Report Programme) introduced by Oil Companies International Marine Forum (OCIMF) in 1993 as an initiative to resolve problems related to substandard ships, especially in ship safety. This program is conducted as a risk assessment tool for tankers and is very useful for anyone related to ship safety, such as governments, shipping companies, operators and terminals. In the SIRE Program there are inspections carried out based on the following matters:

- Vessel Inspection Questionnaire (VIQ).
- Barges Inspection Questionnaire (BIQ).
- Uniform SIRE Inspection Report.
- Vessels Particulars Questionnaire (VPQ).
- Barge Particulars Questionnaire (BPQ).

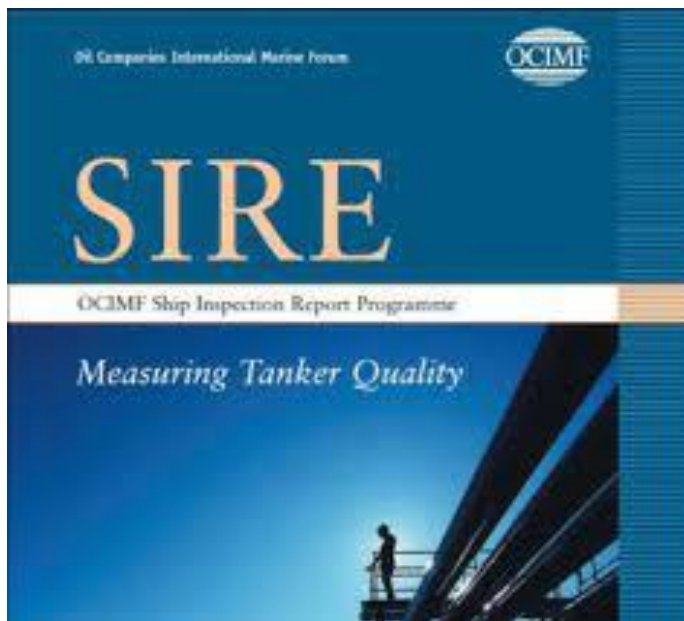




SIRE can be called a large collection of up-to-date information relating to tankers and barges. Over the years, the increased use of SIRE has matched the oil industry's efforts to ensure a ship is properly managed and maintained. It aims to make the ship more safe and free from environmental pollution.

**SIRE Inspection Process**

The SIRE Inspector records and reports the results of his ship's observations on ship operations. At the end of each inspection, the master of the ship is given a report containing all the observations found ranked from high to low risk



The Company's risk management system was established by identifying the main risk areas due to the Company's business continuity. The risks included business risk, operational risk, and financial risk. The Company conducted periodical reviews about the types of risks which may impact the Company and conducted adjustments on how to manage the risks. Herewith VUCA Analysis in PT. Vector Maritim in terms of managing risks:

	<b>RISKS</b>	<b>RELATED RECOMMENDATION</b>
<b>V</b> olatility	<ul style="list-style-type: none"> <li>➤ <b>Business risk</b> Changes in the Government policy, such as change in cabotage</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Business risk</b> Maintaining good relationship with existing customers</li> </ul>



	<p>law</p> <ul style="list-style-type: none"> <li>➤ <b>Market risk/Interest rate risk</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ Conducting regular interest rates analysis and the impact of interest rate changes to the Company's liquidity and profitabilities</li> </ul>
<b>U</b> ncertainty	<ul style="list-style-type: none"> <li>➤ Risk of detention/abduction against vessels</li> </ul>	<ul style="list-style-type: none"> <li>➤ Conformity of vessels operational standards with maritime regulations to ensure safety and security.</li> </ul>
<b>C</b> omplexity	<ul style="list-style-type: none"> <li>➤ Delays in the completion of shipbuilding projects</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Company and the customers are bound by agreement which contains the clause that allowing the Company to extend the completion time for issues/problems beyond the Company's control, such as natural disasters and bad weather (e.g SIRE Program)</li> </ul>
<b>A</b> mbiguity	<ul style="list-style-type: none"> <li>➤ Operational risk Operating vessels are under quality management certifications and vessel qualifications</li> </ul>	<ul style="list-style-type: none"> <li>➤ Operational risk Regular crews training regarding operational standards and qualities in order to minimize faults.</li> </ul>



# Chapter 5: Conclusions and Recommendations

## 1. Conclusions

- In a volatile market, businesses must be adaptable and agile to respond to changes quickly. Vektor maritim can achieve this by implementing robust risk management practices and contingency plans to mitigate potential disruptions. This may include diversifying its customer base, optimizing its fleet management, and building stronger relationships with suppliers and partners.
- Another key strategy for businesses in uncertain times is to focus on innovation and digitalization. Vektor Maritim can leverage advanced technologies to enhance its operations and customer experience, such as utilizing big data analytics to optimize routes and fuel consumption, implementing Internet of Things (IoT) sensors to improve vessel performance, and offering digital platforms for customers to track their shipments in real-time.
- Furthermore, building a strong corporate culture and investing in employee development can also help businesses weather uncertain events. This includes fostering a culture of resilience, adaptability, and continuous learning, and providing employees with the necessary skills and resources to adapt to changes in the market.
- Overall, navigating uncertain events in the transportation market requires a combination of strategic planning, innovation, and a resilient corporate culture.

## 2. Recommendations

- Improve communication and collaboration: Audit result shown that there is a gaps in communication between different levels of management. Therefore, it is recommended that PT. VM improves communication and collaboration between top-level, mid-level, and non-managerial employees to ensure everyone is working towards common goals. such techniques can be use Regular Meetings, Open communication channel, training & development and incentives and recognitions
- Implement a more diverse and inclusive management team: The company's hierarchical organizational structure and the dominance of family members in managerial positions may limit diversity and inclusivity. Therefore, it is recommended that PT. VM considers implementing a more diverse and inclusive management team to bring in fresh perspectives and promote equal opportunities.
- Continuously review and update risk management practices: PT. VM should conduct periodic reviews of its risk management practices and adjust them as necessary to ensure that risks are properly identified, evaluated, and managed.



This will help the company stay competitive in a volatile and uncertain business environment.

- Embrace new technology: As the shipping industry evolves, new technology and innovations are emerging. Therefore, it is recommended that PT. Vector Maritim embraces new technology to improve efficiency, reduce costs, and stay ahead of competitors.

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**EMPLOYER BRANDING REVIEW  
PT AIR LIQUIDE INDONESIA**



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**MASTER OF BUSINESS ADMINISTRATION PROGRAM**

**SEKOLAH TINGGI MANAJEMEN IPMI JAKARTA**

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## Table of Contents

Table of Content	iii
List of Tables	iv
Acknowledgement	v
Executive Summary	vi
Chapter 1: Introduction	1
1.1 Industry Background	1
1.2 Company Background	2
1.3 Problem Background	6
Chapter 2: Literature Review (Elaborate based on theory used)	7
Chapter 3: Methodology (Step by step of the project research)	9
Chapter 4: Findings, Analysis and Discussions	11
Chapter 5: Conclusions and Recommendations	17
5.1 Conclusions	17
5.2 Recommendations	18
References and Bibliography	22

## List of Tables

Appendix 1: Survey Questions

Appendix 2: Survey Result

Appendix 3: Interview's List



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## Executive Summary

This report presents the findings of an employer branding research conducted in PT Air Liquide Indonesia, a leading industrial chemical/gas company. The research aimed to identify the current employer branding factors that influence the attractiveness of the company as an employer, and to provide recommendations for improving its employer brand. The research methods included an IPA (Importance-Performance Analysis) survey and semi-structured interviews with current employees between different levels of management and years of service. The main results of the research are:

- The company performs well in all 5 (five) dimensions of “Economic Value”, “Development Value”, “Social Value”, “Work Value” and “Employer Reputation”, but needs to put more attention in Economic Value, especially in the context of competitive compensation in the same industry (economic value).
- The most important factors for employer attractiveness are the organization’s reputation of being ethical (Employer Reputation).
- The company has a strong employer brand among current employees, but a weak employer brand among potential employees, especially fresh graduates and young professionals.
- The main challenges for the company are to increase its awareness and visibility in the market, to communicate its value proposition and culture more effectively, and to align its employer brand with its corporate brand.

Based on these findings, we recommend the following actions:

- Develop a clear and consistent employer branding strategy that reflects the company's vision, mission, and values.
- Enhance the career development opportunities for employees by providing more training, mentoring, feedback, and internal mobility.
- Review the compensation and benefits package and benchmark it with the industry standards and competitors.
- Promote a healthy work-life balance by offering flexible working arrangements, wellness programs, and employee engagement activities.
- Strengthen employer brand communication by using various channels and platforms, such as social media, career fairs, campus events, and employee referrals.
- Monitor and measure the effectiveness of the employer branding activities by using relevant metrics and indicators.

## Chapter I: Introduction

### 1.1 Industry Background

The gas industry is a critical component of the global energy sector, providing a reliable and affordable source of fuel for a wide range of applications, including power generation, heating and cooking, transportation, and industrial processes. The industry is composed of various segments, including upstream exploration and production, midstream transportation and storage, and downstream distribution and retail.

The gas industry refers to the sector involved in the exploration, production, processing, transportation, and distribution of natural gas. Natural gas is a fossil fuel primarily composed of methane and is used for various purposes, including electricity generation, heating, cooking, and as a fuel for vehicles.

The gas industry encompasses activities such as:

1. **Exploration and Production:** Companies search for underground reserves of natural gas through geological surveys and drilling. Once discovered, the gas is extracted using drilling techniques such as hydraulic fracturing (fracking) or conventional drilling.
2. **Processing and Treatment:** Natural gas extracted from the ground often contains impurities such as water, sulfur compounds, and other contaminants. It goes through processing and treatment processes to remove impurities and make it suitable for transport and use.
3. **Transportation:** Natural gas is transported over long distances through pipelines or in the form of liquefied natural gas (LNG). Pipelines are the most common method, while LNG involves converting natural gas into a liquid state through cooling for easier transportation.
4. **Distribution:** Gas distribution companies deliver natural gas to end-users, such as residential, commercial, and industrial customers. Distribution networks consist of pipelines, storage facilities, and local distribution systems that bring gas directly to consumers.
5. **Marketing and Trading:** Gas marketing and trading involves buying and selling natural gas in various markets. Traders take advantage of price fluctuations, supply and demand dynamics, and market conditions to optimize gas supply and maximize profits.
6. **Regulation and Safety:** The gas industry is subject to regulations and safety standards to ensure proper extraction, transportation, and distribution practices. Governments and regulatory bodies oversee aspects such as environmental protection, safety protocols, and market competition.

The gas industry plays a crucial role in the global energy mix, providing a relatively cleaner-burning fossil fuel alternative compared to coal and oil. However, it also faces challenges related to environmental impacts, carbon emissions, and transitioning to more sustainable energy sources as the world shifts towards a low-carbon economy.

The gas industry supports economic growth and job creation, particularly in areas with abundant natural resources. Highlighting the industry's contributions to local communities, such as supporting local businesses, investing in infrastructure, and contributing to local tax bases, can help build a positive image and attract individuals who are passionate about making a positive impact on society.

## 1.2 Company Background

A world leader in gases, technologies and services for Industry and Health, **Air Liquide** is present in 73 countries with approximately 67,100 employees and serves more than 3.9 million customers and patients.

Oxygen, nitrogen, and hydrogen are essential small molecules for life, matter, and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Taking action today while preparing for the future is at the heart of Air Liquide's strategy. With ADVANCE, its strategic plan for 2025, Air Liquide is targeting a global performance, combining financial and extra-financial dimensions.

Positioned in new markets, the Group benefits from major assets such as its business model combining resilience and strength, its ability to innovate and its technological expertise. The Group develops solutions contributing to climate and the energy transition—particularly with hydrogen—and takes action to progress in areas of healthcare, digital and high technologies.

Air Liquide's revenue amounted to more than 29.9 billion euros in 2022. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, CAC 40 ESG, EURO STOXX 50, FTSE4Good and DJSI Europe indexes.

The Business Model is long-term vision and sustainable growth strategy, a wide range of customers and applications, major ability to innovate, long-term customer contracts, indexed to energy prices, management and optimization of production and distribution chain, active involvement in new markets and global presence and local activity.

Serving all economic sectors, Air Liquide activities are as follow:

1. **LARGE INDUSTRIES:** Industrial gases in enormous quantities in the framework of long-term partnerships such as Chemicals, Refining, Metals.
2. **INDUSTRIAL MERCHANT:** Industrial gasses in small and medium quantities, application technologies, small equipment and related services serving a wide range of customers such as Materials & energy, Automotive & fabrication, Food & pharmaceuticals, Technology & research, Entrepreneurs & distributors.
3. **ELECTRONICS:** Ultra-pure gases in large quantities and development of new molecules such as Semiconductors, Photovoltaic, Flat panels.
4. **HEALTHCARE:** Medical gases, products and services to support patients and customers in hospital and at home such as Hospitals, Home healthcare, Specialty ingredients.

5. GLOBAL MARKETS & TECHNOLOGIES: Molecules, equipment, and services to support energy transition and deep technology such as Energy transition, Deep tech.
6. ENGINEERING & CONSTRUCTION: Plants and equipment for industrial gas production such as Customers choosing to insource their industrial gas needs.

Air Liquide Commitments to Sustainability are as follows:

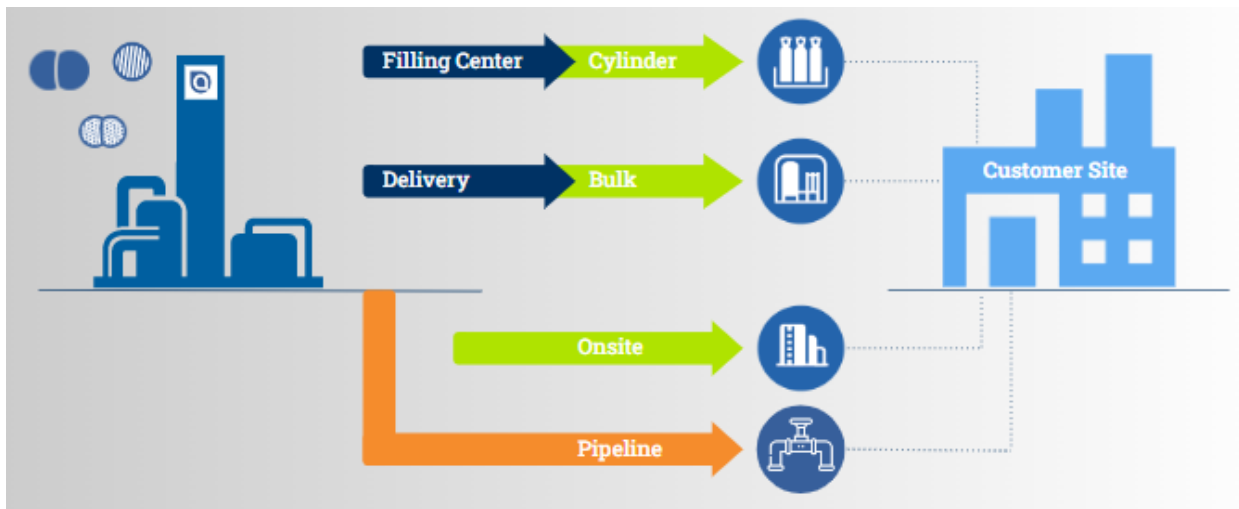
1. ABATEMENT OF CO<sub>2</sub>: Setting a trajectory to reach Carbon Neutrality where the aimed in the year ~2025 is CO<sub>2</sub> emissions start decreasing in absolute value [-30% Carbon intensity in kg CO<sub>2</sub>/€ EBITDA vs 2015], continue with the year of 2035 to decrease scope 1 & 2 CO<sub>2</sub>eq emissions in absolute value by -33% and the ultimate goal in year of 2050 is reach carbon neutrality before 2050.
2. HYDROGEN as a cornerstone of the energy transition and a tremendous growth potential will have some approach as follows; Decarbonize our production assets to develop a competitive low-carbon H<sub>2</sub> offering at large scale. Create value by decarbonizing our customer's processes, leveraging our long-term relationships. Be a key enabler of the Hydrogen society thanks to our assets, technology, and expertise.
3. Care for Patients in mature economies with improve the quality of life of chronic patients at home through our approach of Value-based Healthcare and increase personalization through adapted and flexible care plans.
4. Care for Patients in low- and middle-income countries by facilitating access to medical O<sub>2</sub> for rural communities, equipping with medical oxygen primary care facilities in villages and bringing our expertise to support local communities by expanding partnerships with NGOs.
5. Trust to engage with our employees started with Safety, Care Coverage, Diversity- a source of performance, Promote employees' engagement.
6. Trust as a base to build a best-in-class governance to our Board & Shareholders, promote a responsible dialogue with our business stakeholders and contribute to making a positive impact on society

Entering Indonesia in 1993, Air Liquide Indonesia (ALINDO) with its 170 employees are serving more than 1000 customers in diverse industries through our unique portfolio of industrial gasses, services, and equipment.

Air Liquide pursues profitable and sustainable growth over the long term through delivering excellent performance and acting responsibly. Relying on the Group's long-term strategy and resources worldwide, they strive to create new markets and new business opportunities with a focus on energy, environment, and technology. With dedicated support from their professional teams, Air Liquide Indonesia provides reliable services and value-added solutions to their customers while fulfilling their role as a responsible corporate citizen.

ALINDO explores the properties of the gas molecules offer and produce Air Gases (Xenon, Krypton, Argon, Oxygen, Nitrogen), Natural resources (Helium), Chemical resources (Acetylene, Ammonia, Hydrogen), Recover end processes (Carbon dioxide).

The distribution of the products in 2 (two) ways:



### Production Facilities: Delivery of Gases to Your Doorstep

1. Through Packaged Gasses. ALINDO gas centers are equipped with the latest technologies to ensure that the gas quality is kept to the highest standards. For gas users who need mobility and/or with demand for small volumes, gas cylinders can represent an extremely practical method of supplying gas to meet the needs of various manufacturing processes.
  - a. Specialty Gases Centre. Filling of **high purity** gases and **mixture** gases. Applications: Research and laboratory, petrochemical, and power plant.
  - b. Packaged Gases Centre. Filling of industrial-grade gases. Applications: Automotive fabrication, food, and beverage, chemical and petrochemical

2. Through Liquid Bulk Supply. Industrial grade bulk products (Oxygen, Nitrogen, Argon, and Hydrogen) are produced and liquefied in plants and delivered directly to customers cryogenic storage vessels by insulated cryogenic trucks. Their expertise extends to the installation, maintenance and monitoring of liquefied gas storage systems (telemetry)
3. Through On-site Plant. On-site means the supply of gas (Oxygen, Nitrogen or Hydrogen) generated on the customer site using a plant invested, installed, operated, and maintained by Air Liquide.
4. Through the Pipeline. ALINDO operates advanced high purity gas production plants with the largest interconnecting Pipeline network of Oxygen, Nitrogen, Argon, and Hydrogen in Indonesia. Air Liquide pipeline operations and industrial gas production facilities are closely monitored and remote-controlled 24 hours continuously within our leading-edge operations control center. Anyer - Cilegon - Merak > 100 km (about 62.14 mi) Pipeline and Cibitung - Cikarang > 35 km Pipeline.

Industries that ALINDO serve are as follows:

1. Food; innovative solutions are mainly applied in freezing and chilling, temperature control, modified atmosphere packaging, food & beverage production and related equipment. The trademark is ALIGAL
2. Technology & Research; a large range of high-quality specialty gases including pure gases and mixtures, for analysis applications including emission testing. The trademark is ALPHAGAZ
3. Automobiles & Manufacturing; Solutions for heat treatment, welding, cutting, and coating- focusing on gas quality and performance, product and packaging safety, effective technical support, asset management and safe delivery of gases to the point of use. The trademark is ARCAL and LASAL
4. Electronic components & Production; ALINDO supports electronic components assembly players with solutions for every step of their processes from assembly to testing, storage & cleaning.
5. Chemical; ALINDO uses advanced proprietary technologies to produce air gases, hydrogen and carbon monoxide, for players in the chemical industry. With tailor-made gas and energy solutions, customers can use our solutions for calibration and analysis, inserting, and water treatment. The trademark is ALPHAGAZ
6. Metal and Steel Fabrication; ALINDO offers metallurgy that covers the full range of clean applications. Optimizes performance through increased production output and reduced energy consumption, resulting in high quality products. 100 years of experience in the metals industry developing specialty gases, equipment, and services for welding, cutting, coating, heating, and cryogenic processing applications. The trademark is BOOSTAL, ARCAL and LASAL
7. Energy; ALINDO provides comprehensive industrial gas solutions to the energy industry and turn-key energized fluids solutions using nitrogen and carbon dioxide. They offer membrane technology solutions for nitrogen production, gas separation and gas purification.

ALINDO commitment in climate change:

1. Make an even stronger contribution to sustainability by collaborations with the local ecosystem;
2. Increase the share of renewable energy in the energy mix, enabling us to accelerate the decarbonization of our own assets and provide customers with products and services of lower carbon footprint.

With the following milestones:

1. Low Carbon Footprint Certification
2. First Industrial Low Carbon Offer Gas in Indonesia
3. Joint Study with Pertamina on Low Carbon Technologies
4. ISO 14067: 2018, Greenhouse Gases and Carbon Footprint

ALINDO fundamental value is **Safety** as their strength. Safety, health, and environment protection are their key values and commitment to continual improvements (Life Saving Rules (LSR) and 5 years Without Lost Time Accident & Non-Lost Time Accident). Their reward in this area is SMK3 - GOLD, HAS 23000, ISO 9001:2015 and ISO 14001:2015

In the area of Human Resources, ALINDO regards people as its most valuable assets and strongest advantage, they are also engaged people for sustainable performance. The activities in **Recruitment & Onboarding** they have Management Trainee, Internship Program and Dedicated Onboarding Program. Part of **Employee Experience** are My Voice Engagement Survey, Diversity and Inclusion Focus, Continuous Improvement Mindset, Flexible Working Arrangement, Long Service Awards and Well-being Initiatives. Related to ALINDO **Employee Development**, they have Technical Community Leaders (TCL), Learning and Development Program, Employee Scholarship, and International Mobility Opportunities.

ALINDO cares for the community and follows the Group initiatives with **Citizen at Work**, empower employees and build up collective impact. Their focus programs are Healthcare and Safety, Environmental Protection, Professional Development and Education.

### 1.3 Problem Background

One of the important aspects of employer branding in the gas industry is promoting innovation and technology. With the industry facing increasing pressure to reduce emissions and develop new and innovative solutions to meet evolving energy demands, companies must attract and retain individuals who possess a strong technical skill set and a passion for innovation. Highlighting opportunities for professional development, training, and career advancement can help attract top talent and foster a culture of innovation and continuous improvement.



ALINDO is facing a primary issue in terms of employer branding where the company's perceived lack of diversity and inclusion. The company has been criticized for having a predominantly male workforce, particularly in technical and engineering roles. This has led to concerns that the company may be overlooking qualified candidates due to their gender, race, or other factors, which could harm the company's ability to attract and retain top talent.

Marloes Moerman, Managing Director of PT Air Liquide Indonesia (ALINDO) asked the team to review and then develop a strategy to improve the employer brand, which may include recommendations for external and internal communication, employee engagement initiatives, and recruitment marketing. The ultimate goal of the project is to create a compelling employer value proposition that resonates with both current and potential employees, thereby attracting and retaining top talent.

This project will involve analysis of the organization's current employer branding, including its strengths and weaknesses, and a review of industry best practices.

Hence, the problem identifications are:

1. What are the challenges in Recruitment?
2. What are the factors in doing the Retention?

## Chapter 2: Literature Review

Employer branding is the process of creating and communicating a positive and distinctive image of an organization as an employer of choice. Employer branding can influence the attraction, retention and engagement of employees, and the organization's financial performance. In this chapter, we will review the literature on employer branding and its impact on organizational outcomes, especially on diversity, recruitment process and employee retention.

From a theoretical standpoint, psychological contract literature (Backhaus and Tikoo, 2004) forms the basis of Employer Value Proposition (EVP) attributes. The employer brand presents attribute-based information that aids in the formation of the psychological contract between the employer and the employee (Edwards, 2009). Inducements are offered by employers expecting employees to contribute to the organization (Coyle-Shapiro and Shore, 2008). Research in Employer Branding has reinforced attribute research in terms of promoting the unique “tangible and intangible” offerings termed as EVP attributes (Theurer et al., 2018). By developing and marketing their EVPs (Employer Value Proposition) that are unique and difficult to imitate (Backhaus and Tikoo, 2004), organizations consider employer branding as an effective strategy to seek quality talent and differentiate themselves from their competitors.

Study by Soleimani et al. (2022) explored the effect of internal branding on organizational financial performance and brand loyalty, with the mediating role of psychological empowerment. Internal branding is the process of aligning the employees' perceptions and behaviors with the desired employer brand identity. Psychological empowerment is the degree to which employees feel competent, autonomous, meaningful, and impactful in their work. The authors found that internal branding and psychological empowerment have no significant effect on financial performance, but both have a significant positive effect on brand loyalty. They also found that psychological empowerment mediates the effect of internal branding on brand loyalty. This suggests that by fostering a culture of empowerment among its employees, an organization can strengthen its employer brand and increase its customer retention. We use importance-performance analysis (IPA) surveys to evaluate employees' perceptions of important employer value proposition (EVP) attributes and their corresponding psychological contract fulfillment scores. IPA is applied to 11 EVP attributes and their corresponding EVP dimensions – “Economic Value”, “Development Value”, “Social Value”, “Work Value” and “Employer Reputation” to look at the formation of the psychological contract between the employer and the employee for the employer branding strategies.

The relationship between the organization and customers is effective when the value proposition is aligned with the needs of customers (Sengupta et al., 2015). Similarly, Employer Branding is about the organization's efforts in maintaining a long-term relationship with its employees (Alshathry et al., 2017). Ambler and Barrow (1996) suggested that when replacing customers with employees, the functional, economic, and psychological benefits of a product brand are also applicable to the employer brand. Therefore, the employer brand can also be positioned in the same way as a product brand, and all techniques of marketing relevant to a product brand and customer may be applicable (Ambler and Barrow, 1996).

A target market, in this case refer as candidates/talents, is defined as a set of buyers or candidates/talents, sharing common needs/characteristics that the company decides to serve, or in this case, have (Kotler, 2012). The marketing literature identifies segmentation process as STP (Segmentation Target Positioning) marketing (Kotler, 1998) while Kumar (2010) affirms that the three steps in the segmentation process are known together as the STP strategy/principle. Kumar (2010) further stresses that the STP strategy/principle can be defined as the process of segmenting the market (in this case talent market), targeting the most attractive markets/talents, and positioning the firm's product to the talent market segments.

According to Forbes (2022), employer branding is storytelling, and it requires a proactive and consistent approach to create and maintain a desired reputation among future and current employees. The author outlines three main components of employer branding: reputation, identity, and perception. Reputation refers to how others view the organization as an employer; identity refers to how the organization defines itself as an employer; and perception refers to how the employees experience working for the organization. These three components should be aligned and coherent to create a strong and authentic employer brand.

One of the main objectives of employer branding is to enhance the organization's value proposition for its current and potential employees, customers, and other stakeholders. By creating a strong and consistent employer brand, an organization can differentiate itself from its competitors and gain a competitive advantage in the market. A strong employer brand can also increase the loyalty and commitment of employees, which can lead to higher productivity, innovation, and customer satisfaction. We use the STP framework as a tool to match the employer branding strategies with the talents market.

Employer branding is important in a tight labor market and in times of crisis and change. The Covid-19 pandemic has put immense pressure on leaders to not only communicate their values but also to demonstrate them. In the face of tough decisions, employers had to decide whether their professed ideals and "north stars" were real and substantive or mere lip service. They also had to adapt to new work models, such as remote and hybrid work, which posed challenges for creating and sustaining a company identity and culture. Employer branding can help organizations navigate these challenges by providing a clear and compelling narrative that connects employees with the organizational purpose, vision, and values (Harvard Business Review, 2022).

In conclusion, employer branding is a vital strategy for organizations that want to grow their business by attracting and retaining top talent. It involves creating and communicating a unique value proposition that highlights the organization as a good employer and a wonderful place to work. It also involves managing and influencing the reputation, identity, and perception of the organization among future and current employees. Employer branding can positively impact the recruitment process and employee engagement and retention. Employer branding can also help organizations cope with crisis and change by providing a sense of direction and belonging for employees.

## Chapter 3: Methodology

Chapter 3 will explain about the methodology for the project, the timeline needed for the project, and all the strategic business tools we use for the project.

### 3.1 Project's Timeline

This chapter provides an overview of the project timeline and deliverables for the future development or improvement for the employer branding. The project is divided into three phases: discovery, analysis, and strategy phase. Each phase has a set of tasks, milestones and deadlines as follows:

- Discovery stage: from April 1 to April 15, 2023.
- Analysis stage: from April 22 to May 6, 2023.
- Strategy stage: as final stage from May 13 to May 20, 2023.

The project is expected to be completed by May 20, 2023, with final deliverables as follow:

1st deliverable : To discover the current situation and identify gaps in Employer Branding.

2nd deliverable: To propose the strategy to improve Employer Branding.

### 3.2 Strategic Business Tools.

The project uses several strategic business tools in every stage as follow:

- Discovery stage: to discover previous and current employer branding activities and current business objectives and needs, several interviews have been conducted with employees from the HR (Human Resources) department.
- Analysis stage: to identify gap in current Employer Branding with business objectives and needs. With strategic business as follow:
  1. SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis: to understand and assess internal factors that affect the business (strengths and weaknesses) and external factors (opportunities and threats).
  2. Interviews and surveys to employee's representatives from each department.
  3. STP (Segmentation, Targeting, Positioning) to define Employer Value Proposition that serves Employer Branding.
- Strategy stage: is the action plan for the company based on results of analysis.

#### 3.2.1. Interviews at Discovery Stage.

Interviews at Discovery stage have been conducted among employees from the HR department, from staff level to leader. With details as follow:

Interview with HR Department:

Date and time: March 28, 2023

Name: Ms. Huda Amalia, Ms. Dina Hizwati, Ms. Yulia Yunus

Place: Jakarta's Representative Office.

#### 3.2.2 SWOT Analysis at Analysis Stage.

Interviews at Discovery Stage provide useful inputs for the Analysis stage that uses several strategic business tools, such as SWOT Analysis. SWOT analysis is a framework used to evaluate a company's competitive position and to develop Employer Branding strategy. SWOT analysis assesses internal and external factors, as well as current and future potential. We applied SWOT analysis for our project. We identified the strengths and weaknesses of the company and the opportunities and threats they faced in their industry and market. We then discussed how these factors influenced their employer branding strategy.

### 3.2.3 Interviews and surveys with employees.

Interview and survey in this stage is to identify gap in current Employer Branding with business objectives and needs, coming from the employee's perspective from all departments. Interviews with employees from various departments are shown in **Appendix 3**.

The survey was distributed online from the HR (Human Resources) Department of PT Air Liquide Indonesia to all employees on April 19, 2023, for a period of one week.

### 3.2.4 STP (Segmentation, Targeting, Positioning)

We define the STP of the company by asked questions in each category: Segmentation, Targeting, and Positioning; to HR Department and completed on May 4, 2023

Steps to creating STP:

Segmentation: We define the total segments of candidates and their sub-segments, either pro hire or fresh graduates, and we select sub-segments from each segment based on answers given from the HR Department. For example, in the segment of education, the sub-segments ranging from high school until doctoral degree, for the company choose its segment in the bachelor's degree

Targeting: From the sub-segments that are selected in segmentation process, we squeeze deeper in it. For example, the company chooses its target from chemical or engineering education from the sub-segment bachelor's degree.

Positioning: We define the positioning of the company from the answer given by the HR Department.

### 3.2.5 Strategy Stage

This stage is the formula we propose to the company with the objective of increasing its employer branding, in the form of an action plan. The formula is intended to address the gap between current Employer Branding with business objectives and needs. The results of this stage will be explained in chapter 5.

## Chapter 4: Findings, Analysis and Discussion

The project aimed to evaluate the current state of employer branding in the organization and to identify areas for improvement. The project followed a mixed-methods approach, combining quantitative data from surveys and qualitative data from employee semi-structured interviews and focus groups with Human Resource and Public Relation team, and SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to get broader picture of the business.

## **SWOT**

One of the methods we used to analyze our data was SWOT analysis. SWOT analysis is a framework used to evaluate a company's competitive position and to develop Employer Branding strategy. SWOT analysis assesses internal and external factors, as well as current and future potential. We applied SWOT analysis for our project. We identified the strengths and weaknesses of the company and the opportunities and threats they faced in their industry and market. We then discussed how these factors influenced their employer branding strategy.

The following are the summarizes of the main findings of our SWOT analysis in this research:

### **Strengths**

- Growth demand in Gas and Services, liquid other specialty chemicals and biological products.
- Operational efficiency gains (increase Operational Margins)
- Strong investment backlog, rapid innovations, and new markets penetration.
- Market leader in outsourced refinery with a global market share of over 30%.
- Relentless focus on innovation and advanced technologies

### **Weaknesses**

- The business model can be easily imitated by the competitors in the Chemical Manufacturing industry.
- Competitiveness in the Chemical Manufacturing industry is putting pressure on profitability.
- High cost of replacing existing experts, and building new supply chain and logistics network

### **Opportunities**

- Increasing government regulations are making it difficult for unorganized players to operate in the Chemical Manufacturing industry.
- Accelerated technological innovations and advances are improving industrial productivity, allowing the company to manufacture a vast array of products and services.
- Opportunities in Online Space will enable the company to provide new offerings to the customers in the Chemical Manufacturing industry.

### **Threats**

- Competitors catching up with the product development
- Shortage of skilled human resources and increasing dependence on innovative solution
- The increasing commoditization of the products

Based on the SWOT analysis, the company has a strong position in the Gas/Chemical Manufacturing industry, with a diversified portfolio of products and services, a global presence, and a leading edge in innovation and technology. The company can leverage its strengths to capitalize on the opportunities in the market, such as increasing demand for gas and services, liquid other specialty chemicals and biological products, new regulations that favor organized players, and online space for new offerings.

The company should also address its weaknesses and mitigate its threats, such as the high cost of replacing experts and building new supply chain and logistics networks, the competitiveness and commoditization of the industry, the risk of competitors catching up with product development, and the shortage of skilled human resources. The company should focus on enhancing its operational efficiency, maintaining its market leadership in outsourced refineries, and developing new markets and innovations to sustain its competitive advantage and growth potential.

Based on the SWOT analysis, here are the suggestions for improving the company's employer branding:

- Highlight the company's strengths in innovation, market leadership, and operational efficiency in its recruitment and retention campaigns. Showcase how the company is constantly developing new products and services, expanding into new markets, and optimizing its processes. Use testimonials from current employees, customers, and partners to demonstrate the value and impact of the company's work.
- Emphasizing its unique value proposition and differentiation from its rivals. Explain how the company offers a diverse and comprehensive portfolio of solutions that cater to various customer needs and preferences. Also, highlight the company's efforts to reduce costs and improve margins by investing in advanced technologies and streamlining its supply chain and logistics network.
- Leverage the company's opportunities in online space, government regulations, and technological innovations to attract and engage talent. Showcase how the company is embracing digital transformation and providing new offerings to its customers through online platforms. Also, highlight how the company is complying with environmental and social standards and regulations, and contributing to sustainability and social responsibility. Furthermore, showcase how the company is fostering a culture of innovation and learning, and providing opportunities for employees to work with innovative technologies and tools.

Employer branding strategy should and can mitigate the company's threats from competitors, skill shortage, and commoditization by strengthening its employer brand identity and value proposition. Communicate clearly and consistently the company's mission, vision, values, and goals to potential and existing employees. Also, emphasize the company's benefits and rewards, career development opportunities, and work-life balance policies. Furthermore, differentiate the company's products and services from its competitors by highlighting their quality, reliability, and customer satisfaction.

## Survey

The importance-performance analysis (IPA) survey was conducted to evaluate employees' perceptions of important EVP attributes and their corresponding psychological contract fulfillment scores. IPA is a tool that can help guide employer branding strategies by identifying the strengths and weaknesses of the EVP attributes and dimensions. We applied IPA to 11 EVP attributes and their corresponding EVP dimensions – “Economic Value”, “Development Value”, “Social Value”, “Work Value” and “Employer Reputation”. These dimensions were derived from the literature review and the research objectives. We also used the STP framework as a tool to match the employer branding strategies with the talents market. STP stands for segmentation, targeting and positioning, which are the steps involved in creating a differentiated and relevant value proposition for the potential and current employees.

The IPA survey was designed to measure the importance and performance of various attributes and dimensions. We received 29 employees' responses from different departments and levels of the organization representing 18% (29 of 163) of all employees. The survey results were analyzed using a four-quadrant IPA matrix. The results are then displayed as a weighted average in a 2 by 2 Grid in [www.mentimeter.com](http://www.mentimeter.com) which classified the attributes into four quadrants as follow:

- Concentrate here: These are the attributes that have high importance but low performance. They are the areas that need improvement and attention from the organization.
- Keep up the good work: These are the attributes that have high importance and high performance. They are the strengths of the organization and should be maintained and enhanced.
- Low priority: These are the attributes that have low importance and low performance. They are not truly relevant for the employees and do not affect their satisfaction significantly.
- Possible overkill: These are the attributes that have low importance but high performance. They are the areas where the organization may be investing too many resources and effort and may consider reallocating them to other attributes.

We ask the participants of the survey using the following questions in **Appendix 1** using a 4-Point Likert Scale for importance, without a neutral choice. The survey result can be seen in **Appendix 2**.

The main findings of the project are summarized as follows:

- All the 11 attributes fall into the “keep up the good work” category. These attributes are the strengths of the organization and should be maintained and enhanced.
- The highest performing attributes for the employer brand were Employer Reputation in question number 9: Organization's reputation of being ethical.
- The lowest attributes in the “keep up the good work” category for the employer brand were Economic Value dimension in question number 1: Competitive compensation as per industry standards.



Even though all 11 attributes fell into “keep up the good work”, the organization should maintain and enhance all attributes, especially the attributes in the Economics Value dimensions. These attributes should be communicated effectively to the employees and potential candidates.

None of the attributes fell into the low priority and possible overkill quadrants. This indicates that all attributes are important for the employer brand and that none of them are overemphasized or overinvested by the organization's management.

Based on the survey result, the organization has already performed all the attributes that matter for all employees. These attributes should be the source and capitalized on the employer branding process or campaign.

## Interview

The interviews were conducted with 6 employees from different departments and levels of the organization. The interviews aimed to explore the employees' perceptions and experiences of working at PT Air Liquide Indonesia, as well as their suggestions for enhancing the employer brand. These are summaries from the interview:

- The interviews revealed that all the employees had positive views on the dimensions of employer reputation, development value, social value, and work value of PT Air Liquide Indonesia. They appreciated the safety standards, facilities, employee development, global work opportunities, and working flexibility and environment of the company.
- The interviews suggested some recommendations for improving the employer brand, such as providing more information regarding the company's working culture in social media.
- The interviews revealed a significant high level of engagement, commitment, loyalty, and advocacy for the organization that also influenced the perceptions of other employers in the industry, creating a competitive advantage for the organization.

This semi-structured interview supports the result of the survey that the company already performed all the attributes in all 5 (five) dimensions that matter for all employees.

## STP

### Segmentation

In Segmentation's part, we define there is 2 categories of candidates and employees:

1. Pro-hire, defined as candidates or employees with working experience before. Its attributes are:
  - A bachelor's degree.
  - With work experience.
  - Agile attitude: Curiosity, independence, perseverance.
  - Believe the value “Company as family”.
2. Fresh graduates, defined as candidates or employees without working experience before. Its attributes are:
  - A bachelor's degree.
  - Agile attitude: Curiosity, independence, perseverance.
  - Believe the value “Company as family”.

## Targeting

In Targeting's part, we squeeze more deeper the attributes on those 2 categories above:

1. Pro-hire, its attributes are:
  - A bachelor's degree in engineering or chemistry.
  - With work experience from petrochemical or industrial gasses.
  - Agile attitude: Curiosity, independence, perseverance.
  - Believe the value "Company as family".
  - Proven record of accomplishment.
  - Performance-based.
  - For recruitment situations, if there are 2 candidates with the same score and one of them is female, the female will be prioritized as a new employee.
2. Fresh graduates, its attributes are:
  - A bachelor's degree in engineering or chemistry.
  - Coming from top tier university, ITB (Institut Teknologi Bandung) for engineering position, and UI (Universitas Indonesia) for commercial position.
  - Agile attitude: Curiosity, independence, perseverance.
  - Believe the value "Company as family".
  - For recruitment situations, if there are 2 candidates with the same score and one of them is female, the female will be prioritized as a new employee.

## Positioning

We found out from discussion with HR Departments that the company wants to have positioning in its employees as follow:

- Open and inclusive culture, that retains motivated and high performing employees.
- A place for lifelong learning for its employees.
- Career path within the country or across the region.
- Sustainable and responsible company that combines growth with concern for the environment and society.

## Connecting Targets and Positioning

In this part we are connecting the targets' attributes with the company's positioning. So, the company can use its certain positioning to attract candidates with certain attributes that are desired by the company.

1. Pro-hire, its attributes are:
  - A bachelor's degree in engineering or chemical, as A1
  - With work experience from petrochemical or industrial gasses, as A2
  - Agile attitude: Curiosity, independent, perseverance, as A3
  - Believe the value "Company as family", as A4
  - Proven record of accomplishment, as A5
  - Performance-based, as A6
  - For recruitment, if there are 2 candidates with the same score and one of them is female, the female will be prioritized as a new employee, as A7.

2. Fresh graduates, its attributes are:
  - A bachelor's degree in engineering or chemical, as A8.
  - Coming from top tier university, ITB (Institut Teknologi Bandung) for engineering position, and UI (Universitas Indonesia) for commercial position, as A9
  - Agile attitude: Curiosity, independent, perseverance as A10
  - Believe the value “Company as family”, as A11
  - For recruitment situations, if there are 2 candidates with the same score and one of them is female, the female will be prioritized as a new employee, as A12.

While we coded the positioning as follow:

- Open and inclusive culture that retains motivated and high performing employees, as B1
- A place for lifelong learning for its employees, as B2
- Career path within the country or across the region, as B3
- Sustainable and responsible company that combines growth with concern for the environment and society, as B4.

The results as follow:

- B1 for A5, A6, A7, A9, and A12.
- B2 for A1, A3, A8, and A10.
- B3 for A2, A3, A5, A6, A7, A9, A10, and A12.
- B4 for A1, A4, A8, A9, and A11.

## Chapter 5: Conclusions and Recommendations

### 5.1 Conclusions

Employer branding refers to the process of creating and promoting a positive and attractive image of an organization as an employer. It involves strategic activities aimed at attracting, engaging, and retaining talented individuals. Effective employer branding can help companies differentiate themselves in the job market, enhance their reputation, and build a strong employer brand that appeals to potential candidates. It often includes efforts such as defining and communicating the organization's values, culture, benefits, career development opportunities, and employee experiences through various channels, both online and offline.

Employer branding is crucial in the gas industry, as companies seek to attract and retain talented individuals who possess the technical expertise, innovation, and problem-solving skills needed to drive the company forward. With the ongoing energy transition, which is moving towards cleaner and more sustainable energy sources, the gas industry faces a unique set of challenges and opportunities. Having the right resources, including the right person within the company to address those challenges and opportunities, its mandatory for the company

Based on the survey and interviews, ALINDO has great fulfillment-importance indicators on all 5 (five) dimensions: Economic Value, Development Value, Social Value, Work Value, Employer Reputation. The company needs to capitalize those great dimensions into Employer Branding Strategies, it highly suggested to bring those great dimensions being known publicly by the employees itself, because the best ambassador to creating good perception in public spaces and eventually will attract the right candidates, coming from the employees that, as the data showed, they're happy working with the company.

## 5.2 Recommendations

There are various interactions in which a potential employee, a future employee, an existing employee or a past employee are in touch with Employer Branding communication. According to Beck (Beck C., 2008), these can be structured in five phases.

The association phase, the orientation-phase and the matching-phase are mainly connected to recruiting.

In the association-phase, the organization needs to generate the first awareness as company and brand. In the orientation-phase potential candidates start to associate themselves with the company and in the matching-phase information- and communication tools are used to support potential employees to realize whether they are a potential match with the organization and a role within the organization.

In the ex-post-phase, the network with employees who have left the organization is maintained. For the analysis of the brand communication to existing employees, the focus needs to be set on the bonding-phase, where the individual is connected to the employer. It is most relevant for employee retention and productivity of existing employees and connecting them to the organization they work for. (Beck C., 2008). However, since the employee might be looking at other employment options and will be lured by competing employers, the other phases should not be neglected, as they might have an impact when comparing the communication of brand benefits to the touchpoints of other employers. A very important concept in Branding is the building of preferences. In the case of Employer Branding, the Organization aims at becoming an "Employer of Choice". The notion "Employer of Choice" stands for the positive selection of an employer during a complex selection- and decision-process of an employee looking for an employer, also for a differentiation towards competition as well as an emotionalization of the Brand, which will lead to a higher loyalty towards the Employer Brand and hence the employer. (Petkovic M., 2008).

Based on our Employer Branding review and literature review, we propose the following activities or actions to PT Air Liquide Indonesia to capitalize and maximize their employer branding strategy.

1. **Employee Ambassadors.** A representative of a company who promotes its values, culture, and brand to various stakeholders, both internally and externally. Employee Ambassadors play a crucial role in building and maintaining a positive employer brand. They share their experiences and stories, highlighting the company's strengths, opportunities, and unique aspects to attract and retain top talent. ALINDO Employee Ambassadors feature this company as a great place to work and promote potential candidates and demonstrate appreciation for existing employees. They should be an enthusiastic and trusted representative who champions the company's vision, fosters employee engagement, and enhances its reputation both internally and externally.

Procedure:

- All employees are entitled as candidates for Employee Ambassadors.
- Employee Ambassadors is a yearly period of activity that its participants come from Employee of The Month every month for a 1-year period.
- Employee of The Month is award given by the company to the employee(s) that has achieve the highest KPI/OKR (weighted 75% of the score) in a particular month and the most active employees in posting good experience as ALINDO's employee (weighted 25% of the score).
- Employees that have been selected as Employee of The Month will be entitled to rewards.
- Employees selected as Brand Ambassadors will become the public face of the company in HR programs and activities.

Expected end results:

- Highly motivated, well-performed and engaged employees as employee ambassadors in all company activities internally and externally, in his/her respective area.
- Role model for the employees that live in the values of the company.

2. **Campus Engagement.** Refers to the involvement and participation of ALINDO in various activities and initiatives in selected universities. It encompasses a wide range of opportunities for companies to connect, collaborate, and contribute. Campus engagement can include involvement in seminars' sponsorship, guest lectures, hiring events, technical sharing, etc. to build brand and nurture candidates pipeline for specific skills needed for ALINDO growth.

Expected end results:

- Strategic partnership with top tier universities: UI and ITB as place for place for study, and developing knowledge and expertise
- ALINDO is top of mind of the students from the Engineering and Chemical division.

3. **Corporate social media.** Media. Refers to the use of social media platforms by companies to engage with their audience, promote their brand, and communicate their values. It allows companies to interact with customers, share updates, provide customer support, and showcase their products or services. Corporate social media strategies often involve creating and sharing relevant content, responding to customer inquiries and feedback, running advertising campaigns, and monitoring online conversations related to the brand. The primary goal is to enhance brand awareness, build a loyal customer base, and drive business growth through effective online engagement. ALINDO is recommended to have LinkedIn and Facebook accounts to promote culture and everyday life professionally managed. Employee social media campaigns with creating one employee one story in LinkedIn also can be an option to build employee engagement as well as external talent attraction. The higher employee campaigns on their social media will get higher views from the audience and will create viral employer names.

Procedure:

- The HR Department announced to the employees about program Employee of The Month, that the score will be counted from KPI/OKR achievements (weighted 75% of score), and from their post on social media about experience as ALINDO's employee in particular (weighted 25% of score).
- The most views and or the most response, will be categorized from 1 to 5, with number 1 will get score 20 and the next tier will get another 20 from the previous tier below.

Expected end results: Sincere testimony from highly motivated, well-performed, and engaged employees in social media to inform the public about the working environment in ALINDO.

4. **Employer of Choice Certification.** A recognition or accreditation awarded to companies that are considered highly desirable places to work. It signifies that an organization has met certain criteria or standards that make it stand out as an attractive employer. The certification is often granted by third-party organizations or publications that specialize in evaluating workplace environments and employer practices. It can be a valuable distinction for companies seeking to attract top talent and enhance their employer brand. ALINDO may spare the budget to register to the third party such an ISO process to create a positive work environment, building an outstanding brand, and crafting a fun and productive culture with registering to several third-party organizations and publications that offer Employer of Choice certifications. Here are a few examples:
  - Great Place to Work: Great Place to Work is a global authority on workplace culture, employee experience, and employee engagement. They conduct surveys and assessments to determine the best workplaces in various countries and industries.

- Forbes: Forbes is a well-known media company that publishes various lists and rankings, including lists of top employers. They assess companies based on factors such as employee satisfaction, workplace environment, and company reputation.
- Fortune: Fortune is another prominent media organization that publishes annual lists of the best companies to work for. Their rankings are based on employee feedback and assessments of workplace culture, benefits, and leadership.
- Glassdoor: Glassdoor is a popular job review and company rating platform. They offer an annual Employees' Choice Awards list, recognizing the best places to work based on anonymous employee reviews and ratings.
- LinkedIn: LinkedIn, a professional networking platform, also provides a Best Places to Work list. They analyze company data, including employee feedback, to identify organizations with high employee satisfaction and engagement.

It is important to research and verify the credibility and reputation of any third-party organization before considering their certification.

Expected end results: ALINDO recognized widely as a highly desirable place to work, by mainstream and credible media or third-party. With the status, it will be easier to attract the right talents needed for the company.

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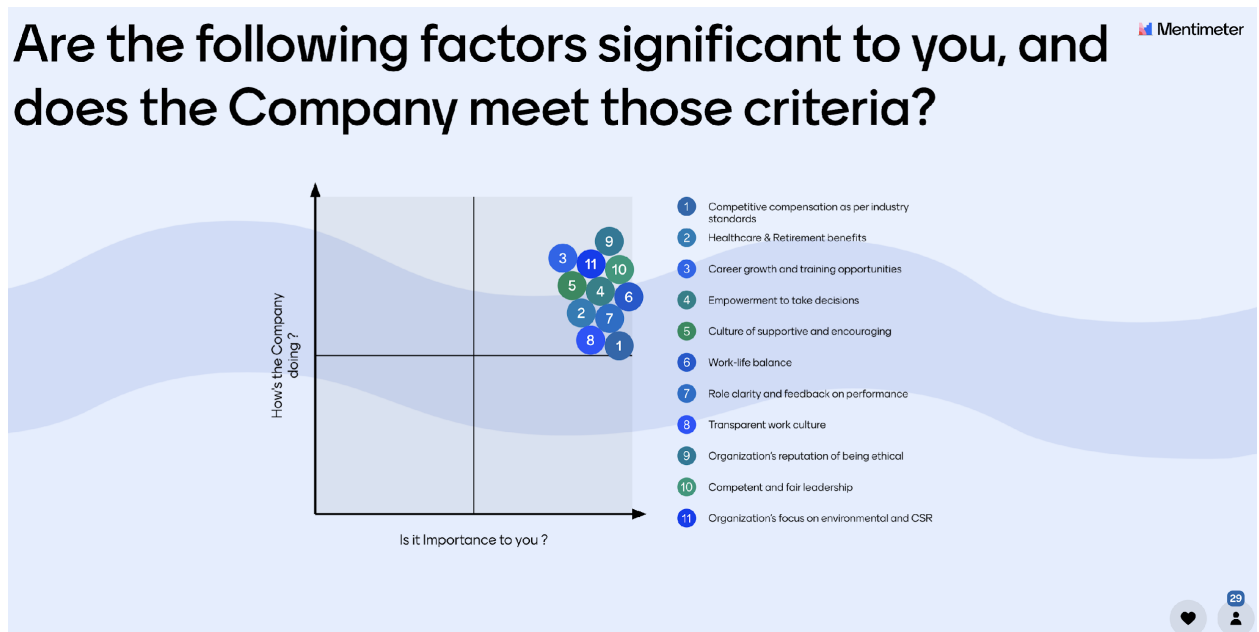
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## Appendix 1

1	Dimensions	No	Question points	Is it important to you ?				Does the Company fulfill ?			
				1 -not important	2 -less important	3 -important	4 -very important	1 -not at all fulfilled	2 -fulfilled to some extent	3 -fulfilled to a large extent	4 -completely fulfilled
3	<b>Economic Value</b> the extent to which an individual is attracted to an employer that provides above average salary, an attractive overall compensation package, and job security and promotion opportunities.	1	Competitive compensation as per industry standards								
4		2	Healthcare & Retirement benefits								
5	<b>Development value</b> the extent to which an individual is attracted to an employer that provides recognition, self-worth, and confidence coupled with career-enhancing experiences and a base for future employability	3	Career growth and training opportunities								
6		4	Empowerment to take decisions								
7	<b>Social Value</b> the extent to which an individual is attracted to an employer that provides a inter-personal and personal environment that is fun, happy, and provides a supportive team atmosphere.	5	Culture of supportive and encouraging								
8		6	Work-life balance								
9	<b>Work value</b> the extent to which an individual is attracted to an employer that provides a working environment that is clear, fair, and transparent	7	Role clarity and feedback on performance								
10		8	Transparent work culture								
11	<b>Employer reputation</b> the extent to which an individual is attracted to an employer that have a good public reputation, has novel work practices and positive social responsibilities	9	Organization's reputation of being ethical								
12		10	Competent and fair leadership								
13		11	Organization's focus on environmental and CSR								

## Appendix 2



## Appendix 3

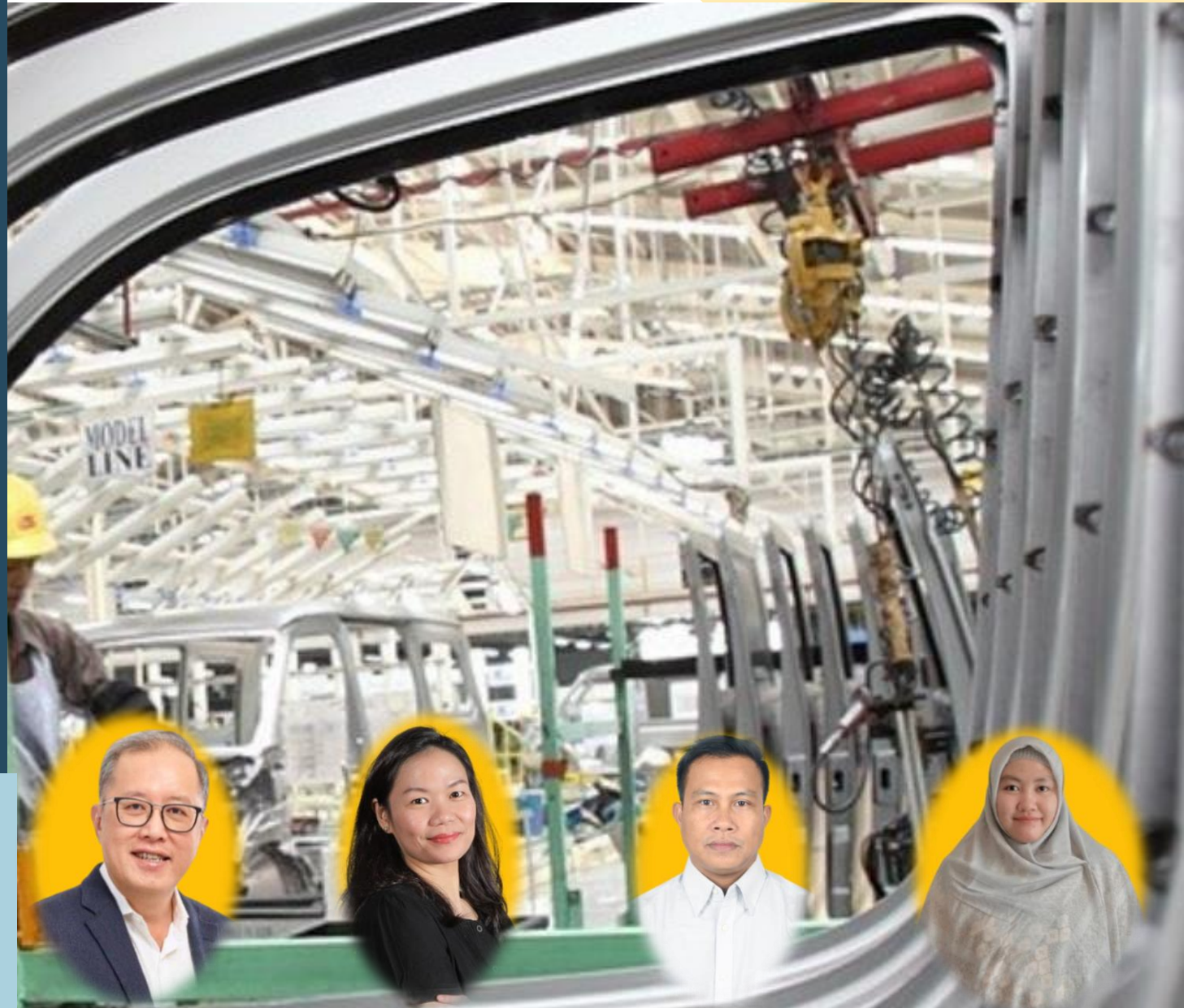
	Name	Level	Role	Remarks
1	Andika Pratama	Manager	Maintenance - Pipeline Manager	<ul style="list-style-type: none"><li>• 5 Years of Services</li></ul>
2	Khairina Damara	Professional	Quality Engineer	<ul style="list-style-type: none"><li>• &lt;3 Years of Services</li></ul>
3	Hendra Adi	Manager	Sales Manager	<ul style="list-style-type: none"><li>• 11 Years of Services</li></ul>
4	Nita Margareta	Professional	Project Engineer	<ul style="list-style-type: none"><li>• 5 Years of Services</li></ul>
5	Is Andriatmoko	Manager	Management Committee - Head of IM Ops	<ul style="list-style-type: none"><li>• 22 Years of Services</li></ul>
6	Dina Hizwati	Professional	HRBP	<ul style="list-style-type: none"><li>• &lt;3 Years of Services</li></ul>



# Innovation in Disruptive Era

Immersion & Consulting Project

Lecturer: Dr. Samuel PD Anantadjaya  
& Sidrotun Naim, M.P.A., Ph.D  
IPMI EMBA Mar 2022 – GROUP 3



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# TABLE OF CONTENT

I. Industry Background

II. Company Background

III. Problem Identification

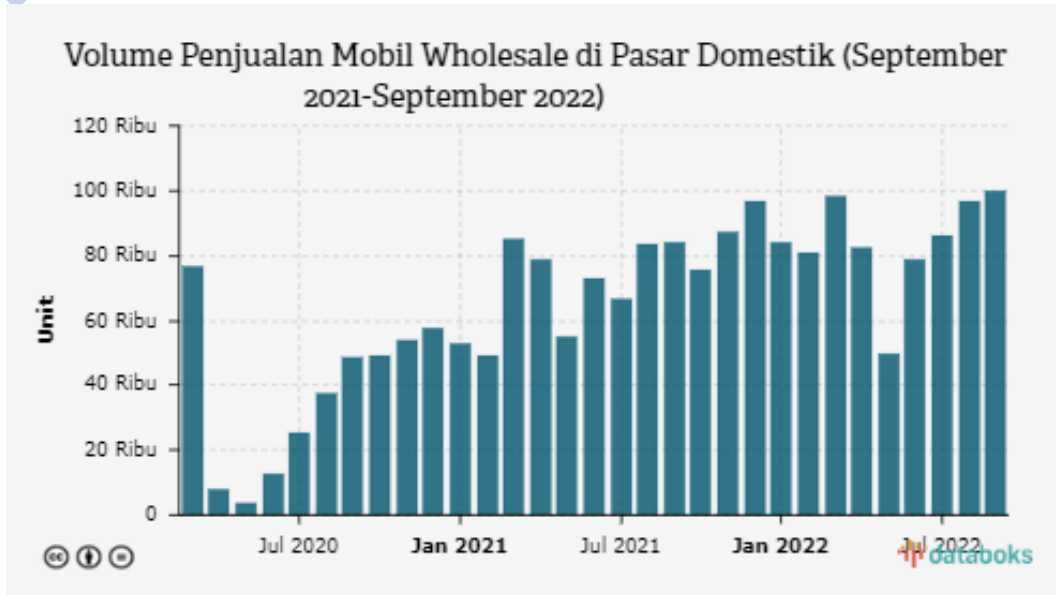
IV. Analysis

V. Conclusion and Recommendation

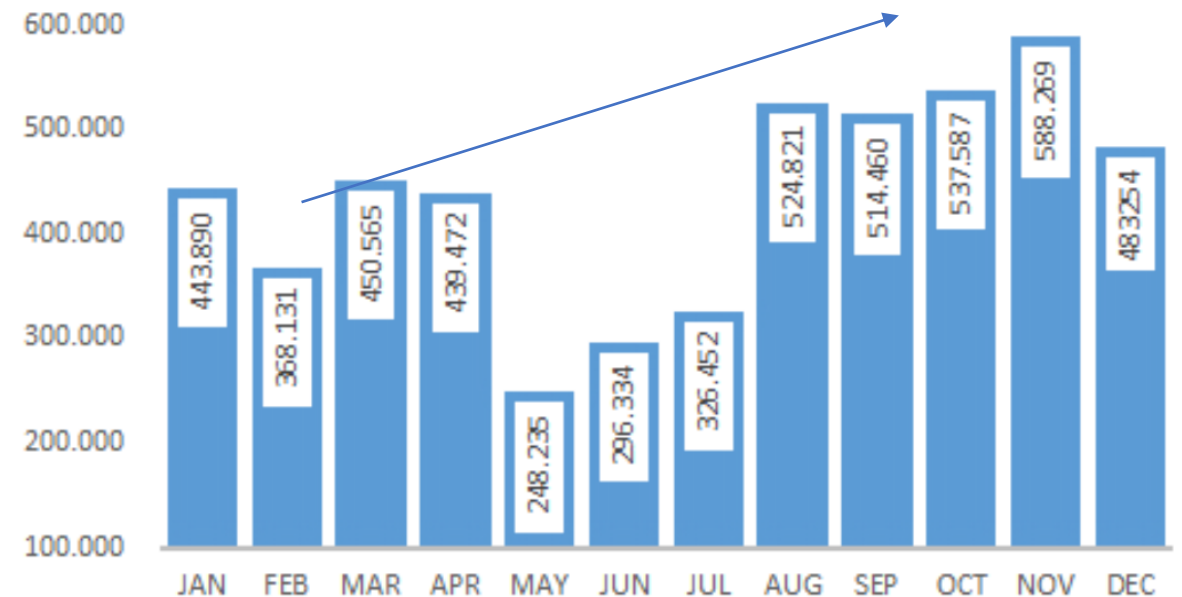


# I. INDUSTRY BACKGROUND

# INDUSTRY BACKGROUND



- Indonesia’s automotive industry sector in 2022 appeared stronger than it was in the previous year.
- Based on data from the Association of Indonesian Automotive Industries (GAIKINDO), in 2022, wholesale of four-wheelers grew by around 18.1% on an annual basis, with total sales of 1,048,040 units








Sales of two-wheelers in 2022 grew by 3.24% annually, with total sales of 5,221,470 units compare to 2021

*\*data from Indonesian Motorcycle Industry Association (AISI)*

# INDUSTRY COMPETITIVE LANDSCAPE



<p><b>Product</b></p>	<ul style="list-style-type: none"> <li>Manufacturer for brand holder agent (APM)-Original Equipment Manufacturer (OEM) such as: Honda, Toyota, Daihatsu, heavy duty etc.</li> <li>Produce the original spare part product and Non original spare part (Aspira) in Replacement Market (REM) such as; Tire (Federal), Lubricant (Shell), Oil filter (Aspira), GS battery</li> <li>Healthy equipment: transparent mask, air purifier, High Flow Nasal Canula, a high-flow oxygen therapy device, transparent and flexible tube</li> </ul>  	<ul style="list-style-type: none"> <li>Manufacturer for OEM/OES such as; Hino, Hyundai, Hitachi, heavy duty, etc</li> <li>Produce some products for Replacement market such as:             <ul style="list-style-type: none"> <li>oil filter, air filter, with brand Sakura</li> <li>Radiator with brand</li> </ul> </li> <li>Healthy equipment: Air purifier</li> </ul>  	<p>Manufacturer for OEM/OES such as; Hino, Volvo, Nissan, Suzuki, etc Produce some products for Replacement market such as: Gasket, chain, battery, etc</p> 
<p><b>Service</b></p>	<ul style="list-style-type: none"> <li>Provide by AUTO: Shop&amp;Drive, MotoQuick, OtoShop</li> <li>Dealer partnership</li> <li>Retail partnership with service maintaining shop (bengkel)</li> </ul>	<ul style="list-style-type: none"> <li>Dealer partnership</li> <li>Retail partnership with service maintaining shop (bengkel)</li> </ul>	<ul style="list-style-type: none"> <li>Dealer partnership</li> <li>Retail partnership with service maintaining shop (bengkel)</li> </ul>
<p><b>Financial</b></p>	<p>Revenue : 15 trillion IDR</p>	<p>Revenue : 4.2 trillion IDR (whole company)</p>	<p>Revenue : 9.8 trillion IDR (whole company)</p>



# II. COMPANY BACKGROUND



# ABOUT ASTRA OTO PARTS

PT Astra Otoparts Tbk is Indonesia's Largest group of automotive parts manufacturing and distributing companies which provides wide range of spare parts for two wheel and four wheel.

## VISION

World class auto parts supplier, partner of choice in Indonesia with excellent engineering competence.

## MISSION

1. To develop a strong and competitive automotive components industry and become a strategic partner for domestic and global industry players.
2. To be a responsible corporate citizen that provides positive contributions to stakeholders

## CORPORATE VALUES

- **Trustworthy and Reliable:** Committed and capable to demonstrate what is declared and mandated in accordance to the authorities in Astra Otoparts group and Good Corporate Governance (GCG) principles.
- **Customer Focus:** Constantly seeking opportunities to provide more-than-customers' expectation through best efforts and unceasing innovations in all aspects.
- **Passion for Excellence:** Consistently having relentless passion to achieve better results than required.
- **Teamwork:** Proud to be a part of the Astra Otoparts group and committed to share insights and support others to achieve common success for Astra Otoparts group's excellence



# HISTORY

PT Federal Adiwiraserasi, which was the pioneer to the establishment of PT Astra Otoparts Tbk, began with the merger of several companies. Starting with the establishment of PT Alfa Delta Motor by William Soeryadjaja and PT Djaya Pirusa, which were engaged in automotive trading, machine assembly and construction.



**1976**

PT Alfa Delta Motor changed its name to PT Pacific Western on June 14, 1977



**1977**

On February 24, 1981, apart from changing its name to PT Menara Alam Teknik, PT Pacific Western also changed its ownership of which its shares were owned by PT Summa Surya, PT Windu Tri Nusantara, and PT Multivest.



**1981**

PT Menara Alam Teknik's shares owned by PT Summa Surya were acquired by Astra.



**1983**

Established under the name of PT Federal Adiwiraserasi



**1992**

**1993**



On March 18, 1993, PT Menara Alam Teknik changed its name to PT Menara Alam Pradipta and on December 13, 1993 PT Menara Alam Pradipta's shares were acquired by Astra

**1996**



On July 2, 1996, PT Menara Alam Pradipta changed its name to PT Astra Pradipta Internusa. Furthermore, there was a merger between several component producing companies within Astra Group, including PT Astra Pradipta Internusa and PT Federal Adiwira Serasi (PT Federal Adiwira Serasi as the surviving company). PT Federal Adiwira Serasi changed its name to PT Astra Dian Lestari on December 23, 1996.

**1997**



Consolidation of several spareparts manufacturers in Astra Group and change its name from PT Astra Dian Lestari to PT Astra Otoparts on November 7, 1997.

**1998**



PT Astra Otoparts conducted an Initial Public Offering and listed its shares on the Jakarta Stock Exchange (now the Indonesia Stock Exchange) with a ticker code of AUTO. Since then, Astra Otoparts has become a public listed company.

# BUSINESS OVERVIEW

*PT Astra Otoparts Tbk is a subsidiary of PT Astra International Tbk group and known as the largest and leading automotive component company in Indonesia that produces and distributes a wide range of 2W and 4W motor vehicle spare parts.*

## Astra Otoparts Group

54 Member consists of

7 Division, 13 Subsidiaries, 20 Associates and Joint Venture Companies and 14 indirect investment



49 Manufacturing Units



5 Trading Units

### ASTRA Customers



### ASTRA Partners



### ASTRA Brand



Share of wallets for typical high-volume model



± 30%

± 10%

### Coverage

Domestic ± 15,000 outlets

### Outlets

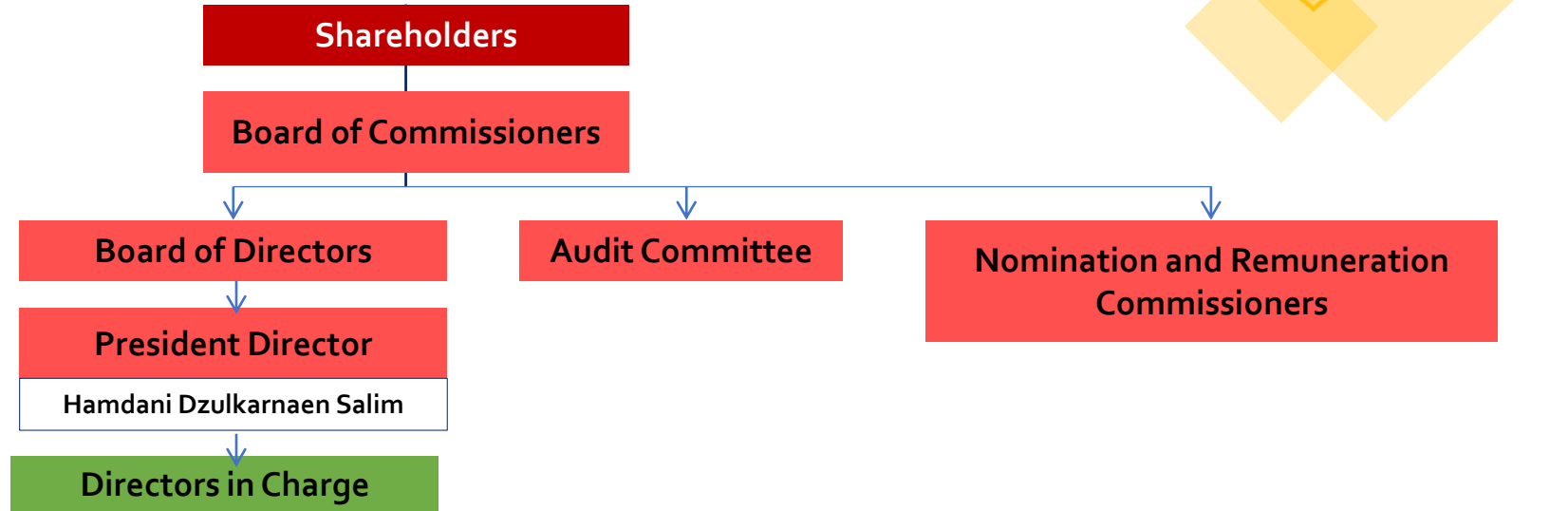
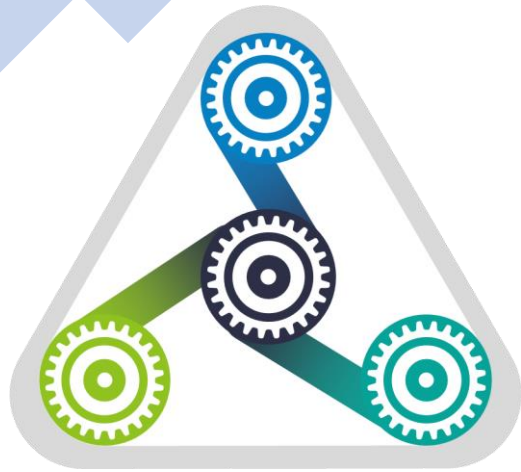
International 65 Countries

Asia Oceania, Middle East, Africa, South America and Europe



\*Source: company & MNC sekuritas report

# ORGANIZATION STRUCTURE



## Corporate Functions

- Corporate Internal Audit & Risk Management
- Corporate Planning & Strategy
- Corporate HC Development, IR & Security
- HC Service, GA, Purchase, CSR & SHE
- Manufacturing Excellence/ISD
- Corporate Accounting, Tax, Treasure & Investor Relations
- Corporate Financial Planning & Analysis
- Corporate Secretary, Legal, Public Relations
- Corporate Information Technology & Business Process Management
- Shared Service Center
- Business Development
- Key Account Management

## Corporate Operations

- Domestic Operation
- Retail Operation
- International Operation
- Marketing
- Adiwawara Plastik
- Nusa Metal
- Engineering Development Center
- Winteq

## Direct Companies

- |                                  |                                  |
|----------------------------------|----------------------------------|
| PT Astra Daido Steel Indonesia   | PT Evoluzione Tyres              |
| PT Century Batteries Indonesia   | PT Kayaba Indonesia              |
| PT DIC Astra Chemical            | PT Nusa Keihin Indonesia         |
| PT FSCM Manufacturing Indonesia  | PT Astra Nippon Gasket Indonesia |
| PT Aisin Indonesia               | PT Federal Izumi Manufacturing   |
| PT Federal Nittan Industries     | PT Ardendi Jaya Sentosa          |
| PT Gemala Kempa Daya             | PT Senantiasia Makmur            |
| PT Inti Ganda Perdana            |                                  |
| PT Menara Terus Makmur           |                                  |
| PT MetalArt Astra Indonesia      |                                  |
| PT Pakoakuina                    |                                  |
| PT SKF Indonesia                 |                                  |
| PT Wahana Eka Para               |                                  |
| PT Akebono Brake Astra Indonesia |                                  |
| PT Akebono Brake Astra Vietnam   |                                  |
| PT Astra Juoku Indonesia         |                                  |
| PT Astra Komponen Indonesia      |                                  |
| PT Astra Visteon Indonesia       |                                  |
| PT Autoplastik Indonesia         |                                  |

## Indirect Companies

- PT Kreasi Mandiri Wintor Indonesia
- PT Kreasi Mandiri Wintor Distributor Superior Chain (Hangzhou) Co., Ltd.
- PT Advics Manufacturing Indonesia
- PT Akashi Wahana Indonesia
- PT Asano Gear
- PT Inkoasku
- PT Palingda Nasional
- PT Topy Palingda Manufacturing Indonesia
- PT Astra NTN Driveshaft Indonesia
- PT Denso Sales Indonesia
- PT Hamaden Indonesia Manufacturing
- PT Astra Visteon Vietnam



# III. PROBLEM IDENTIFICATION

# SITUATION ANALYSIS



- The US has set a goal that by 2030, half of the vehicles sold in the US will be battery electric, fuel-cell electric or plug-in hybrid
- Other parts of the world are also well ahead on their transition to electric vehicles (EVs), as evidenced through original equipment manufacturing (OEM) offerings, government legislation and consumer incentives
- Some OEMs recently agreed to new goals during the recent 26th UN Climate Change Conference of Parties (COP26)

*The age of the Internal Combustion Engine (ICE) is over. Electric cars are the future. The transition has just begun, but the move from ICE vehicles to Electric will happen sooner and more quickly than most people suspect*

**Forbes**

“ The electrification train has left the station. It has picked up so much speed that it becomes nearly impossible to jump on it if you are not already riding it,” said a CEO of a European diversified automotive parts supplier in a recent interview with EY researchers.<sup>3</sup>

# INDONESIA ELECTRIC VEHICLE MARKET



- Indonesia has ambitious intentions to become a prominent player in the electric vehicle sector, with a \$17 billion road map
- The goal is to have 2.1 million electric motorcycles and 400,000 electric vehicles on the road by 2025, with 20% of them being manufactured locally
- One of its objectives is to have an all-electric bus fleet for Jakarta's metropolitan mass public transportation system in less than seven years, 14,000 electric buses are required to achieve this aim.
- PLN, the state-owned power company, has also committed to installing over 31,000 additional electric vehicle charging stations by 2030.

# Electric Vehicle (EV) Disruption

Automobile industry is changing dramatically because of the development in emerging economies, fast growth of new technologies, and great changes in consumers' car ownership preferences, increasing automation, digitization, and new business models have revolutionized the automotive industry, (Benzedia *et al*, 2021).

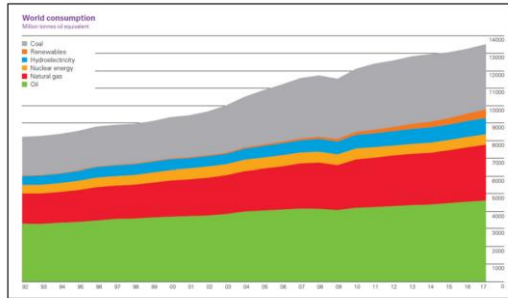


Figure 1. World energy consumption by source (millions of petroleum equivalent) in the last 25 years.<sup>1</sup> About 70% of about 3000 Mtoe) is consumed in IC engines.

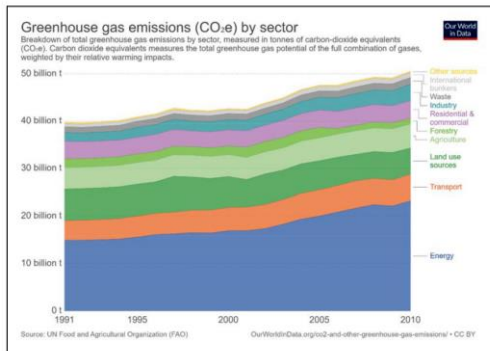


Figure 2. Global warming potential (GWP) in CO<sub>2</sub> equivalent tons by sector.<sup>2</sup> Transportation contributes about 10%.

Contribute Automotive sector to CO<sub>2</sub> just 10%, but pressure for industry higher than others (PWC, 2022)

## Sustainability

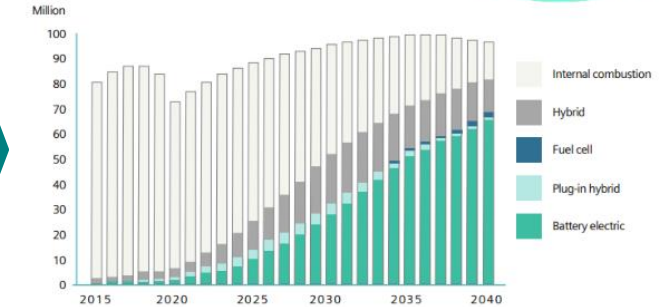
A single electric car reduces CO<sub>2</sub> by an average of 1.6 tons per year over an ICE vehicle.



## Market Growth

### Global passenger vehicle sales outlook by drivetrain

Due to falling battery prices, EV sales will outpace traditional vehicle sales in the next decade.



Source: BNEF

Increasing EV's market and declining IC Market (Siemen, 2022)



# Disruptive technology trends will have significant impact on future's vehicle architecture

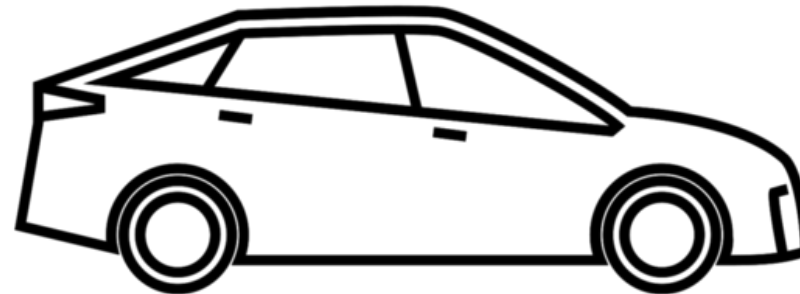
Thirty-three percent of all components in the traditional car architecture will become obsolete (e.g., cylinder blocks and pistons)

Car interiors will be completely revolutionized e.g., configurable seating, more haptic controls, large touch displays, new storage areas

Safety-related parts – like structural components - will witness tailwind in transition period, while headwind is likely once a certain threshold of driverless cars is reached

Speed and acceleration will disappear as main customer differentiation criteria across the different powertrains enabling OEMs to de-engineer

With high connectivity maturity, cars are more and more resembling smartphones leading to certain hardware getting increasingly “commoditized”



Until 2030, roughly 40% of the cost increase from electrification will be compensated for – mainly due to significant reduction in battery cost

Additional value from electrifying a mass-market compact car will outweigh the negative impact by two times

Redundancy in wiring harness and braking, higher penetration of technologies like active suspension

67% of the traditional architecture remains in place, but R&D will have to be undertaken to modify the parts in order to function in EVs, such as axles and HVAC

Cost efficiency with strong component durability, easy maintainability and de-specification will become a leading mantra in tomorrow's PBV shared vehicle fleets

## *Automotive Technology and Design*



## *Automotive Dealerships*



## *Government Regulations*



## *Automotive Repair Industry*



## *Consumption*



## *Automotive Supply Chain*



NYADI, 2021

Impact EV  
disruption

# PROBLEM IDENTIFICATIONS

- AUTO as the largest automotive component manufacturing & trading business group faced several key challenges, rising raw material prices (semiconductors, rubber, USD, etc), maintain market competitiveness and the disruption from EV.
- They needed to maintain operational excellence and efficiency and continuing their transformation through digitalization as well as anticipation of EV.
- The success of their implementation of transformation relied heavily on their organization readiness.





# IV. ANALYSIS

P

POLITICAL

- The **Luxury-Goods Sales Tax (PPnBM) boost for auto industry** offered by the Government was a positive indicator for the local automobile market.
- As a result of G20, Health Architecture, Digital Transformation and **Energy Transition toward sustainable energy** will become global focus
- Indonesia's government supports more **downstream export** which have high value-added value
- Nickel** is considered a vital component in the production of **electric car batteries**. Indonesia boasts one of the world's largest nickel deposits
- Crises in various parts of the world which would lead to the potential threat of a **future recession and raw materials scarcity**

E

ECONOMIC

- Indonesian economy is expected to grow by up to 4.92 percent (yoy) in the first quarter of 2023**, driven by strong economic activities during Ramadan and Eid-al-Fitr holidays
- Macroeconomic situation** remained strong despite higher inflation. This is due to the **relaxation of the restrictions on public mobility** amid the declining COVID-19 cases
- Indonesia's inflation will remain above 5% in the first half of 2023 and below 4% in the second half, which is relatively more controlled than several countries.
- Indonesia's consumer confidence increased to 123.3 in March 2023** from 122.4 in the previous month, pointing to the **highest level** since last August.

S

SOCIAL

- The **pandemic** and the ensuing social distancing measures have affected society's change of behavior on **increasing online digital adoption**.
- Increasing awareness and adoption of **renewable energy and eco-friendly products** and services.
- The **fuel price hike** in mid 2022 had expedited the **shifting of automotive consumers to e-vehicle**
- Social media proliferation had facilitated these social behavior shifting even faster

T

TECHNOLOGICAL

- Industry 4.0** is revolutionizing the way companies manufacture, improve and distribute their products. They adopted **new technologies**, including Internet of Things (IoT), cloud computing and analytics, and AI and machine learning throughout their operations & production facilities.
- The **growth of electrical vehicle** market in Indonesia is increasing
- Internet access contributed significantly to the **flourishing online platform** in Indonesia with the penetration rate of estimated 49.9% by 2022 and would continue to grow.

L

LEGAL

- Financial Services Authority issued regulation Number 51/POJK.03/2017 to provide guidelines for the Implementation of Sustainable Finance in Financial Services Institutions, Issuers, and Public Companies and encourage all parties to participate in reducing and resolving a number of economic, social, and environmental issues
- The **Indonesian government continued to encourage the development of Battery-Based Electric Motorized Vehicles (KBLBB)** in accordance with Presidential Regulation (Perpres) 55 of 2019. in support of fossil fuels usage reduction, reduce air pollution and encourage the economic growth through EV industrialization by 2025

E

ENVIRONMENTAL

- Government had formalized its commitment to implement **SDG** by establishing Presidential Regulation No 59/2017 and accelerated with Presidential Regulation No. 111 of 2022
- The development of electric cars** and its essential components such as batteries, electric motors, and inverters is prioritized in the **National Industrial Development Plan (RIPIN) for the FY20 - FY35F period**.
- The plan would have significant impact on increasing the demand for **lithium-ion batteries (LIB)** and the number of **public charging stations (SPKLU)** and general **electric vehicle battery exchange stations (SPBKLU)**
- Electric vehicle production is expected to reduce CO<sub>2</sub> emissions by 2.7mn tons for 4W or more and by 1.1mn tons for 2W.

# PORTER FIVE FORCES ANALYSIS



## Competitive Rivalry

**LOW**

- Number of competing firms is low
- No competitors within a similar size & capability
- High entry barrier Industry



## Threats of new entrants

**MEDIUM**

- Economies of scale and capital requirement as a barrier for new entrants in the auto parts industry, need of enormous amount of capital required
- Brand identity is another crucial barrier to entry
- Access to raw materials, technology and distribution channel in the auto parts industry
- New emerging EV market especially from China and Europe



## Threats of substitutes

**MEDIUM**

- In the ICE market, the potential development of substitute products is low when majority of people still prefers to use private vehicle
- However, development of substitutes products, for example EV although it depends on technology readiness and huge investment, it will come sooner or later



## Bargaining power of customer

**MODERATE**

- The products and services in the auto parts industry might seen as undifferentiated.
- However, the switching cost is expensive for consumers when they use un-branded parts with no guarantee on the quality



## Bargaining power of Supplier

**LOW - MODERATE**

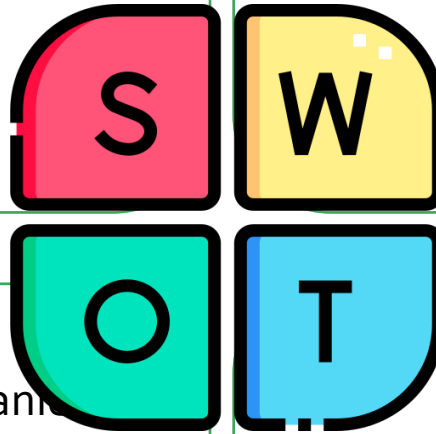
- Many suppliers available for auto parts industry in ICE market
- Shortage of semiconductors
- Increases in material prices

## STRENGTHS

1. Strong financial capacity
2. Strong relationship with government & universities
3. Strong brand for Aspira
4. Comprehensive ICE related alliances and ecosystem
5. Wide Distribution network

## WEAKNESSES

1. Inelastic selling price ceiling
2. Less EV capabilities
3. Hierarchical organization structure & decision-making process



## OPPORTUNITIES

1. Industry 4.0 is revolutionizing the way companies manufacture
2. Presidential Regulation (Perpres) 55 of 2019 regarding electrification
3. Regulation Number 51/POJK.03/2017 to provide guidelines for the Implementation of Sustainable Finance
4. Huge market size on ICEs

## THREATS

1. Substitute Electrification Vehicle
2. Commodity & Semiconductors availability and price fluctuation
3. Potentially disrupted ICE Market

## INTERNAL FACTORS (IFAS)

## EXTERNAL FACTORS (EFAS)

- S1** Strong financial capacity
- S2** Strong relationship with government & universities
- S3** Strong brand for Aspira
- S4** Comprehensive ICE related alliances and ecosystem
- S5** Wide Distribution network

- W1** Inelastic selling price ceiling
- W2** Less EV capabilities

- O1** Industry 4.0 is revolutionizing the way companies manufacture
- O2** Presidential Regulation (Perpres) 55 of 2019 regarding electrification
- O3** Regulation Number 51/POJK.03/2017 to provide guidelines for the Implementation of Sustainable Finance
- O4** Huge market size on ICEs

- T1** Substitute Electrification Vehicle
- T2** Commodity & Semiconductors availability and price fluctuation
- T3** Potentially disrupted ICE Market

strengths

weaknesses

### S-O STRATEGY

- S1-O1** Develop & expand Smart Factory, Sales Force Digitalization, Shared Service Center to increase efficiency and productivity
- S2-O1** Develop expertise talent for EV ecosystem
- S3, S5-O4** Focusing on maintaining ASPIRA for ICE market
- S3-S5-O2-O4** Extend existing Brand (Aspira) to enter EV market

### W-O STRATEGY

- W2-O2** Develop EV related manufacturing & trading capabilities
- W2-O2** Diversify with EV related products & services
- W3-O2** Transform into Innovation-focused organization

### S-T STRATEGY

- S1-T2** Implement CRP and multi-sourcing to maintain on-time delivery and good service rates.
- S4-T3** Extend ASPIRA brand to be premium product relate to EV market. (eg: Aspira+)

### W-T STRATEGY

- W1-T2** Purchase contract with supplier and operational cost control
- W1-T3** Explore more opportunities on non-automotive related products & services

opportunities

threats

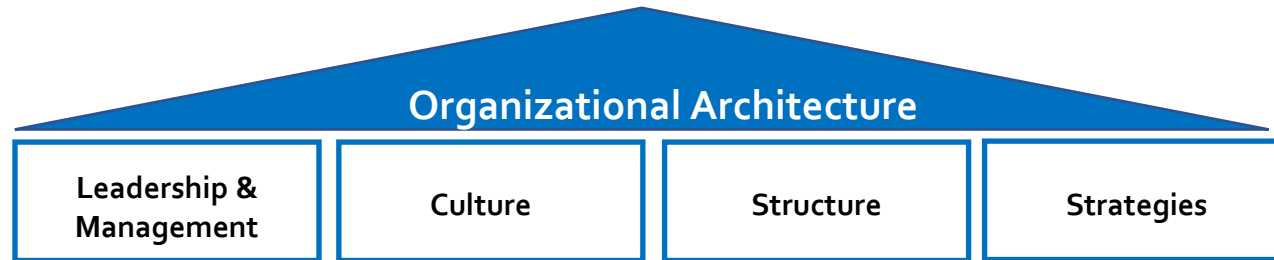


# CORPORATE ENTREPRENEURSHIP

**Corporate entrepreneurship** is the broad term used to describe **entrepreneurial behavior** in an established, larger organization.

**The objective** is to encourage **greater entrepreneurial intensity** within the organization by increasing both the **degree, or scale and the frequency** of entrepreneurial activity at all levels within it – at corporate, division, business unit, functional and/or project team levels

**Entrepreneurial architecture comprises four elements or pillars:**



- ✓ By increasing the entrepreneurial intensity it is believed that an **organization will be better able to cope with change**, better able to **innovate** and therefore better able to **gain competitive advantage**.
- ✓ The premise behind this approach to corporate entrepreneurship is that large firms need to adapt to an ever-changing environment if they are to survive, and **to do so they need to adapt their strategies, structures and cultures so as to encourage entrepreneurial activity in individual employees**

## Path to The Corporate Entrepreneurship Audit (CEA)

### PART 1

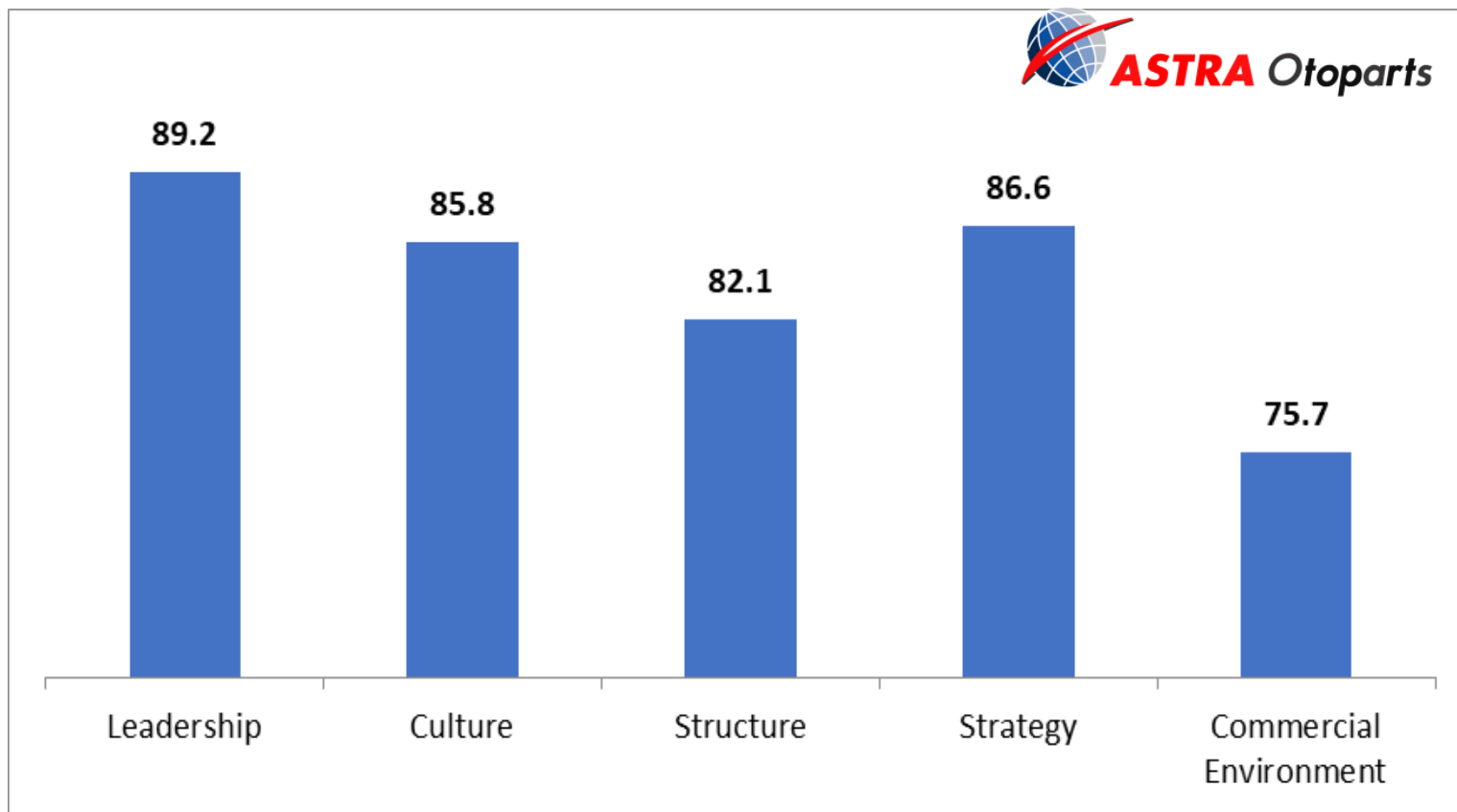
- Observed characteristics of an entrepreneurial organization using the **four dimensions of organizational architecture – leadership and management, culture, structure and strategies** – in 100 statements concerning the organization.
- Respondents are asked to circle the appropriate score for each statement from 0 (= not true at all) to 6 (= very true)
- Scores are totalled and mapped onto a CEA Results Grid, which shows results in percentages. This allows the company profile to be compared against competitors in the industry (if available).

### PART 2

- A list of 25 statements concerning **the commercial environment the organization faces**, to help assess whether it 'fits' with an entrepreneurial architecture. Respondents are asked to circle the appropriate score for each statement from 0 (= not true at all) to 6 (= very true). Scores are then totalled and mapped onto the results grid. The higher the score, the more competitive the commercial environment.
- This can then be compared to the company CEA profile and a judgment made about whether this 'fits' with the environmental profile.

# Topline Result

The Corporate Entrepreneurial Audit completed by total 13 respondents from AUTO; of which involving the CEO, 7 management level and 5 from staff level.

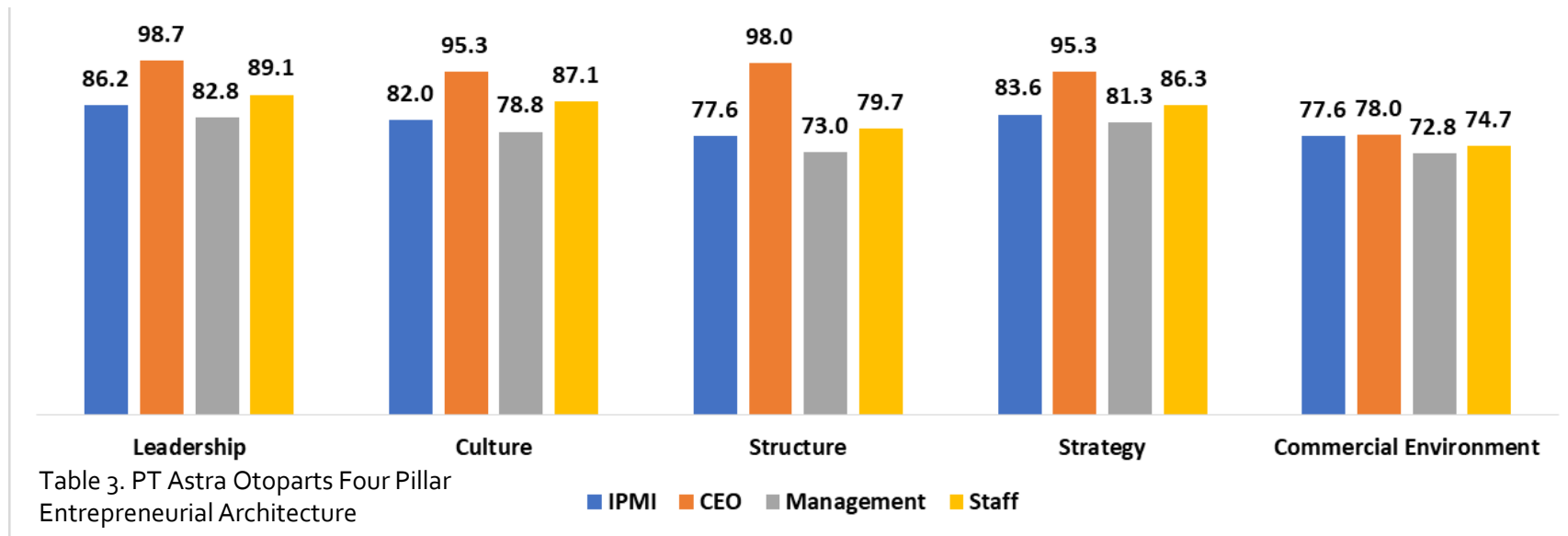


The questionnaires result showed that **AUTO had established a good corporate entrepreneurial architecture** within the organization where **Leadership and Strategy pillars as the strong pillars** and the **Culture and Structure pillars** would have several opportunities for improvements

Table 2. PT Astra Otoparts CE Audit Topline Result

# Assessing The Four Pillars of Entrepreneurial Architecture

From the segregation of the responses into CEO, management (BOD members and Chief) and staff grouping, **CEO had an optimistic view** on the readiness of corporate entrepreneurship architecture within the organization



- **The management** had different view on the readiness. They had highlighted several areas that needed improvements in the Culture and Structure pillars, particularly in facilities, structure and climate that would encourage digitalization-related innovation and corporate venturing.
- **The staff** had given higher score than the management; this probably indicated that the staff referred to the existing operational-related improvement and innovation structure & practices already in place in the organization.
- **IPMI researchers** had conducted several executive interviews and discussions with the BOD and Chiefs. Combining the insights derived from the interviews and analysis of the questionnaires result, IPMI researchers had scored in the vicinity of the management and staff result.
- Based on the audit, the commercial environment is highly competitive, unstable and unpredictable and changes rapidly and continuously. However, the corporate entrepreneurial orientation of AUTO can support the highly competitive market.

# Leadership



- AUTO leadership was led by the Board of Directors with a CEO and 6 board members, assisted with 14 chief of corporate functions
- Several insights of AUTO leadership characteristics can be derived from the response of the questionnaires



AUTO leadership characteristics	Analysis	Opportunities for improvement
<b>Visionary</b>	<ul style="list-style-type: none"> <li>• AUTO had a strong and clear vision with strong value, which clearly communicated throughout the organization</li> <li>• These are all reflected consistently in the response from the CEO, management and employee</li> </ul>	Needs further verification on how the leaders would react and resolve should major or critical conflicts or tensions occur during the implementation of the vision.
<b>Effective &amp; Consistent vision communication</b>	<ul style="list-style-type: none"> <li>• The vision was clearly and consistently communicated throughout the organization.</li> </ul>	should develop more informal influential method in communication and used more "light touch" method.
<b>Strategic thinking and learning organization</b>	<ul style="list-style-type: none"> <li>• The management had clear strategy to achieve the vision. They had established a consistent process to develop strategies top down and bottom up</li> <li>• The organization understood very well their core competencies as well as the opportunities and threats</li> </ul>	<ul style="list-style-type: none"> <li>• The need for improvement on how information and knowledge were shared across the organization</li> </ul>
<b>Relationship building</b>	The management acknowledged that the need to build strong relationship with the stakeholders in the organization	Increasing comfort level in using their emotional intelligence, interpersonal skill and empathy to increase confidence and trustworthiness
<b>Teamwork</b>	The management has succeeded to establish cross-functional team working environment within	<ul style="list-style-type: none"> <li>• A new delegation mechanism in the decision-making process needed</li> <li>• Experimentation needed to be encouraged.</li> </ul>
<b>Building an open organization that shares information</b>		<ul style="list-style-type: none"> <li>• The need to establish a wider information and knowledge sharing mechanism</li> </ul>

# Strategy



An entrepreneurial organization faces a complex and inherently unpredictable environment and is likely to develop a strategy in a certain way and to be pursuing a number of typical strategy.

**AUTO has developed its unique strategy LEAP:** Leverage Trading Business, Leverage Position as Preferred OEM Suppliers, Operational Excellence in All Aspects to become Lowest Cost Producer, Product-based instead of Process-based, People Readiness & Organization Effectiveness

Several insights from the questionnaires would complement to the more effectiveness of LEAP strategy execution:



LEAP Strategy Implementation Analysis	Opportunities for improvement
<p>LEAP strategy was underpinned by the company strong vision, creating a tension <b>sufficient to motivate the organization</b> People <b>felt they have been valued</b> by the organization and the organization has encouraged team working. <b>change.</b></p>	<p>Continue LEAP Strategy as AUTO unique strategy</p>
<p>LEAP reflected the organization’s strengths and core competencies at both corporate and business levels</p>	<ul style="list-style-type: none"> <li>The organization structure should be adjusted to allow resources and capabilities be share across the organization.</li> <li>More organic structure to operate more effectively and creating synergistic linkages across all the corporate functions and operations.</li> <li>The organization may add new strategies to encourage and facilitate commercially orientated innovation at all levels</li> </ul>
<p>LEAP may need to highlight strategies to encourage internal growth through innovation, new product or service developments and entry into new markets</p>	<ul style="list-style-type: none"> <li>Innovation <b>requires facilitating structures and</b> should also be an <b>emphasis on continual improvement</b></li> <li>The organization should be <b>willing to experiment and take measured risks</b></li> <li>Include <b>internal and external</b> corporate venturing, networking, strategic alliances/partnerships and joint ventures</li> <li><b>A strategy for mitigating the risks</b> associated with innovation, particularly disruptive innovation</li> </ul>

# Culture



Organizational culture is at the base of how many of the behavioral characteristics (or the 'organizational climate') of entrepreneurial orientation are defined: innovativeness, risk-taking, pro-activeness, competitive aggressiveness and autonomy

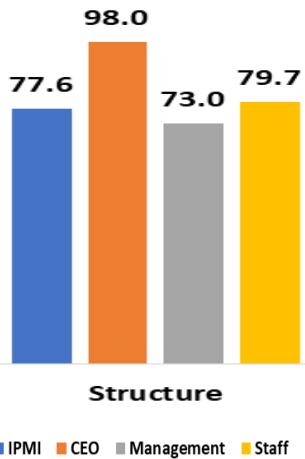


Analysis	Opportunities for improvement
<p>People <b>felt they have been valued</b> by the organization and the organization has encouraged team working.</p>	<p>Continue the LEAP strategy and other corporate programs that can strengthen companies sense of belonging</p>
<p>There is a gap between CEO and management on how they see the <b>organization of being egalitarian</b></p>	<ul style="list-style-type: none"> <li>• <b>A regular updates and light touch from the leader to the management</b> level might be needed to bridge the gap so they can support the leader to achieve the overall company goal</li> </ul>
<ul style="list-style-type: none"> <li>• The organization seems more cautious on <b>risk-taking</b> and the score is consistent from CEO until staff level</li> <li>• AUTO has always <b>celebrates its success</b> with all the employee which is highly appreciated.</li> </ul>	<ul style="list-style-type: none"> <li>• There should be more <b>empowerment</b> especially to the management team to have <b>risk-taking decisions</b></li> <li>• Experimentation needed to be encouraged and failure or mistakes might need to be tolerated</li> </ul>

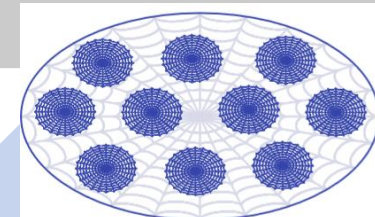
# Structure



- The structure of the organization are primary ingredients necessary for corporate entrepreneurial success. **The bigger an organization becomes, the more it needs structure** and, usually, that means hierarchy – and it is hierarchy, not necessarily size, that **can inhibit speed of response and decision-making**
- Referring to Table 1. , **Structure has the lowest score** amongst the four pillars. There is a huge gap especially between the CEO and the management. Also with the staff



Analysis	Opportunities for improvement
<ul style="list-style-type: none"> <li>The current structure of AUTO is conducive to creating an innovative environment and supporting a culture of entrepreneurship so that AUTO is responsive to change and flexible to face challenges</li> <li>Facility support and development allow fresh ideas to be implemented and any success gains recognition and rewarding</li> </ul>	Continue the structure that encourage and facilitate innovation
<p>The entrepreneurial spirit thrives at AUTO because although the organizational structure of AUTO is large, each department or section is broken down into smaller sub-structures, which allows for faster coordination and decision making</p>	Continue structure that allows fast coordination and decision making
<ul style="list-style-type: none"> <li>The assessment also shows several things that are underlined to be strengthened and improved by AUTO such as <b>reducing hierarchy, being more flexible, and not being bureaucratic.</b> This is necessary to further encourage the entrepreneurial spirit within the company</li> </ul>	<p><b>To combining a hierarchy &amp; organic</b> structures, so that it can support a flexible entrepreneurial structure to be able to adapt to changing circumstances. As the formal hierarchical level decreases, <b>the range of managerial control will widen, with an emphasis on getting things done</b></p>



# INNOVATIONS at AUTO

Astra Otoparts (AUTO), has encouraged and provided direction through the Company's Strategy Themes for all subsidiaries of AUTO Group "Growth Thru Digitalization & Excellence" and "Enhancing Excellence Thru Digitalization"

## WHY INNOVATE

### MANUFACTURING

**Improve Operational Excellence while facing Cost Pressure from Material, Labour Cost, and Operating Cost.**

It is necessary to do Productivity Up as well as improve QCD Level to meet Customer Satisfaction, provide the Best Quality, and Lowest Cost Producer

- **Data Quality and Readiness to Improve Operational excellence & Productivity**  
One of the earliest benefit of Industry 4.0 implementation is Data Transparency and Real-Time Data for analysis. So Industry 4.0 brings entirely New Capabilities from the operation side, that allow them to Respond Faster to critical situations and improve on Multiple KPIs

### TRADING

**Digital Trading to Overcoming Limitation of Time & Location**

Digitalization in the trading division has been developed since 2012. Then it accelerated due to COVID and has grown to this day regarding working hour limits

- **Seamless O2O Experience**  
Make continuous improvements to improve the best customer experience to search for their needs online and then visit physical stores to buy goods.
- **Access Anywhere & Anytime**  
With digitalization, it helps customers to be able to access their needs anytime and anywhere

### HEAD OFFICE

Head Office ensures that every back office activity can cater to each administration process efficiently

## HOW TO INNOVATE

The Head Office Lead the Coordinate Digital Transformation Initiatives through Strategic Policy Deployment & Alignment

### BACK OFFICE

At the Head office AUTO develop "Smart Work" where all administrative process and employee interaction is facilitated by digital infrastructure to increase productivity aside from adopting rigorous health protocol

### MANUFACTURING

Adopting guidelines from the Ministry of Industry to optimize the industrial sector lead by the Industry 4.0 Team. AUTO establish library & reference and corresponding KPIs. And this is a strategic plan that needs to be reported on its progress regularly

### TRADING DIVISION

The passion to continue to innovate and develop seamless O2O strategies to optimize AUTO online and offline businesses to enable future growth



# AUTOMATION & INDUSTRY 4.0 FOR HIGHER PRODUCTIVITY



Building ecosystem of automation, connectivity, and digitalization that support the implementation of IND 4.0 in factory for productivity & efficiency.

Productivity Improvement & Higher efficiency with Industry 4.0

We have identified matrix & measurements of Industry 4.0 initiatives which are showed in our planning cycle

- Cycle Time ↓
- Productivity ↑
- MP Efficiency ↑
- Safety ↑
- Process Consistency ↑
- Real time production achievement monitoring ↑
- Internal Rejection ↓
- Break down ↓
- Material handling time ↓
- Line stop ↓

- OBJECTIVE**
- Higher Productivity & MP Efficiency
  - Better QCD Level
  - Agile management with connectivity

\*AOP Group Productivity



**AKESONO** **ASKI**  
**National Lighthouse by 2020** **Champion Factory by 2021**

**WINTEQ**  
 Smart Factory Integrator

**2021** **PRODUCTIVITY UP >30%**  
 \*From Total Factory

## Industry 4.0 Roadmap → 2025 (Plan)



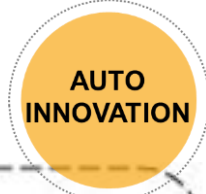
**2022** "Aside from those projects, we also notes around 189 project implementation within Group in 2022"

\*The implementation of automation continues to increase

<b>101 Project</b> by 2020	<b>198 Project</b> by 2021	<b>189 Project</b> by 2022
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We have developed a **grand architecture & building block** for our BU to leverage their Industry 4.0 Initiatives to consistently increase our overall **operational excellence & productivity**

# ACCELERATE DIGITALIZATION IN TRADING BUSINESS



Our AOP Digital ecosystem grand dream was planned years ago & building blocks start developed since 2012



- OBJECTIVE**
- Business growth as aggregator & market place
  - Closer to customer with seamless O2O
  - Increase Brand Equity
  - Productivity & Efficiency

**Business Process Automation**

**Sales Force Automation**

- ✓ Frontline application (Sales Office and Retailer)

**Main Dealer System**

- ✓ ERP & Data Integration (Main Dealer)

**ERP Implementation & Analytic**

- ✓ Back Office
- ✓ AOS Cloud Integration
- ✓ Machine Learning
- ✓ Automation

Legend: ✓ Done, ⚡ On Going /partial, ✗ Not Started

**ASTRA Otoparts Digitalization**

**Analytic & Optimizer**

**Supply Chain Management**

- ✓ Warehouse Management System
- ✓ Order Optimizer
- ✓ Distribution Management System
- ✓ Supply Chain Portal

**Customer Engagement**

**CX** Closer to Customer

- ✓ Customer Experience
- ✓ Customer Loyalty
- ✓ Customer Referral

Becomes aware of offerings & begins consideration  
Enter the store or site & Make a purchase /booking  
Uses and talks about their Purchase

**Web & Mobile Application**

**ASTRAOtoshop.com**

- ✓ Astra Otoshop Apps
- ✓ Astra Otoshop Web
- ✓ Shop & Drive Apps

Target Audience: Retailer ✓, Main Dealer ✓, End Users ✓

**Payment Gateway**

AR ↓30%\*with E-Pay

Partners: AstraPay, PermataBank, BCA, DANA, gopay, ovo, Link Aja

AstraOtoshop as an Aggregator (2022) Legend: ✓ Done, ⚡ On Going /partial, ✗ Not Started

Digitalization in Trading enable us to increase the efficiency of internal processes and obtain new business opportunity in field that hasn't been penetrated before

Astra Otoshop as a one stop solution for every aftermarket and customer journey service after buying a vehicle



# V. CONCLUSION & RECOMMENDATION

## PT Astra Otoparts Tbk (AUTO) faced several key challenges to maintain its leadership and dominance in the industry

The shortage of semiconductors was one of the toughest challenges faced by the automotive industry and was projected to continue.

Increases in material prices also continued to occur, triggered by crises in various parts of the world which would lead to the potential threat of a future recession

The growing proliferation of the Electric Vehicle (EV) – AUTO should quickly adapt to changes in component requirements stemming from the shift in Internal Combustion Engine (ICE) technology to EV

AUTO was recommended to adopt and implement phased transformation into short term, medium term and long-term programs

# RECOMMENDATION

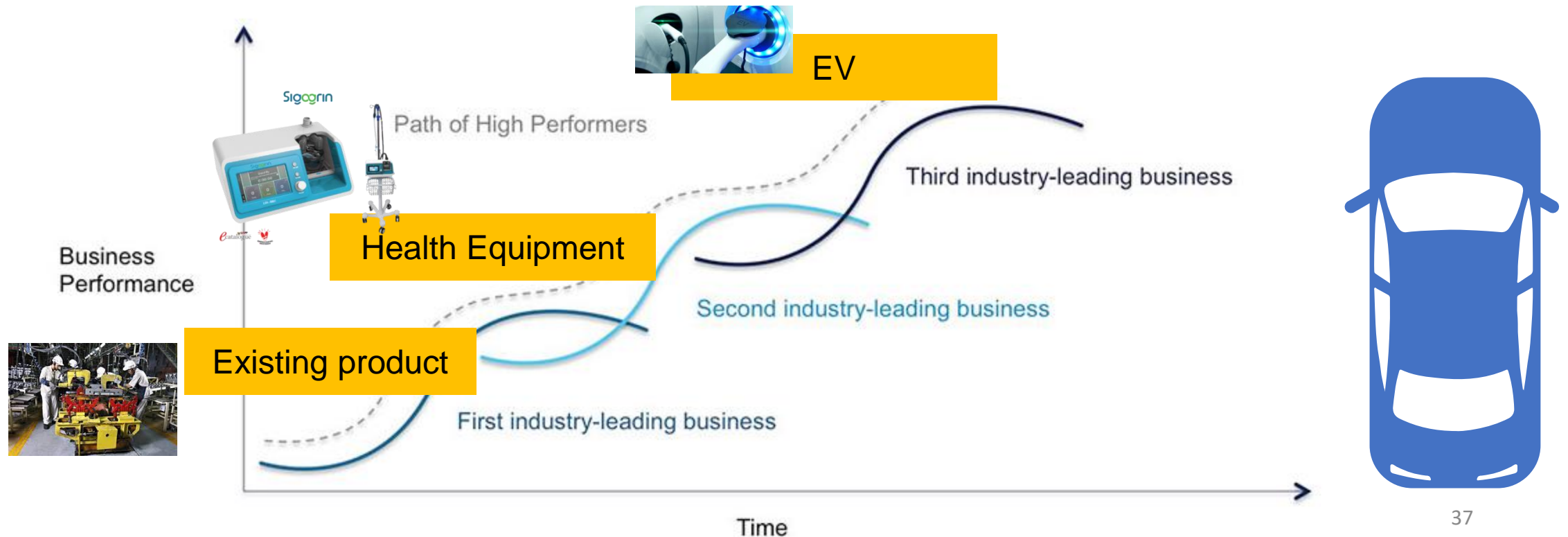
No.	Recommendation	EXPLOIT	EXTEND	EXPLORE
1.	Focusing on maintaining existing brand and products of ASPIRA for ICE market	Maintain number 1 brand image in automotive parts market through Digital Activity and Promo Collaboration	Maintain Brand Engagement with Automotive Community	
2.	Develop & expand Smart Factory, Sales Force Digitalization, Shared Service Center to increase efficiency and productivity	<ul style="list-style-type: none"> <li>At downstream side, strengthen online to offline integration to improve B2B &amp; B2C customer experience</li> <li>At upstream side, expand smart factories implementation to all manufacturing facilities</li> </ul>	<ul style="list-style-type: none"> <li>Expand B2B digitalization streamlining with the manufacturing suppliers ecosystem</li> <li>Participate in and add value to automotive distribution e-commerce and marketplace platform with synergic product &amp; service bundling campaigns</li> </ul>	
3.	Explore more opportunities on non-automotive related products & services	Improve the manufacturing and trading capabilities in the medical & health equipment.	Expand to invest in emerging technology medical equipment manufacturing ventures for critical disease center	Continue diversification effort by reinforcing inorganic growth to other business segment through <b>corporate venturing</b> backed with strong financial capabilities

# RECOMMENDATION

No.	Recommendation	EXPLOIT	EXTEND	EXPLORE
4.	Extend ASPIRA to be premium product related to EV market. (eg: Aspira +)	<ul style="list-style-type: none"> <li>Preliminary campaign to introduce Aspira+ as EV related products (tone &amp; manner middle up).</li> <li>Start build retail shop in major cities.</li> </ul>	<ul style="list-style-type: none"> <li>Thematic campaign build image AOP as trusted partners of every automobile brands</li> <li>Thematic campaign Aspira+ as durable &amp; value for money's brand, start export Aspira+</li> </ul>	<ul style="list-style-type: none"> <li>Thematic campaign build image AOP as trusted partners of every automobile and EV's brands</li> <li>Thematic campaign Aspira+ as trusted brand internationally</li> </ul>
5.	Develop expertise Talents for EV Ecosystems	Diversify current talents, Internal Development focus on EV, Employee Dedicated time (10%) for EV ideas, Cross Entities & Universities EV Collaboration	Develop and Nurture Specialist track of expertise to aggressively test the market. Accelerate Ideas-to-Market process.	Venturing into EV-focus Acquisitions (e.g: start-ups) in the regional market, to Accelerate specific Talents and competitive advantage on EV Industry; autonomous driving, connectivity and shared mobility
6.	Develop EV related manufacturing & trading capabilities		Enter into partnership or JV with induction motor & electrical distribution system maintenance companies from Japan, China or South Korea to adopt the emerging technology of EV related components manufacturing capabilities	Develop own brand EV motor & electrical distribution components manufacturer and trading Achieve cost leadership to optimize EV components manufacturing value chain
7.	Transform into Innovation-focused Organization	Establish Corporate entrepreneur architecture		

# Winning in Disruptive Era

- The key is on Research and Development is a crucial instrument or tools to survive in the disruptive era
- Existing products has limited lifecycle, the product will be obsolete
- Always challenge what is the future innovation and what will be the sustainable innovation in the future
- The CE in AUTO starts from the CEO especially for the long term/ strategic innovation which needs hierarchical decision-making including investment





**THANK YOU**