

Strategy Design for Vendor Held Stock with Consignment Model to Gain Competitive Advantage

Perancangan Strategi Vendor Held Stock dengan Model Konsinyasi untuk Mendapatkan Keunggulan Kompetitif

Dwi Nurma Heitasari,* Dimas Priantoro, dan Bambang Sugito

Program Studi Logistik Minyak dan Gas, Politeknik Energi dan Mineral Akamigas
Jl. Gajah Mada No. 38 Cepu, Blora, 58315

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ABSTRACT

Vendor Held Stock is a supply chain optimization strategy commonly adopted for oil and gas commodities and renewable energy. Vendor Held Stock is developing the Vendor Managed Inventory concept on the Consignment Model, where vendors provide additional storage and inventory management services, procurement, and delivery. PT IMC is a company operating in the field of energy supply, implementing Vendor Held Stock scheme with a Consignment Arrangement. This study aims to design a priority strategy for optimizing the Vendor Held Stock scheme to increase the company's added value in its market expansion efforts. Interviews and questionnaires were conducted on divisions directly involved in the High-Speed Diesel Bio Solar distribution operations, such as the Operations and Commercial Division and the Cargo Distribution Center Division. Strategy design is carried out by identifying the company's internal and external environment by analyzing Strengths, Weaknesses, Opportunities, and Threats, preceded by the Internal Factor Evaluation Matrix, the External Factor Evaluation Matrix, and the External Internal Matrix. Priority strategy is determined using the Quantitative Strategic Planning Matrix. The strategy with the highest Total Attractiveness Score was chosen as a proportionality strategy where "Changing the status from an Agent to a General Trading Permit to get more competitive price" obtained the highest total attractiveness score with a score of 7,2478. Focusing on the strategy is expected to increase company competitiveness globally.

Key words: inventory, strategy, vendor

ABSTRAK

Vendor Held Stock merupakan strategi optimalisasi rantai pasok yang lazim diadopsi untuk komoditi minyak dan gas serta energi baru dan terbarukan. Vendor Held Stock ialah pengembangan dari konsep Vendor Managed Inventory pada Model Konsinyasi dimana vendor menyediakan jasa layanan tambahan dalam hal penyimpanan dan pengelolaan inventori, pengadaan, dan pengiriman. PT IMC adalah perusahaan yang bergerak dalam bidang penyediaan energi dengan skema Vendor Held Stock disertai Kesepakatan Konsinyasi. Studi ini bertujuan untuk merancang strategi prioritas optimalisasi skema Vendor Held Stock sehingga mampu meningkatkan nilai tambah perusahaan dalam upaya ekspansi pasar. Wawancara dan kuesioner dilakukan terhadap divisi yang terlibat langsung didalam operasi penyaluran High-Speed Diesel Bio Solar, dalam hal ini Divisi Operasi dan Komersial serta Divisi Cargo Distribution Centre. Perancangan strategi dilakukan dengan cara melakukan identifikasi lingkungan internal dan eksternal perusahaan melalui analisis Strength, Weakness, Opportunity, and Threats, yang didahului dengan penyusunan Matriks Internal Factor Evaluation, Matriks External Factor Evaluation, dan Matriks Internal Eksternal. Penentuan strategi prioritas dipilih menggunakan Matriks Quantitative Strategic Planning Matrix yang merupakan tindak lanjut dari analisis sebelumnya. Strategi dengan Total Attractiveness Score tertinggi dipilih sebagai strategi proritas dimana "Melakukan perubahan status dari Agen menjadi Izin Niaga Umum untuk mendapatkan harga yang lebih kompetitif" memperoleh nilai Total Attractiveness Score tertinggi dengan skor 7,2478 dibandingkan alternatif strategi lain. Fokus perencanaan

*) Korespondensi:

Jl. Gajah Mada No. 38 Cepu, Blora, 58315; email: dwinurmaheitasari1987@gmail.com

bisnis terhadap strategi tersebut diharapkan mampu meningkatkan keunggulan bersaing secara global.

Kata kunci: persediaan, strategi, vendor

INTRODUCTION

The globalization of supply chains allows companies to source various goods and services through outsourcing. Outsourcing is a potential strategy for achieving supply chain success, especially in reducing costs and increasing company competitiveness (Suraraksa & Shin, 2019). Vendors play an important role in supply chain management activities. Various problems, such as stockouts and over lead times caused by the performance of vendors, might impact overall company performance. Following (Wangchen Bhutia, 2012) in (Ishak & Parinduri, 2019), considering vendors are part of the supply chain, the relationship between users and vendors is critical, as it will impact the competitiveness of all parts of the supply chain. Vendor Managed Inventory and Vendor Held Stock are two popular inventory management models that many businesses are putting into practice to maximize supply chain efficiency.

Vendor Managed Inventory encompasses a range of business models wherein the customer of a product, typically a business entity, shares specific information with a supplier within the supply chain. In this arrangement, the vendor assumes complete accountability for managing and replenishing an agreed-upon material inventory, typically at the customers' designated consumption location, often a retail store. It may be advantageous to use the services of a third-party logistics provider to ensure that the customer maintains the necessary inventory levels. This entity can assist in bridging the gaps between demand and supply by making appropriate adjustments. Vendor Managed Inventory is a planning and management system that operates independently of inventory ownership (Lakra & Bedi, 2014). According to a study by (Budi Suhermanto *et al.*, 2018), Vendor Held Stock refers to a cooperative system between customers and vendors to fulfill stock requirements. This system shares similarities with Vendor Managed Inventory; however, the key distinction lies in the storage location of the inventory. In Vendor Managed Inventory, the inventory is stored at the buyer's location, and the vendor cooperatively monitors the inventory, whereas in Vendor Held Stock, the inventory is stored at the supplier's

storage location. Vendor Held Stock has been widely developed, especially in the oil and gas sector, since PT Pertamina, a state-owned enterprise that operates in the energy and renewable energy sector, first implemented the model.

Vendor Managed Inventory and Vendor Held Stock can be followed by a Consignment Agreement. The concept of consignment pertains to the ownership of inventory. The analytical model provided by (Battini, 2010) implies that the adoption of a conventional stock policy, such as the Economic Order Quantity method, consistently incurs higher costs, especially in businesses characterized by substantial fluctuations in demand and limited storage capacity, compared to the implementation of the Consignment approach; it caused companies to adopt Consignment Agreement in their inventory management model. Vendor Managed Inventory with a Consignment Agreement refers to a business arrangement where the customer retains physical possession of the inventory while the ownership of said goods remains with the supplier until consumed (Nurairin & Orgianus, 2022). The concept of Vendor Held Stock with Consignment Agreement refers to a situation in which the supplier retains ownership of the inventory they physically store until it is utilized. Thus, the mutual dependence of Vendor Managed Inventory, Vendor Held Stock, and Consignment is absent (Lakra & Bedi, 2014).

PT IMC is an energy company engaged in logistics as a provider or intermediary for industrial fuel. It is responsible for fulfilling customer demand by supplying High-Speed Diesel Biosolar fuel. PT IMC has undergone a transitional phase in its operational procedures. Previously, the company utilized the Franco scheme but has shifted to a Vendor Held Stock scheme for the last year. As a vendor, PT IMC offers inventory and distribution services to its customers through a Vendor Held Stock with a Consignment Arrangement. It ensures and regulates the availability of customer-owned fuel held in its tanks (Pramudhita & Santoso, 2022) and ensures that their expectations are met in a timely and methodical manner, with the appropriate quantity and quality (Wahyuni *et al.*, 2020). In the scheme, the customer only pays for fuels distributed to the customer and does not bear the losses that occur

(Arif, 2018). The trading above model of PT IMC creates added value and improves customer service for its customer in reducing demand uncertainty, inventory requirements, holding costs, and procurement costs. According to (Fokali & Siagian, 2021) the third focus point, these costs can have a big effect on the company's spending because they don't add value to a product or service.

The significant market potential of Vendor Held Stock with a Consignment Arrangement is driven by the chemical characteristics and proper handling requirements of hazardous fuel and the limited number of enterprises involved in this specific industry. Regrettably, the execution of this program in PT IMC has not yielded the desired results. PT IMC had only one customer while implementing the Vendor Held Stock system. PT IMC must implement and make determinations regarding multiple strategies to acquire customers, augment product sales, and enhance corporate profitability. PT IMC should be able to formulate other approaches that effectively persuade clients of the added value or services offered by the company through the Vendor Held Stock scheme, particularly in terms of stock management and product supply (Mahfud & Mulyani, 2017). Value-added initiatives aim to increase customer satisfaction, provide a competitive advantage, and create long-term relationships between companies and customers (Chadiq, 2015).

In today's business era, competitive advantage is needed. The company's ability to offer and provide the best service determines customer decisions. According to (Widiyarini & Hunusalela, 2019), the right business strategy is necessary to operate in a complex and highly dynamic business environment. Through the process of selecting alternative strategies, the company is expected to be able to increase competition and develop business in the Vendor Held Stock scheme. According to (David & Sinaga, 2016), determining alternative strategies consists of three stages: input, matching, and decision. Tools include matrices: Internal Factor Evaluation Matrix, External Factor Evaluation Matrix, and SWOT Matrix as tools used to analyze the company's strategic factors and evaluate the company's strengths and weaknesses. The Quantitative Strategic Planning Matrix is one of the analysis methods used to determine the relative attractiveness of various existing strategies (Nuraini & Purwanegara, 2020). The results of matching the SWOT analysis and QSPM analysis used objectively can determine priority strategies to increase competition in the Vendor Held Stock

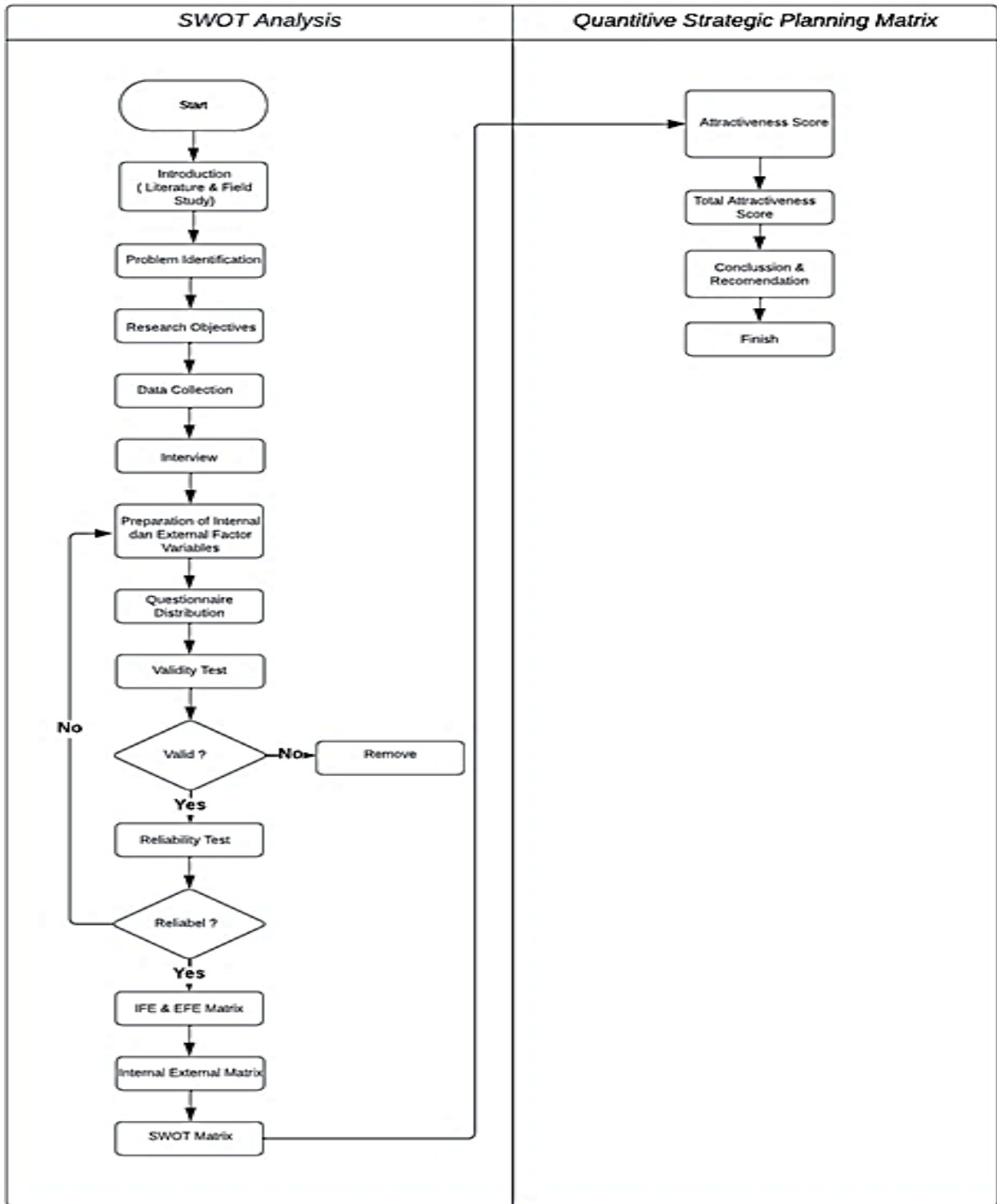
business scheme. In 2023, (Kuma *et al.*, 2023) conducted research with the title Business Development Strategy to increase lubricant product sales with SWOT Analysis and QSPM. Using the QSPM method, (Fadhil, 2019) also conducted similar research. The studies show that both methods can be used well to determine the most appropriate strategy for a company. This study is anticipated to make a scholarly contribution to the discourse within vendor-held stock inventory models and consignment models, particularly regarding the formulation of strategic designs.

METHOD

This type of research is quantitative research. Quantitative methods are used because the issue in this study was solved with a matrix in the form of numbers. The method applied in this study is shown in Picture 1.

The data in this study were obtained through interviews and questionnaires with a total of 7 respondents, namely BBM Supervisor, BBM Foreman, and BBM Administrator in the Operations and Commercial Division, Integrated Planner, and BBM Operator in the Cargo Distribution Center Division, to obtain data regarding business processes in receiving, storing and distributing High-Speed Diesel Bio Solar in the Vendor Held Stock scheme, as well as internal and external factors that are drivers of strengths, weaknesses, opportunities and threats. The data obtained will be tested for validity and reliability to ensure the reliability of the research instruments to be further processed using the matrices below (Susanthi, 2017):

- 1) Internal Factor Evaluation Matrix
This matrix ensures the company's internal position by identifying the company's strengths and weaknesses.
- 2) External Factor Evaluation Matrix
This matrix is used to assess or measure the company's external position by identifying the company's opportunity and threat factors.
- 3) Internal External Matrix
Matrix Internal External (IE) is a matrix used to see the position or position of a company. This matrix is divided into nine quadrants. Each quadrant defines what position a company belongs. The company's position in this matrix is based on the results obtained in the Internal Factor Evaluation matrix (x-axis) and the External Factor Evaluation matrix (y-axis).



Picture 1. Research flow chart

4) SWOT Matrix

The SWOT (Strength, Weakness, Opportunity Threats) matrix determines strategies applied by logic to maximize strengths and opportunities and minimize weaknesses and threats. The internal factor variables will be taken from the Internal Factor Evaluation matrix, while the external factor variables will be taken from the

External Factor Evaluation matrix.

5) QSPM Matrix

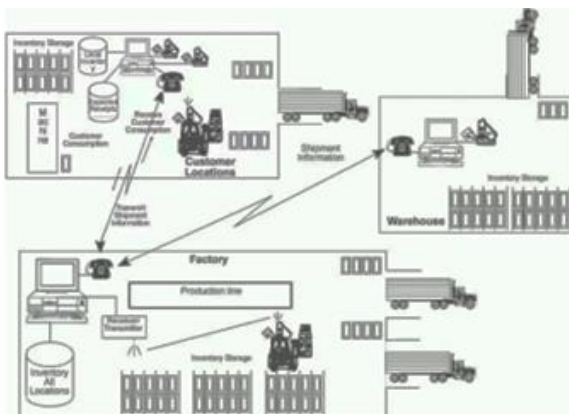
The Quantitative Strategic Planning Matrix is used as a strategic analysis tool to identify and evaluate alternative strategies available to companies. QSPM analysis helps to identify the relative attractiveness/Total Attractiveness Score of a strategy based on internal and

external factors of the company. Priority strategy decision-making is based on the strategy with the highest Total Attractiveness Score value.

RESULT AND DISCUSSION

PT IMC is a logistics firm providing or acting as an industrial fuel intermediary. It oversees meeting customer demand by supplying High-Speed Diesel Bio Solar. High-speed diesel, also known as industrial diesel, is specifically designed for diesel engines like ship and train engines that operate at rates over 1000 revolutions per minute. Bio Solar is categorized as fuel for High-Speed Diesel, a combination or mixture of diesel with vegetable oil obtained from palm or crude palm oil. In this case, the Bio Solar blending is carried out at the factory managed by PT IMC and stored in its storage tank. The trading model carried out in PT IMC is shown in Picture 2.

The Vendor Held Stock model refers to a situation where PT IMC retains possession of the fuel inventory. The term "stock" denotes a collaborative arrangement between PT IMC and its customers to meet inventory demands. The fuel itself is stored in the storage tank of PT IMC since the product needs specific material handling. In this trading model, vendors must analyze consumption and inventory levels. Periodically, PT IMC monitors the use of the remaining stock of customers. When inventory availability has reached a certain point, PT IMC immediately sends the inventory according to the amount agreed with the customer. The amount sent is adjusted to customer needs, delivery lead times, and the availability of inventory storage space (Vigtil, 2008). According to (Martono, 2018) the key to customer inventory management's success is more on the vendor's side.



Picture 2. Vendor held stock trading model

Considering the added values and benefits the customers achieve, this trading model has not significantly contributed to PT. IMC; requires a strategy to optimize future potential and opportunities. Strategy is designed by data processing that is done by compiling the internal and external factors based on a variable questionnaire based on the results of interviews, validity, and reliability tests to determine the score of each matrix. The internal-external matrix, SWOT matrix, and QSPM analysis will be prepared sequentially, as follows:

1. Arrangement of Internal and External Factor Variables

Internal factors comprise the company's strengths and weaknesses, while external factors comprise the company's opportunities and threats.

A. Internal factors

- 1) Strengths are defined as added value for a company or a comparative advantage of an organization. The analysis shows that the Strength Factors of the company are that it is a subsidiary of the Holding Group, has a business focus on energy supply and distribution, cross-region agent of Pertamina, has adequate financial resources, port working area X is close to the supply point, the potential to expand its area, the certainty of biofuel supply by the holding group.
- 2) Weakness is defined as conditions that become gaps for a company. The analysis shows that the Weakness Factors of the company are prices and supply of Biofuel that are sometimes less competitive. At the same time, there is competition in prices among companies in the same business, and additional investment might be needed to expand the operating area, the limited number of human resources, and the possibility of a merger policy. Nevertheless, weakness is not something that cannot exist in a company. Even weakness is a normal thing in a company; it is just that the most important thing is how the company can minimize these weaknesses.

B. External Factors

External factors consist of opportunities and threats.

- 1) Opportunities is a point of view or circumstances outside the company that are profitable for the company. The company must be able to read and take advantage of

existing opportunities at PT IMC, the opportunity is that the market share of the Holding Group sector is still considerable, and optimism to increase collaboration between SOEs. From the operational side of the Vendor Held Stock Scheme, the opportunities that are owned include: customer awareness of the costs that must be borne when losses occur, competence at the customer company is minimal in handling fuel, awareness of the risk of overstock or stock out if managing fuel independently, finally the productivity of port loading and unloading activities is currently still relatively promising.

- 2) Threats are an external condition that is disruptive or has the potential to disrupt the running of a company. Threats are detrimental to a company. Based on the results of interviews that have been conducted, the company has threats or challenges, including the entry of similar competitors at lower prices, the tendency of customers to seek lower prices, and additional costs from the operational side of the Vendor Held Stock scheme. From a policy perspective, the discourse regarding transforming ports using electrical energy (green ports) also threatens business continuity.

2. Validity Test

In research that uses a questionnaire as a measuring tool, it is mandatory to test the validity to determine how valid the questionnaire is used in a study. According to (Heryanto et al., 2020) SPSS software can be used to test the validity of the questionnaire, with a significance level of 0.05%, by following testing criteria:

- a. If $r \text{ count} > r \text{ table}$, then H_0 can be accepted.
- b. If $r \text{ count} < r \text{ table}$, then H_0 is rejected.

An interpretation result is done by:

- a. Determine the value of the $r \text{ table}$ to determine the value of the $r \text{ table}$ based on the determination of $df (N-2)$ where N is the amount of data tested, then $R \text{ table} = (df = (13-2, 0.05))$. The value of $r \text{ table} = 0.5529$ is obtained based on the analysis.
- b. Compare the value of the $r \text{ count}$ with the $r \text{ table}$. The results of the r -calculated internal factor values can be seen in Table 1 and Table 2 below.

Table 1. The r count of internal factor

Internal Factor Variable			
No	r count	r table	Description
1	0.5871841	0.5529	Valid
2	0.6927637	0.5529	Valid
3	0.6979381	0.5529	Valid
4	0.6532068	0.5529	Valid
5	0.6090712	0.5529	Valid
6	0.7957449	0.5529	Valid
7	0.6806172	0.5529	Valid
8	0.6154545	0.5529	Valid
9	0.5938631	0.5529	Valid
10	0.6581236	0.5529	Valid
11	0.7088127	0.5529	Valid
12	0.6927637	0.5529	Valid
13	0.5964436	0.5529	Valid

Table 2. The r count of external factor

External Factor Variable			
No	r count	r table	Description
1	0.5950852	0.5529	Valid
2	0.7840008	0.5529	Valid
3	0.5950852	0.5529	Valid
4	0.6271611	0.5529	Valid
5	0.7840008	0.5529	Valid
6	0.6664007	0.5529	Valid
7	0.6294715	0.5529	Valid
8	0.7514761	0.5529	Valid
9	0.6509276	0.5529	Valid
10	0.7840008	0.5529	Valid
11	0.7158291	0.5529	Valid
12	0.5950852	0.5529	Valid
13	0.7086523	0.5529	Valid
14	0.5998932	0.5529	Valid

It can be seen in the tables of the validity test results that all r counts are more significant than the $r \text{ table}$, so the question items on the questionnaire can be concluded to be valid.

3. Reliability Test

A reliability test is conducted to test a measurement result's confidence level. This test is also conducted to determine the consistency of a measuring instrument (Widiyarini & Hunusalela, 2019). The reliability test stage is carried out after the validity test because the data measured must be valid in the reliability test. Several methods can be used to test the reliability of data, but in this study, Cronbach's alpha method was used using SPSS software. The calculation of Cronbach's alpha is acceptable if $r \text{ counts} > r \text{ table} 5\%$.

Based on the reliability test using the SPSS software Cronbach's alpha method, the result shows that the percentage value of tested respondents is 100% valid. It can be concluded that all tested respondents were valid. Thus, the tested

data was declared reliable or had a level of consistency that could be trusted.

4. Internal Factor Evaluation Matrix and External Factor Evaluation

After identifying the company's internal and external factors, the next step is compiling the Internal and External Factor Evaluation matrices. This matrix consists of the strengths and weaknesses of the company as well as the opportunities and threats for the company. This matrix will provide results to show how much the company can generate strengths and opportunities and how much the company can produce as few weaknesses and threats as possible.

1) Internal Factor Evaluation Matrix

These internal factors will be weighed and rated in the Internal Factor Evaluation matrix. The calculation in Table 3 shows that the company scores 3.28 for the Internal Factor Evaluation matrix.

2) External Factor Evaluation Matrix

Weighting and rating on this matrix use the same method as weighting and rating on the Internal Factor Evaluation matrix; only the factors calculated are factors of opportunities and threats. Below in Table 4 is the result of weighting and rating on the External Factor Evaluation matrix. The calculation of the External Factor Evaluation matrix above shows that PT IMC gets a score of 2.86 for the External Factor Evaluation matrix.

5. Internal External Matrix

The accumulated total weight of the Internal Factor Matrix and External Factor Matrix becomes the input value in the Internal External matrix. This matrix is divided into nine quadrants. Each quadrant defines what position a company is in and what strategy is suitable for that company. The following is the division of quadrants on the internal-external matrix:

Table 3. IFE Matrix

No	Internal Factor Strength	Weight	Rating	Score
1	PT IMC is a subsidiary of the Holding Group	0.09	3.71	0.33
2	PT IMC is a company with a business focus on energy supply distribution	0.09	3.86	0.35
3	Pertamina Cross Region Agent/ Agent All Pertamina Marketing Operation Region (MOR 1-MOR 8)	0.08	3.57	0.30
4	Adequate Financial Resources	0.07	3.00	0.21
5	Port Working Area X is close to the Product Supply Point (TBBM X)	0.07	3.14	0.23
6	With the Merger of Holding 1,2,3, and 4, PT IMC's Operating Area is Expanded	0.09	3.71	0.33
7	Assignment from Holding to PT IMC to supply fuel throughout the Holding Group	0.08	3.57	0.30
Weakness				
1	Product prices that depend on Pertamina Discounts are sometimes less competitive (no fixed discount from Pertamina)	0.07	3.43	0.25
2	Is a Pertamina Agent, not a General Commercial Licence, so that the Supply Point depends on Pertamina and cannot supply fuel other than from Pertamina (Agent)	0.07	3.14	0.23
3	Price Competition with Other Competitoes (Non-Agent Pertamina/ INU)	0.07	3.00	0.21
4	With the increase in the operating area, there is a need for additional investment in facilities and amenities (SARFAS)	0.07	3.14	0.23
5	Limited Number of Man Power with the Merger of Holding 1,2,3, and 4 the addition of a wider operational area	0.06	2.57	0.16
6	Post Merger Holding is still volatile, there is a structuring of the business sector in Subholding children and grandchildren of the Company in Holding Group	0.06	2.43	0.14
Total		1.0	-	3.28

a. Quadrant I, II, IV

This quadrant describes the position of a company in a growing and developing position. An intensive or integrative strategy is recommended for businesses if a company is in this quadrant.

b. Quadrant III, V, VII

According to this quadrant, the company can survive and maintain. If the company is in this quadrant, the recommended strategy is product development, and a market penetration plan is proposed.

c. Quadrant VI, VIII, IX

The harvest or divestment position of the company is shown in this quadrant. If the company is in this quadrant, the recommended strategy for the company is to save and diversify.

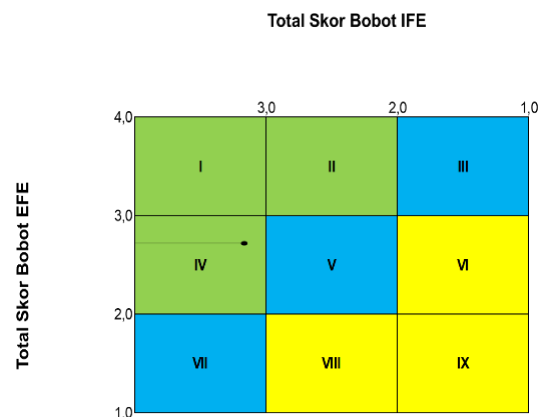
Related to the results in Table 3 and Table 4, which show an Internal Factor Evaluation score of 3.28 and an External Factor Evaluation score of 2.86, below in Picture 3 is the quadrant position of PT IMC. As seen in the table, the position of PT IMC is in Cell IV, meaning the company's position is included in the growth strategy.

6. SWOT Matrix

This matrix is based on developing the Internal-External matrix. The SWOT matrix aims to

formulate alternative company strategies. This Strength, Weakness, Opportunity, and Threats (SWOT) analysis method is an analytical method to define the company's condition. A Strength, Weakness, Opportunity, and Threats (SWOT) matrix is needed to formulate alternative company strategies to compare the company's internal and external factors. SWOT matrix can be categorized as follows:

- Strengths-Opportunity (SO) Strategy is defined as the company's ability to use internal strengths to gain opportunities.
- Weakness-Opportunity (WO) strategy, where the company is expected to improve the company's internal weaknesses to take existing opportunities or opportunities.



Picture 3. Internal External Matrix

Table 4. EFE Matrix

No	External Factor	Weight	Rating	Score
Opportunity				
1	Market share of Group Holding sector is very large	0.09	3.43	0.30
2	Optimism for SOE Synergy	0.08	3.00	0.23
3	Customer awareness of the costs that must be incurred when there is a Loss	0.07	2.86	0.21
4	Lack of Competence of Customer's Workforce in Handling Fuel	0.07	2.57	0.17
5	Customer Awareness of the Risk of Overstock or Stock Out if managing fuel independently	0.08	3.00	0.23
6	Port loading and unloading productivity	0.08	3.00	0.23
7	Having competent and experienced Human Resources in their fields	0.08	3.14	0.25
Threat				
1	Entry of foreign/ private competitors with lower prices	0.08	3.14	0.25
2	Product price changes per period and customers' tendency to look for lower prices	0.08	3.00	0.23
3	Changing Customer Needs	0.06	3.14	0.13
4	Risk of Losses due to Losses arising in the Vendor Held Stock scheme	0.07	3.00	0.19
5	Dependence on Port Business	0.05	2.29	0.12
6	Risk of Losses due to Losses arising in the Vendor Held Stock scheme	0.07	2.714	0.19
7	Holding's future plan to use electrical an energy for loading and unloading activities at the Port (Green Port)	0.06	2.14	0.15
Total		1.00	-	2.86

- c. Strengths-Threats (ST) strategy is the company using strengths to reduce threats.
- d. Weakness-Threats (WT) strategy is defined as the company's expectation to minimize weaknesses in internal factors to avoid external threats.

A matrix of analysis and formulation of alternative strategies using the Strength, Weakness, Opportunity, and Threats (SWOT) is shown in the following Table 5. The matrix is expected to formulate the most appropriate strategy that is determined using the Quantitative Strategic Planning Matrix (QSPM).

Table 5. SWOT Matrix

Internal factors	STRENGTHS	WEAKNESSES
External factors	<ol style="list-style-type: none"> 1. PT IMC is a subsidiary of the Holding Group 2. PT IMC is a company with a business focus on energy supply distribution 3. Pertamina Cross Region Agent/ Agent All Pertamina Marketing Operation Region (MOR 1-MOR 8) 4. Adequate Financial Resources 5. Port Working Area X is close to the Product Supply Point (TBBM X) 6. With the Merger of Holding 1,2,3, and 4, PT IMC's Operating Area is Expanded 7. Assignment from Holding to PT IMC to supply fuel throughout the Holding Group 	<ol style="list-style-type: none"> 1. Product prices that depend on Pertamina Discounts are sometimes less competitive (no fixed discount from Pertamina) 2. Is a Pertamina Agent, not a General Commercial Licence, so that the Supply Point depends on Pertamina and cannot supply fuel other than from Pertamina (Agent) 3. Price Competition with Other Competitoes (Non-Agent Pertamina/ INU) 4. With the increase in the operating area, there is a need for additional investment in facilities and amenities (SARFAS) 5. Limited Number of Man Power with the Merger of Holding 1,2,3, and 4 the addition of a wider operational area 6. Post Merger Holding is still volatile, there is a structuring of the business sector in Subholding children and grandchildren of the Company in Holding Group
OPPORTUNITIES	S-O STRATEGY	W-O STRATEGY
<ol style="list-style-type: none"> 1. Market share of Group Holding sector is very large 2. Optimism for SOE Synergy 3. Customer awareness of the costs that must be incurred when there is a Loss 4. Lack of Competence of Customer's Workforce in Handling Fuel 5. Customer Awareness of the Risk of Overstock or Stock Out if managing fuel independently 6. Port loading and unloading productivity 7. Having competent and experienced Human Resources in their fields 	<ul style="list-style-type: none"> - Strengthen PT IMC relationship with the Top Management Group Holding - Expanding market share by promoting in the Group Holding sector 	<ul style="list-style-type: none"> - Change the status from agent to General Commercial License (INU) to get more competitive prices - Increase the number of man power in regional work area 2
THREATS	S-T STRATEGY	W-T STRATEGY
<ol style="list-style-type: none"> 1. Entry of foreign/ private competitors with lower prices 2. Product price changes per period and customers' tendency to look for lower prices 3. Changing Customer Needs 4. Risk of Losses due to Losses arising in the Vendor Held Stock scheme 5. Dependence on Port Business 6. Risk of Losses due to Losses arising in the Vendor Held Stock scheme 7. Holding's future plan to use electrical an energy for loading and unloading activities at the Port (Green Port) 	<p>Prepare offering plans and solutions with vendor-owned stock schemes to customers</p>	<p>Conduct internal training and comprehensive studies to deal with the transition of port loading and unloading activities to the use of electric energy</p>

Table 6. QSPM Matrix

NO	INTERNAL FACTOR	WEIGHT	STRATEGY											
			Strategy 1		Strategy 2		Strategy 3		Strategy 4		Strategy 5		Strategy 6	
			AS	TAS	AS	TAS	AS	TAS	AS	TAS	AS	TAS	AS	TAS
Strength														
1	PT IMC is a subsidiary of the Holding Group	0.09	4	0.35135	4	0.3514	4	0.35135	3	0.35135	3	0.26351	4	0.35135
2	PT. IMC is a company with a business focus on energy supply/ distribution	0.09	3	0.27365	4	0.3649	4	0.36486	4	0.36486	3	0.27365	3	0.27365
3	Pertamina Cross Region Agent / Agent All Pertamina Marketing Operation Region (MOR 1-MOR 8)	0.08	4	0.33784	4	0.3378	4	0.33784	4	0.33784	3	0.25338	3	0.25338
4	Adequate Financial Resources	0.07	3	0.21284	3	0.2128	4	0.28378	4	0.28378	4	0.28378	3	0.21284
5	Port Working Area X is close to the Product Supply Point (TBBM X)	0.07	3	0.22297	3	0.2230	3	0.22297	4	0.22297	3	0.22297	3	0.22297
6	With the Merger of Holding 1,2,3, and 4, PT IMC's Operating Area is Expanded	0.09	3	0.26351	4	0.3514	4	0.35135	3	0.26351	2	0.17568	3	0.26351
7	Assignment from Holding to PT IMC to supply fuel throughout the Holding Group	0.08	3	0.25338	3	0.2534	3	0.25338	3	0.25338	3	0.25338	3	0.25338
Weakness														
1	Product prices that depend on Pertamina Discounts are sometimes less competitive (no fixed discount from Pertamina)	0.07	3	0.22297	4	0.2973	4	0.2973	3	0.2973	3	0.22297	3	0.22297
2	Is a Pertamina Agent, not a General Commercial License so that the Supply point depends on Pertamina and cannot supply fuel other than from Pertamina (Agent).	0.07	3	0.22297	3	0.2230	4	0.2973	4	0.22297	3	0.22297	3	0.22297
3	Price Competition with Other Competitors (Non-Agent Pertamina/ INU)	0.07	4	0.28378	4	0.2838	4	0.28378	3	0.28378	4	0.28378	3	0.21284
4	With the increase in the operating area, there is a need for additional investment in facilities and amenities (SARFAS).	0.07	4	0.2973	1	0.0743	1	0.07432	4	0.2973	2	0.14865	4	0.2973
5	Limited Number of Man Power with the Merger of Holding 1,2,3, and 4 the addition of a wider operational area	0.06	2	0.12162	3	0.1824	3	0.18243	4	0.18243	2	0.12162	2	0.12162
6	Post Merger Holding is still volatile, there is a structuring of the business sector in Subholding, children and grandchildren of the Company in the Holding Group.	0.06	2	0.11486	2	0.1149	4	0.22973	3	0.1723	1	0.05743	2	0.11486
		1.0												
NO	EXTERNAL FACTOR													
Opportunity														
1	Market share of Group Holding sector is very large	0.09	3	0.26087	3	0.2609	4	0.34783	4	0.26087	4	0.34783	3	0.26087
2	Optimism for SOE Synergy	0.08	2	0.15217	2	0.1522	4	0.30435	3	0.15217	2	0.15217	3	0.22826
3	Customer awareness of the costs that must be incurred when there is a Loss	0.07	3	0.21739	4	0.2899	4	0.28986	2	0.14493	3	0.21739	3	0.21739
4	Lack of Competence of Customer's Workforce in Handling Fuel	0.07	3	0.19565	2	0.1304	4	0.26087	2	0.19565	4	0.26087	4	0.26087
5	Customer Awareness of the Risk of Overstock or Stock Out if managing fuel independently	0.08	4	0.30435	4	0.3043	4	0.30435	3	0.22826	3	0.22826	2	0.15217
6	Port loading and unloading productivity is still high	0.08	2	0.15217	3	0.2283	3	0.22826	3	0.22826	4	0.30435	3	0.22826
7	Having competent and experienced Human Resources in their fields	0.08	3	0.23913	4	0.3188	4	0.31884	3	0.23913	4	0.31884	3	0.23913
Threat														
1	Entry of foreign/ private competitors with lower prices	0.08	3	0.23913	4	0.3188	4	0.31884	4	0.31884	3	0.23913	3	0.23913
2	Product price changes per period and customers' tendency to look for lower prices	0.08	2	0.15217	3	0.2283	3	0.22826	4	0.22826	3	0.22826	3	0.22826
3	Changing Customer Needs	0.06	3	0.17391	4	0.2319	4	0.23188	3	0.17391	2	0.11594	3	0.17391
4	There are Operational Costs that must be incurred to carry out Fuel Handling (additional Cost)	0.07	3	0.20652	2	0.1377	4	0.27536	3	0.27536	3	0.20652	1	0.06884
5	Dependence on Port Business	0.05	3	0.16304	3	0.1630	4	0.21739	4	0.21739	2	0.1087	3	0.16304
6	Risk of Losses due to Losses arising in the Vendor Held Stock scheme	0.07	4	0.27536	2	0.1377	3	0.20652	4	0.20652	2	0.13768	3	0.20652
7	Holding's future plan to use electrical energy for loading and unloading activities at the Port (Green Port)	0.06	4	0.24638	3	0.1848	3	0.18478	3	0.18478	2	0.12319	2	0.12319
Total		1.00		6.15731		6.3572		7.2478		6.58813		5.77291		5.8135

7. QSPM Matrix

This Quantitative Strategic Planning Matrix (QSPM) matrix is a tool used to determine which strategy to choose from several strategies that have been previously formulated in the SWOT Matrix. The Quantitative Strategic Planning Matrix (QSPM) measures the level of interest relative to the various existing strategy formulations. Matrix Quantitative Strategic Planning Matrix (QSPM) can be seen in Table 6. Below is a Quantitative Strategic Planning Matrix (Rizal & Hana, 2019).

Table 7. Total Attractiveness Score Value

No	STRATEGY	TAS
1	Strengthen PT. IMC's relationship with the Top Management Group Holding	6.15731
2	Expanding market share by promoting in the Group Holding sector	6.3572
3	Change the status from Agent to General Commercial License (INU) to get more competitive prices	7.2478
4	Increase the Number of Man Power in Regional Work Area 2	6.58813
5	Prepare offering plans and solutions with vendor-owned stock schemes to customers	5.77291
6	Conduct internal training and comprehensive studies to deal with the transition of port loading and unloading activities to the use of electric energy	5.8135

The table shows each strategy's Total Attractiveness Score. The strategy with the highest Total Attractiveness Score will be considered a priority strategy. Below is a table of the Total Attractiveness Score of the specified alternative strategies:

It shows the priority alternative strategy for PT. IMC is Strategy 3, namely changing the status from an Agent to a General Trading Permit (INU) to get a more competitive price with the most significant Total Attractiveness Score value of 7.2478.

The competitive price is believed to gain a competitive advantage, a superior position that surpasses all competitors, achieved by providing consumers with greater value than competitors. A company can gain a competitive edge by offering superior customer value compared to its competitors at the same price or providing the same level of customer value as its competitors but at a lower price (Soeherman, 2022). Pricing strategy is crucial for companies engaged in producing and selling standardized items, primarily concentrating on specific market areas. Implementing the strategy necessitates substantial investments of PT. IMC aimed at enhancing productivity and optimizing the organization's product_high-speed Diesel Bio Solar manufacturing processes, resulting in improved product offerings in Vendor Held Stock

with a Consignment Model and enhancing the business's competitive advantage.

CONCLUSION

Based on the QSPM Matrix analysis, the best alternative strategy that the company can take is the Weakness-Opportunity (WO) strategy; namely, the company is expected to be able to change its original status from an agent to a General Trading Permit (INU) to get a more competitive price. The determination of the strategy is based on the total attractiveness score (TAS), with the highest TAS score of 7.2478. By then, the Vendor Held Stock of the biofuel logistics operation scheme is expected to improve the company's competitive advantage.

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