

FINANCIAL PERFORMANCE ANALYSIS AS A BASED FOR FORMULATING A STRATEGIC PLAN FOR BUSINESS UNIT DEVELOPMENT

Steven Siaila¹ and Dientje Rumerung²

¹Management Study Program, Faculty of Economics and Business, Pattimura University, Jl. Ir. M. Putuhena, Poka Ambon, Kode Pos 97233

²Economics Study Program, Faculty of Economics and Business, Pattimura University, Jl. Ir. M. Putuhena, Poka Ambon, Kode Pos 97233

E-mail: stevensaila14@gmail.com; dientjeru72@gmail.com

ABSTRACT. A study of all aspects of management needs the attention of the management. Financial Management with Financial Performance Analysis summarises the results of the implementation of various company policies in a certain period. It should be an essential management element. This study aimed to examine the determination of business strategies in the context of developing business units based on the results of financial performance analysis. The analysis period in this writing was the period 2012-2019. The analytical technique used in this research was descriptive quantitative that utilized several financial ratios to formulate business unit development strategies that referred to the Five Forces of Michael Porter and SWOT analysis. Based on the calculation result of several financial ratio analyzes, it can be concluded that the financial performance of PD Pantja Karya experienced good results at the beginning of the analysis period, namely 2012 to 2015 or 2016. In the period after 2014-2017, PD Pantja Karya's financial performance tends to be bad. Using the Five Forces of Michael Porter analysis and SWOT analysis, it can be concluded that PD Pantja Karya continued the timber business unit to be carried out by implementing a stability strategy supported by several business management policies. Shipping and land transportation business units should implement a Development Strategy by focusing on operational efficiency.

Key words: financial performance analysis; business unit development

ANALISIS KINERJA KEUANGAN SEBAGAI DASAR PERUMUSAN RENCANA STRATEGIS PENGEMBANGAN UNIT BISNIS

ABSTRAK. Kajian terhadap semua aspek manajemen perlu mendapat perhatian pihak manajemen. Manajemen Keuangan dengan Analisis Kinerja Keuangan merupakan rangkuman hasil penerapan berbagai kebijaksanaan perusahaan dalam satu periode tertentu sudah sepatutnya menjadi unsur manajemen yang amat penting. Penelitian ini bertujuan untuk mengkaji penetapan strategi bisnis dalam rangka pengembangan unit usaha yang dilandaskan pada hasil analisis kinerja keuangan pada PD. Pantja Karya di Propinsi Maluku. Periode analisis dalam penulisan ini adalah periode tahun 2012-2019. Teknik analisis yang digunakan dalam penelitian ini adalah deskriptif kuantitatif yang memanfaatkan beberapa rasio keuangan sebagai penuntun perumusan strategi pengembangan unit usaha yang mengacu pada Five Forces of Michael Porter dan Analisis SWOT. Hasil perhitungan beberapa analisis rasio finansial, maka dapat disimpulkan bahwa kinerja keuangan PD. Pantja karya mengalami capaian yang baik pada awal periode analisis yakni tahun 2012 hingga tahun 2015 atau 2016. Periode setelah itu yakni antara tahun 2014-2017 capaian kinerja keuangan PD. Pantja Karya cenderung menjadi buruk. Dari hasil analisis Five Force of Michael Porter dan analisis SWOT dapat disimpulkan bahwa untuk melanjutkan unit usaha perkayuan dilaksanakan dengan menerapkan strategi stabilitas dengan di topang beberapa kebijaksanaan pengelolaan usaha. Memanfaatkan strategi pengembangan untuk unit usaha pelayaran dan angkutan darat dengan memberikan focus penekanan efisiensi operasi dan pengendalian operasional untuk unit usaha pelayaran dan unit usaha angkutan darat.

Kata kunci: analisis kinerja keuangan; pengembangan unit usaha

INTRODUCTION

Business strategy is a comprehensive study of various aspects of company management in the form of operational management aspects, marketing aspects, resource, and financial management aspects (Zhang et al., 2019). Without ignoring other aspects, the financial management aspect is one of the critical aspects in preparing the company's strategy (Ojera, 2018). The study scope in the financial management aspect is essentially a reflection of the achievements study of all management aspects that have a financial impact on the company (Krylov,

2018). When the company successfully reviews its financial performance, it will get an overview of the achievements of various policies taken by the company in ensuring the sustainability of its business which is reflected in its ability to generate profits (Osazefua Imhanzenobe, 2020). Business strategic implementation has evolved, which refers to four stages. The first stage of business strategy is financial planning, namely, planning based on financial planning (Li et al., 2016). Business strategy bases the discussion on the benefits of financial performance analysis as an essential factor in corporate strategy formulation (C. H. Liu et al.,

2020). Financial performance analysis determines specific measures that can be used to measure the success of an organization or company in generating profits (Omran et al., 2021).

Financial performance is a good prospect for future growth and development potential (Augustyn et al., 2021). Financial performance information is needed to assess potential changes in controlled economic resources to predict the production capacity of available resources in the future (Galeazzo, 2021). In addition, financial performance is a description of the company's success in the form of results that have been achieved (Seifzadeh et al., 2021). Activities have also been carried out to assess the extent to which a company has carried out activities according to the previously planned financial implementation rules (Kiptoo et al., 2021). This study will use the results of the financial performance analysis of PD. Pantja Karya as the basis for formulating a business unit development strategy. If the financial performance of a particular business unit is good, it will have the potential to be developed, and this development will be studied further in the formulation of a business unit development strategy.

Financial performance is a formal effort to assess the achievements that have been carried out by the company so that it helps measure the company's success in generating profits (Kabuye et al., 2019). Therefore, it is clear that the results of financial performance analysis can be used as a determining factor in the formulation of corporate strategy, especially in companies with many business units (Orobia et al., 2020). By utilizing the results of financial performance analysis, the ability to generate profits from each business unit will be known (Vibahakar et al., 2020). The results of this financial performance analysis will be beneficial if the preparation process is based on increasing the ability to generate profits in specific business units. A strategy will be formulated to improve efficiency and increase the ability to generate profits. (Ghadikolaei et al., 2014).

Pantja Karya Regional Company (PD Pantja Karya) is a regional company owned by the Maluku Provincial Government. The development of income and costs of each business unit that PD Pantja Karya engages in are as follows, 1) Land transportation units managed by PD Pantja Karya, since 2012 has experienced a positive trend marked by an average increase of 3% with a trend of fluctuating costs with significant variations. 2) The shipping business unit has an increasing trend of 129%. Then, it experienced a downward trend until 2017. The upward trend reached 34%, and after that, it experienced a

downward trend and reached a decreasing value of 8% in 2018. In 2017, there was an addition of KMP Tanjung Sole. The income of the company has increased to Rp. 38.46 Billion. However, when there was an addition of the KMP Lelemuku, the income decreased to Rp. 24.04 billion. 3) A timber business unit is a business unit whose very fluctuating income trend with the value of achieving an increasing income of 55% in 2012 and the lowest trend of increasing income of 1% in 2014. Even in 2015-2016, this business unit's income trend has decreased by more than 2 billion rupiahs. This decline in income is closely related to the end of the work contract with the partner and the inability to reach an agreement with the new HPH (Forest Concession Rights Holder) managing partner. The average increase in the cost of this timber business unit is only 6%. The timber business unit requires better cost management to avoid the realization of costs that fluctuate from year to year in large numbers.

The land transportation service business served by Trans Amboina still needs to pay attention to the operational efficiency factor of transportation services because there is a tendency to increase costs faster than the increase in income. For motorized Ferry Ship (KMP) shipping services, there is increasing income, getting minor from time to time. The timber business unit develops the HPH area, which has decreased due to forest encroachment into the garden and residential areas and a form of partnership resulting in income loss due to the partnership's end. The preparation of the company's annual work plan and budget has not been based on business strategy planning.

The development of the trading business unit, the shipping business unit tends to be poor and other business units are better. Specifically for the shipping business unit, the increasing number of fleets actually worsened the condition of performance. Therefore a strategic study is needed in the development of business units in PD. Pantja Karya.

METHOD

Quantitative descriptive analysis was used in this paper. Financial statement data were analyzed by financial ratio analysis to then be used as the basis for descriptive analysis directed at determining the business unit development strategy. This analysis utilizes a SWOT analysis as a tool to determine the business unit development strategy. SWOT analysis was used to formulate a strategy related to the explanation of the Five Forces of Michael Porter (Alyas et al., 2017)

The primary and secondary data are taken and used to achieve research objectives. Secondary

data was extracted from published and unpublished records such as PD Pantja Karya annual reports. The Primary data was collected on the strategic planning process and several performance indicators using a Likert-type scale. Our primary data collection instrument was a questionnaire consisting of closed-ended questions and structured open-ended questions. Top management (CEO/MD, general manager, and line manager) was the primary target respondent of the research. We managed to conduct interviews with the leadership of the PD Pantja Karya from the General Manager and four Managers from the sub-section.

RESULTS AND DISCUSSION

Business Development of PD Pantja Karya was presented by first presenting the development of business units in PD Pantja Karya as follows.

1. The Development Of Land Transportation Business Unit (Trans Amboina)

Land transportation units are productive business units that need special attention to control costs by prioritizing efficiency. With the increase in the KMP fleet to 7 units, it is necessary to control operational costs to lower additional costs than the increase in operating income.

The development of this land transportation business unit has experienced a positive upward trend since 2012. Since starting operations in 2012, this business unit experienced an increasing trend of 3% and reached 89% in 2015. However, it decreased by 67% after that. The average trend of increasing income for this business unit is 57.6%. In the first three years of operation of the land transportation business unit, it experienced a loss of Rp. 398,924,100,- but the operating cost was Rp. 578,818,500,- resulting in a loss as stated in the table below. In 2013, the total income of the land transportation business unit was Rp. 410,891,823, - at the cost of Rp. 723,523,125, - so that the losses were still getting bigger. In 2016, the income achieved was Rp. 799,170,500,- resulting in a loss, but the number has dwindled. In 2017, the company was running this land transportation business unit began to enjoy a profit of Rp. 187,765,395,- and continues to increase until it reaches Rp. 725,597,111,- in 2018.

Overall, the average growth in income growth for land transportation business units was 56.7%. It was much higher than the average growth in operating costs for business units, 36.3%. This condition of increasing income is an indication that the land transportation business unit was starting to

enter good development and had the potential to be further developed in the future. This description is visualized can be shown in Figure 1.

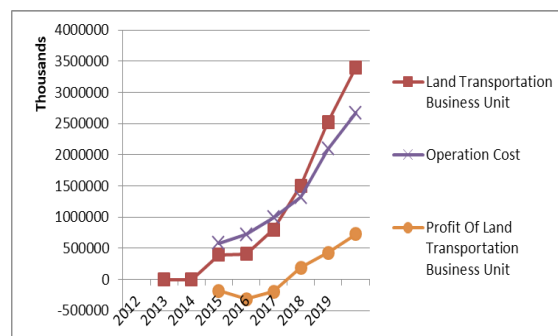


Figure 1. The Development of PD Pantja Karya's Land Transportation Business Unit in 2012-2019

2. Development Of Shipping Business Units

The shipping business unit is the second business unit with a high upward trend. In 2012, the position of the shipping business unit reached an increasing trend of 129%. Then, it experienced a downward trend until 2017. The upward trend reached 34% and continued to experience a downward trend reaching a value of 8% in 2018. The average income growth from this business unit was 45%.

There are contradictory conditions in 2017. An addition of KMP Tanjung Sole increased the company's income from around Rp. 19 billion to Rp. 26 Billion. However, the addition of KMP Lelemuku in 2018 decreased the business unit's income more than Rp. 23 billion. The increase in income from the shipping business unit was an average of 43.5% for the 2012-2019 period. The shipping cost tended to fluctuate from -11% to the highest 82.4%, with an average increase in costs during the 2012-2019 period of 39.3%. This situation shows that the increase in income from the shipping business unit is higher than the average cost increase during the 2012-2019 period. These developments indicate that the company has not managed the operational costs of shipping activities properly. When the company can control costs, the development of operating costs, despite the addition of a fleet of ships, will be controlled. Through cost control, the development of costs will undoubtedly be controlled on the one hand. On the other hand, the company must be able to develop promotional efforts in order to be able to increase the number of KMP service users. Therefore, it will positively impact the company in generating operating profit from time to time.

The shipping unit has a fluctuating increase in conditions indicating an increase in costs that have not been well controlled and planned. Therefore, for this business unit, controlling operating costs by prioritizing efficiency must be the focus of

development in the future. Operational cost control should receive significant attention. A clearer picture is shown in Figure 2.

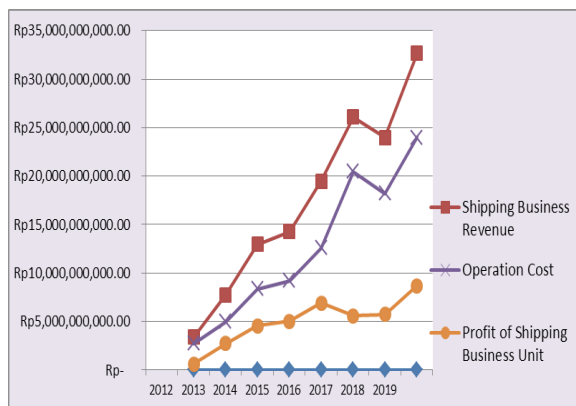


Figure 2. Development of PD Pantja Karya's Shipping Business Unit in 2012-2019

3. The Development Of Forestry Business Units

A timber business unit is a business unit whose income development is significantly fluctuating, with the highest income increase of 55% in 2014 and the lowest trend of increasing income of 1% in 2016. Even this business unit's income trend decreased by about more than 2 billion rupiahs in 2017-2019. This income decline is closely related to the end of the work contract with partners, which is also followed by the inability to reach an agreement with the new HPH managing partner.

The timber business unit is the company's core business unit. The company's HPH area has decreased from time to time due to forest encroachment into plantation areas and the conversion of land to residential areas. Another influential element is that a partnership agreement has not been reached, resulting in income loss due to the end of the partnership. The development of the timber business unit is a business unit that is present simultaneously as the presence of PD Pantja Karya. It can be said that the timber business unit is the oldest in the company. The data shows that the income of the timber business unit increased by an average of 19.88%. In comparison, costs experienced an average increase of 0.70%. Timber business unit got income Rp. 2.937,762,400,- in 2012. It always increases until it reaches Rp. 7,769,590,500,- in 2017 and decreased to Rp. 5,459,433,000,- in 2018. It increased again to Rp. 8,357,019.000,- in 2019. For the operating costs of the timber working unit in 2013, there was a decrease of 0.40% compared to 2012. After that, the operational costs of the timber business unit increased until 2019 to Rp. 1,935,000,000,-. However, there was a decrease of 0.19% in 2018. Profits achieved throughout the analysis year showed an increasing trend until 2019, with an average increase of 17.02%.

Although the condition of this timber business unit is still in good condition, the actual area of its HPH continues to decline from time to time. It is along with the conversion of land into gardens, settlements and others, and population distribution. Visualization of the development of the timber business unit is shown in Figure 3.

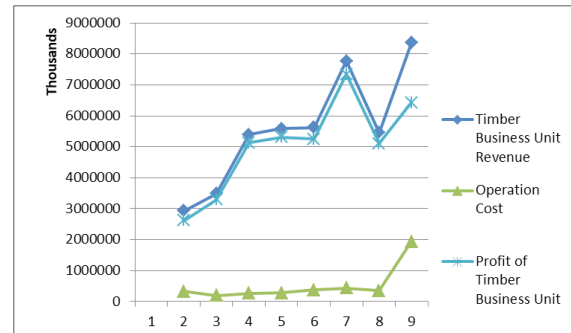


Figure 3. The Development of PD Pantja Karya's Timber Business Unit in 2012-2019

4. The Development Of The Workshop Business Unit

The workshop business unit is one of the oldest business units organized by PD Pantja Karya. This business unit has experienced a very unsatisfactory development. The data on vehicles that this business unit has served compared to the development of four-wheeled vehicles and above in Ambon City is very disproportionate. Compared to the number of vehicles served throughout the year and then translated each month, buses for almost half a year at different times each month do not serve even 1 bus. Likewise, the workshop business unit only serves 9 to 11-12 cars per month for four-wheeled vehicles.

Compared to the availability of facilities, it is felt that the number of vehicles served is still deficient and needs to be increased. The development of the number shows an increase for four-wheelers, but it decrease from 2017-2018 to 2018-2019 is decreasing. For buses, it has experienced a natural decline during the analysis period. The workshop business unit in 2020 is no longer listed as an operating business unit..

The Development of PD Pantja Karya's Financial Performance.

The development of PD Panca Karya's financial performance identified in the calculation of several company financial ratios is shown in the following table1.

1. The Development of PD Pantja Karya's Liquidity Ratio

The company's liquidity position will be detected by Current Ratio, Quick Ratio, and Cash Ratio. It can be seen in the table and figure below

that starting in 2012, the current ratio and quick ratio experienced a similar and significant increase until 2017. In 2012, the current ratio was 66.36. This figure shows that every Rp. 100,- current debt, PD Pantja Karya is guaranteed with a current asset of only Rp. 66,- this figure moved up to 110.29 in 2014 and moved up to reach 470.54. The development of this ratio further decreased in 2018 to 134.55 and rose slightly to 13.55 in 2019. This figure means that only at the beginning of the year the analysis of current debt is guaranteed with current assets below Rp. 100.

Table 1. The Development of Several Financial Ratios of PD Pantja Karya 2012-2019

YEAR	Current Ratio	Quick Ratio	Cash Ratio	Total Assets Turn Over	Fixed Assets Turn Over	Gross Profit Margin	Op. Profit Margin	Net Profit Margin
2012	66.36	64.88	10.86	127.55	783.92	43.56	8.60	10.97
2013	110.29	107.37	13.72	212.19	1296.41	48.84	18.82	39.94
2014	227.38	225.89	70.77	117.17	348.25	16.91	16.50	19.33
2015	216.14	214.88	63.54	54.78	81.61	26.75	17.75	9.72
2016	100	384.07	144.11	68.10	103.81	16.90	15.59	10.62
2017	470.54	470.26	163.44	83.08	138.31	36.53	11.22	9.32
2018	134.55	134.49	69.26	56.87	122.08	0.57	8.72	4.96
2019	152.72	152.64	63.24	79.84	168.01	31.62	9.93	7.93

Furthermore, the quick ratio also experienced a similar development with the current ratio in the company. The company's quick ratio in 2012 was 64.88 and moved up to 107.37 in 2013. Then, the quick ratio reached above one hundred, namely 225.89 in 2014. It decreased slightly to 214.88 in 2015; it jumped to 384.07 in 2016 and then rose again to reach 470.26 in 2017. However, it fell to 134.49 in 2018 and rose to 152.64 at the end of the analysis period.

Suppose you look closely at the development of the company's liquidity ratio. In that case, the cash ratio position is even more prominent when the current and quick ratio is in a high position. This condition shows that the company has a relatively high value of receivables in line with the increase in the current asset position in general. The dominance of these debts indicates the low quality of the company's short-term debt guarantees. Moreover, employee debts also have a significant amount of the company's overall debts. The company must pay attention to the company's debts collection policy so that its position is at a controlled level.

2. The Development of PD Pantja Karya's Activity Ratio

The measurement of achievement of PD Pantja Karya's activity informs the productivity of assets in generating income, measured by the Assets Turnover Ratio and Fixed Assets Turnover Ratio. Table.1 present the development of the two ratios during the 2012-2019 period

The data in Tabel.1 shows that the tendency of the achievement of the PD Pantja Karya's activity ratio only increased in 2013. However, it experienced a declining turnover until 2019 after that. In 2012, the achievement of the activity ratio was 127.55. This achievement informs that Rp. 100 is an asset capable of generating an income of 127.55. In 2013, the achievement ratio increased to 212.19, which means that every Rp. 100,-, the asset generates an income of Rp. 212.19. In 2014, the condition changed to 117.17, which means that every Rp. 100- asset capable of generating income of Rp. 117.17. This situation in the following years decreased until reaching 56.87 in 2018, which indicates that every Rp. 100- assets can only generate income Rp.56.87.

When traced through the fixed asset turnover as a measure of the effectiveness of fixed assets, it is identified that the development of the company's fixed asset turnover in the analysis period is very high at 783.92. It informs that every Rp. 100- utilization of fixed assets will generate sales of Rp. 783.92. This situation continued in 2013 to 1,296.41, which means every Rp. 100 utilization of fixed assets can generate Rp income. 1,296.41. The subsequent development was in 2014. There was a drastic decrease to only 348.25, which means every Rp. 100,-, the use of fixed assets generates sales of only Rp. 348.25. This situation continued in 2015, reaching only 81.61. In 2016, it increased to 103.81 and in 2017 to 138.31. In 2018, it rose slightly to 122.08, and in 2019 it rose slightly again to 168.01.

These developments show that the company's fixed assets rotated relatively high initially. However, along with business developments in the ferry and sea transportation business units, the company could not more productively utilize its fixed assets to generate income. Therefore, even though the status of fixed assets is managed as a loan, it results in a worsening management trend. The asset turnover and fixed assets indicate that the management of the ferry and land transportation business unit needs special attention in order to improve its operational achievements.

3. The Development of PD Pantja Karya's Profitability Ratio

Discussion of the ability to generate Profitability was detailed by calculating each business unit's operating profit margin ratio. At the beginning of the analysis period, the development of profitability ratios increased, and it decreased until the end of the analysis period after 2018. In 2014, the achievement of Gross Profit Margin was 43.56%, which means the ability of PD Pantja Karya generates from each sale

of Rp. 100, - able to generate a profit of Rp. 43.56. In 2015, the achievement of the Gross Profit Margin ratio of PD Pantja Karya was Rp. 48.84 for each sale of Rp. 100, -. It also continued in 2016, amounting to Rp. 48.96. After that, it decreased to Rp. 47.66 in 2017. The declining condition continued until 2018 reaching Rp. 35.34 and slightly increased again in 2019 to Rp. 35.63 for each sale of Rp. 100,-.

The development of the operating margin ratio is Rp. 5.45 for each sale of Rp. 100,-. The development of this increase continued until 2012, which amounted to Rp. 20.91 for each sale of Rp. 100,-. In 2014, the ratio was 18.68, which means every Rp. 100 - will generate an operating profit of Rp. 18.68; then back down to Rp. 14.89 for each sale of Rp. 100,-. In 2016, it decreased again to Rp. 14.89, and in 2018 it decreased to Rp. 8.91 for each sale of Rp. 100, -. Then, it rose slightly to Rp. 10.98 in 2019.

The development of the Net Profit Margin ratio is 2012 reached Rp. 8.72 for each sale of Rp. 100,-. In 2013, the net profit margin was Rp. 18.85 for every Rp. 100- generated sales. In 2016, it decreased to 16.50 and further slightly increased to 17.75 in 2017. Further developments in 2016 to 2018 continued to decline to 8.72 in 2018 and slightly increased in 2019 to 9.93. The net profit margin ratio development shows a more volatile condition than the other 2 (two) ratios. This achievement of operating profit shows that PD Pantja Karya has an unfavourable prospect in the future for this trading business unit. Therefore, the decision to discontinue this business unit is the right one. The operating profit margin could not be calculated for the workshop business unit because the achievements of this workshop business unit were not found in PD Pantja Karya's financial statements. The results of this study support the research of Dedy Suhendro (2017).

4. The Development of Operating Margin Ratio for Each Business Unit at PD Pantja Karya 2012-2019

The Operating Margin of Each Business Unit at PD Pantja Karya can be seen in the following table.

Table 2. Development Of Operating Margin At PD. Pantja Karya.

Operating Profit Margin Of			
Timber Business Unit	Shipping Business Unit	Land Transportation Unit	Trading Unit
89.08	19.09	-	20.29
94.51	35.46	-	18.02
95.12	35.42	(45.09)	3.46
95.12	35.42	(76.09)	3.46
93.26	35.35	(24.33)	30.63
94.46	21.47	12.46	13.91

a. The development of the operating profit margin of the timber business unit

The company's operating profit margin has experienced a less volatile development. It can be seen in the achievement of operating profit margins of business units which ranged from 76.85 to 95.12. The lowest figure for the operating profit margin of the timber business unit occurred in the last year of analysis, namely in 2019, of 76.85. Meanwhile, achievements between 2012 and 2018 ranged from 89.08 to 95.15, with an upward pattern in 2012-2016, starting from 89.08 in 2012, 94.51 in 2013, and 95.12 in 2015. Then, from 2016 to 2018, it fluctuated with a downward trend between 95.12 in 2014 and 2015 to 93.62 in 2018.

The development of the operating profit margin of the timber business unit shows that this business unit has started to experience a downward trend since 2016. This decline is closely related to the depletion of HPH forest areas due to settlement and development activities carried out in line with the development of the South Buru Regency area.

b. The Development Of Shipping Unit Operating Profit Margin

The achievement of operating profit margins for business units during the 2010-2017 period did not occur much in achievements. The operating profit margin in 2012 was in the position of 19.09%. It means that the company's operating profit from each Rp. 100, - is Rp. 19.09. In 2013, it increased to 35.46, and in 2014 it became 35.42. After that, in 2015 and 2016, it decreased slightly to 35.35 in 2016. In 2017, there was a decrease in the achievement of this business unit's operating profit margin to 21.47. Then, it rose slightly to 23.98 in 2018 and rose again in 2019 to 26.56%. Therefore, the operating profit margin of this business unit from each Rp. 100,- sales are in the range of Rp. 21.47 to Rp. 35.35. The primary mission of the ferry service carried out by the company has the mission of opening the isolation of the area.

c. The Development of operating margins of land transportation units

The achievement of the operating profit margin of the land transportation business unit started its presence with losses from 2012 to 2017. However, its development increased from 2017 to 2019. This business unit started its presence in the company by creating a loss of (45.09%) in 2012 and increased to (76.09%) in 2013. Subsequently, it decreased until it only reached (24.33%) in 2014. The achievement of operating profit margin starting in 2017 is the

achievement of a profit margin of 12.46%. It continuously increased to 17.04 in 2018 and reached 21.34 in 2019. Therefore, it can be said that this land transportation business unit is starting to control its operations so that it can record a profit of Rp. 21.34 from every Rp. 100,-

d. The Development of Trading unit Operating Profit Margin

A trading business unit is a business unit that trades various products ranging from motorcycles made in China to sales of asphalt and cement products. Its development is very volatile. Even since 2016, this business unit has stopped its business activities. The development of the operating margin of the trading business unit is very volatile. Since 2010, an operating margin of 20.29% has been achieved, which means that each sales achievement is Rp. 100,-. It will be able to generate an operating profit margin of Rp. 20.29 and then decreased to 18.02% in 2012. In 2013, it reached the same number at a 3.46% position, then in 2017 it jumped to 30.63%, and finally, in 2017, it reached only 13.91%. In the following years, this business unit was no longer operating. The development of the operating profit margin of this trading business unit is shown in Figure 10.

Data in table.2 shows how fluctuating the operating profit margin of this trading business unit is. This condition indicates that the commodities sold by PD Pantja Karya are a commodity whose market share is difficult for the company to penetrate. This operating profit margin achievement shows that PD Pantja Karya chose this trading business unit to have an unfavorable prospect in the future. Therefore, the decision to discontinue this business unit is the right one. For the workshop business unit, the operating profit margin cannot be calculated because the achievements of this workshop business unit are not found in PD Pantja Karya's financial statements.

Porter's Five Generic Forces Analysis

Michael Porter put forward a very well-known theoretical conception when analyzing competition or competition analysis. This theory is known as Porter's Five Forces Model. Porter assesses that the company is not only competing with companies that exist in the industry today (Porter, 2008). The first force that is often a focus for marketers is the issue of the intensity of rivalry or competition between players in the industry. The intensity of competition is usually influenced by many factors, such as the product cost structure. For example, the more significant the portion of fixed costs in the cost structure, the higher

the intensity of competition because each seller has a high level of break-even point so that in general they have to sell products in large quantities, and if necessary, "slam the price" in order to reach the break-even level. (J. Liu & Santos, 2015).

PD Pantja Karya is a regional company engaged in several central business units such as the timber business unit, shipping business unit, and land transportation business unit with the most significant contribution. In addition, there is a sawmill business unit and a trading business unit. The last-mentioned business units are units whose contribution to operating income is relatively lower.

The current intensity of competition between players for the central business units of PD Pantja Karya can be explained in Table 3.

Table 3. Michael Porter's Generic Strength Formulation on PD Pantja Karya

Business unit	Intensity of Competition Between Market Participants
Timber	1. PD Pantja Karya has experience in the timber working business and controlling operating costs to achieve low costs.
	2. Achievement of a relatively high operating profit margin due to low operating costs.
	3. The company has various facilities for handling the timber business, making it possible to reduce the cost of preparation to felling.
	4. The partnership system allows PD Pantja Karya to avoid high costs in HPH management.
Shipping	1. The highly volatile development of operational costs indicates the need to control operating costs.
	2. The provision of KMP transportation facilities every year since 2014 has encouraged opportunities to further optimize the operation of business units through increased operational efficiency.
Land Transport	1. The company operates large, high-carrying vehicles enabling lower unit costs.
	2. The relatively high intensity of competition benefits PD Pantja Karya because Trans Amboina has the flexibility to serve the community to control operating costs.
	3. It is necessary to control this business unit, especially the vehicle personnel.

Second, the entry threat from new entrants. This power is usually influenced by the size of the barriers to entry into the industry. Barriers to entry into the industry, for example, include the amount of investment required, licensing and access to raw materials, access to distribution channels, brand equity, and much more. The higher the barrier to entry, the lower the threat of entry for new entrants. The detail can be seen in Table 4.

The third is the bargaining power of suppliers. Usually, the fewer suppliers, the more critical the product being supplied, and the stronger the bargaining position. The timber business unit, shipping business

unit, and land transportation business unit require large amounts of fuel. It allows the company to cooperate with Pertamina to obtain more certain fuel in the amount as needed. This condition is complex for other companies to follow because the amount of fuel purchased by the company for the six KMPs is not small. In addition, the timber business unit with a large HPH area is very profitable for the company to build partnerships with large and robust companies. The fourth is the bargaining power of buyers, where we can see that the bigger the purchase, the more choices available to buyers and, in general, will make the buyer's position stronger. In the business units involved in PD Pantja Karya, the buyers are complicated to identify, so there are no potential large buyers who can disrupt the company's bargaining position.

Table 4. Newcomer Entry Threat

Business unit	Newcomer Entry Threat
Timber	<ol style="list-style-type: none"> 1. PD Pantja Karya has experience in the timber business and has an extensive network in building partnerships to market the results of the timber unit. Competitors do not easily imitate this situation. 2. The availability of various facilities in the stockpile area (in South Buru Regency) is an expensive investment that competitors do not easily imitate. 3. The HPH area is no longer possible for new companies to enter.
Shipping	<ol style="list-style-type: none"> 1. The type of KMP transportation owned by the company is highly valued, which is not easy for competitors to follow. 2. Other companies do not own the task of supporting the elimination of isolation. BUMN only owns it 3. The large size of the ship is impossible for other competitors to imitate easily
Land Transport	<ol style="list-style-type: none"> 1. Companies operating large vehicles with a large carrying capacity are also problematic for other companies to imitate. 2. Other competing companies cannot imitate flexibility in serving service lines. 3. The attention of the government (Ministry of Transportation) allows companies to obtain transportation equipment without having to buy their own

The fifth or the last is a matter of substitute products. It is about how many substitute products are in the market. The availability of many substitute products will limit the flexibility of players in the industry to determine the selling price of the product. Substitutions for the yield of timber units are available but are not commonly used by the general public. Automatically, the final product of the timber working unit can still avoid the need for switching due to substitution. KMP shipping and land transportation services have various substitutions for shipping and

land transportation units. However, competitors are challenging to follow due to the carrying capacity of shipping units and land transportation units owned by PD Pantja Karya. According to the formulation of the 5 forces stated above, the next step is a SWOT analysis to formulate a strategy following the explanation of the Five Forces of Michael Porter. The SWOT analysis table for the above explanation can be seen in the following table. Furthermore, the IFAS and EFAS are included in the 4 (four) quadrant diagram used in the SWOT analysis. The results are as shown in Figure 4.

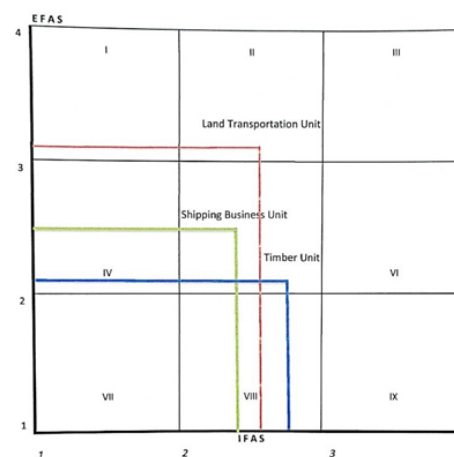


Figure 4. SWOT Analysis of 4 Quadrants Business Units at PD Pantja Karya

The results of mapping the results of IFAS and EFAS for business units in PD Pantja Karya that are confirmed to be in the strategic development position are as follows:

1. The Timber Business Unit is in position V in the distribution of 9 (nine) positions in the SWOT analysis quadrant. In this position, the strategy developed is the Stability Strategy. This Stability Strategy requires PD Pantja Karya to strive to ensure the sustainability of business units that prioritize business efficiency to increase the profitability of business units. Therefore, PD Pantja Karya must maintain the ongoing business unit with improvements according to the elements of the weaknesses of this business unit, such as the addition of supervisory personnel for the operation of logging operations to document processing. Consequently, the timber can be traded according to the applicable regulations. Then, PD Pantja Karya should strive to improve the equipment rental mechanism to transport timber logging from the logging area to the timber stacking area on the coast. Another thing that needs attention is the preparation of business diversification efforts that are still related to timber.

2. The Shipping Business Unit follows the picture presented above. The timber business unit must develop a stability strategy. In this shipping business unit, the main thing is to focus on monitoring the operationalization of PD Pantja Karya's ships, which is consistent with historical data results. It tends to decrease efficiency, which will harm efforts to increase the profitability of business units. Another important thing that must be considered is how the company seeks to find opportunities to diversify the operation of shipping services that are public services with the delivery of profit-oriented shipping when these ships do not sail through public services. PD can improve cruise comfort by providing more pleasant facilities for passengers, especially in enjoying culinary facilities managed by the company itself.

The Land Transportation Business Unit, according to the mapping in the image above, shows that this business unit must develop a Growth Strategy. The development of this growth strategy is following the development of this business unit which has begun to experience profit growth. Therefore, it has improved profitability over the last few years. This land transportation business unit must be supported by intense promotion and diversification of land transportation services by linking themselves with providing transportation facilities to tourist areas. In addition, PD Pantja Karya must explore opportunities to integrate land transportation with shipping transportation.

The proposed strategic plan is to create an interconnection of land transportation with ferry transportation. Land transportation starts from Ambon City to Hunimua or Mamokeng and then continues by ferry to Waipirit. Then return to land transportation from Waipirit to Masohi, Piru and Saparua. Service users will pay for a travel package via interconnection of land transportation and crossings.

CONCLUSION

Based on the calculation and calculation results in discussion as stated above. Several things can be concluded as follows, 1) based on the calculation results of several financial ratio analyses, PD Pantja Karya's financial performance experienced good results at the beginning of the analysis period, namely 2012 to 2013 or 2014. The period after that was between 2014-2017. The achievement of PD Pantja Karya's financial performance tends to be bad.

2) According to the Five Forces of Michael Porter analysis and SWOT analysis, it can be concluded that (a) by implementing a survival strategy, PD Pantja Karya can continue the timber business unit supported by several business management policies, (b) Improving the operating efficiency of the shipping business unit, (c) Improving the operational control of the land transportation unit so that it is more able to generate profits.

The results of the analysis of the financial performance of business units that are always changing according to changes in business environmental conditions and changes in the global environment require adjustments to the right strategic plan in the development of business units (Dahlan, 2018).

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