
RESEARCH ARTICLE

Proposed Business Strategy In Sulawesi And Maluku Region: A Case Study of Xyz

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ABSTRACT

The world economy is contracting because of war and widespread inflation. The Indonesian economy is still growing faster than the world average, though—roughly 5–6% faster. As a result, the company's growth and profitability in Indonesia depend on its growth plan. Services and consumables make up the Indonesia business area of XYZ. Although XYZ is already a key player in the services and consumables industry, to stay in line with the company's strategy, XYZ must grow in the Sulawesi and Maluku regions. According to current market understanding, mining is a rapidly expanding industry in Indonesia. As a result, mining is the best industry to investigate for XYZ services and consumables, and it is the best growth plan in this sector to increase the company's revenue. In order to perform this study, a framework for business strategy research is created, data is gathered, and research is reviewed. Structured interviews with respondents from all throughout Indonesia are used to gather data. Questions are posed to many departments inside the respondent's organization, including the management, sales, customer service, operations, repair, and logistics departments. The VRIO, PESTEL, PORTER Five Forces, and SWOT methods will be used to analyze the internal and external circumstances that are relevant to this investigation. Choosing the best approach to grow the Sulawesi and Maluku regions is crucial to increasing the revenue for XYZ in Indonesia. Using the Diamond Strategy framework is one of the methods used to formulate a strategy to achieve the objective. This framework can define each element of Arenas, Vehicles, Differentiators, Staging, and Economic Logic. Finally, XYZ anticipates it will include a clear implementation plan to execute this proposed strategy. With this, XYZ will be able to increase its revenue in Indonesia further.

KEYWORDS

Business Strategy, Original Equipment Manufacturer, Mining, Revenue.

ARTICLE INFORMATION

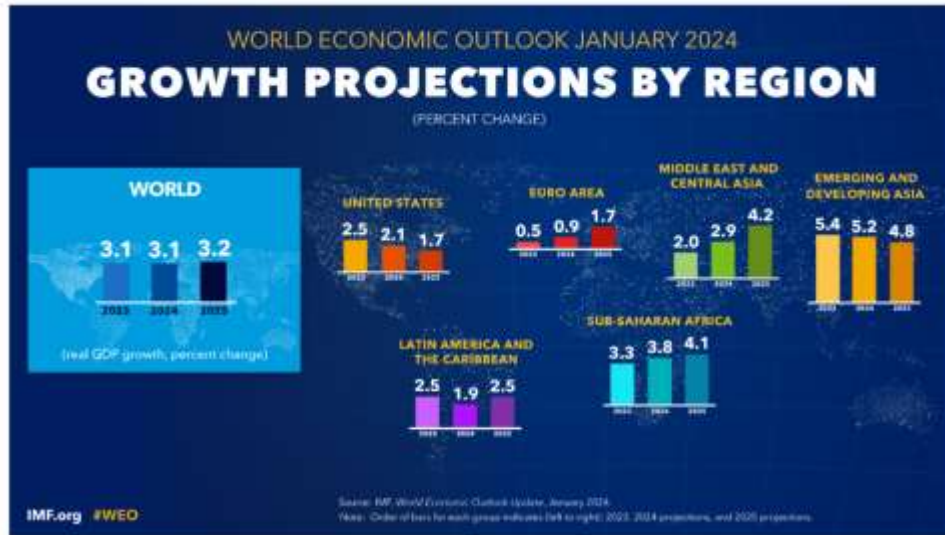
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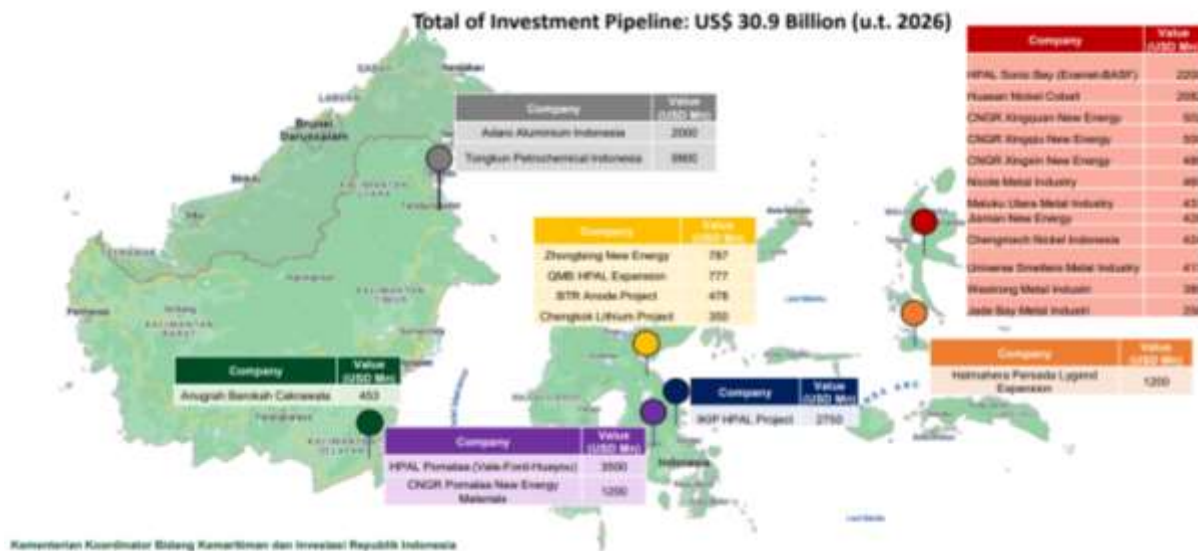
1. Introduction

The world economy is now facing difficulties due to high interest rates, inflation, and consumers' limited purchasing power, which causes demand to be sluggish. This limits the industry's ability to develop further and puts most of the companies in difficult positions. Moreover, the price of commodities continues to decline globally, impacting the company's profitability and raising concerns from Wall Street investors and stakeholders. It is imperative that this dilemma be resolved, and most businesses use two strategies. To raise and improve productivity, first, minimize costs by decreasing labor costs, raw materials costs, and bottlenecks. Second, as prices fall, expanding the firm will increase the company's top line. Thus, expanding your company is one approach to get over this. A 3.1% growth in the global economy is predicted by an IMF study for 2024. Asia, including Indonesia, is predicted to expand by around 5% on average in the meantime. As a result, Indonesia is a crucial area for accelerating corporate development since its GDP growth rate exceeds the world average. As a result, we must choose how to build up the plan to prevail in the competition and expand the company in Indonesia.



Source: IMF.org, 2024
Figure 1. Global GDP Growth Rate

Indonesia is the largest archipelago in the world to form a single state, consisting of five main islands and some 30 smaller archipelagoes, totaling about 17,001 islands and islets. This condition is resulting in more challenging conditions for XYZ to support customers in terms of the goods and manpower delivery to the customer site. Sulawesi and Maluku become the busiest regions in the last 2 years after becoming one of the strategic regions from the Government of Indonesia for the Nickel industry and electric vehicle supply chain roadmap. One of the Government of Indonesia's plans to achieve net zero carbon by 2060 is to have electric vehicles in the transportation sector, which will increase the demand for battery consumption. Nickel Laterites, which have abundant resources, typically at the surface and low cost of extraction (compared to Nickel Sulfides) is dominantly developed in Indonesia. Tailing management is one of the challenges for Mining Companies in Indonesia, which, based on the Ministry of Energy and Mineral Resources regulation in 2018, requires a proper tailing storage facility. Dry stacking is becoming more widespread and addresses many of the challenges of tailings dams, which has some key advantages such as smaller areas, less water resources, fewer geotechnical issues, etc. A lot of tailings filter plant projects are constructed in Sulawesi and Maluku Island.



Source: Kementerian Koordinator Maritim dan Investasi Republik Indonesia, 2023
Figure 2. Nickel Industry Investment until 2026

Starting in 2021, approval for the Tailing Disposal Permit has been taken over by the Central Government. Stricter requirements applied; hence, permits for TSF (Tailing Storage Facility) and DSTP (Deep Sea Tailing Placement) have been more difficult to obtain.

Dry stack has been looked at as a safer and greener option. Hence he permits is "easier" to get. It greatly improves the structural stability of the material storage, requires less storing space, and enables the recycling of the filtrate back to the processing plant.

Sulawesi, also known as Celebes, is an island in Indonesia. One of the four Greater Sunda Islands and the world's 11th largest island, it is situated east of Borneo, west of the Maluku Islands, and south of Mindanao and the Sulu Archipelago. The island slopes up from the shores of the deep seas surrounding the island to a high, mostly non-volcanic, mountainous interior. Off the eastern coast of Sulawesi, the North Banda Sea was created through subduction rollback during the early Miocene. Off the coast of east Sulawesi and Banggai is an accumulation of carbonate rocks from the late Miocene. These carbonates are likely pinnacle reefs, and the carbonate platform has a total thickness of around 180–770 meters. Sulawesi, in contrast to most of the other islands in the biogeographical region of Wallacea, is not truly oceanic but a composite island at the center of the Asia-Australia collision zone.

The Maluku Islands, or the Moluccas, are an archipelago in the eastern part of Indonesia. Tectonically, they are located on the Halmahera Plate within the Molucca Sea Collision Zone. Geographically, they are located east of Sulawesi, west of New Guinea, and north and east of Timor. The geology of the Maluku Islands shares much similar history, characteristics, and processes with the neighboring Nusa Tenggara region. There is a long history of geological study of these regions since Indonesian colonial times; however, the geological formation and progression are not fully understood, and theories of the island's geological evolution have changed extensively in recent decades. The Maluku Islands comprise some of the most geologically complex and active regions in the world, resulting from their position at the meeting point of four geological plates and two continental blocks.

XYZ has been a frontrunner in sustainable technologies, end-to-end solutions, and services for the aggregates, minerals processing, and metals refining industries globally for more than 150 years. XYZ improves their customers' energy and water efficiency, increases their productivity, and reduces environmental risks with XYZ's product and process expertise. XYZ has 16,000 employees globally in 45+ countries. This company came from two big companies which merged into XYZ in 2020. In Indonesia itself, XYZ opened its representative office in 1997. After the merger in 2020, the company took some corporate action, developed a business strategy, and developed expansion plans for all representative offices, including XYZ Indonesia. The objective is to grow and sustain their business and revenue as a customer requirement. The nickel and other metals growth industry in Sulawesi and Maluku region in the last 2 years created many opportunities for XYZ. There are many new customers, and both local and foreign direct investments build new mining, minerals, and metals refining plants in those regions. XYZ, as an Original Equipment Manufacturing (OEM), also gets several orders for equipment such as an SAG Mill, Ball Mill, Thickeners, Filters, Pump, and other equipment. By that, it is important for XYZ to develop a strong business strategy to increase revenue from Sulawesi and Maluku region customers. This research will focus on how XYZ can increase its revenue by defining a suitable business strategy.

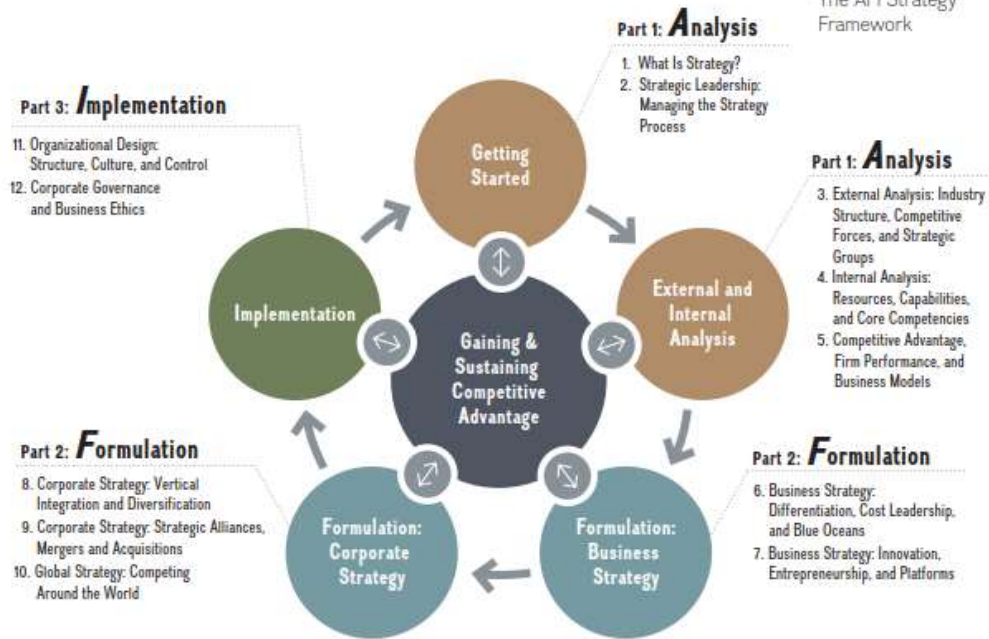
2. Literature Review

2.1 Problem Exploration

Driven by globalization, technology, and natural resources availability, the Mining, Minerals, and Metals business environment has changed drastically over the last 10 years. To ensure survival and growth, the organization needs to eliminate its weaknesses and confirm its strength through the effective implementation of the company's strategy. The objective of a well-crafted strategy is not merely temporary competitive success and profits in the short run but rather the sort of lasting success that can support growth and secure the company's future over the long term (Thompson et al., 2018). The strategic management must find the best way to win the competition. To understand the business solution for XYZ, the focus analysis and examination of this final project will be mainly on strategic management.

EXHIBIT 1.3 /

The AFI Strategy Framework



Source: Rothaermel, 2017
Figure 3. AFI Framework

2.2 Business Environment

An internal business environment is one that exists inside an organization and has a significant impact on day-to-day operations. The corporation has to pay attention to this since it will have an impact on how well the business performs. The three components of the internal business environment are core competencies, capabilities, and resources. The External Business Environment is different from the Internal Business Environment in that it is an external element that affects the organization (Patil, 2020). The three components of the internal business environment are core competencies, capabilities, and resources. Porter's Five Forces and PESTEL will be used for the external analysis in this study, while the frameworks VRIO will be used for the internal analysis. SWOT analysis is then used for combining internal and external analysis.

2.3 Strategy Formulation

Creating long-term plans to successfully address environmental opportunities and challenges is the process of formulating a strategy. The formulation plays a crucial role in directing the framework around which all business decisions are made (Alkhafaji, 2003). With the use of this framework, which provides a thorough understanding of their industry, surroundings, and internal dynamics, an individual may begin to look forward and assess potential possibilities as well as risks. The Diamond Strategy will be used to construct the research's plan.

2.4 Strategy Implementation

Implementing a strategy is the process of putting plans into action in order to achieve a desired result. It is, in essence, the art of doing tasks. Every organization's ability to carry out choices and essential procedures in an effective, efficient, and consistent manner is what determines its success. A company may use its resources to seize opportunities in the competitive environment by adopting strategies, policies, programs, and action plans via an iterative process known as strategy implementation (Harrington, 2006).

2.5 Conceptual Framework

In this final project, the conceptual framework is developed to analyze the environmental condition and formulate the most appropriate and effective strategy. The following diagrams show the conceptual framework used in this final project.

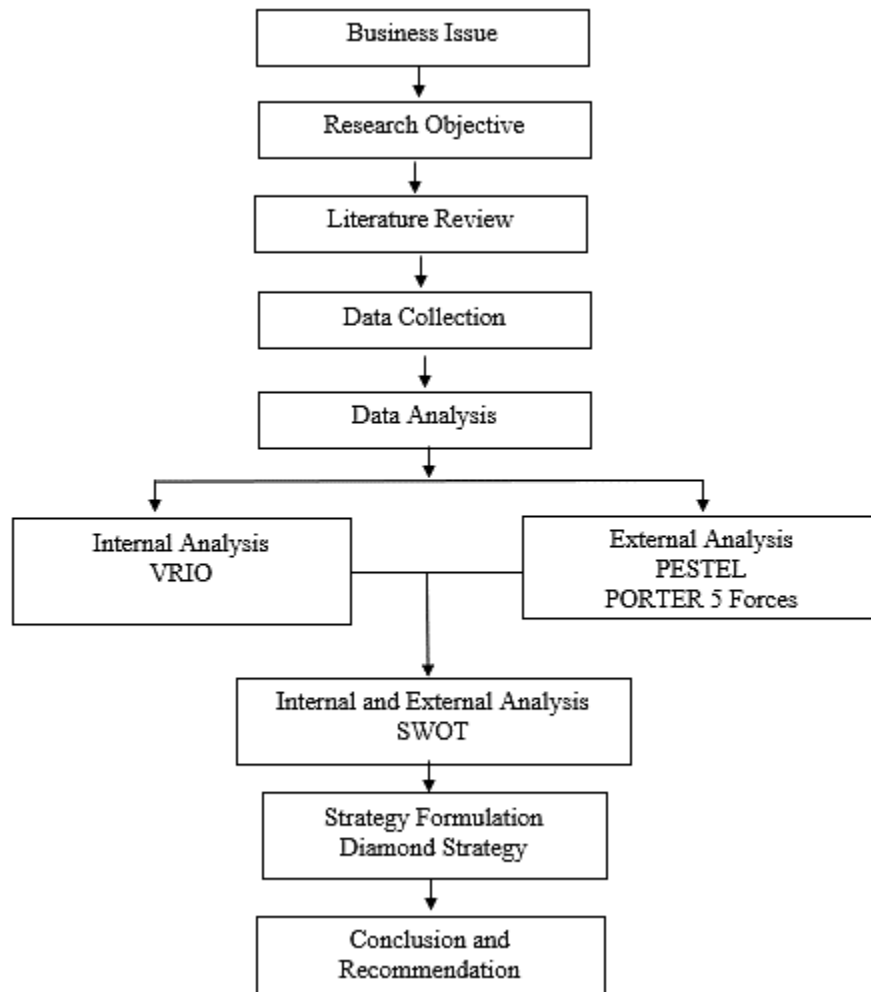


Figure 4. Conceptual Framework

2.6 Business Analysis

Situation analysis refers to a collection and examination of an organization's internal and external environment that affects an organization's market. Situation analysis helps to understand the business' capabilities, prospective customers, potential suppliers, and their impact on the company to decide the best plan of action for the organization's future.

2.6.1 PESTEL Analysis

PESTEL is an analysis framework or tool to identify and monitor the macro-environmental (external) factors that have an impact on the organization. PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal.

2.6.2 Porter's Five Forces

Porter's Five Factors is a framework that helps determine the strengths and weaknesses of an industry by identifying and analyzing the five competitive qualities that impact every given sector. By figuring out the structure of an industry, the Five Forces analysis is often utilized to establish a business strategy. Porter's framework, according to Porter (1980), may be used in any economic sector to improve industry competitiveness analysis and boost a company's long-term profitability. A company's strategy may be guided by the Five Forces analysis to get a competitive edge. The five forces are supplier negotiating power, buyer bargaining power, threat of substitution, and competitiveness among rivals.

2.6.3 SWOT Analysis

Strengths, Weaknesses, Opportunities, and Threats, or SWOT analysis, is a framework for evaluating a company's competitive position to provide strategic planning. Understanding both internal and external elements is the main goal of a SWOT analysis (Kenton, 2021). This study may be used to determine the company's competitive position and prospects, allowing for the development and implementation of a strategy that will help the business meet its objectives (Rangkuti, 2018).

2.6.4 VRIO Analysis

This kind of internal study aids companies in determining the assets and benefits that provide them a competitive advantage. The VRIO methodology is a four-pronged assessment of a business's assets and long-term performance indicators. It centers on four main elements: organization, value, scarcity, and imitability (Rothaermel, 2017).

2.6.5 The Element of Strategy (Diamond Strategy)

Strategy is the central integrated, externally oriented concept of how we will achieve our objectives (Hambrick and Fredrickson, 2001). If a business has a strategy, then the strategy must have parts.

3. Methodology

The research uses a qualitative methodology for the analysis. Publicly available information, observation, and direct interviews with the XYZ team will be used for qualitative analysis. The end goal of this research is to formulate a strategy for XYZ to grow the business in the Sulawesi and Maluku regions and to determine how to implement it. To do so, the process requires a thorough internal and external analysis of the company. The internal analysis will be done by doing the VRIO (Valuable, Rare, Imitate, and Organized) analysis. Meanwhile, to completely understand the external condition of the company, the analysis will be conducted using the PESTEL (Political, Economic, Sociocultural, Technological, Ecological, and Legal) Framework, as well as Porter's Five Forces Analysis. After the internal and external analysis are conducted, they will be combined to develop the SWOT (Strength, Weakness, Opportunity, and Threat) analysis for the company. The strategy formulation will use the diamond strategy as the countermeasure to the problem that the company is facing. By using all the mentioned analysis and frameworks, alternative solutions will be developed and assessed to decide which of the alternative is the most fit solution for the company to tackle the issue they are facing. Interviews with the XYZ team are conducted to gain an understanding of XYZ current internal and external situation as well as future goals for the company. The information obtained is used to support the internal and external analysis.

The author's technique includes qualitative research via in-depth interviews with the company's supply chain, technical staff, and prospective consumers. This research uses an inductive technique to interpret situational complexity while emphasizing the importance of individual customers. One qualitative data collecting technique that is useful for gathering a lot of information on the behavior, attitude, and perspective of interview subjects is the in-depth interview. Researchers and subjects are able to go into more detail and alter the course of the interview as needed during in-depth interviews. This autonomous research approach is capable of implementing several tactics based on the specific requirements of the study.

4. Results and Discussion

4.1 Internal Analysis

The VRIO framework will be used in conjunction with a resources-based evaluation to assess and ascertain the company's sustainable competitive advantage. This is to ascertain which argument is compelling and should be highlighted to increase XYZ Company's revenue.

Resource	Valuable?	Rare?	Costly to Imitate?	Organized to Capture Value?	Competitive Consequences	Performance Implications
Financial (Tangible)	Yes	No	Yes	No	Competitive Parity	Average Return
Organizational (Tangible)	Yes	Yes	Yes	No	Temporary Competitive Advantage	Above Average to Average Returns
Physical (Tangible)	Yes	No	No	No	Competitive Parity	Average Return
Technological (Tangible)	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage	Above Average Returns
Human Resources (Intangible)	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage	Above Average Returns
Innovative	Yes	No	Yes	No	Competitive Parity	Average Return

(Intangible)						
Reputational (Intangible)	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage	Above Average Returns

Table 1. VRIO Analysis at XYZ
 Source: compiled by Author from various sources

The financial, physical, and innovative resources that XYZ Company has constituted its competitive parity as competitive consequences and average return as implication in the VRIO framework. This suggests that for XYZ to defeat a competitor and expand their company in the Mining, Metals, and Minerals industries in the Sulawesi and Halmahera region, this component will be essential, especially in the Services and Consumables Business Area. A sustainable competitive advantage is technological, human resources, and reputational with above average returns implications. Since trust is a major factor in a customer's choice to purchase, the well-known XYZ brand and technology in the market inspire confidence in its patrons. The XYZ brand is hard to imitate due to its extensive reach and lengthy history spanning over a century ago. These enable XYZ to utilize its reputation as a brand to interact with consumers via dialogue. XYZ's local human resources is a strong competitive advantage. A strong local presence enables XYZ to respond to changing market conditions with ease, particularly in the areas of product development and logistics. On the other hand, compared to all competitors, the local presence is typical; the majority have a presence in the Sulawesi and Maluku regions, and some even operate sites across several nations.

In the mining, metals, and minerals industry, providing technical services is a must to gain and maintain business. Not many competitors are attempting to bolster this point, but it is evident that this competitive advantage is sustainable. This is a result of the industry's need for process improvement, product creation, and troubleshooting. Innovation is the key to gaining and growing the company from current competitors, and it is impossible to develop and differentiate the product from rivals without a strong technical service. XYZ's organization gives them a temporary competitive advantage with above average to average returns implication. As an organization, XYZ, as a global company, has a very big and complicated structure. There is still much room for improvement and to make more lean organizations for efficiency and effectiveness of their performance.

4.2 External Analysis

PESTEL concept gives the view of the whole environment, and it is used as a tool by companies to track the environment from many different angles. This concept can also be applied when organizations are planning to deploy a new product or project.

Political	Economic	Socio-cultural	Technology	Environment	Legal
<ul style="list-style-type: none"> • Geopolitical situation • Trade war US vs China • Minerals raw materials export ban from Government of Indonesia 	<ul style="list-style-type: none"> • Global macroeconomic • Metals commodity price (nickel, gold, copper, etc) • Inflation rate • Indonesia GDP • Chinese investment to Indonesia 	<ul style="list-style-type: none"> • Demographic changes • Education level • Wealth • Population 	<ul style="list-style-type: none"> • Technology breakthrough in Mining, Minerals, and Metals industry • Increasing integration with Internet of Things, Artificial Intelligence, and Machine Learning 	<ul style="list-style-type: none"> • Environment, Social, and Governance (ESG) • Indonesia Net Zero Emission roadmap • Kepmen ESDM No. 1827.K/30/MEM/2018 Pedoman Pelaksanaan Kaidah Pertambangan yang Baik 	<ul style="list-style-type: none"> • UU 3/2020 Pertambangan Mineral dan Batubara • UU 11/2020 Cipta Kerja

Table 2. PESTEL Analysis at XYZ
 Source: compiled by Author from various sources

While Sulawesi and Maluku present opportunities for XYZ due to their rich mineral resources, the company must navigate significant challenges posed by high barriers to entry, powerful suppliers and buyers, potential substitutes, and intense industry rivalry. Strategic differentiation, innovation, and strong customer relationships will be key to maintaining and expanding its market position in these regions.

No	Variable	Severity Level			Reasons
		High	Medium	Low	
1	Threats of new entrants			X	High capital investment
2	Bargaining power of suppliers	X			Suppliers of specialized components and materials for mining equipment may have significant bargaining power.
3	Bargaining power of buyers	X			Customers has high power, forcing down prices or increase costs
4	Threats of substitutes of products		X		Has capability added few value additions with affordable price
5	Competitive rivalry	X			Service uniformities enable many controls over the competition.

Table 3. Porter's Five Analysis of XYZ
Source: compiled by Author from various sources

4.3 Internal and External Analysis

4.3.1 SWOT Analysis

for XYZ in Sulawesi and Maluku, Indonesia involves evaluating its strengths, weaknesses, opportunities, and threats in these specific regional markets:

<p>Strength</p> <ul style="list-style-type: none"> • Strong establishment and reputation of footprint globally and locally. • Leading as technology provider and expert in Mining, Minerals, and Metals industry • Strong technical support resources and financial position in Indonesia 	<p>Weakness</p> <ul style="list-style-type: none"> • Complicated internal decision making and compliance process • Less visibility and silo between each department • Premium price of product and services
<p>Opportunity</p> <ul style="list-style-type: none"> • Many new small and medium mining company in Sulawesi and Maluku region with greenfield project • Technological advancement • Indonesia road map for Net Zero Emission, New Energy Vehicle, and Environmental Social Governance 	<p>Threat</p> <ul style="list-style-type: none"> • Low-cost competitor, especially from China • Unstable political situation in election year • Substitute product and services

Table 4. SWOT Analysis of XYZ
Source: compiled by Author from various sources

4.4 Strategy Formulation

The author is applying the strategic management elements proposed by Hambrick and Fredrickson (2001) to formulate the strategy for XYZ in the Sulawesi and Maluku region. Hambrick and Fredrickson proposed a framework called the "Strategy Diamond," which includes five elements that influence strategic management.

1. Arenas: The geographical or product markets in which a company competes.
2. Vehicles: How the company plans to get to the chosen market or how resources are allocated.
3. Differentiators: What sets the company apart from its competitors?
4. Staging: The pace and sequence of strategic moves.
5. Economic Logic: How the company plans to make money and earn returns.

In summary, XYZ Economic Logic in Sulawesi and Maluku would involve a combination of cost leadership, differentiation, strategic market positioning, partnerships, risk management, value chain optimization, and sustainable practices. Focusing on these aspects can create and sustain economic value and achieve financial success in these regions.

No	Element	Strategy
1	Arenas	<ul style="list-style-type: none"> Geographic: Sulawesi and Maluku Customer: Copper, Gold, and Nickel Minerals (Focus) Business Area: Services and Consumables
2	Vehicles	<ul style="list-style-type: none"> Product Group: Filtration, Mill Lining, and Grinding (Product Leadership) Internal development: Site Account Manager, Technical Sales Support, Customer Services, Field Services Engineer (Operational Excellence) Merger and acquisition: acquired Sefar AG Group for Filtration Product Group, Growth Steel Group for Mill Lining Product Group, and PT. Suprabakti Mandiri for Material Transport Product
3	Differentiators	<ul style="list-style-type: none"> Facility: new representative office, warehouse, and repair center in Makassar (Differentiation) Resources: new Site Account Manager with Mandarin speaking (Customer Intimacy)
4	Staging	<ul style="list-style-type: none"> Phased Entry and Expansion: start with pilot project: Huayue and Huafei customer Resource Allocation: Site Account Manager, Site Coordinator, Customer Services, and Technical Support. Partnership and Collaboration: with local company like Growth Steel Group, PT. Suprabakti Mandiri, PT. Epiterma Mas Indonesia. Market Penetration Strategy: focus with early adopter (Huayue, Huafei, Toka Tindung, Gosowong) then broader market segment (Awak Mas, Pani, Obi) Risk Management: incremental risk exposure and start with small project Timeline and Milestones: strategic milestones, review, and adjust
5	Economic logic	<ul style="list-style-type: none"> Premium pricing strategy: new Asia Market Area List Price (Cost Leadership) Cost Leadership Differentiation and Premium Pricing Market Penetration and Growth Strategic Partnerships and Alliances Risk Management Value Chain Optimization Sustainable Practices Investment and ROI Growth Order Received in Sulawesi and Maluku Region <p>2021: EUR 5.8 million 2022: EUR 10.6 million 2023: EUR 7.7 million P2024 : EUR 8,0 million YTD2024: EUR 3.7 million</p>

Table 5. Strategy Element of XYZ
Source: compiled by Author from various sources

4.5 Implementation Plan

Below is the implementation plan for following up this research, " Proposed Business Strategy in Sulawesi and Maluku Region (A Case Study: XYZ)," based on each elements from author:

No	Element	Strategy	When	Who
1	Arena	<p>XYZ Internal consolidation and alignment to focus for below:</p> <ul style="list-style-type: none"> Sulawesi and Maluku region Copper, Gold, and Nickel Minerals customers Services and Consumables Business Area: Filtration, Mill Lining, and Grinding Product Group 	Q4 2024	Market Area Asia Pacific stakeholders XYZ
2	Vehicles	<ul style="list-style-type: none"> Developing dedicated Site Account Management tea for Sulawesi and Maluku Region (Site Account Manager, Customer Service, Technical Support, Field Service Engineer, etc.) Due diligence process for acquisition Sefar AG Group for Filtration Product Group, Growth Steel Group for Mill Lining Product Group, and PT. Suprabakti Mandiri for Material Transport Product 	<ul style="list-style-type: none"> Q12025 Q42024 	<ul style="list-style-type: none"> Market Area Asia Pacific Vice President Sales and Services XYZ Market Area Asia Pacific President XYZ
3	Differentiators	<ul style="list-style-type: none"> Investing for new representative office, warehouse, and repair center in Makassar Appointing dedicated Site Account Manager with Mandarin Speaking capability for Chinese customer 	<ul style="list-style-type: none"> Q12025 Q42024 	<ul style="list-style-type: none"> Market Area Asia Pacific President XYZ Market Area Asia Pacific Vice President Sales and Services XYZ
4	Staging	<ul style="list-style-type: none"> Pilot project in Huayue, Huafei, and Toka Tinding customers Market penetration to broader market segment in Awak Mas, Pani, and Obi 	<ul style="list-style-type: none"> Q42024 Q12025 	<ul style="list-style-type: none"> Senior Sales Manager Indonesia East XYZ Senior Sales Manager Indonesia East XYZ
5	Economic logic	<ul style="list-style-type: none"> Premium pricing strategy with new Asia Market Area List Price Engaging local production facilities, especially for Filtration, Mill Lining, and Grinding Product Group 	<ul style="list-style-type: none"> Q12025 Q42024 	<ul style="list-style-type: none"> Filtration, Mill Lining, and Grinding Product Group XYZ Market Area Asia Pacific Vice President Sales and Services XYZ

Table 6. Implementation Plan
Source: Compiled by Author from various sources

5. Conclusion

Some factors that are considered as the most critical in the process of business strategy of XYZ in Sulawesi and Maluku region are internal and external factor. In internal factors, XYZ has a sustainable competitive advantage in technology, human resources, and reputational resources. While XYZ has a temporary competitive advantage and competitive parity in its organizational, financial,

physical, and innovative resources. In external factors, XYZ should consider political, economic, sociocultural, technology, environment, and legal factors using PESTEL analysis. On the other hand, XYZ has a low severity level from the threat of new entrants, a medium severity level from the threat of substitute products or services, and a high severity level from the bargaining power of suppliers, buyers, and also industry rivalry. Combining internal and external factors, XYZ has several strengths: strong establishment and reputation of footprint globally and locally, leading as a technology provider and expert in the Mining, Minerals, and Metals industry, also strong technical support resources and financial position in Indonesia. But XYZ also has several weaknesses that need to be improved related to their complicated internal decision making and compliance process, less visibility and silo between each department, and also the very premium price of products and services. Some opportunities arise for XYZ, including many new small and medium mining companies in the Sulawesi and Maluku region with greenfield projects, technological advancement, and Indonesia road map for Net Zero Emission, New Energy Vehicle, and Environmental Social Governance. In the meantime, XYZ must avoid some threats like low-cost competitors, especially from China, unstable political situation in an election year, and substitute products and services.

In Arenas elements, XYZ should focus on the Sulawesi and Maluku area with Copper, Gold, and Nickel Minerals customers. XYZ should prioritize the Business Area of Services and Consumables and Product Group: Filtration, Mill Lining, and Grinding in line with the Product Leadership strategy. In vehicle elements, XYZ should do internal development like Site Account Manager, Technical Sales Support, Customer Services, and Field Services Engineer department as part of an operational excellence strategy. XYZ also should consider acquiring Sefar AG Group for Filtration Product Group, Growth Steel Group for Mill Lining Product Group, and PT. Suprabakti Mandiri for Material Transport Product to increase the market share and capabilities of XYZ in the Sulawesi and Maluku regions. As for the differentiators element, XYZ should invest in a new representative office, warehouse, and repair center in Makassar. This strategy can give XYZ better value added by offering customized solutions tailored to the specific needs of the minerals, mining, and metals sectors in Sulawesi and Maluku. Assigning a new Site Account Manager with Mandarin speaking ability is another strategy to be close to Chinese company customers. The Staging element for XYZ in Sulawesi and Maluku involves a strategic approach to entering and expanding in these regions by phasing activities, allocating resources effectively, forming partnerships, managing risks, ensuring compliance, and setting clear milestones. In terms of Economic Logic, elements for XYZ in Sulawesi and Maluku would involve a combination of cost leadership, differentiation, strategic market positioning, partnerships, risk management, value chain optimization, and sustainable practices. Focusing on these aspects can create and sustain economic value and achieve financial success in these regions.

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