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## **BUILDING COMPETITIVE ADVANTAGE THROUGH STRATEGY MAP AND BALANCED SCORECARD IN IMPROVING COMPANY PERFORMANCE**

**Arstianti Dienar Priliska, Maulida Kurniadewi, Fadiyah Shabrina Winarno**  
Faculty of Economics and Business, Universitas Diponegoro, Indonesia  
Email: priliskay@gmail.com, dewimaulida@gmail.com, fadiyahsw@gmail.com

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### **ABSTRACT**

#### **KEYWORDS**

balanced scorecard (BSC); strategy; competitiveness

The purpose of this research is to identify strategy maps for PT. TA company based on the problems faced by the company, to identify the right balanced scorecard design for PT. TA, to find out the best competitive strategy that can be used by PT. TA to be able to compete with other heavy equipment rental companies in Central Java. The research approach used is a qualitative research method. The results show PT. TA faces problems of dependence on a single product, low production efficiency, and high production costs. To overcome this, they can implement several strategies. First, they can open new markets or explore markets that have not been optimally exploited through a map strategy. In addition, they can also develop new products or product variations of existing products, as well as product diversification. In addition, companies need to improve production processes, increase the efficiency of resource use, improve product quality, and improve production technology in order to reduce high production costs and increase production efficiency. By implementing these strategies, PT. TA can increase competitiveness and ensure the continuity of the company's business in the long term. PT. TA can adopt a Balanced Scorecard (BSC) design to continuously monitor strategy implementation. By using BSC, companies can ensure that all important aspects of business are well integrated in the company's strategy. Business goals can be achieved in a directed and measurable manner through the implementation of the BSC.

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### **INTRODUCTION**

The development of society with various advances in technology and communication currently influences easily accessible information. The government is required to immediately carry out development in regions - regions in Indonesia evenly so that there are no gaps between communities (Kurniawati et al., 2021). The government's current focus is on national development in the economic sector because the vast territory of Indonesia has resulted in underdevelopment of infrastructure development which has an impact on delays in the level of the economy in Indonesia's regions (Rahman et al., 2020). The government's plan regarding development in Indonesia will focus on improving and building infrastructure for public facilities such as access to land, sea and air routes so that it is hoped that the rapid development of the infrastructure development process can reduce social and economic disparities. This effort is expected to increase economic growth in Indonesia (Pradana, 2017).

The target market is one of the important concepts in marketing that companies pay close attention to in developing the products or services they offer. Kaplar (2015) mentions that the target market can be divided into several types, such as mass market, niche market, segment market, and multi-segment market. The mass market refers to a broad market, so that the products offered can be used by many people from various backgrounds and ages. An example

is food and beverage products that are consumed by all groups. While the niche market refers to a market that has narrow and specific segmentation, so that the products offered are only aimed at certain groups.

The development of construction companies in Central Java and the existence of other supporting factors such as not all construction companies have their own heavy equipment which ultimately affects PT. ATR as a company in the field of heavy equipment rental has a business opportunity to cooperate with the rental of heavy equipment needed by construction companies in the process of completing work projects.

TA company is one of the experienced private companies located in Central Java, providing services, especially heavy equipment rental such as cranes, unic cranes, forklifts, dozers, excavators, dollies, tractor heads. The equipment offered is in various models, sizes and prices such as Komatsu, Tadano, Kato, Kobelco brands and is equipped with an SIO certificate. PT business TA is located in the city of Semarang and has several business branches in several cities in Central Java, namely Kudus, Solo and Jogjakarta. Based on the experience of PT. TA has served tenants of heavy equipment for the Central Java and surrounding areas in terms of handling various projects such as for the construction process, the process of moving factory production equipment and even the process of lifting vehicles when a road accident tragedy occurs (which is difficult to use human power). During its journey, the TA company has been known to the public as a heavy equipment rental service provider company that has collaborated with various agencies such as the private sector, government and civil society.

The problems faced by PT. TA in current business development, namely there are several aspects originating from internal and external sources. The internal aspect faced is that the company has not been able to describe a clear and precise strategy that will be implemented so that it is difficult for the company to implement the vision and mission contained in the PT.TA strategy. As for the company's external factors, it is the increasing growth of the heavy equipment rental business so that the company has not been able to prepare any strategy when faced with business competition so that it has an effect on decreasing company profits.

Hope PT. TA for the future of the company, namely the company can implement the right strategy and can measure the company's performance from all interrelated aspects such as finance, customers, internal business processes, learning and growth. The goal is that the company has a reference for evaluating performance on a regular basis, such as evaluating performance targets and predicting the decision-making process that will be achieved in the short or long term. The concept for measuring and assessing performance is to utilize the balanced scorecard method.

Industrial development in Indonesia is increasingly widespread, making business actors from the service sector as well as competition in business make business people such as companies have a desire to be superior to their competitors. This triggers the company to do various ways to be superior to its competitors. This thinking was finally developed with the intention that the company achieves the desired goals such as being superior to its competitors (Mussardo, 2019).

According to Drucker in the book Strategic management concepts and cases explaining that the stages of preparing the vision and mission are things that need attention because they are related to building motivation for company performance so that companies are not only required to seek financial benefits but also develop strategies for company development within a certain period of time (David, 2016).

According to Pearce & Robinson, SWOT analysis is a combination of strengths and weaknesses originating from internal company factors while opportunities and threats originate

from external factors of the company. Developing optimal strategies for the company's strengths and opportunities can have an impact on minimizing weaknesses and threats from outside the company (Perry & Editor, 2000). Strategic decisions cannot be separated from the process of analyzing the company's mission, strategy, goals and policies so that the company can match internal strengths and weaknesses to external factors, opportunities and threats for corporate strategic planning (Key & Rangkuti, 2004).

The relationship between SWOT Analysis and competitive advantage is a strength that can be controlled by the company itself so that existing resources can be managed properly so that it can be used as a company's strength to excel from other competitors (Pasaribu, 2018). Then for weakness is the shortcomings that come from the company that can make it an obstacle in providing the best service to customers, such as opportunities that can be said to be a profitable situation for the company because not all companies have a business opportunity so that for example there are government regulations, regional economic impacts can be opportunities that can be utilized by companies to be one step ahead in strategize to be superior to other competitors. The last stage in SWOT Analysis is the existence of threats, this situation is an external factor for the company because this cannot be controlled by the company. Therefore, companies need to really pay attention to what is a threat to the company in various forms.

In 1992, Kapan and Norton created a performance measurement system that covered all aspects. Measurements are made starting from a financial perspective then adding perspectives from customers, internal business processes, learning and growth. This measurement system is often called the Balanced Scorecard (Arifin, 2016). The purpose of the financial outlook is a prediction that the company will target in the coming period through income statements, balance sheets, Return on Investment (ROI) and other financial reports.

The use of the scorecard in each company is different. The assumption is due to differences between each company such as market share, strategy in product sales and company environment (Elisabeth, 2018). Performance measurement in a company there are several methods depending on the ability of the company, commitment and other aspects. However, the average company adopts performance measurement by looking at its financial statements. The assumption is that if the company gets high profits, it means the company is at a safe level. Actually measuring the performance of the company can be done and seen not only from a financial point of view. If the company only looks at it from a financial perspective, it is the same as the company is not developing because what influences the company to survive in a competitive advantage in business can be seen in several aspects.

Balanced scorecard or scorecard is a tool to measure the performance of employees in the company. The results of this assessment score will be recorded to be used as a reference for the company's design in the next period (Rangkuti, 2013). According to Kaplan and Norton (Schulte, 2005) explained that the balanced scorecard consists of 4 (four) perspectives, namely financial perspective, customer perspective, internal business process perspective and learning and growth perspective.

The hope is to apply a SWOT Analysis with a Balanced Scorecard so that a manager has a point of view in thinking about how to get the right results and balance between internal process performance, financial perspective performance targets and customer perspective performance targets and HR performance (Rangkuti, 2015). Furthermore, according to Mulyadi (2001), the benefits of implementing a balanced scorecard into a SWOT Analysis are to become a comprehensive and systematic framework. The assumption is that strengths, weaknesses, opportunities and threats can also be analyzed using the perspectives contained in the balanced scorecard (Mulyadi, 2001). So that the SWOT Analysis and the balanced

scorecard framework can broaden the picture of the strengths, weaknesses, opportunities and threats for the company. The benefits in this study of applying the SWOT Analysis associated with the balanced scorecard can help facilitate the company's goals in knowing the current condition and position of the company.

The Balanced Scorecard (BSC) is a strategic management framework used to measure and monitor organizational performance from various perspectives. This concept was developed by Robert Kaplan and David Norton in the 1990s and aims to assist companies in designing business strategies, measuring performance, and identifying areas that need improvement. The BSC extends the traditional financial performance measurement approach by adding other perspectives, including a customer perspective, an internal process perspective, and a learning and growth perspective. Each of these perspectives is linked to specific and interrelated objectives, metrics, and strategic initiatives. BSC assists organizations in determining and focusing resources on things that are important in achieving long-term goals and translating them into more measurable actions. By monitoring and measuring organizational performance from multiple perspectives, companies can ensure that they achieve long-term success and generate value for customers and shareholders.

The process of compiling and implementing a strategy in realizing a structured vision is the goal of the strategy management system. An organization must have constant and measurable planning. According to Kaplan and Norton regarding the balanced scorecard has a role in the strategic management system, because it can broaden perspective views at the stages of the strategic management system, form coherent linkages of various objectives, there is a balance in management focus and performance measurement which is carried out quantitatively. There are advantages when applying the balanced scorecard in a strategic management system, namely the existence of internal and external indicators, clear financial and non-financial indicators, then causal indicators.

The purpose of applying the strategy map is for the company to know the achievements of each company unit in the process of achieving company goals. Strategy maps are a form of diagram that relates to the achievement of each unit in the company that contributes to interrelationships, cause and effect for the continuity of the company. Another benefit of strategy maps is that they can assist in preparing the balanced scorecard because they are interrelated from various perspectives making it easier to apply company performance factors (MGH, n.d.).

Strategy mapshave principles - principles in the application of its preparation (Libby, 2005) including company must determine and have a vision, mission and strategy what the company will do, company must have clear goals so that companies can understand what vision and mission will be carried out for the future of the company, strategy mapping can help companies in predicting customer satisfaction, financial performance and internal processes within the company, and companies can predict future company progress by linking company resources, technology and customers.

BSC or Balanced Scorecard is a strategic management methodology that helps companies to build superior competitive performance by mapping and measuring company performance holistically from various perspectives. One of the important perspectives measured in the BSC is the perspective of competitive advantage. This perspective includes various factors that can affect a company's competitive advantage, such as product innovation, quality, operational efficiency, and customer satisfaction. The purpose of this research is to identify strategy maps for PT. TA company based on the problems faced by the company, to identify the right balanced scorecard design for PT. TA, to find out the best competitive strategy

that can be used by PT. TA to be able to compete with other heavy equipment rental companies in Central Java.

## RESEARCH METHOD

The research approach used is a qualitative research method or naturalistic method. The type of research that will be used is field research, with the assumption that the implementation of this research is carried out directly at the research location in order to obtain actual data. The reason for choosing this research is to find out the causes of the decline in company performance and to improve the management system for PT. TA so that it can provide an impact and an overview of the company's development in the future by applying a SWOT analysis that is linked to the balanced scorecard with the aim of facilitating the company in knowing the company's current condition and position.

According to Sugiyono (2017) data sources need certain considerations to determine participants. The sampling technique used for this research is purposive sampling, because the sampling process considers participants who are considered more knowledgeable about the object/ situation to be studied so that they hope to get information about what is expected of the object/ situation being studied.

The process of selecting participant participants in this study as data sources is based on an understanding of the problem of the object under study and has supporting data and is willing to share complete and accurate information for research. Appointment of informants as data sources during the research process was assigned at different position levels from middle management and employees with the aim of obtaining intensive information from a variety of different perspectives. In order to maintain the trust of the source, the real identity will be hidden and changed to a pseudonym.

### Data collection technique

#### *Observation*

The information to be obtained from this observation activity is the location, activity, object, time, event or event. The reason for this research using observation techniques (observation) is so that this research can be carried out at any time so that it does not require planning and design when making observations. The observation process for this research began in January 2023 until it was completed at PT. TA Semarang.

#### *Interview*

The interview method used during this research was in-depth and unstructured interviews between researchers and informants. The assumption is that by conducting these interviews it is expected to be able to obtain extensive information starting from the beginning of the problem that will be used as research.

**Table 1. Interview Participants**

No	Name	Age	Information
1	Yono	58 Years	Is the President Director who works in the office and leads and oversees the company's performance and has worked for 18 years.
2	Diah	38 Years	Is a Finance and Accounting in the office and works in the accounting section (recording transactions on equipment leases) who has worked for 8 years.
3.	Din	49 Years	Is a Marketing Manager, a field employee who works in the marketing division of heavy equipment rental and has worked for 5 years
4.	Jito	40 Years	Is a Heavy Equipment Manager who helps manage all activities in TA and has worked for 10 years.

Source: Processed data (2023)

### ***Library Studies***

In this process researchers will be required to examine, understand, and identify the views found in the literature (readings, journals, reference books, and other research results).

### **Data Collection**

According to (Ihalauw & Prasetijo, 2011) there is a standard reference in proof for qualitative research which includes the credibility test, transferability test, dependability test and confirmability test.

- 1) The credibility test is the accuracy of information with reality by re-examining the research location, data and triangulation.
- 2) Transferability test, regarding the placement of research findings. A qualitative research aims to form a unique interpretation of an event.
- 3) The dependability test is a research result that can be replicated in different research locations.
- 4) Comfirmability test, a study can be said to be objective if there is agreement with many people.

### **Data analysis technique**

There are guidelines in the data analysis process, namely data reduction, data presentation and conclusions (Miles et al., 2014). Regarding the elaboration of the three guidelines for the data analysis process, namely:

#### ***Data reduction***

Is the stage in the selection to focus on data and then simplify the data that comes from the results of mutilations that have been obtained at the research location. The data reduction process was carried out continuously while the research was in progress.

#### ***Data Presentation***

There are limitations in the presentation of information data that has been arranged to become a conclusion and take action. Qualitative analysis can be said to be valid if it contains: matrices, graphs, networks and charts. All of these designs will be useful in the process of combining the information that has been compiled, so that at this stage you can see what is going on and decide to carry out the analysis.

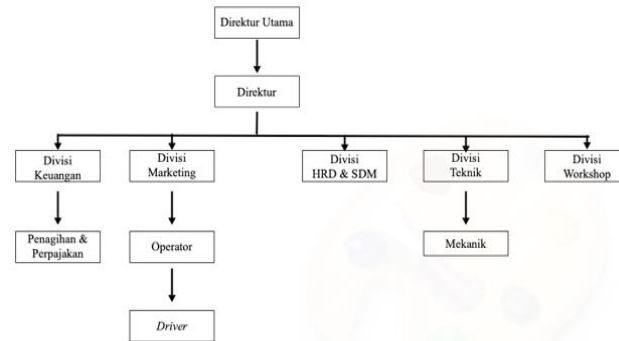
#### ***Conclusion***

The stage of establishing conclusions can be said to be the stage of verifying the assumptions that the results of the existing records in the field are then developed to obtain a finding in the research. Then the results of the research need a truth test so that the truth can be confirmed and the results can be justified.

### **Validity and Reliability Test Through Triangulation**

Reliability indicates the extent to which the measuring instrument is capable of measuring what it is supposed to measure. The reliability test will ensure the consistency of the approach used in research. How to apply this tool by analyzing information with one test. In different techniques, different results will be obtained and that is natural because there is an influence on the nature and characteristics of the data.

## RESULTS AND DISCUSSION

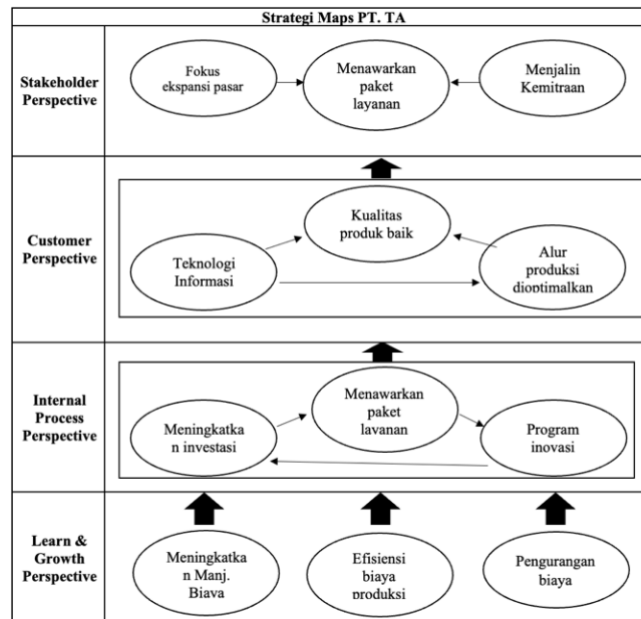


**Figure 1. Organizational Chart Structure of PT. TA**  
Source HR Division of PT. Semarang City TA, 2020

### Developing Strategy Maps for TA Companies

From the problems above, here are 4 strategy maps that can be implemented by PT. TA Heavy Equipment to achieve its business goals:

- 1) Sales Increase Strategy, namely Focusing on market expansion by opening new branches in unreached areas, Offering attractive after-sales service packages for customers, Establishing partnerships with construction and mining companies to increase sales.
- 2) Operational Efficiency Strategy, namely Adopting information technology in inventory management to minimize excessive inventory, Improving production quality to reduce production costs and increase efficiency, Optimizing production flow to reduce waiting time and increase efficiency.
- 3) Product Innovation Strategy, namely Increasing investment in research and development to create new products that can meet customer needs, Adopting new technology to improve quality and speed up time to market, Holding innovation programs in order to increase employee creativity and product innovation.
- 4) Maintenance Cost Reduction Strategy, namely Improving cost management to reduce maintenance, Adopting new technology to improve equipment work efficiency, Conducting cost reduction programs in order to increase employee awareness of the importance of cost efficiency.



**Figure 2. Organizational Strategy**

Source: Processed data, 2023

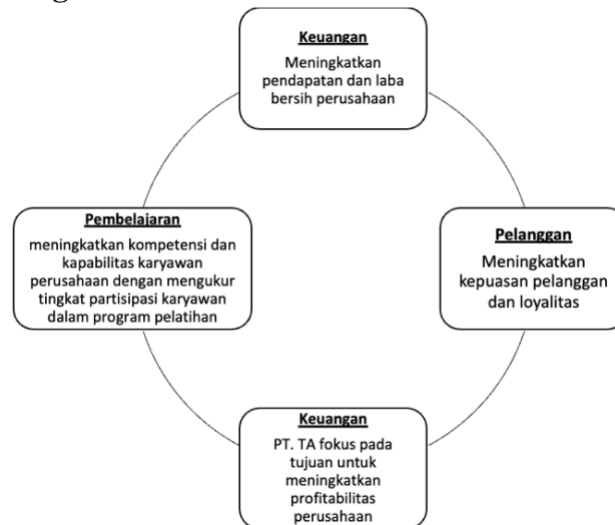
The four strategies above must be implemented in a balanced and coordinated manner to achieve PT. Heavy Equipment Rental TA must also ensure that performance measurements are carried out continuously and translated into the BSC in order to monitor the progress of strategy implementation.

PT. TA faces the problem of dependency on a single product, which can pose a risk to the company's business continuity if the product is not in demand in the market or experiences intense competition. Therefore, the map strategy that can be applied is to open new markets or explore markets that have not been optimally exploited. In addition, PT. TA can also develop new services or service variations of existing services to meet diverse market needs and attract more consumers. In addition, product diversification can also be carried out to reduce the risk of dependence on just one product and maintain the long-term continuity of the company's business.

In addition, PT. TA also faces the problem of low cost efficiency and high costs. To overcome these problems, the map strategy that can be applied is to improve the maintenance process and make efficient use of available resources. This can be done by improving the cost management system, improving the quality of services, and improving production technology. In addition, PT. TA can also reduce purchasing costs by negotiating with equipment suppliers, looking for alternative heavy equipment that is cheaper and more efficient, as well as saving other operational costs. By implementing this strategy map, PT. TA can improve product work efficiency and reduce high maintenance costs, so that it can compete in the market with more competitive prices.



### Balanced Scorecard design for PT. TA



**Figure 3. Description of the implementation of the balanced scorecard PT. TA**

Source: Data processed in 2023

### The best competitive strategy that can be used by TA

#### SWOT analysis

SWOT analysis is a method used in business to evaluate the strengths, weaknesses, opportunities and threats faced by an organization. SWOT analysis can help companies to develop the right strategy to optimize their potential and overcome existing obstacles. SWOT analysis can help companies to identify their strengths. In a SWOT analysis, companies can identify the strengths that set them apart from their competitors, such as a strong brand, unique expertise, or a quality product portfolio. By knowing their strengths, companies can use these advantages to beat the competition and increase market share.

#### Strength

##### *Good service quality and responsiveness to customer needs*

Good service quality and responsiveness to customer needs is the main key in building customer trust and maintaining long-term business success. Good and responsive service means that the company is able to provide satisfactory service and respond to customer needs quickly and effectively.

##### *Increase the company's competitive advantage, for example by improving service quality and strengthening relationships with customers*

To increase the company's competitive advantage, one strategy that can be done is to improve service quality. Good service quality can increase customer satisfaction, thereby strengthening customer loyalty and helping to maintain the company's market share. To improve service quality, companies can do various things, such as providing training and development for employees, adopting more efficient technologies, and gathering feedback from customers to improve the services provided.

In addition to improving service quality, companies can also strengthen relationships with customers to increase their competitive advantage. This can be done by forming a special team that is responsible for maintaining customer relationships, such as through loyalty programs or rewards for loyal customers. In addition, the company can also hold events or activities that involve customers, such as seminars or social events. By strengthening relationships with customers, companies can obtain information about customer needs and

preferences, so that they can improve the products and services offered and keep abreast of changing market developments.

***Good reputation in local market for quality service and reliable equipment.***

PT. TA, as a service and equipment company, needs to build a good reputation in the local market. A good reputation can increase customer trust in the company, so that it can help increase the company's market share and competitive advantage. One way to build a good reputation is to provide quality service and reliable equipment. This can be done by providing training and development for employees to improve the quality of services provided, as well as carrying out periodic maintenance and replacement of equipment to ensure that the equipment used is always in good condition.

Companies also need to pay attention to the quality of the products and services offered. Quality products and services can increase customer satisfaction, thereby helping to build a good reputation in the local market. To achieve this, companies can conduct market research to determine customer needs and preferences, as well as innovate in developing the products and services offered. In addition, PT. TA can also provide good service and be responsive to customer complaints or feedback to maintain trust and a good reputation in the local market.

***Strong financial position with the ability to invest in new equipment and technology.***

TA has a strong financial position that allows the company to invest in new equipment and technology. Investments in new equipment and technology can improve operational efficiency and enhance a company's competitiveness. PT. TAs can use the profits generated from their operations to invest in new equipment and technologies that are more efficient and environmentally friendly. This investment can help companies reduce operational costs and increase productivity, so that they can help increase company profitability.

In addition, PT TA can also access diverse funding sources such as bank loans and capital markets to invest in new equipment and technology. With a strong financial position, the company can manage risks and minimize the negative impact of market fluctuations or other risks. Companies can leverage management expertise and experience in planning and executing the right investment in new equipment and technology that fits the company's needs.

**Weaknesses**

***Limited marketing and advertising efforts compared to larger competitors***

Even though a company has limited marketing and advertising efforts compared to larger competitors, it can still leverage existing resources to increase its marketing and advertising effectiveness. One way that can be done is to focus marketing on the right market segments and use effective distribution channels. Companies can leverage a network of partners or agents to increase marketing outreach and optimize the use of limited marketing budgets.

In addition, PT. TA can utilize social media and other online platforms to promote and market their products and services. Social media can be an effective means of interacting with customers, building community and increasing brand awareness. Companies can also take advantage of other online platforms, such as corporate websites and business portals, to expand their marketing reach and reach a wider audience.

PT. TAs may also consider adopting a content-based marketing strategy to increase their marketing effectiveness. By producing content that is informative, relevant and useful, companies can attract potential customers and increase customer engagement with brands. This can help increase brand awareness and strengthen a company's reputation in the market.

***Limited product offering compared to larger competitors***

The company has limited product offerings compared to larger competitors, but the company can still take advantage of its advantages to differentiate itself from competitors and

strengthen its position in the market. One strategy that can be carried out is to focus on specific, high-quality products, and develop special expertise in them. PT TA can maintain its competitive advantage by ensuring its products are of good quality and are innovative.

The company can consider expanding its products by developing new products that can meet the needs of a wider range of customers. This can help companies to expand market share and increase company competitiveness. May take advantage of partnerships with other suppliers or manufacturers to expand its product offerings.

### **Opportunity**

#### ***Invest in new technologies such as automation or telematics to increase efficiency***

Investments in new technologies such as automation and telematics can help improve operational efficiency and company performance. Automation can help increase production efficiency and reduce production costs. By using an automation system, it can minimize human error, increase productivity, and reduce production costs. For example, automation in the assembly process and equipment testing can help improve product quality and reduce production time. Companies can take advantage of telematics technology to monitor equipment conditions and optimize equipment performance. For example, PT. The TA can install sensors on the equipment to collect data on the performance and condition of the equipment, so as to carry out the necessary maintenance and repairs in a timely and effective manner.

#### ***Develop partnerships with larger competitors or suppliers to access new markets or technologies***

Companies can develop partnerships with larger competitors or suppliers to access new markets or technologies that are difficult for the company to reach independently. Such partnerships can help expand market reach and increase a company's competitive advantage.

Companies can develop partnerships with larger suppliers to access cheaper or higher quality raw materials. In addition, it can develop partnerships with larger competitors to access new technologies and expand product offerings. For example, PT. TAs can develop partnerships with large companies to license new technologies that can help improve production efficiency or product quality.

#### ***The expansion of the services offered includes renting or renting equipment***

Expansion of the services offered by the company including leasing or leasing equipment can help the company expand its market and increase revenue. By providing equipment leasing or leasing services, companies can expand their customer reach by offering equipment solutions that are more flexible and affordable. Customers who don't have the budget to buy new equipment or only need equipment for a short period of time can be potential customers for this service.

### **Threats**

#### ***Intense competition from bigger and established competitors in the same industry. This strong competition can affect the market share and profits of PT. TA***

Intense competition from bigger and more established competitors in the same industry can be a serious threat to the company, because it can affect the company's market share and profits. Larger, more established competitors have greater resources and expertise, which can be used to produce better products, offer better services, and market products more effectively.

To face this competition, companies must increase their competitive advantage by focusing on aspects that competitors cannot imitate, such as superior customer service, product innovation, or better product quality. Companies can also seek to gain by focusing on certain market segments that are poorly served by larger competitors.

***Changes in government policies that may affect the company's business. These changes can take the form of environmental regulations, taxes, or trade policies***

Changes in government policy can affect a company's business, especially if the company relies on raw materials regulated by environmental regulations or if the company operates in a sector that is affected by changes in trade or tax policies.

Environmental regulations, for example, can limit or change how TA obtains raw materials or manages waste, which can impact a company's costs and operations. Changing trade or tax policies can affect product prices and the markets in which a company operates, as well as affect production costs and company profits.

To overcome the impact of changes in government policy, PT. TAs need to keep abreast of policy developments and take into account their impact on the company's business. Companies may consider diversifying operations or raw materials, as well as adopting more efficient and environmentally friendly technologies to reduce the impact of regulatory changes.

***Unstable economic conditions can affect the demand for PT. TA, thereby affecting the company's financial performance***

Unstable economic conditions can affect the demand for PT. TA and its consequences can affect the company's financial performance. If the economy weakens, the construction and infrastructure business, which is the company's main market, may experience a decline. This can affect the company's sales volume and profits.

To overcome the impact of unstable economic conditions, it is necessary to increase the company's flexibility and ability to adapt to changing market conditions. Companies can adopt strategies to strengthen their competitive advantage, such as focusing on high-quality services and increasing product innovation. In addition, companies can strengthen relationships with customers and suppliers, and maintain consistent product and service quality.

### **Best Strategy Analysis**

Companies can also develop products and services that are more adaptive to changes in market demand, such as equipment leasing or leasing services that can provide more flexible solutions for customers. Companies may also consider business diversification to minimize risks and expand markets.

Competitive strategy is a plan or approach used by a company to win the competition with its competitors in the market. This strategy involves actions taken by the company to gain an advantage over its competitors in terms of price, quality or product innovation. In business, a competitive strategy is very important to achieve long-term success, especially in a market full of different competitors.

Another heavy equipment rental company in Central Java, PT. ATR Semarang can use a differentiation strategy with a focus on product and service innovation. Companies can create products and services that are unique and different from their competitors, such as providing better care and maintenance services, providing more modern heavy equipment and more sophisticated technology. This can make PT. TA becomes more attractive to customers and allows companies to charge higher prices than competitors.

PT. TA can implement some of the best competitive strategies in heavy equipment procurement, including: (1) Focus on product and service quality - Companies can improve product and service quality to differentiate themselves from competitors and build customer trust. Companies can adopt international quality standards such as ISO 9001:2015 to ensure that the products and services provided comply with established standards. (2) Product and service diversification – Companies can offer a variety of different products and services to

reach a wider market segment and minimize the risk of losing customers. By broadening the portfolio of products and services, companies can attract customers from different market segments and reduce dependence on limited products and services. (3) Product and service innovation – Companies can continuously innovate products and services to meet changing customer needs and develop more sophisticated and efficient products and services. Companies can adopt more up-to-date technologies and provide more timely and integrated solutions. (4) Focus on after-sales service – The company can provide high-quality after-sales service and strengthen customer relationships. By offering the best after-sales service, companies can build customer trust and ensure that customers are satisfied with the products and services provided. Companies can adopt more up-to-date technologies and provide more timely and integrated solutions. (4) Focus on after-sales service – The company can provide high-quality after-sales service and strengthen customer relationships. By offering the best after-sales service, companies can build customer trust and ensure that customers are satisfied with the products and services provided. Companies can adopt more up-to-date technologies and provide more timely and integrated solutions. (4) Focus on after-sales service – The company can provide high-quality after-sales service and strengthen customer relationships. By offering the best after-sales service, companies can build customer trust and ensure that customers are satisfied with the products and services provided.

In addition, PT. TAs can use a focus strategy by choosing to focus on certain market segments in Central Java, such as the construction or mining market. In this strategy, companies can become experts in meeting customer needs in certain market segments and provide products and services that are better suited to customer needs. In carrying out a differentiation and focus strategy, companies also need to focus on product and service quality and provide a better customer experience. TA can also strengthen the company's brand image by conducting effective marketing campaigns to introduce new products and services and increase customer confidence in the company.

## CONCLUSION

Based on the results of the discussion in this study are, as follows: (1) PT. TA faces problems of dependence on a single product, low production efficiency, and high production costs. To overcome this, they can implement several strategies. First, they can open new markets or explore markets that have not been optimally exploited through a map strategy. In addition, they can also develop new products or product variations of existing products, as well as product diversification. In addition, companies need to improve production processes, increase the efficiency of resource use, improve product quality, and improve production technology in order to reduce high production costs and increase production efficiency, and (2) PT. TAs can adopt a Balanced Scorecard (BSC) design to continuously monitor strategy implementation. By using BSC, companies can ensure that all important aspects of business are well integrated in the company's strategy. Business goals can be achieved in a directed and measurable manner through the implementation of the BSC. In addition, the implementation of BSC can also help improve business efficiency and effectiveness, increase customer satisfaction, and improve overall company performance. Thus, PT. TA is expected to achieve long-term success in the market through the adoption of appropriate strategies and continuous monitoring of progress through the BSC.

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#### First publication right:

Devotion - Journal of Research and Community Service



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