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1. **Introduction**

PT. Pembangunan Jaya Ancol, Tbk (PJAA) is a long time player of integrated recreation property company. It was first created in 1966 by governor Ali Sadikin along with Ir. Ciputra. Talking about recreation and resort segment, PJAA have a big set of recreation and resort facilities that was built in Jakarta during its establishment time named Taman Impian Jaya Ancol (TIJA). After a long time working on this business, now PJAA has a dream to become the first integrated recreation property company in South East Asia. In order to achieve that dream, PJAA should be able to use the right strategies.

In last April meeting, Budi Karya Sumadi, the managing director of PJAA set a target to increase the profit of recreation and resort segment to be able to exceed the property segment. This means, PJAA wants to develop TIJA more than its property segment. Therefore, TIJA have to be different with the other recreation and resort companies to be able to fulfill the company’s vision. There are also some important things that TIJA need to improve related with the critical factors of TIJA’s key of success which are service quality and innovation.

Looking at the economic condition in these recent years, Indonesia is going through the growing phases. Indonesian statistic center mentions that both Indonesia’s disposable and personal income are having an up trend.

<table>
<thead>
<tr>
<th>Disposable Income (Trillion Rupiahs)</th>
<th>Personal Income (Thousand Rupiahs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

The consumption level of Indonesian people keeps increasing from year to year up to 4,646 trillion rupiahs in 2011. This means people in Indonesia are more willing to spend their money in these recent years. As well as disposable income, the personal income of Indonesian people is getting higher and higher too. In 2011, Indonesia’s personal income reaches 27 million rupiahs. According to Samuelson (1997), workers who get more income tend to do more recreation as well as want to spend more money to buy commodities. Thus, this condition gives a good chance for the recreation companies in Indonesia to grow more.
2. Problem Identification

2.1 TIJA’s Vision

PT. Pembangunan Jaya Ancol, Tbk (PJAA), as a long time player of integrated recreation property company has a dream to become the first integrated recreation property company in South East Asia. In order to achieve its dream, TIJA needs a good strategy to be implemented related with service quality and innovation.

2.2 Benchmark

In order to be the first integrated recreation property company in south east Asia, TIJA needs to know about its competitors first. Among the whole recreation and resort companies in south east Asia, those that have potential to be TIJA’s main competitors are Sentosa Island, Genting Highland, and Sunway Lagoon.

Sentosa Island

Compared with Sentosa, looking from all aspects, TIJA is still far behind. From its cleanliness, security, transportation, products, and scenery, TIJA still unable to even touch Sentosa Island. The only thing that TIJA can win is only the price. In order for TIJA to be able to compete with this very strong competitor, TIJA have to first slowly fix its shortages regarding with the aspects that were mentioned before.

Genting Highland

Genting Highland is the best tourism place in Malaysia. Overall, Genting and TIJA are almost the same except talking about Genting’s casino where the facilities are very modern. Genting has its own uniqueness which is its location that enable the visitors to enjoy fresh mountain air.

Sunway Lagoon

Although not as clean as Sentosa Island, Sunway Lagoon can be categorized as a clean recreation and resort company. Talking about facilities, Sunway Lagoon cannot compete with TIJA since it has only 5 amazing parks. Nevertheless, if talking about cleanliness and attractive innovations, Sunway Lagoon could be a great challenge for TIJA.

Other Middle Small Theme Parks

The other potential competitors might also come from the other middle small theme parks such as: Trans Studio Bandung, TMII, Taman Safari, Waterbom, and
many others. Although their capacity is not as big as TIJA, but since they also keep developing, TIJA should be able to develop better. Cannot be denied, some of TIJA’s competitors have more modern and unique products. Therefore, TIJA is very required to do continuous innovations.

2.3 TIJA’s Problems

No Differentiation ➔ As a recreation and resort company, TIJA doesn’t have something special that can differentiate it with the other recreation and resort companies.

Unhealthy Revenue Growth ➔ The financial condition of TIJA is good. This is proven by its net profit continuous increment from year to year. But, this increment could be categorized as a non healthy increment because the increment was resulted from the increase in selling price.

Low Customer Satisfaction ➔ Business TIJA has done many innovations, renovations, and technology development to enhance its products. Even so, based on some testimonials from TIJA’s visitors, TIJA still have some lacks, which are: slow service and lack of customer relationship

Incompetent Human Capital ➔ Talking about human capital, the main concern is: are they really have capability and commitment? People will not believe that TIJA’s employees have good commitment if looking from the cleanliness and security factors. Right now, TIJA employs 843 employees in total. From all of the employees, 193 of them have age above 50. Many researchers said that people with age above 50 have already entered declining phase.

New Entrants ➔ Nowadays, many new small size theme parks were built. Regarding with that, TIJA has a rare and imperfectly imitable capability which are large capital and corporate culture. Thus, it will be hard for the new comers to challenge TIJA especially those with a small amount of capital. Nevertheless, TIJA still have to be cautious because those theme parks might absorb TIJA’s customers little by little.

Short Product Life Cycle ➔ As a recreation and resort company, TIJA should be able to face a short product life cycle. Therefore, TIJA needs continuous innovations with low cost and high benefit.

Low Quality Missions ➔ Legally, TIJA was owned by the government of DKI Jakarta and Ciputra group. Thus, TIJA always made missions to develop art and culture. If TIJA wanted to be the first integrated recreation property company in south
east Asia, the management of TIJA should dare to build better missions to be a market oriented company.

**Obligation to Preserve the Surrounding Environments** → TIJA is located in the middle of big city where there are many people live around it. As a good company, TIJA should be able to show its kindness to the people around it and thus they will love TIJA. Other than that, TIJA should also always concern about the effect of its innovations whether they are environmentally friendly or not.

### 3. Strategy and Analysis

#### 3.1 Porter’s Generic Strategy

Regarding with Porter’s Generic Strategy, TIJA needs to do differentiation strategy which consists of quality, brand, and customization. TIJA have to be unique and have something special that make it different with the other recreation and resort companies. Therefore, TIJA should make new missions based on this differentiation strategy, such as: be special in customers’ mind, market orientation with service excellent, and create unique innovations.

#### 3.2 SWOT Analysis

As a company in a competitive environment, Taman Impian Jaya Ancol (TIJA) has superiority and lack. To be able to find what objectives that TIJA should achieve, the strenghts, weaknesses, opportunities, and threats have to be mixed.

**Balanced Scorecard (BSC) SWOT Matrix**

![Balanced Scorecard SWOT Matrix](image)

(Norberg and Brown, 2001)
<table>
<thead>
<tr>
<th><strong>Strengths:</strong></th>
<th><strong>Weaknesses:</strong></th>
<th><strong>Opportunities:</strong></th>
<th><strong>Threats:</strong></th>
<th><strong>Mixed Objectives</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>-Good company’s financial condition</td>
<td>-A limited source of fund for developing new product and business</td>
<td>-Improving community’s GDP (income).</td>
<td>-New comer has stronger financial capacity</td>
<td>-Sales Growth</td>
</tr>
<tr>
<td>-Strong brand awareness</td>
<td>-Individual visitors starts showing decrease trend indicating the lowered competitive superiority</td>
<td>-Large potential visitors from local agents</td>
<td>-customers become more price sensitive</td>
<td>-Cost Efficiency</td>
</tr>
<tr>
<td>-Various and innovative recreation products</td>
<td>-Some products has been aging, compared to those of competitors relatively newer</td>
<td>-Growing recreation market with potential visitors from Jabodetabek</td>
<td>-Local Government regulation limit school’s access to recreation in Ancol</td>
<td>-Asset Utilization</td>
</tr>
<tr>
<td>-High economy of scale.</td>
<td>-Change management far from optimal.</td>
<td>-Development of non-ticket businesses</td>
<td>-Ancol consumers are sensitive to new products</td>
<td></td>
</tr>
<tr>
<td>-Extensive network</td>
<td>-Lower employee satisfaction index</td>
<td>-Development of new tourism types</td>
<td>-Change in Local Government Regulation that inhibits reclamation</td>
<td></td>
</tr>
<tr>
<td>-Vast land area with reserve for potential development</td>
<td></td>
<td>-Development of recreation network outside Ancol</td>
<td>-Dynamic change in lifestyle of Jabodetabek</td>
<td></td>
</tr>
<tr>
<td>-Competent and experienced management team</td>
<td></td>
<td>-Good relationship with stakeholders</td>
<td></td>
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</tbody>
</table>

BSC SWOT Matrix gives a set of objectives that TIJA should do to overcome its problems and achieve its vision. The objectives are segregated into four perspectives in order to be able to be more focus in achieving those objectives.
3.3 Balanced Scorecard Implementation

Balance Scorecard strategic management system offers good strategies to overcome the problems that TIJA have. The strategies cover all of the vision, missions, and objectives that TIJA want to achieve. BSC divides vision and missions into four categories which are finance, customer, process, and workforce.

According to Balance Scorecard strategy, to be able to achieve financial and customer perspective, TIJA have to first fulfill the human and organizational capital objectives. Good human and organizational capital can encourage the compliance of customers satisfaction. Subsequently, a fulfillment of shareholder value can be encouraged by the fulfillment of customers satisfaction.

Balanced Scorecard Strategy Map

(Kaplan and Norton, 2002)
The loop of TIJA’s BSC strategy map is in accordance with BSC’s guidance where workforce and process are stated to have important roles. The effect of these two critical perspective can change the TIJA’s customer perception and financial condition. The relationship of TIJA’s four perspectives is shown in the following Balanced Scorecard strategy map. The objectives are gotten from the result of TIJA’s SWOT Analysis.

3.4 Balanced Scorecard Analysis and Strategic Initiatives

- **Financial Perspective (Shareholder value)**
  - **Asset Utilization**
    Target: Fixed Assets Turnover > 2.14 (highest annual turnover in the last 4 years).
    Measurement Tool: Fixed Assets Turnover.
    Initiatives: Enhance the fixed asset operations, Optimize the asset performance.
    Loop Effect: Increase net profit to ≥ 40%.
    Weight: 8.33% (MODERATE Priority, due to the same level of influence with the other financial objectives).

- **Revenue Growth**
  Target: Revenue > 932,949.9 million rupiah (highest annual revenue in the last 4 years).
  Measurement Tool: Total revenue.
  Initiatives: Satisfy customers.
  Loop Effect: Increase net profit to ≥ 40%.
  Weight: 8.33% (MODERATE Priority, due to the same level of influence with the other financial objectives).

- **Cost Efficiency**
  Target: ROI TIJA (± 9%) ≥ ROI competitors (± 10% – 12%).
  Measurement Tool: ROI.
  Initiatives: Minimize cost, Choose low investment plans with high future profit.
  Loop Effect: Increase net profit to ≥ 40%.
  Weight: 8.33% (MODERATE Priority, due to the same level of influence with the other financial objectives).

- **Customer Perspective (Satisfied Customer)**
  - **Good Image**
Target: Good image of TIJA in customers’ mind \(\rightarrow\) Monthly satisfaction survey rate \(\geq 3.50\).
Initiatives: Increase products and services quality, Give a good and fair price.
Loop Effect: Revenue growth.
Weight: 8.33\% (MODERATE Priority, due to the same level of influence with the other customer objectives).

- **Time Efficiency**
  Target: Fast service time \(\rightarrow\) Monthly service time survey rate \(\geq 3.50\).
  Initiatives: Build employees’ capability and commitment, Build a good working process system, Remove unimportant service activities.
  Loop Effect: Revenue Growth.
  Weight: 8.33\% (MODERATE Priority, due to the same level of influence with the other customer objectives).

- **Quality Relationship**
  Target: Customer retention \(\rightarrow\) Monthly relationship mark rate \(\geq 7.00\).
  Measurement Tool: Relationship interview and survey (Mark: 0 – 10).
  Initiatives: Build employees’ commitment, Provide customer relationship programs
  Loop Effect: Revenue Growth.
  Weight: 8.33\% (MODERATE Priority, due to the same level of influence with the other customer objectives).

- **Process Perspective** *(Efficient and Effective Process)*
  - **Service Excellence**
    Target: Low service error \(\rightarrow\) Monthly service error rate \(\leq 1.50\).
    Measurement Tool: Service complaints card.
    (Each complaint get 1 point of service error. The service error rate is calculated by dividing the total service errors by the number of employees that provide services).
Initiatives: Create boundarylessness (eliminate boundaries within an organization or a team to create universal ownership of the organization’s overall mission), Change the human activities that are far from optimum with machine or computer system.

Loop Effect: Good Image and Time Efficiency.

Weight: 6.25% (LOW Priority, due to lower level of influence compared with the other organizational capital objectives).

- **Good Innovation**

  Target: New low budget interested products → Monthly benefit from the new products $\geq 0.48\%$ (annual average risk free rate from Bank Indonesia at the time the investment were paid divided by 12 months) of the historical investment cost of that new products.

  Measurement Tool: Cost and benefit ratio of new products.

  (Benefit from the the new products are compared with the historical investment cost of that new products).

Initiatives: Create new products with low investment but have potential to make high revenue, Improve the existing products, Provide better transportation accesses, Create a clean and secure environment, Utilize local wisdom, Bundling products, Expansion.

Loop Effect: Asset Utilization, Cost Efficiency, and Good Image.

Weight: 9.375% (HIGH Priority, due to higher level of influence compared with the other organizational capital objectives).

- **Well Implemented Corporate Social Responsibility (CSR)**

  Target: Corporate sustainability → No complaints from secondary stakeholders (such as government and people who live around TIJA).

  Measurement Tool: Total complaints from secondary stakeholders

  Initiatives: Enhance company’s Corporate Social Responsibility (CSR) activities, Build any needed equipments or products for TIJA’s innovation in order to make it environmentally friendly

  Loop Effect: Good Innovation.

Weight: 3.125% (VERY LOW Priority, due to the very low level of influence compared with the other organizational capital objectives).

- **Good Integrated System**
Target: Fast working response time $\rightarrow$ Monthly working response time survey rate $\geq 3.50$.


Initiatives: Business process reingeneering (fragmenting organization's business processes into subprocesses and tasks that are carried out by several specialized functional areas within the organization), Enhance IT.

Loop Effect: Asset Utilization and Time Efficiency.

Weight: 6.25% (LOW Priority, due to lower level of influence compared with the other organizational capital objectives).

- **Workforce Perspective** (*Committed and Professional Workforce*)

  - **Employees’ Capability**

    Target: Highly qualified employees $\rightarrow$ Revenue per employee $> 1,106,702,135$ rupiah (TIJA’s highest annual revenue within the last 4 years divided by its total employees at that year).

    Initiatives: Give training and education, Retire some old employees, Give a good supervision to junior employees and new comers, Monitor the employees well (so they can be more dicipline).

    Loop Effect: Asset Utilization, Time Efficiency, Service Excellence, Good Integrated System.

    Weight: 12.25% (VERY HIGH Priority, due to its very high level of influence compare with objectives of the other perspectives).

  - **Employees’ commitment**

    Target: Committed Employees $\rightarrow$ Monthly employee satisfaction survey rate $\geq 3.50$


    Initiatives: Give motivation to the employees, Show care feelings to the employees.

    Loop Effect: Asset Utilization, Time Efficiency, Service Excellence, Good Integrated System.

    Weight: 12.25% (VERY HIGH Priority, due to its very high level of influence compare with objectives of the other perspectives).
3.5 Possible Risks vs Balanced Scorecard Strategy

Here is the use of Balanced Scorecard strategy to overcome some of the possible risks identified by TIJA’s management:

- **Macro economic risk**, mitigated by building a good company image which also consists of putting a fair and good price.
- **Risk of natural disasters**, mitigated by well implementing CSR which also consists of building any needed equipments for an environmentally friendly innovations.
- **Risk of limited land**, it is anticipated by the strategy to expand business to many areas outside Jakarta, such as Lembang which already has good transportation accesses and fresh air.
- **Risk of competition**, it is anticipated through implementing a good innovation.
- **Credit risk**, anticipated by enhancing the internal cash flow.
- **Interest rate risks**, mitigated with preferring to enhance internal cash flow rather than gain more funds from debts.
- **Liquidity risk**, anticipated by the same way as credit risk, which is done by enhancing internal cash flow and reduce the use of debts.
- **Risk of changes in government policy, economy, social, and politic.** This risk can’t be predicted, but the potential can be minimized by well implementing CSR and good integrared system.

3.6 Boston Consulting Group (BCG) Analysis

As a big recreation and resort company, TIJA offers many products which can be enjoyed. Eventhough they are all good, but not all of them have good market growth and market share. Therefore, they should be analyzed.

![Relative Market Share Table](image)

(Henderson, 1963)
TIJA’s products based on BCG Categories:

- **Cash Cow (need better maintenances):**
  - Seaworld
  - Beaches and Parks
  - Hailai, Ocean Dream Samudra
  - Putri Duyung
  - Pulau Bidadari
  - Marina Bay

- **Dog (need immediate actions):**
  - Pasar Seni
  - Bowling
  - Gondola

- **Problem Child/Questionmark (need attractive innovations):**
  - Restaurants
  - Ancol Beach City
  - Paintball
  - Ancol Epic Cable
  - Dufan
  - Eco Park
  - Ancol Art Academy
  - Atlantis

4. **Conclusion and Suggestions**

4.1 **Conclusion**

TIJA is a superior recreation company. The continuous innovations that TIJA did makes TIJA always be in Indonesian people’s mind. Not only that, a well maintained business process and competent workforce also makes TIJA always have a good financial condition. Nevertheless, TIJA still needs to do some improvements to be able to achieve its dream. Good improvements will be achieved if TIJA can well controlled its finance, customers, process, and workforce as well as perform good strategies for those four perspectives.

Aligning to Balance Scorecard (BSC) analysis result, TIJA has three financial objectives, three customer objectives, four internal business process objectives, and two human capital objectives to be done. Financial objectives consist of asset utilization, revenue growth, and cost efficiency. Customer objectives consist of good image, time efficiency, and quality relationship. Internal business objectives consist of service excellence, good innovation, well implemented CSR, and good integrated system. Human capital objectives consist of employees’ capability and commitment. From all of the objectives, good innovation, employees’ capability, and employees’ competent have high priority. That means, those three objectives are critically needed to achieve TIJA’s vision.
Based on the BCG analysis, TIJA still need to improve its products more. TIJA have to be able to maintain its products well and create more attractive innovations. Beside that, TIJA should also be able to take immediate actions (remove, improve, or maintain) for products that have both low market share and market growth.

4.2 Suggestions Based On TIJA’s Balanced Scorecard Analysis

Financial  
-  Well operated the assets such as Dufan vehicles, Atlantis pools, and the other TIJA’s assets that are used to gain revenue.  
-  Do some repairments to any low performance assets.  
-  Reduce the use of electricity, water, or any other possibile energy.  
-  Choose low investment plans that can give high future profit possibility.

Customer  
-  Give fast services.  
-  Remove unimportant service activities.  
-  Do customer relationship activities, such as giving a call or sms to customers if there are new products and giving a small gift to customer who come to TIJA at his/her birthday time. Other than that, the employees’ commitment have to be built too.

Process  
-  Use Unyil (Indonesian’s famous character) as TIJA’s mascot.  
  Differentiation Potential: TIJA will have a uniqueness that can attract the lost baby boomers generations who like Unyil to come back. Not only that, customers will be able to memorized well if TIJA has mascots like Disneyland with its Mickey Mouse and Donald Duck.  
-  Create an open sharing climate that seeks to harness the combined strength of the business.  
-  Install machine or digital nervous system to replace the people that work with results far from optimum.  
-  Build new low cost fantastic vehicles at Dufan.  
-  Make a lot of new shows and events at the beach, resorts, and parks.  
-  Continue Dufan Defender movie.  
  High Benefit Potential: Dufan Defender could attract many kids and the movie itself is very demanded to be shown in many other countries, such as: Vietnam, Singapore, Malaysia, and South Africa. Thus, the budget will not be
too high because the broadcasting rights of Dufan Defender can be sold again to many other countries.

- Renovate Dufan vehicles that have potential to make high revenue.
  
  High Benefit Potential: Dufan give the highest income among the other TIJA’s recreation and resort facilities.

- Renovate beaches and parks including cleaning the beaches.
  
  (Beaches and parks give the second highest income among the other TIJA’s recreation and resort facilities).

- Bundling products (such as buy Dufan ticket with higher price can get ticket to Ocean Dream Samudra and coupon to be traded at any TIJA’s restaurants).

- Create another recreation and resort facilities outside Jabodetabek.

- Give presents to people who lives around TIJA on Idul Fitri day (CSR).

- Environmentally friendly innovations.

- Segregate the organization’s business process into subprocesses (so the employees can be more focus in doing their job to provide fast services).

- Enhance the security. - Enhance the IT system.

**Workforce**

- Give free scholarships, free certification program, and on-job training classes.

- Give good supervision to the junior employees and new comers.

- Retire some old employees (if incompetent).
  
  Reason for retiring the old employees: because TIJA have many employees with age above 50.

- Give more bonus and allowances. - Give rewards to dedicated employees.

- Give compliments. - Make some employee gathering events.

- Show care (such as: give present to the employees in their important day like birthday and wedding day).

### 4.3 Suggestion Based On TIJA’s BCG Analysis

Dog Category → Remove Pasar Seni and Bowling, then change them to any better products because they don’t give good profits anymore and have low potential to develop due to their very small number of visitors. For gondola, let it be, because it does not take any land area.
Cash Cow Category → Give well maintenances to Seaworld, beaches and parks, Hailai, Ocean Dream Samudra, Putri Duyung, Pulau Bidadari, and Marina Bay. The things that should be maintained include cleanliness, service quality, and security.

Problem Child Category → Create good innovations for the restaurants, Ancol Beach City, Dufan, Eco Park, Paintball, Ancol Epic Cable, and Ancol Art Academy. The best way that could be done is by bundling those products into packages, such as: Ramadhan package (consists of: Dufan + free dinner at the restaurants).

Star → No need any major improvements anymore for Atlantis. Just give little improvements to make it grows more.

5. References


