

TABLE OF CONTENT

	Page
LEMBAR PENGESAHAN	i
PERNYATAAN KEASLIAN	ii
PERNYATAAN PERSETUJUAN PUBLIKASI	iii
ACKNOWLEDGEMENT	iv
ABSTRACT	vi
TABLE OF CONTENT	vii
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF APPENDICES	xii
I INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Corporate Milestone in Brief	1
1.1.2 Declining Financial Performance	3
1.1.3 The Leadership	6
1.1.4 Corporate Strategic Issues	6
1.2 Identification of the Problems	10
1.3 Objective of the Study	10
1.4 Significance of the Study	10
1.5 Scopes of Study	10
1.6 Chapter Layout	11
II LITERATURE REVIEW	13
2.1 Corporate Level Strategy	13
2.1.1 Single-Business and Multi-Business Firms	12
2.1.2 The Importance of Corporate Level Strategy in Multi-Business Corporation	15
2.2 The Role of Corporate Management in Multi-Business Corporation	15
2.2.1 Directional Strategy	16
2.2.1.1 Growth Strategy	16
2.2.1.2 Stability Strategy	18
2.2.1.3 Retrenchment Strategy	18
2.2.2 Portfolio Strategy	19
2.2.3 Task and Responsibilities of Corporate Management	21
2.2.4 Model for Change	23
2.2.4.1 Create a Sense of Urgency	24
2.2.4.2 Build a Guiding and Powerful Coalition	24
2.2.4.3 Form a Strategy Vision and Initiatives for Change	24
2.2.4.4 Enlist a Volunteer Army that Capable in Communicating the Vision	25
2.2.4.5 Enable Action by Removing Barriers	25
2.2.4.6 Generating Short-Term Wins	25
2.2.4.7 Consolidating Gains and Producing More Changes	26
2.2.4.8 Anchoring the Changes in Corporate Culture	26

2.3	Developing Desired Portfolio Strategy for the Company	26
III	RESEARCH METHODOLOGY	30
3.1	Research Design	30
3.2	Data Collection Method	30
3.3	Data Analysis Method	31
3.4	Validity, Reliability, and Trustworthiness	35
IV	COMPANY PROFILE	38
4.1	Company History	38
4.2	Vision, Mission and Corporate Values	38
4.3	Structure of the Organization	39
4.4	Company's Organization	40
4.5	Strategic Business Units	40
4.5.1	Non-Destructive Testing (NDT)	40
4.5.2	Tubular Testing Division (TSD)	41
4.5.3	Construction Engineering Division (CED)	41
4.5.4	Hydraulic Workover Oil and Gas (HWO-OG)	41
4.5.5	Drilling Service Oil and Gas (DS-OG)	42
4.5.6	Hydraulic Workover Geothermal (HWO-GEO)	42
4.5.7	Drilling Service Geothermal (DS-GEO)	42
4.5.8	Ratu Prabu 2 (RP-2)	43
V	CURRENT SITUATION AND CORPORATE GOVERNANCE OF THE COMPANY	44
5.1	Current Performance	44
5.1.1	Financial Performance	44
5.1.2	People and Organization	48
5.1.3	Market Share	49
5.1.4	Industry Business Cycle	51
5.2	Shareholder Composition, the Board and the Management	51
5.3	Compatibility of Strategic Posture and Company's Performance	53
VI	EXTERNAL ENVIRONMENTAL SCANNING	55
6.1	External Scanning	55
6.2	Oil and Gas Industry – General Macro-Environmental Scanning	55
6.2.1	Political and Legal	56
6.2.2	Economic	58
6.2.3	Socio-Cultural	60
6.2.4	Technology	62
6.2.5	Environmental	63
6.2.6	External Scanning – Non-Disruptive Testing (NDT)	64
6.2.7	External Scanning – Tubular Service Division (TSD)	67
6.2.8	External Scanning – Construction Engineering Division (CED)	70
6.2.9	External Scanning – Hydraulic Workover Oil and Gas (HWO-OG)	74
6.2.10	External Scanning – Drilling Service Oil and Gas (DS-OG)	75
6.3	Geothermal Industry – General Macro-Environmental Scanning	78

6.3.1	Political and Legal	79
6.3.2	Economic	81
6.3.3	Socio-Cultural	84
6.3.4	Technology	85
6.3.5	Environmental	86
6.3.6	External Scanning – Hydraulic Workover Geothermal (HWO-GEO)	86
6.3.7	External Scanning – Drilling Service Geothermal (DS-GEO)	89
6.4	Office Property Industry – General Macro-Environmental Scanning	92
6.4.1	Political and Legal	93
6.4.2	Economic	94
6.4.3	Socio-Cultural	98
6.4.4	Technology	99
6.4.5	Environmental	101
6.4.6	Industrial Scanning – Ratu Prabu 2 (RP-2)	101
VII	INTERNAL ENVIRONMENTAL SCANNING	103
7.1	General Internal Scanning	103
7.2	Internal Scanning – Non-Disruptive Testing (NDT)	104
7.3	Internal Scanning – Tubular Service Division (TSD)	106
7.4	Internal Scanning – Construction Engineering Division (CED)	108
7.5	Internal Scanning – Hydraulic Workover Oil and Gas (HWO-OG)	110
7.6	Internal Scanning – Drilling Service Oil and Gas (DS-OG)	113
7.7	Internal Scanning – Hydraulic Workover Geothermal (HWO-GEO)	114
7.8	Internal Scanning – Drilling Service Geothermal (DS-GEO)	116
7.9	Internal Scanning – Ratu Prabu 2 (RP-2)	118
VII	CORPORATE DIRECTION AND PORTFOLIO STRATEGY	121
8.1	Company’s Level of Diversification	121
8.2	Existing Portfolio Strategy	121
8.3	The Role of the Corporate	125
8.3.1	Managing the Corporate Portfolio	125
8.3.2	Providing Public and Legal Representation	128
8.3.3	Exercising Guidance and Control	129
8.3.4	Managing Linkage	129
8.4	Establish the Change Model	130
8.5	Expected Portfolio	132
IX	CONCLUSIONS AND RECOMMENDATIONS	139
9.1	Conclusions	139
9.2	Recommendation	140
	REFERENCES	141

LIST OF TABLES

	Page
Table 1.1 Strategic Business Unit of the Company as of December 2017	3
Table 1.2 Company's Key Financial Figures and Metrics (2012-2016)	4
Table 1.3 Key Financial Metric of the Company (2012 – 2017)	5
Table 2.1 Rumelt Scheme on Diversification	14
Table 2.2 Most Commonly Used Portfolio Model	19
Table 2.3 Characteristics of Parenting Style	22
Table 3.1 Data, Source of Data and Method of Data Collection	32
Table 3.2 Tools of Analysis, Data Analysis Method and Output	36
Table 4.1 SBU of the Company	40
Table 6.1 NDT External Environmental Scanning	66
Table 6.2 TSD Environmental External Scanning	69
Table 6.3 CED External Environmental Scanning	72
Table 6.4 HWO-OG External Environmental Scanning	74
Table 6.5 DS-OG External Environmental Scanning	76
Table 6.6 HWO-GEO External Environmental Scanning	88
Table 6.7 DS-GEO External Environmental Scanning	91
Table 6.8 PESTEL Analysis on Office Property Industry	93
Table 6.9 Porter's 5 Analysis on Office Property Industry	102
Table 7.1 Internal Scanning – NDT	105
Table 7.2 Internal Scanning – TSD	107
Table 7.3 Internal Scanning – CED	109
Table 7.4 Internal Scanning – HWO-OG	111
Table 7.5 Internal Scanning – DS-OG	114
Table 7.6 Internal Scanning – HWO-GEO	115
Table 7.7 Internal Scanning – DS-GEO	117
Table 7.8 Internal Scanning – RP-2	119
Table 8.1 Strategy to Increase Competitive Position of the SBU	134
Table 8.2 Breakdown of Cash Generated from RP-2 Divestment	135
Table 8.3 Revenue Forecast (2019 – 2023)	137

LIST OF FIGURES

	Page
Figure 1.1	7
Figure 1.2	8
Figure 2.1	17
Figure 2.2	20
Figure 2.3	27
Figure 2.4	29
Figure 3.1	30
Figure 4.1	38
Figure 4.2	39
Figure 5.1	45
Figure 5.2	47
Figure 5.3	48
Figure 5.4	49
Figure 5.5	50
Figure 5.6	52
Figure 6.1	55
Figure 6.2	57
Figure 6.3	58
Figure 6.4	59
Figure 6.5	60
Figure 6.6	61
Figure 6.7	61
Figure 6.8	62
Figure 6.9	82
Figure 6.10	84
Figure 6.11	85
Figure 6.12	95
Figure 6.13	95
Figure 6.14	96
Figure 6.15	97
Figure 6.16	101
Figure 8.1	121
Figure 8.2	122
Figure 8.3	138

LIST OF APPENDICES

	Page
Appendix 1 Interview Result	150
Appendix 2 External Scanning	155
Appendix 3 Existing Internal Scanning	187
Appendix 4 Expected External Scanning	219