

DOI: 10.5281/zenodo.11425118

COAL HAULING BUSINESS REMODELING AS A KEY SUCCESS FACTOR OF BUSINESS TURNAROUND STRATEGY FOR COAL TRANSPORTER COMPANY

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Received: 11/11/2025
Accepted: 18/12/2025

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ABSTRACT

This study aimed to investigate the effectiveness of Business Remodeling strategy as a part of the Turnaround Strategy implemented in business recovery of Srikandi Utama Makmur Corporation. This study used observational research, brainstorming to explore idea within advisor teams, formulation of an integrated improvement plan and direct decision-making as well as the implementing the balance scorecard tools as a tools for setting targets, monitoring performance and evaluating results. Based on the improvement progress of this study, a turnaround strategy was the most appropriate choice in an effort to improve the business of Srikandi Utama Makmur Corporation who almost went bankrupt, where the performance increased from 29% to be 90%. Business Remodeling was the key strategy that most contributed to improvement in the initial 5 months of the study. This research formulation was expected to contribute and could be implemented in the business of Srikandi Utama Makmur Corporation in the future and also could be implementation to others coal hauling company.

KEYWORDS: Turnaround strategy, business remodeling, integrated Key Performance Indicators and team works, tight monitoring, maneuvering decision and continuous improvement.

1. INTRODUCTION

Coal business situation in Indonesia was facing the biggest challenges due to these following matters:

1. The Coal price continued to decline, reaching:



Figure 1: Coal Price.

Source: Ministry of Energy and Mineral Resources, 2020.

2. The Covid-19 pandemic had impacted almost all mining business players adapting to changes in business methods, where exports were severely disrupted both due to lockdown restrictions and a decreased in demand as a result of sluggish industry, resulting in:

- The Mine Owner made price adjustment to the contractor
- Delivery of spare parts to the mine site was delayed for +/- 2 weeks because the logistic business was severely affected by sluggish business

This business difficulty also had an impact to almost coal supply chain company included Srikandi Utama Makmur Corporation as a coal transporter company, as seen in the financial report presented below :

1. Profit abilities YTD Apr 2020

Table 1: Srikandi Utama Makmur Corporation Profit abilities.



Source: Srikandi Utama Makmur Corporation, Processed.

US\$49.42 in Sept 2020, made a difficult situation for the company holding Mining Business Licence (IUP) especially lowrank calorie which forced to produce above the selling price.

Table 2: Balance Sheet YTD Apr 2020.

ASSETS	April 30, 2020	LIABILITIES	April 30, 2020
Current Assets		Current Liabilities	
Cash and Banks	182,211,159	Account Payables	76,413,594,495
Account Receivables	10,177,234,241	Debt to Other Customer	11,513,139,453
Other Receivables	350,000,000	Accrued Expense	11,457,005,000
Advances	5,917,495,600	Tax Payables	1,473,555,467
Inventories	2,589,715,172	Total Current Liabilities	99,863,294,355
Prepayments	5,000,631,068	Non Current Liabilities	
Accrued Revenue	11,607,236,313	Loan Payable	11,165,269,846
Total Current Assets	37,047,517,811	Total Non Current Liabilities	11,165,269,846
Non Current Assets		Shareholder's Equity	April 30, 2020
Fixed & Leased Assets - net	10,413,175,500	Capital Stock	250,000,000
Total Non Current Assets	10,413,175,500	Retained Earning	151,453,512,495
Total Assets	47,460,693,311	Current Earning	111,545,117,694
		Total Shareholder's Equity	152,998,629,189
		Total Liabilities and Equity	47,460,693,311

Source: Srikandi Utama Makmur Corporation, Processed.

Summary of key financial ratio based on the report as follows :

- - Current ratio : 1 : 2.7 or 0.37 times
- - Profit & Loss :-11 Bio (-44%)
- - Debt Equity Ratio : #N/A
- Debt to Gross Earning Ratio :-0.27

Srikandi Utama Makmur Corporation had experienced financial distress, as seen in the financial ratios presented above, making it difficult to keep operations running. Srikandi Utama Makmur Corporation was categorized as not had the ability to repay the debts from the lenders.

1.1. Research Problem

In connection with the deteriorating business conditions of the company , share holders were

engage with consultants to improve company performances and researchers was a member of the consulting team. The main duties were :

1. How to adjust business methods adapted with the environment changing (business remodeling).
2. How was the effectiveness of changes in business methods (business remodeling) conducted at Srikandi Utama Makmur Corporation.
3. What was the business remodeling strategy contribution to encourage the a successful Business Turnaround strategy in managing the business of Srikandi Utama Makmur Corporation.

Objectives of Business Development Case Studies

The purposes of Business Development Case Studies at Srikandi Utama Makmur Corporation was as follows :

1. To determine the effectiveness of the Pestel Analysis Method, Porter's 5 Forces Analysis, SWOT Analysis and Fishbone Diagram Analysis in analyzing to find the root causes of problems.
2. To determine the effectiveness of the monitoring method of the balanced scorecard and PDCA in measuring and analyzing performance results and how was the corrective action.
3. To determine the effectiveness of Business Remodeling as one of the strategies of the Business Turnaround strategy implemented by the consultant team.

2. THE FRAMEWORK OF BUSINESS REMODELING AS A KEY STRATEGY OF CORPORATE TURNAROUND STRATEGY

The researcher describes the problem analysis and improvement plan using the "Balance Scorecard Sustainability System" for the framework in this case study research as follow :



Figure 2: SUM's Balance Scorecard Sustainability System.

Source: Srikandi Utama Makmur Corporation Corporation, Processed.

This picture showed that the steps of Balanced Scorecard Framework. It was divided by three big box such as scanning box activities, Formulation and Implementation box activities and Evaluation box activities. Every activities should had enough time to finish the work loaded and could be move to the next box activities.

Environmental / Industrial Scanning Definition

The environment was everything outside the organization boundaries. According to Brooks and Weatherston (1997: 4), the definition of environment had intellectual problems, so the researchers categorize it with different approaches. In the context of strategic management, the environment was defined depending on the proximity and distance of the environment from the organization or the environment directly and indirectly affecting the organization.

2.1. External Analysis

The company's external business environment according to Brooks and Weatherston (1997: 4), were numerous factors outside the organization boundaries that must be taken into account by the company organization in decision making. The external environment was all outside factors that influence a company's choice of direction and actions, which in turn also affect its organizational structure and internal processes.

2.2. Internal Analysis

Thompson, Peteraf, Gamble & Strickland (2012) stated that company resources and capabilities were important factors in creating a competitive strategy. The internal environment was the organizational environment that exists within the organization and had a direct impact for the company. The internal environmental analysis of the company was defined as a strategic planning process that examines the marketing and distribution of the company, research and development, production and operations, company resources and employees, as well as financial and accounting factors to analyze strengths and weaknesses. The companies can take advantage of opportunities by the most effective methods and can handle threats. The internal environmental analysis of the company aimed to identify a number of strengths and weaknesses contained in the resources and internal business processes owned by a company.

2.3. PESTEL Analysis

According to Ward and Peppard (2002, p70-72) PEST analysis was an analysis of the external

environmental factors of business covering the political, economic, social, technological, environmental and legal fields. PESTEL was used to assess the market for a business or organizational unit. The PEST analysis headings were a framework for reviewing a situation, and reviewing strategy or position, direction of a company, marketing propositions or ideas. Where this analysis can be used to identify a new opportunity or threat for the company.

2.4. Porter's 5 Forces Analysis

Porter five forces model was a model developed by a Harvard Business School professor, Michael E. Porter, in 1980 in his book "Competitive Strategy: Techniques for Analyzing Industries and Competitors" aimed to help companies to identify and analyze the forces that influence the market as well as knowing the strengths, weaknesses and company position in the market. In his model, Porter divided the forces that affect the market and industry into five strengths, namely power of suppliers, buyers, competitive rivalry, threat of substitution, threat of new entry

2.5. Balance Scorecard

The Balanced Scorecard System was a strategic management system or more accurately called a "Strategic based responsibility accounting system" which converted an organization's mission and strategy into operational objectives and performance benchmarks for four different perspectives, namely the Financial Perspective, the Customer Perspective, internal business process perspective, and learning and growth infrastructure perspective developed by Drs. Robert Kaplan from Harvard Business School and David Norton in the early 1990s.

2.5. Fishbone Diagram

It is often called fishbone diagram because its design looks like the skeleton of a fish or Cause-and-Effect Diagram or Ishikawa Diagram introduced by Dr. Kaoru Ishikawa, a quality control expert from Japan, as one of the seven basic quality tools. The fishbone diagram was used to identify many possible causes of an effect or problem, and analyze the problem through a brainstorming session. The problem will be divided into a number of related categories, including humans, materials, machines, procedures, policies, and so on. Each category had reasons that need to be elaborated through a brainstorming session.

2.6. SWOT Analysis

SWOT analysis was a strategic planning technique that was useful for evaluating the strengths and weaknesses, opportunities and threats in a project, both ongoing and in new planning. SWOT analysis was first introduced by Albert S Humphrey in the 1960s while leading a research project at the Stanford Research Institute based on data from Fortune 500 companies.

2.7. Turnaround Strategy

Turnaround was defined as the process of formulating and implementing a strategic plan supported by a series of actions taken for extreme renewal and even reversing the direction of the company from a decline in performance and restructuring when facing financial distress. (Schendel, Patton and Riggs in Bruton et al (2003).

The management must decide how to carry out the turnaround process. According to Davis and Hofer (in Bruton et al., 2003) there were 2 types of turnaround strategies that had been conducted in western countries, namely operational and strategic strategies. Strategic turnarounds were focused on changing the direction of the company's strategy, positioning, alliances, and types of products, while operational turnarounds include employee layoffs and retrenchment.

2.7.1. Turnaround Strategy Process

Pearce and Robbins (1993), Arogyaswamy et.al (1995) in Smith & Graves (2005), state that the turnaround process consists of 2 parts, namely:

2.7.2. Decline stemming strategy

Decline stemming strategy aimed to stabilize the company's financial condition by gathering shareholder support, eliminating inefficiencies (efficiency oriented strategy) and stabilizing the company's internal environment. In Smith & Graves (2005), the level of success in the application of decline stemming strategies is influenced by several factors, including the distress level tolerance of a company (Pearce & Robbins, 1993; Arogyawamy et.al., 1995), company size and freely available resources (White, 1989, Arogyawamy et.al, 1995).

2.7.3. Recovery strategy

When the company's financial condition was stable, it was necessary to determine a recovery strategy which will be followed by increasing profitability or striving for growth (entrepreneurial oriented).

2.8. Business Remodeling Theory

Cater and Schwab (2008) developed a family business turnaround model, adopting a two-phase model from Pearce and Robbins (1993):

- Phase 1 of the model change (business remodeling) includes three components:
 1. Change management in top position.
 2. External advice / expertise
 3. Efficiency.
- Phase 2 deals with changes to the organizational structure (business remodeling) related to products, operations, marketing, and human resources as key functions of an organizational structure

Cater and Schwab (2008) do not mention the finance department, which was an advantage of the turnaround strategy. The model concludes that the turnaround strategy had ended in a recovery or organizational failure format

2.8.1. Plan Do Check Action Method

The PDCA method was an iterative four-step problem-solving process typically used in quality control. PDCA was known as the "Shewhart cycle", as it was initially developed by Walter Shewhart several decades ago. However, in its development, the PDCA analysis methodology was more commonly referred to as the "Deming cycle". This was because Deming was the one who popularized its use and expanded its application. However, Deming himself was often referred to this method as the Shewhart cycle, taken from the name Walter A. Shewhart who had often regarded as the father of statistical quality control. Later, Deming modified PDCA to PDSA ("Plan, Do, Study, Act") to better describe his recommendations.

3. RESEARCH METHOD

This research was the development research by using case approach. This case study only examines one holding company because it is considered crucial. This research only for mining industries and using one holding corporation with two mining projects under Servo Lintas Raya Coal hauling Project and also Ganda Alam Makmur coal hauling project to solve the worst situations. Because it is a case study, the data used is secondary company data such as sales, employee data, customer data, and some data from interviews with stakeholders. Data sources and collected for SWOT analysis was carried out to see the company condition more accurately. The analysis was carried out by means of a brainstorming mechanism among company management, advisors and input from share holders, consisting 12 (twelve) people using these analyses:

Internal Factors Analysis (IFAS) and External Factors Analysis (EFAS).

After the data completed, the researcher made formulation strategy and implementation of the strategy. The steps and activities in data collection are as follows.

The data sources from business development case study at Srikandi Utama Makmur Corporation retrieved from :

- Results of interviews with parties and stakeholders appointed by the Company.
- Data legality of the company, financial and operational statement as well as statement of cashflow as well as the entire management system applicable at Srikandi Utama Makmur Corporation.

This data was obtained not only from internal sources but was also reinforced with external data. The method used to conduct research on the business development case study at Srikandi Utama Makmur Corporation are :

1. Setting up a business recovery and development team for Srikandi Utama Makmur Corporation.
2. Develop a communication forum to make decisions and policies, with these following methods:
3. Focus Group Discussion (FGD), either within the internal department or on a company level, involves a relevant and competent team to conduct in-depth discussions
4. Regular meeting, both weekly and monthly meetings to evaluate performance and determine the next plan
5. Situational and on the spot meeting, to respond to conditions that require immediate decisions
6. Problem solving techniques and formulating strategies based on:
7. Re-defining the performance activity parameters in accordance with the applicable standards or from benchmark industry :
 - Mining Operating hours Standard
 - Minimum physical availability per truck
 - Hauling truck productivity while comply to safety rules, not over speed.
1. Define a short-term sustainable strategy (PDCA) adjusted to the company conditions, such as:
2. Setting up the production targets in phases (not aggressively), in line with the increasing of truck physical availability and availability of manpower
3. The improvements start from business

remodeling, parallel proposals for bank restructuring and leasing to obtain operational funds, then proceed to operational improvements.

4. The key strategy was business remodeling, change from the standard business model that was commonly accepted in the coal hauling industry in coal mining in Indonesia to business model which adapted with environment changes. The method used was:
5. Partnership was a cooperation mechanism between two or more strengths to jointly achieve goals that were greater than the capacity they had, if done with their own strengths
6. Risk sharing was a cooperation mechanism where the parties have identified the existing risks and were committed to jointly bear the risks, without claiming to the other party.
7. Business process Improvement, adjusting the partnership scheme agreement by accommodating the best business process from one of the parties or creating a new business process.

Formulation and execution all of principal strategies as below :

Business remodeling

- Hauling operational business process improvement
- Truck maintenance business process improvement
- Manpower productivity improvement

They were interrelated strategies, where the success of hauling operations was largely determined by the physical availability of the trucks and drivers competence which was also supported by the success of the business remodeling that would be conducted.

4. Experimental research was not an actual research. Experiments occur when one or more independent variables were deliberately manipulated or controlled by the team conducting the experiments, and then their effect on one or more dependent variables is measured.

This method was used to obtain exclusive answers to questions such as;

- Could the company make a profit again?
- Could the company increase its production?
- Could the company survive, or could it grow again?

4. RESEARCH RESULT AND DISCUSSION

Srikandi Utama Makmur Corporation realizes

that they were facing a very serious and urgent problem and need to found immediate solutions, but to be able to make the best corrective actions, it was necessary to identify the real problems of the company.

External Analysis Result

Based on the identification that had been done on the external factors that affect the business of Srikandi Utama Makmur Corporation was as follows:

1. Business threats in the existing project :
 - There were prices decline from buyers following the downward trend in coal prices
 - Operational support needs, such as labor cost, the increased of spare parts and basic necessities cost.
 - The level of competition was very high, in the two existing project, Servo Lintas Raya Coal hauling Project and also Ganda Alam Makmur coal hauling project.
2. Business Opportunities by the competitor as follow :
 - Servo Lintas Raya Corporation have target in year 2020 amounted to 10,000,000 tons, having an increase of 30% from year 2019 which is 7,400,000 tons.
 - PT. Ganda Alam Makmur target in year 2020 amounted to 10,500,000 tons, having an increase of 25% from the previous year of 7,500,000 tons

Internal Analysis Result

Internal factors affecting the business were as follows:

- 1) The strengths of the company were :
 - Having 2 (two) very strategic coal transportation contracts, which was from Servo Lintas Raya Corporation, the only service provider of coal transportation infrastructure in South Sumatra with an installed production capacity of 12 million tons/year and will be increased to 25 million tons/year.
 - Having a special relationship with Servo Lintas Raya corporation as the project owner, so it would got priority if there was an increase in production volume
 - Been able to manage remuneration patterns for drivers with an attractive scheme, with the concept "no work no pay", compensation based on the drivers performance. This pattern could not been applied by larger companies because drivers always demand compensation for basic salary and overtime.
 - And also Ganda Alam Makmur Corporation,

located in East Kalimantan with extremely large reserves +/- 240 million, had a very adequate infrastructure in the mining sector and the majority owned by a well-known company from South Korea, LG

2. Weaknesses that need to be fixed by the company were:
 - The repair & maintenance management for trucks was relatively weak so that the physical availability target was not achieved
 - Having several services that could not be managed, resulting in losses and increasing the company's expenses

The identification of the company's condition using the Balance Scorecard method. The identification of the company's condition using the Balance Scorecard approach with the YTD statement on April 2020 was as follows:

Table 3: YTD Evaluation On April 2020 – Balance Scorecard Monitoring.

Perspective	KPI	Target	Actual	Achievement
Customer	GAM – Volume	800.000Ton	371,403Ton	46%
	SLR – Volume	600.000Ton	250,224Ton	42%
Financial	Revenue	60.960.000.000	25.867.257.995	42%
	EBITDA	15.288.000.000	(9,044,566,499)	
	Net Income	5.605.600.000	(11,346,175,694)	
	DSCR	1.0X	#N/A	
	DER	3X	#N/A	
Internal Business Process	SLR – BizPro	Cash Cost Apr 20: Rp. 684 /ton/km	Rp. 884 /Ton /Km	77%
	Improvement			
	GAM – BizPro	Cash Cost Apr 20: Rp. 1.635 /Ton /Km	Rp. 1.635 /Ton /Km	34%
	Improvement			
Learning & Growth	Attendance Ratio	97%	60%	61%
	GAM Productivity	8 Rit/Day	6 Rit /Day	75%
	SLR Productivity	1 Rit/Day	0.8 Rit /Day	80%

Source : Srikandi Utama Makmur Corporation, Processed

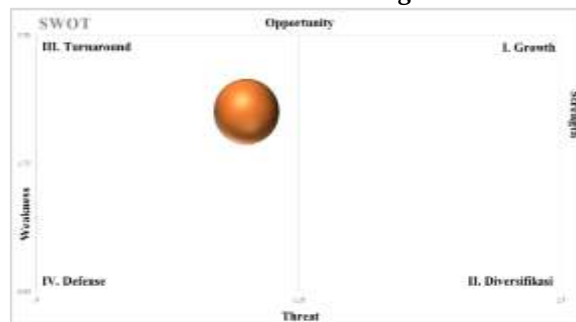
In this table showed that the company was categorized in the bankrupt condition, where earning before interest tax and depreciation (called EBITDA), which should have been in the range of 35%, was still at the minus level (<0%). Debt Service Coverage Ratio (called DSCR) unable to be calculated because earning before interest tax and depreciation was at a minus level, as well as Debt Equity Ratio (called DER) unable to be calculated because Equity was in a minus condition.

4.1. The Identification Of Root Cause Problems

The combination of EFAS and IFAS can be concluded that Srikandi Utama Makmur Corporation is in quadrant III, which is to have a

good opportunity but needs to develop his strength to be able to seize this opportunity.

Table 4: SWOT Diagram.



Source: Results Of Data Processing

From this table SWOT analysis showed that the condition of Srikandi Utama Makmur Corporation in Turnaround position. It means that this company could be save by turnaround strategy.

4.2. Set The SMART Targets

The research gave advise to the management of Srikandi Utama Makmur Corporation to had set revisions to the company's target to make it better by Specific, Measurable, Achievement, Reliable and time limited concept or known as SMART. The SMART targets that had been set for this recovery process were as follows:

Table 5: Turnaround Strategy Targets.

Perspective	KPI	Description	Measurement	Deadline
Customer	GAM – Volume	Asumsi di table 4.1	343.000 Ton / Bulan	Apr 2021
	GAM – Market Share	Hauling DT 35T	35%	Dec 2021
	SLR – Volume	Asumsi di table 4.2	378.000 Ton / Bulan	Jul 2021
	SLR – Market Share	Hauling 15.36 - Port	20%	Dec 2021
Financial	EBITDA	Apr 2020 :	37% to Revenue	Dec 2021
	Net Income	Apr 2020 :	15% to Revenue	Dec 2021
	DSCR	Apr 2020 :	2X	Dec 2021
	DER	Apr 2020 :	70X	Dec 2021
Internal BizPro	SLR – BizPro	Production cost /unit	Rp. 684 /Ton /Km	Dec 2021
	GAM – BizPro	Production cost /unit	Rp. 561 /Ton /Km	Dec 2021
Learning & Growth	Attendance Ratio		97%	Dec 2020
	GAM Productivity		10 Trip /Day	Dec 2021
	SLR Productivity		6 Trip /Day	Dec 2021

Data Source: Srikandi Utama Makmur Corporation, Processed.

From this table, those targets above had became an agreement between the management and the Project Manager in the field after going through the verification process of the proposed working paper, evaluating the strategy plan to be implemented, including the readiness of manpower and the agreed deadline.

4.2. Business Recovery Implementation Strategy

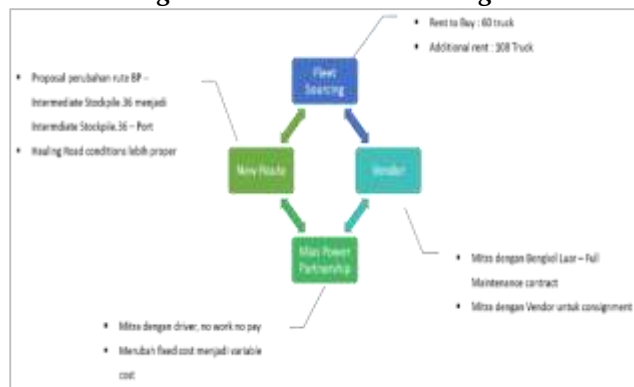
4.2.1. Turnaround Action Plan Strategy

The improvement implementation at Srikandi Utama Makmur Corporation started on June 1, 2020, to thoroughly identify the problem and has formulated extreme steps for the recovery of the company as quickly as possible, to hold it back before it was declared bankrupt. This turnaround strategy targets changes in all organizational lines, as follows:

4.2.2. Business Remodeling Strategy

The management believes that extreme changes had been taken by increasing the income first, in terms of business recovery turnaround it is called Entrepreneurial oriented, therefore the steps taken are as follows:

Figure 3: Business Remodeling.



In this picture showed the steps of remodeling strategy. First step was The initial business model. This was the standard business model commonly conducted by Coal Hauling contractors, namely having their own fleet, repairing their own equipment and having permanent employees as drivers. This was done with the aimed of getting greater profits because it could save costs if all the resources could be done alone.

Second step was Business Remodeling implementation. It was use the basic principle of partnership with the following objectives:

1. Develop upgrading competent strengths by combining several superior competencies in their respective fields into one strength:
 - Cooperate with companies that were experts in the management of truck unit repair
 - Cooperate with driver management companies, where their drivers were highly trained and disciplined
 - Working with parties who have a fleet but did not have a project. With the addition of 3 (three) superiors strength able to increase the strength of Srikandi Utama Makmur Corporation competencies by having quality projects and reliable operation management.

2. Shifting the cost structure from fix cost to variable cost. Manage the medium size project at Servo Lintas Raya Corporation, support and supervision costs were not ideal or exceed the standards in the Coal Hauling services industry, so in the short term the variable cost approach using other people's resources had more effective. Companies had not need to provide redundant resources themselves.
3. Risk sharing where success or failure had borne by each party so that Srikandi Utama Makmur Corporation could minimize its potential losses.

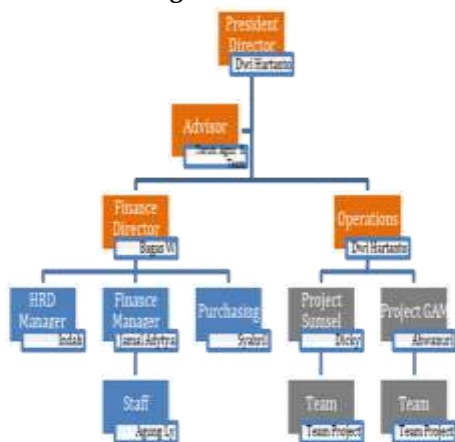
With a partnership aimed at combining several strengths into one goal, the implementation was as follows:

1. Increasing production equipment resources by collaborating with partners:
 - Truck rental contracts from partners of 60 (sixty) trucks with a capacity of 35 (thirty five) tons, would been end in June 2020, the condition of the unit which is suitable for operation is 20 (twenty) trucks.
 - Extend the truck rental contract with a capacity of 35 (thirty five) tons, with a period of 3 (three) years with a soft payment scheme, which was paid at the end of the period
 - Additional truck rental for a maximum of 110 (one hundred and ten) trucks, would be submitted in stages
2. Optimizing an additional production volume contract from Servo Lintas Raya Corporation, from 60,000 tons/ month to 150,000 tons/month in December 2020 and to 400,000 tons/month in July 2021
3. Negotiate with Servo Lintas Raya Corporation to change the route from the BP Mine - Intermediate Stockpile 36 along the 77 km to the Intermediate Stockpile 36 Port route, with the following considerations:
 - The road condition IS.36 - The port is relatively flat so that the truck durability is better maintained
 - Loading points at the Intermediate Stockpile are supported by 8 (eight) loading tools with a total capacity of 25,000 tons/ day, so the loading queue was relatively faster and with this it was possible to get 6 (six) rit.
4. Engage a Strategic Partnership with maintenance vendors, outsourcing drivers would be detailed in the business process improvement discussion, because they had interrelated.

4.3. Change Management

The company execute the vision into a people management strategy, creates an organizational structure according to the needs and ensures the right man in the right place. The changes made are as follows:

Table 6: Organizational Structure.



Data source: Srikandi Utama Makmur Corporation, processed.

This table showed that the new organizational structure. With this new structure, it could be easier for management to made decision and the effective of communication between departments.

For the people managements, the researchers made improvement in the management of the number of manpower, who are registered as employees:

Table 7: Manpower Improvement.

	Servo Project	GAM Project	Head Office	Total
Management	4	10	4	18
Driver				
Mechanic	41			41
Support	30	14		44
Total	75	24	4	103

Data source: PT. Srikandi Utama Makmur Corporation, processed.

With the new combination to support the turnaround strategy, the cost of company would be efficient. After mad restructure organization and manpower planning, the researchers made monitoring and evaluation system. This was for made it sure that the business process improvements could be success.

4.4. Measuring Success

Evaluation was always reviewed every week because of its critical position and each discussion often finds new problems that require maneuvering to work execution. Achievements were measured

every month as follows

Table 8: Performance Monitoring – Balance Scorecard.

KPI	Measure-ment	Jun	Jul	Aug	Sep	Oct
GAM – Hauling Volume	200,000	153,246	160,334	208,370	223,995	263,996
SLR – Hauling Volume	200,000	40,368	65,040	118,441	134,210	98,411
CUSTOMER						
Revenue		5,053	5,999	8,055	8,984	9,500
EBITDA		(1,786)	(136)	(506)	1,261	5,138
DSCR		N/A	N/A	N/A	N/A	N/A
DER		N/A	N/A	N/A	N/A	N/A
FINANCIAL						
SLR – Business Process Improvement	Hauling Cost : Rp.561/Ton/Km	681	885	936	694	1,072
GAM – Business Process Improvement	Hauling Cost : Rp.684/Ton/Km	1,146	880	752	790	789
INTERNAL PROCESS						
Attendance Ratio		97%	40%	30%	90%	95%
Driver Productivity - GAM		6	2.5	3	3.5	4
Driver Productivity - SLR		3	1	1	2.5	2
LEARNING						

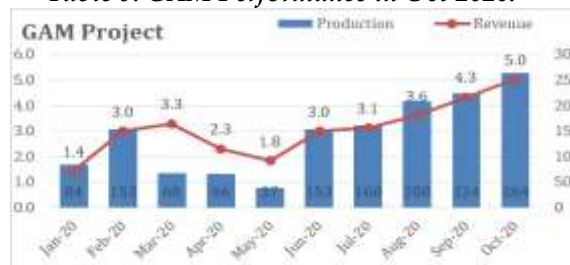
Data Source: Srikandi Utama Makmur Corporation, Processed.

This table showed that the performance monitoring results. Performance monitoring used The Balanced Score Card approach. The researchers made optimalization with the 4 (four) dimension such as Learning and Growth, Internal Business Process, Customer Perspective and Financial Perform. How to found the target, the researchers created Key Performance Indicators (called KPI). By this table showed that every month, Srikandi Utama Makmur Corporation had been great performance in every steps and dimensions. The performance of this had been seen details.

4.4.1. The Effectiveness Of Business Remodeling On Customer Satisfaction Performance

The strategy in Project Ganda Alam Makmur Corporation (called GAM) that was well-implemented and resulted in improved performance that increased every month.

Table 9: GAM Performance in Oct 2020.



Data source: Srikandi Utama Makmur Corporation, processed.

This table showed that the Business Remodeling strategy had well-implemented and results in increased performance improvements every month. The keys to the success of this activity were:

1. Increasing the number of fleets, which had received support from partners to lease their fleets with a Production-based payment scheme. Fleets from vendors were sent in stages totaling 30 units
2. Improving the Physical Availability unit itself, after major repair job doing by the vendor. The company could be from 6 new units had increased to 12 units. Most of the units suffered major breakdowns due to cannibalism
3. Improving Production performance through increased employee discipline, strict monitoring so that there was an increase in the ratio from an average of 8 trips / day to an average of 10 trips / day.
4. Srikandi Utama Makmur Corporation had been succeed to improve significant increase in market share in Project Ganda Alam Makmur Corporation, namely to 27% market share in the October 2020 period and also became the market leader.
5. With this achievement, Ganda Alam Makmur had a customer awarded through contract extension and increased volume to 250k tons.

The Business Remodeling strategy implemented in the Servo Lintas Raya Corporation (called SLR) project had been running well, but not yet stable. The performance improvement in the first three months showed a good increase in performance, but then decreased again. Strategies that were already working well:

Table 10: SLR Performance in Oct 2020.



Data Source: Srikandi Utama Makmur Corporation, Processed.

By this table showed that :

1. Increasing the number of fleets, which had received support from partners to lease their fleets with a very lenient payment scheme. The fleet from the vendor had been shipped 40 units and the total commitment is 110 units. .
2. Improving Production performance through increased employee discipline, strict monitoring so that there had increased in the ratio from an average of 3 trips / day to an average of 4 trips / day.
3. Market share for the period of Oct 2012, had still in the 5th market position even though this

position still far on the market leader. But this market position as the success of company.

Meanwhile, strategies that had not yet running optimally and require a corrective action plan:

- The ability to manage unit repairs had been still very weak. The existing team had accustomed to working without clear planning and the behavior of predictive maintenance and unit maintenance programs (greasing and service) had not been developed.
- The order pattern for spare parts had not been well systemic, where the order had placed after the unit breakdown, while the inventory only prepares fast moving spare parts. With this condition resulted in cannibalism.

4.4.2. Impact of Business Remodeling to integration Business Turnaround strategy

Business remodeling had direct impact to another turnaround strategies as follows:

1. Financial performance achievement for the period of Oct 2020:

Table 11: SUM financial performance in Oct 2020.



Data Source: Srikandi Utama Makmur Corporation, Processed.

Note:

- Revenue, Ebitda Margin & Earning Before Tax in billion (IDR) and in percentage

This table showed that the turnaround strategy had succeed to made rebound. All the indicators, such as revenue and profitability made growth conditions.

The turnaround strategies that have been implemented were starting to show satisfying results. The main goals of the turnaround strategy implemented at Srikandi Utama Makmur Corporation is to increase revenue and cost leadership. From the data above, it can be described as follows:

- Revenue had been increased continuously, and still had the potential to increase in line with the readiness of Production tools
- Earning before interest tax depreciation and amortization showed improvement from negative to positive, but had not yet reached the industry benchmark, where earning before interest tax and depreciation was in the range

of 37%

- Earning Before Tax is still negative
 - Debt Service Coverage Ratio was under 1, indicating that it was unable to make bank loan payments and leasing.
2. Business process improvement which had significant succeed as follows:
- The business process at Ganda Alam Makmur had been improved and had been successfully, where the significant change in the business process had increased the productivity of trucks/day increasing from 8 trips to 10 trips.
 - The business process improvements result at Servo Lintas Raya Project had been made a good progress, but still not optimal yet, where the performance in October 2020 had decreased again. This was due to the untested ability of the Plan team to handle large numbers of trucks. The corrective action step was to create a truck maintenance collaboration with vendors, with the running target starting January 2021.

4.5. Summary The Effectiveness Of Implementing Business Remodeling Strategy

The effectiveness of the performance in June - Oct 2020 with implementation of the turnaround strategy in Srikandi Utama Makmur Corporation against YTD April 2020 performance is as follows:

Table 12: The Effectiveness Turnaround Strategy.

KPI	Bobot	April Plan	Actual	Ach	Nilai	Jun-Oct Plan	Actual	Ach	Nilai
GAM-Volume	10%	800.000	371.403	46%	4.6	1.033.560	1.009.941	97.7%	9.8
Market Share	5%	20%	5%	25%	1.25	25%	28%	112%	5.6
SLR - Volume	10%	600.000	250.224	42%	2.1	402.984	454.469	135%	13
Market Share	5%	15%	5%	33%	1.67	20%	10%	50%	2.5
Customer	30%				9.82				30.9
Revenue	30%	60.960	25.867	42%	12.6	30.855	34.157	110%	33.9
EBITDA	10%	15.288	(9,044)	0%	0	8.710	3.971	46%	4.6
DSCR	0%	N/A	N/A		0	N/A	N/A		
DER	0%	N/A	N/A		0	N/A	N/A		
Financial	40%				12.6				37.6
GAM - Biopro Improvement	10%	Rp. 684 /ton.km	1635	-139%	0	Rp. 684 /ton.km	1.072	63%	6.3
SLR - Biopro Improvement	10%	Rp. 561 /ton.km	885	57%	3.7	Rp. 561 /ton.km	789	71%	7.1
Internal BizPro	20%				5.7				13.4
Attendance	5%	97%	97%			97%	95%	98%	4.9
Driver	2.5% SLR : 6	2 Trip	33%		0.8	3 Trip	1.5 Trip	50%	1.25
Productivity	2.5% GAM: 12	5 Trip	41%		1.0	6 Trip	5 Trip	83%	2.0
Learning	10%				1.8				8.15
	100%				29.72				90.05

This table showed than the performance for the period Jun - Oct 2020, there was a significant improvement in 4 (four) aspects measured using the

Balance Scorecard. The initial period the performance value was 29.72 then in the period Jun - Oct 2020, the performance value became 90.05. The improvement strategy had been still not optimal in the cost of efficiency because changes in cost structure require time for changes.

Even though these improvements were extraordinary, they had not been able to improve performance in a consolidated Year To Date October 2020. In accordance with the Turnaround strategy deadline plan, namely December 2021, further monitoring and corrective action plans had needed.

5. SUGGESTIONS

The improvement phases and success that have been achieved have not been maximized and have not been proven to be a standard / reference process. The evaluation stages are still needed to ensure that success is not something that is lucky. The management of Srikandi Utama Makmur Corporation needs to continue to do its best to realize the target of the turnaround strategy that has been announced. The short-term and medium-term targets that have been prepared should be realization together with the team. The management of Srikandi Utama Makmur Corporation needs to perform these improvement activities on an ongoing basis and turn the process into a cultural system in the company. Theoretical Or Policy Implications.

Theoretical and Policy Implications of this case study findings about rebound or turnaround strategy to support the business improvements. Some literature discuss each parts of strategy. In this journal, the researchers try to make the steps of turnaround strategy. This is the novelty of full concept to support the business development in the decline condition of business. The novelty because the researchers make combination the concept of management strategy and tools of management. The combination of steps of strategy from environmental scanning, formulation and implementation strategy and monitoring and evaluation, combine with the Balanced Scorecard approach as a dashboard of management to monitoring the activities and business performance. This turnaround strategy could be implemented in other coal hauling or transportation company if enter in the worst condition or decline. This journal also can implemented in other industries by using or change the indicators with adjust indicators that has been used in that industry.

Acknowledgement: The authors would like to express gratitude and thankful to University of Bhayangkara Jakarta Raya and University of Kalbis Jakarta to collaboration financial support of this research. Professor Andi

Nurhikmah Daeng Cora, Ph.D Faculty at Graduated Program of Management on University of Kalbis Jakarta Indonesia for providing the necessary facilities for the preparation of the paper and also to be co-author in this article. And also Dr. Hadi Sutopo for inputs in the field of internet system developments.

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