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### Abstract

An ongoing challenge in BKI's project management is the frequent delays in project completion and mismatch of current targets. This article aims to analyze the integrated project management system, digitalization, and the concept of digital governance at PT. Biro Klasifikasi Indonesia (BKI) as the parent company of the State-Owned Enterprise (SOE) Holding Survey Services (IDSurvey). The study used qualitative methods with five dimensions of project efficiency, team satisfaction, impact on customers, business success, and preparing for the future. The results showed that although BKI has planned various business strategies, a strong commitment is needed to resolve project management issues through improved integrated digital governance. This study recommends resolving project management issues through improved integrated project success.

**Keywords:** *IDSurvey, project management, digital governance, strategic business, BUMN Holding.*

### Introduction

The establishment of Survey Services SOE Holding aims to strengthen the financial position and market share through business synergy, operations, and strengthening the resources of all holding members. Prior to its establishment, there were 3 BUMN Survey Services that controlled the market share, namely the Indonesian Classification Bureau (BKI), Sucofindo (SCI), and Surveyor Indonesia (SI). However, due to similar and overlapping business lines, namely mining and processing survey services, the three companies competed with each other to dominate the market. In addition, the market share and performance of the three SOEs are still relatively low compared to foreign private companies (Biro Klasifikasi Indonesia, 2020). Referring to these problems, there is an initiative to form a holding company to accelerate the business development of Survey Services SOEs as a world-class integrated assurance group.

One of the efforts that can be made to overcome the problems is to establish a Holding Company. A Holding Company can be understood as an initiative company that has responsibility for planning, coordinating, and controlling several subsidiaries. The establishment of a Holding Company aims to optimize the synergies that exist between ministries, institutions, and other SOEs. The implementation of the Survey Services SOE Holding has been planned through the 2020-2024 SOE Roadmap which is intended to solve the problems that exist among other Survey Services SOEs, such as not optimizing synergies with BKI, human resources, and market share that are difficult to achieve, to the relatively low performance of Survey Services SOEs when compared to global Survey Services companies.

In this case, the formation of the SOE Survey Services holding company is carried out by giving BKI a position as the parent company of two other SOE Survey Services, namely SCI and SI. BKI's position as a holding company has been officially regulated in PP No. 66 of 2021 and is marked by the shares in SCI and SI to BKI, which is named IDSurvey (Wareza, 2021). These changes also have an impact on changes in BKI's capital structure and changes in the shareholder structure in SCI and SI. These changes triggered legal consequences that resulted in the loss of SCI and SI's status as SOEs and turned them into subsidiaries of BKI.

The consolidation of the structure that makes BKI the parent company of SCI and SI requires an integrated business model improvement. Through the formation of this holding, it

is hoped that IDSurvey can maximize digital solutions, to standardization that can develop business models that become domestic, regional, and global standards.

In its implementation, BKI as a holding company still has various problems in its project management governance. One of the problems that often arises is related to delays in project completion. This is supported by a satisfaction survey conducted by IDSurvey on BKI services, that the speed of response and timeliness are the service elements with the lowest scores (IDSurvey, 2022) In other words, the majority of respondents felt that BKI was the parent SOE Holding Survey Services was not responsive enough and timely. The existence of these various problems is due to the fact that the digital governance of the integrated project management system, transparency, participation, and collaboration have not been realized properly.

It is undeniable that the development of technology has affected various lines of life. Digital governance is a promising business strategy considering that the majority of the global community has now switched to various digitalization systems. In fact, in Indonesia alone, the number of internet penetration in 2023 has reached 78.19 percent (APJII, 2023). Thus, digital governance has an important role in solving various project management problems at BKI.

However, the results of the IDSurvey survey (2022) state that respondents' satisfaction with digital governance at the BKI is still very minimal. There are several causes of the lack of effectiveness and efficiency of BKI's digital governance, namely incomplete and updated content/information, systems that are not user-friendly, less transparent information, data that does not match what is in the field, and so on. Of course, this has an impact on the completion of the project being carried out, especially in the BKI business field which is engaged in Classification and Testing, Inspection, and certification in several segments such as Classification services, Statutory services, and Commercial services. Therefore, it is necessary to revamp the digital governance of an integrated project management system at BKI as the holding company for BUMN Holding Survey Services (IDSurvey).

## Literature Review

### *Project Management*

The implementation of a project has an important impact on organizational success (Gassmann and Granig, 2013 in Albert et al., 2017). Therefore, project success is very important to be measured. Project success is assessed based on whether the output works as needed and provides the desired benefits and whether the organization succeeds in achieving strategic goals and improving its performance (Turner & Zolin, 2012 in Serrador & Rodney Turner, 2014). In this case, the focused output is usually associated with increased profits, better growth, and improved market position (Shenhar *et al.*, 2001).

Within the scope of project success, two aspects are discussed: success factors and success criteria (Albert, Balve, & Spang, 2017). Success factors are the probabilities that arise to complete the project successfully during the implementation time (Ashley et al., 1987; Müller and Jugdev, 2012 (in Albert, Balve, and Spang, 2017b). Some common project success factors are communication between stakeholders, integration within the team, user advocacy, and project passion (Albert, Balve, & Spang, 2017). On the other hand, success criteria are used to assess the success of a project (Atkinson, 1999; Westerveld, 2003 in Albert, Balve, and Spang, 2017b). Assessing project success enables organizations to build a foundation for future project management process development, which includes helping organizations select the best and most profitable projects (Lam et al., 2008; Piscopo et al., 2010 Albert, Balve, and Spang, 2017b). These two aspects influence each other in project success.

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Shenhar & Dvir (2007), revealed five dimensions to measure project success in table 1 below:

**Table 1. The Five Dimensions of Project Management (Success)**

<b>Dimension</b>	<b>Variable</b>	<b>Timeline</b>
Project efficiency	<ol style="list-style-type: none"><li>1. Achieve target time</li><li>2. Achieved budget target</li></ol>	End of project
Team satisfaction	<ol style="list-style-type: none"><li>1. Team morale</li><li>2. Skill development</li><li>3. Self-growth of team members</li><li>4. Team member retention</li></ol>	End of project
Impact on customer	<ol style="list-style-type: none"><li>1. Fulfill functional performance</li><li>2. Meet technical specifications</li><li>3. Meet customer needs</li><li>4. Solve customer problems</li><li>5. Customers use the product</li><li>6. Customer satisfaction</li></ol>	A month after the project end
Business success	<ol style="list-style-type: none"><li>1. <i>Commercial success</i></li><li>2. Create a large market share</li></ol>	A year after the project end
Preparing for the future	<ol style="list-style-type: none"><li>1. Create new markets</li><li>2. Creating a new product line</li><li>3. Developing new technology</li></ol>	A year after the project end

Source: Shenhar & Dvir (2007)

### ***Digitalization***

According to Sartomo (2012 in Ria & Harvianto, 2023), the process of simplification, removing unnecessary work processes (elimination), improving work processes (reengineering), and integrating work processes through technology (automation) are steps to improve project management governance. As one of the steps, digitization is defined as the process of changing from analog to digital through the use of digital technology in its operation. Referring to Castells (2010) digitization is the embodiment of a new economy, society, and culture in the contemporary era that leads to the underlying media and communication systems. In addition, Arthur (2011) reveals that digitalization can create new economic conditions that are more pervasive, automated, and invisible - bringing about the biggest societal upheaval since the Industrial Revolution.

Digitalization allows the creation of interrelationships in the fields of science, education, market production, and globalization that can erase boundaries between sectors (Vasilev, 2020). Meanwhile, according to Aagaard (2019), digitalization is a global megatrend that exists in industrial sectors through the use of technology. In this case, the use of digital technology and digitalization is more specifically explained as an innovation of a digital business model (DBMI) that helps companies run their industrial sector. In more detail, the digitization process will affect the entire ecosystem, business model (BM), and business processes of a company (Aagaard, 2019).

In simpler terms, digitization can be understood as the process of changing various formats or information using technology so that it is easier to manage, distribute, and even produce efficiently and effectively. Through digitalization, a company can conceptualize digital innovation as a foundation for dealing with market conditions, business processes, or business models resulting from the use of digital technology.

### *Digital Governance*

Digital governance exists because of advances in information and communication technology (ICT), such as smartphones/devices, social networking platforms and services, big data, artificial intelligence (AI), and the Internet of Things (IoT) (Chen, 2017). Thanks to these technological advances, every sector and industry is increasingly competing to create innovations through good digital governance. Digital governance is considered a panacea to overcome managerial and governance challenges (Melitski *et al.*, 2011). Digital governance itself can be defined as the use of ICT by the government to provide quality information and services to the public in an efficient, transparent, and accountable manner (Ehiane *et al.*, 2019).

The purpose of implementing digital governance is to coordinate the behavior of stakeholders in responding to digital transformation risks in all fields (Jia and Chen, 2022). In its implementation, various factors influence the success of digital governance. Gil-Garcia & Pardo (2005 in Melitski *et al.*, 2011) identified that the organizational environment, data, technology, and institutions are the determining factors for the success of digital governance. Meanwhile, according to (Díaz *et al.*, 2023), four main pillars must be considered in implementing digital governance, namely: 1) The need for a long-term plan supported by technology; 2) Performance improvement; 3) Process improvement; and 4) Relying on data.

### **Method**

This study uses a qualitative method to examine project management in IDSurvey. The qualitative approach, according to Neuman (2014) concentrates on the meanings and processes of social reality that are not properly scrutinized or measured objectively. The purpose of qualitative research is to shed light on how social phenomena are created and understood. Descriptive research is another classification for this study. Descriptive research, according to Soekanto *et al.* (1999) is a process for addressing problems that entail describing the condition of a subject or set of objects (individuals, institutions, communities, etc.) and then studying it using the facts that show up as objects. The advantages of this research aim to advance knowledge and academic interests. This research is field research in the form of case studies and aims to explore thoroughly a process at an institution.

Primary data were collected directly from research participants for this study, and secondary data came from library research. Library research can be understood as a technique for gathering information and data using a variety of library resources, such as reference books, relevant previous study findings, scientific papers, notes, and different periodicals. Systematic activities are carried out to collect, evaluate, and draw conclusions from data using particular approaches or procedures to identify answers to the problems addressed (Sari and Asmendri, 2020).

The technique analysis was done by using data from interviews and literature from real-world implementation examples to illustrate Shenhar & Dvir's (2007) theory of project success. The purpose of using theory is to clarify and simplify a case. Neuman (2014) refers to this procedure as the illustrative technique, more especially case clarification. The information is arranged in conceptual boxes that represent the dimensions of the theory. In theory, data can change the dimensions, and based on this analysis, it has been decided that the debate will focus on five different dimensions. To speed up data processing, the recorded interviews were converted into transcripts before analysis began.

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## Results and Discussion

### *Project Efficiency*

#### 1. Time Goals

Every project run by an organization has a predetermined target and deadline. In this case, each organization will make a time projection line based on how long the estimated task, project, or program being carried out can be completed. In this regard, PT Biro Klasifikasi Indonesia (BKI) as the parent company of Sucofindo (SCI) and Surveyor Indonesia (SI) has a work plan that has been prepared for the next few years as a foundation as well as targets that must be achieved within the specified period/deadline. The work plan is ultimately contained in the Company's Long-Term Plan (RJPP) and the Company's Work Plan and Budget (RKAP). Following the 2023 RJPP and RKAP, BKI has a focus on activities that are the main points of management to be implemented. The focus of these activities includes:

- a. Settlement of Receivables: It was noted that BKI's receivables reached more than IDR 400 billion, which will be the focus of settlement in 2023.
- b. Holding & International Association of Classification Societies (IACS): Spin-off of BKI's commercial business, implementation of strategic holding, and IACS submission.
- c. Business Optimization: Conducted through statutory assignments, domestic vessels, cross-selling, advanced technology, and Verified Gross Mass (VGM)- Verified Gross Vehicle (VGV).
- d. BUMN Program: Decarbonization, Geospatial Information Agency (BIG), and Implementation of PER-5/MBIJ/09/2022- risk management
- e. Digitalization Process

Furthermore, the RJPP and RKAP prepared by BKI also include a projection of the vision and activities that will be carried out in 2024 together with SCI and SI through IDSurvey. In this case, the development of IDSurvey is targeted to become a world-class TIC Company that will be the first choice of customers. Some of the targets carried out by IDSurvey in 2024 include getting IACS membership, realizing IDSurvey as a strategic holding company, a center of learning in the field of testing, inspection, and certification (TIC), and implementing big data. Some of the activity focus targets above are some of the actions taken by BKI to provide a time projection target for completing an activity.

However, in practice, the existence of a work plan does not guarantee that a project can be completed in accordance with the specified deadline. This can be seen from the results of the evaluation of the 2015-2019 RJPP, which shows that there are still aspects that cannot be fulfilled within the planned period. One of them is the failure to meet the revenue realization target received by BKI. In addition, the human resources aspect, especially regarding the number of BKI Surveyors, also did not meet the targets designed in the 2015-2019 RJPP. BKI was only able to reach 126 employees from the planned total of 350 employees. This was also exacerbated by the non-fulfillment of the surveyor productivity level, which tended to decline from 2016 to 2019. BKI's inability to meet targets in a certain period is due to several factors, such as regulations that tend to change, business competition, and changes in market dynamics.

#### 2. Budget Goals

In every project or program implementation, it is necessary to have resources in the form of funds or budgets that can support the success of the implementation of the project or program. The budget is an allocation of costs made as targets and limits to support the success of a particular project or program. A company is regarded as excellent if it can generate the maximum profit with the least amount of sacrifice. Profitability evaluates management's

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success in earning the maximum return feasible from all resources available. Strong profitability suggests that a company may provide positive returns on its investments and maintain its long-term survival, according to Darmawan (2020) in Kusumadewi *et al.*, (2023). Given that the budget is one of the fundamental resources, it is important to have planning in determining how much budget is allocated for a particular project or program so as not to exceed the company's capacity.

As stated in the 2020-2024 RJPP, the net profit that BKI has the potential to obtain reaches IDR 736.6 billion with details of an increase in revenue and expenses compared to the 2015-2019 RJPP. More specifically, the 2020-2024 RJPP outlines the business revenue target obtained by BKI reaching IDR 308.8 billion in terms of classification and statutory services revenue and IDR 904.0 billion from the commercial side. As for the expenses incurred, the 2020-2024 RJPP describes that in terms of employee expenses, BKI will experience an increase in expenses compared to the previous year, reaching IDR 608.5 billion. In addition, facility and third-party expenses are also targeted to run linearly with the growth of commercial services. For other expenses, BKI is targeted to be able to reduce the budget through internal business efficiency through digitalization efforts.

The following are the profit and loss projections targeted for BKI for the period 2020-2024:

**Table 2. Profit and Loss Projection 2020-2024 (IDR Billion)**

<b>Profit/Loss 2020-2024 (IDR Billion)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>CAGR 2020-2024</b>
<b>Business Revenue</b>						
Classification Services	425.7	464.6	488.5	522.6	559.2	7.06%
Commercial Services	325	384.7	499.5	636.7	802.8	25.37%
Partnership	0	0	0	0	0	
<b>Total Revenue</b>	750.7	849.2	988	1159.3	1362	16.06%
Service Expenses	470.2	518.4	586.8	667.8	762.3	12.84%
<b>Gross Profit</b>	280.4	330.8	401.3	491.6	599.7	20.93%
Marketing Expenses	4.6	5.1	5.8	6.6	7.5	13.18%
General & Administration Expenses	172.4	187.4	204.2	223.2	244.3	9.11%
<b>Operating Profit</b>	103.5	138.4	191.2	261.7	347.9	35.40%
Revenue/Charge (Others)	(22.3)	(17.00)	(11.50)	(7.00)	5.70	n/a
<b>Profit Before Tax</b>	81.20	121.4	179.8	254.8	353.6	44.44%
Benefit/Tax Expenses	(24.40)	(32.80)	(44.90)	(63.70)	(88.40)	38.01%
<b>Profit After Tax</b>	56.9	88.6	134.8	191.1	265.2	46.96%

Source: Biro Klasifikasi Indonesia, 2020

### Team Satisfaction

#### 1. Team Morale

In connection with the implementation of the Circular Letter of the Minister of SOEs Number SE-7 / MBU / 07/2020 dated June 1, 2020, all SOEs, including IDSurvey, are required to implement AKHLAK values as the company's core values. AKHLAK itself is required to be the moral foundation of all IDSurvey members or employees in carrying out their duties. In this case, AKHLAK has five value elements, namely Amanah, Competent, Harmonious, Loyal, Adaptive, and Collaborative. The five values have behavioral guidelines and a code of ethics that will be applied by IDSurvey.

#### 2. Skill Development

One of the strategies and pillars of the Ministry of SOEs is to strengthen HR capabilities. In this case, all existing human resources are strengthened through preparation and adaptation to technology. In addition, it is also necessary to strengthen governance in the appointment of the Board of Commissioners and Directors in creating a Talent Pool within BUMN, especially IDSurvey.

In improving the capabilities and performance of its employees, BKI as the parent company conducts continuous socialization and applies new technology in various divisions or work units to accelerate internal and external processes in business operations, for example providing services to premium customers to creating applications that can facilitate access to services. In addition, it will actively participate in international forums, and provide seminars, workshops, and training regularly to broaden the horizons and capabilities of human resources.

#### 3. Personal Growth of Team Members

In practice, BKI together with SCI and SI form a Project Management Office (PMO) which has the role of coordinating each working group in carrying out its duties. In this case, the PMO will help provide direction for each program that will be carried out by each work group. PMO will also communicate the achievements achieved by its employees. This step will help each work group member to grow and be motivated to maximize their performance. In addition, the PMO will also ensure there is alignment between work programs, schedules, and utilization of human resources between work groups to facilitate the process of cultural integration in each work group. The PMO is also present to ensure that each work group works on target by holding forums every month to coordinate achievements, targets, and existing problems so that they can be assisted with improvements or decisions that can be made.

In addition, the PMO also forms working groups in accordance with the scope of the role of the assigned work program. Therefore, the PMO will identify and prepare a work plan to suit the needs. Departing from the strategic steps above, it can be seen that the PMO has a fundamental role in supporting the growth of each member of the workgroup to achieve the success of a work program.

#### 4. Member Retention

Member retention is understood as the organization's ability to retain qualified members or employees. As a consequence of the share transaction (*inbreng*) due to the implementation of the holding company, human resource issues that are very likely to occur are the potential for layoffs and employee transfers due to restructuring. Therefore, to retain members or employees, BKI, SCI, and SI need to conduct socialization with each workforce and commit to not downsizing the workforce without clear reasons.

However, if there are employees who do not agree with the restructuring, these employees still have the right to resign and receive compensation. This is also supported by the provisions of Article 163 of Law Number 13 of 2003 concerning manpower which explains that in a change of share ownership in a company, employers can lay off workers who are not willing to continue working relations in the event of a change in status, merger, or consolidation of company ownership with a guarantee of being given the right to severance pay, awards during work, and compensation pay.

This can certainly be prevented by making an agreement between the company and the workforce by convincing the workforce that the restructuring will not reduce the rights to facilities they have with their current position. The agreement can be used to maintain employee status as well as to guarantee employee rights.

### **Impact on Customer**

This dimension assesses whether the current project management governance has a major impact on users and consumers (Shenhar & Holzmann, 2017). Therefore, this dimension talks about customer satisfaction with the services provided by BKI IDSurvey. The indicators or variables that affect this dimension include the following.

#### 1. Fulfill functional performance

In fulfilling functional performance, personnel competence is very important to achieve optimal service for consumers. Human resources are the driving force of the company. Without quality, competent human resources that meet functional performance, the company's goals will be difficult to realize. Thus, personnel competence is the foundation for building a company's business success. Through the results of a satisfaction survey conducted by IDSurvey (2022), the majority of respondents were satisfied with the competence of HR personnel at BKI. However, not a few also filed complaints, such as uneven technical understanding of personnel, personnel considered less solutive, lack of communication skills, surveyors being too textbook, and personnel indiscipline.

Not only the competence of personnel, but the behavior of personnel also influences the perception of consumers as service users. According to the results of the IDSurvey survey (2022), there are several shortcomings of personnel in terms of behavior, such as lack of friendliness, indifference, poor communication, and lack of respect for consumer opinions and input. Therefore, the strength of human resources in meeting functional performance is important to be addressed one by one, starting from behavior to personnel competence.

#### 2. Meet Technical Specification

To provide optimal service to consumers, companies need to pay attention to technical specifications and product suitability. This will indirectly affect the fulfillment of consumer needs. However, in its implementation, there are still many difficulties faced by the company. These conditions also occur at BKI IDSurvey, such as problems with errors in document writing, document discrepancies, wrong document delivery addresses, and poor memo delivery (IDSurvey, 2022). Non-fulfillment of technical specifications certainly has an impact on the quality of the service output provided. In addition, problems such as document discrepancies can affect the overall governance of project management.

#### 3. Fulfill Consumers' Needs

In this case, BKI as the holding company for BUMN Survey Services IDSurvey integrates several services that overlap with other subsidiaries, such as SCI and SI. With the



fusion through this holding company concept, the services provided can also be integrated. There are several services provided by IDSurvey, namely testing, inspection, consultancy, training, certification, classification, statutory, and component materials. Of course, this integration has an impact on the ease of governance and fulfillment of customer needs.

However, when it comes to digital governance, there are still many things that need to be addressed. The IDSurvey report (2022) states that the variables of ease of information and speed of response occupy the lowest level in the IDSurvey BKI Customer Satisfaction Index measurement. The reasons for this dissatisfaction include website content that is not updated and complete, website features that are not user-friendly, information provided through digital media that does not match conditions in the field, and digital systems that have not been integrated (IDSurvey, 2022). When viewed in terms of timeliness, the biggest problems with BKI IDSurvey project management governance are slow responses, poor coordination, long or unanswered emails, and customers having to follow up multiple times (IDSurvey, 2022). Therefore, the fulfillment of customer needs is hampered due to the poor governance of BKI project management in terms of timeliness and ease of information.

#### 4. Solving customer problems

Companies are here to help consumers or customers meet their needs and solve their problems. The better the company's performance in solving consumer problems, the higher the consumer satisfaction. Problems are also often present between companies and their consumers, and this can generally be resolved through a complaint scheme as implemented by BKI IDSurvey. However, there are still some obstacles faced by BKI IDSurvey in handling various consumer complaints. As many as 33.6% of respondents to the satisfaction survey, stated that the response to handling complaints by BKI IDSurvey was slow, not followed up immediately, complaints were transferred easily, not solutive, and the bureaucracy was too convoluted (IDSurvey, 2022).

#### 5. The Customer Uses the Product

Based on BKI's Financial Statements and RJPP BKI 2015 - 2019, the company's performance for the 2016-2019 period simultaneously experienced growth, especially in terms of revenue performance. The 2019 profit performance recorded the highest performance in the last 5 years with a net profit of IDR 110 billion, and total assets touched IDR 947 billion as of 2019. The Covid-19 pandemic in 2020 had a significant impact on the company's sustainability. Business mobility was constrained but bounced back in 2021.

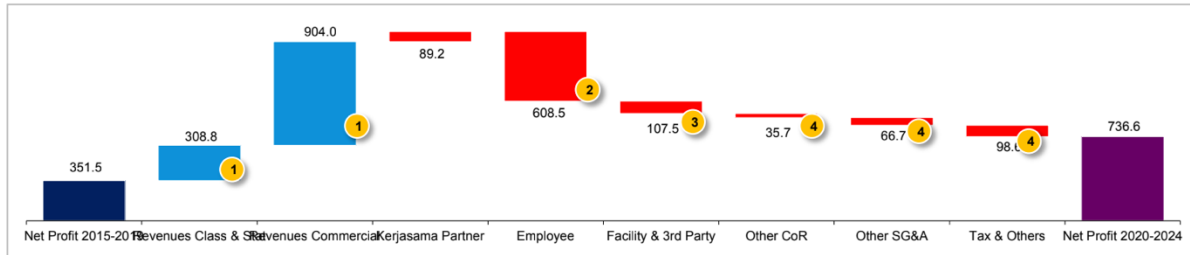
#### 6. Customer Satisfaction

It is undeniable that the success of service provision is measured by the satisfaction of the service consumers themselves. This is because consumers are the main subject of a company's business output. Thus, customer satisfaction is not only a benchmark but the key to successful company performance. The Customer Satisfaction Index (IKP) obtained by BKI IDSurvey in 2022 was 81.34 with the predicate Satisfied. Based on the service, the Class Service IKP is 81.0 with a Satisfied predicate and the Commercial Service IKP is 81.75 with a Satisfied predicate (IDSurvey, 2022). The IKP obtained by BKI IDSurvey in 2022 shows a significant increase from the previous year. In 2021, the IKP of BKI IDSurvey only reached 77.80 with a Satisfied predicate (IDSurvey, 2022). There were improvements in some variables, such as product suitability and personnel behavior. However, several other variables also decreased, such as ease of information, speed of response, and timeliness (IDSurvey, 2022).

**Business Success**

1. *Commercial Success*

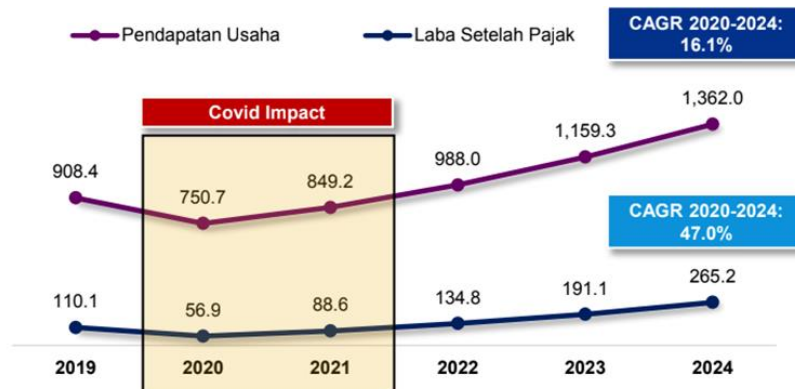
The COVID-19 disaster has led to a shift in the company's strategy. In this case, BKI developed RJPP strategic initiatives through strengthening existing services to the defense and fisheries sectors, as well as developing the commercial sector. In line with this initiative, BKI is targeting revenue of IDR 1.36 trillion in 2024, assuming that there is still a slowdown in post-COVID-19 recovery in the first 2 years. BKI also has the potential to accumulate a net profit of IDR 736.6 billion during the 2020-2024 period (see Figure 1). This accumulation figure increased from the 2015-2019 period.



**Figure 1. Net Profit Potential 2020-2024 compared to 2015-2019**

Source: Biro Klasifikasi Indonesia (2020)

BKI is targeting an increase in classification and statutory services revenue of IDR 308.8 billion and IDR 904.0 billion in increased revenue from the commercial side by penetrating the marine and sea transportation business segments, including the port and the Ministry of Maritime Affairs and Fisheries (KKP). In this case, the compounded annual growth rate (CAGR) of the two segments is projected to grow 16.1 percent in the 2019-2024 period (see Figure 2). When broken down, revenue from the classification services segment is expected to grow by only 7.06% in the next 5 years. Meanwhile, commercial revenue will grow at a CAGR of 25.37%, through the intensification of SBU Marine Services (MS) and SBU Energy and Industry (ENI), potential cooperation with foreign partners and acquisitions.

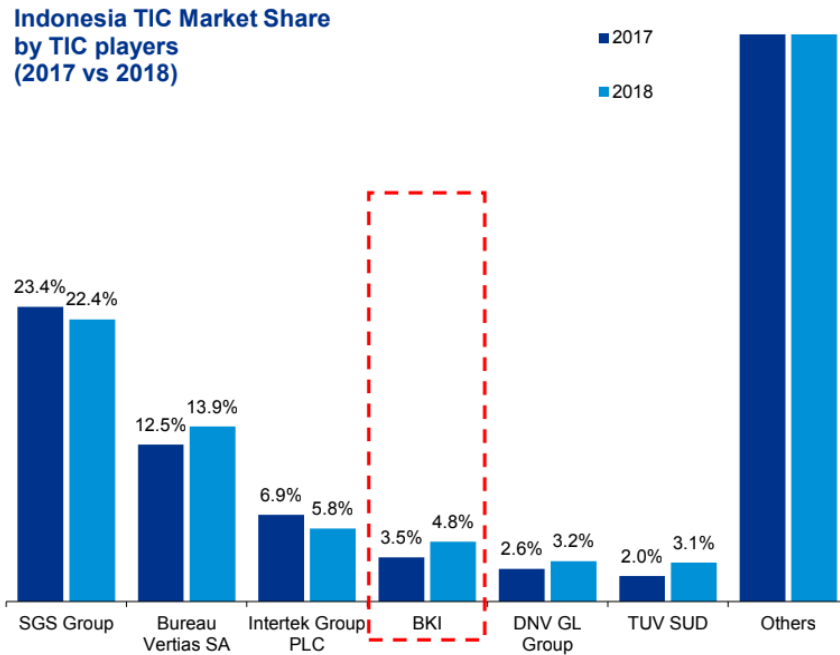


**Figure 2. Revenue and Net Profit Growth Target (IDR Billion)**

Source: Biro Klasifikasi Indonesia, (2021)

2. *Creating a Large Market Share*

The market share of the classification and testing, inspection, and certification (TIC) sector, especially in the marine and maritime sectors, is promising. This is due to the trend of demand for new vessels which is estimated to recover to a CAGR of 8% p.a. in 2019-2023 led by the Asian region. In addition, Indonesia's own TIC market has the potential to grow by 5.89% to reach IDR 10.25 trillion by 2024. BKI itself recorded an increase in market share of 37.14% yoy in 2017-2018 (see Figure 3).



**Figure 3. Indonesia TIC Market Share**

Source: Biro Klasifikasi Indonesia, 2020

BKI focuses its market on sectors such as the non-oil and gas Processing Industry; Transportation and warehousing; Oil and gas and geothermal; Wholesale and retail Trade (including e-commerce); Agriculture, Forestry, and fisheries; and Information and communication. It is noted that more than 70% of Indonesia's TIC market or a potential of IDR 33.53 trillion over the next five years comes from these five sectors in addition to Information & Communication. Furthermore, in 2019 BKI recorded a 4-5 commercial business market share, and the corporation targets this figure to grow 5-10% by 2024.

### Preparing for the Future

#### 1. *Creating a New Market*

Linear to create a large market share, BKI also plans market penetration to expand its market share. This strategy includes (1) business diversification in the fisheries value chain; (2) developing diversified derivative classes, manufacturing, domestic ship components, services for the Domestic Component Level (TKDN) of Marine Products; (3) accelerating and penetrating the port sector, port facilities and infrastructure, through Verified Gross Mass (VGM), Convention for Safe Container (CSC), Front End Engineering Design (FEED), Waste Port Management and Green Port; (4) increase the company's ability to grow through acquisitions of surveyor mapping equipment companies including Remotely Operated Vehicle (ROV), satellite radar imagery, scanning; (5) develop engineering and inspection for oil and gas vessels, fuel consumption, floating concrete certification, including building partnerships with foreign countries; (6) accelerate through approaches to the Ministry of Maritime Affairs and Fisheries (KKP) related to outer island consultants, regional conservation, docks; and (7) diversify business for dam projects and national irrigation networks as well as strategic sea toll projects.

#### 2. *Creating a New Product Line*

BKI's service products are divided into three: classification services, statutory services, and commercial services. Classification services are focused on accepting class and

maintaining class as well as certifying materials and components. Furthermore, statutory services are focused on carrying out examination and certification in the field of statutory services based on authorization from the Government of the Republic of Indonesia or other governments; drawing/plan approval including Shipboard Oil Pollution Emergency Plan (SOPEP), Shipboard Marine Pollution Emergency Plan (SMPEP), damage control plan; and conducting compliance surveys and certification including Marpol Annex I-VI, Anti Fouling System (AFS), and Performance Standard for Protective Coating (PSPC). Commercial services itself is focused on the professional competence business to carry out 13 types of services divided into three sectors namely Maritime, Industry, and Energy, which are divided into 2 Strategic Business Units (SBU), BKI Academy, and 1 PMU.

Post-COVID-19, BKI projects additional new service lines related to ships below A100 and market penetration of classification services to the strategic defense sector, tourism, fisheries, and non-ocean going vessels such as river, lake, beach transportation, military vessels, cruise ships, fishing vessels, and autonomous ships.

### 3. *Developing a New Technology*

According to Sartomo (2012) in Ria & Harvianto, (2023), the process of simplification, removing unnecessary work processes (elimination), improving work processes (reengineering), and integrating work processes through technology (automation) are steps to improve project management governance. On the other hand, disruption encourages businesses to continue to innovate to meet market demands, one of which is in terms of technology. In preparing for this, BKI has several plans. First, Harmonizes Survey System (HSS) for the implementation of class and statutory surveys. Second, launching Remote Survey services can increase surveillance flexibility and schedule reliability as well as real-time drone inspection. Third, developing cyber security services in the maritime sector related to shipping and ports, as well as maritime e-commerce platforms. Fourth, developing digital ship and port design calculation technology using 3D systems and Detail Engineering Design (DED) services. Fifth, developing real-time online training services for external parties developed by BKI Academy. Finally, changing the determination of survey schedules from a reactive approach to a proactive approach, through the development of the Digital Survey Planning Tool.

## **Conclusion**

As the parent company of BUMN Holding Survey Services (IDSurvey), BKI has a work plan organized in the Company's Long-Term Plan (RJPP) and the Company's Work Plan and Budget (RKAP) to make IDSurvey a World Class TIC Company. However, there are still many problems in terms of project management at BKI, such as not realizing targets in accordance with the predetermined time, problems with the number and competence of human resources, service quality, and budget issues. This is due to various factors, namely the absence of good digital governance in BKI project management, regulations that tend to change, business competition, and changing market dynamics.

To respond to the phenomenon that occurred, BKI also built several business strategies to survive and be sustainable. These strategies include expanding market share, projecting additional new service lines to achieve targets, utilizing technological developments, and creating various innovations. Thus, the strategies and business plans that have been prepared by BKI need to be accompanied by a strong commitment to solve the company's project management problems.

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