

# **Analysis of Business Strategy in Logistics Companies as Contract Logistics of Finished Goods in The Technology Sector**

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## **Abstract**

The competition in the logistics space in Indonesia can be divided on the basis of different service segments including freight forwarding, contract logistics (warehousing), and express delivery. In contract Logistics (warehousing) there are 16 international logistics companies were evaluated in Gartner Magic Quadrant report, with one of them is DHL Supply Chain. The main purpose of this research is to analyze PT DHL Supply Chain strategy in technology sector. Based on the SWOT analysis obtained by DHL Supply Chain has great operating power, a combination of physical and digital supply chain, the use of technological innovation to increase efficiency, and the existence of value-added activity services as a competitive advantage. Based on the results of the analysis using the RBV approach and SWOT analysis, it can be concluded that the DHL Supply Chain business strategy applies the Porter's Differentiation strategy.

## **Keywords**

Logistic, SWOT analysis, Resource based view (RBV), Competitive Advantage

## **1. Introduction**

Logistics is essentially a planning orientation and framework that seeks to create a single plan for the flow of products and information through a business. Supply chain management builds upon this framework and seeks to achieve linkage and co-ordination between the processes of other entities in the pipeline, i.e. suppliers and customers, and the organization itself (Christopher 2011). Logistics involves an integrated approach with the integration of information, transportation, inventory, warehousing, material handling, value added services and packaging. There are varying definitions due to the varying scope and understanding of logistics. At present, in every country dealing with the so-called globalization era. Globalization is changing the way companies do their business as usual because of the openness of international markets, openness of information, the use of low resource costs in developing countries and efficient supply chain systems (Wibowo and Nurcahyo 2020).

The competition in the Logistics space in Indonesia can be divided on the basis of different service segments including freight forwarding, contract logistics (warehousing), and express delivery. Domestic and international players such as Seino Indomobile, CKB logistics, Lookman Djaja, Linfox Logistics, Kuehne + Nagel, DB Schenker, DHL, Agility were identified to be dominant when it comes to freight forwarding and warehousing, as they have a strong brand name in the global and local market for their quality services. While for the future growth it estimate that the logistics sector in Indonesia is expected to grow in the future with a dip in 2020 due to a lockdown for few months that disrupted the imports and export movements by all modes which is expected to revive back in 2021. Tech startups are filling the gap and capturing new business opportunities. Several key technologies deployed by logistics startups include radio frequency identification (RFID), GPS, cloud computing, and data analytics (Narula 2020).

In contract Logistics (warehousing) there are 16 international logistics companies were evaluated in Gartner Magic Quadrant report, with one of them is DHL Supply Chain. DHL Supply Chain, the contract logistics arm from Deutsche Post DHL Group, has been named a leader in the June 2021 Magic Quadrant for third-party logistics, Worldwide. Gartner, the leading research and advisory company, annually evaluates third-party logistics providers worldwide based on their completeness of vision and ability to execute. Competitiveness is one of an organization goal. In this era, such goal can be achieved by entering the customer image and keeping its loyalty. In order to do this, companies

need to maintain their product quality, as well as their safety and environmental-based production process (Alfredo and Nurcahyo 2018).

While supply chain management involves a significant change from the traditional arm's-length, even adversarial, relationships that so often typified buyer/supplier relationships in the past. The focus of supply chain management is on co-operation and trust and the recognition that, properly managed, the 'whole can be greater than the sum of its parts'. While other definition about supply chain is the management of upstream and downstream relationships with suppliers and customers in order to deliver superior customer value at less cost to the supply chain as a whole (Christopher 2011).

The logistic segment based on data from the Central Bureau of Statistics Indonesian (BPS) in 2020 experienced a growth decline of 15.04% compared to 2019 with a growth value of 6.39%. The decline that occurs makes logistics companies need to implement the right competitive strategy (Baisya 2020). Competitive strategy is influenced by the business environment 5 forces model including rivalry among industry competitors, threat of potential entrants, bargaining power of suppliers, bargaining power of customers, and threat of substitute products or services. The right company strategy is needed to achieve a competitive strategy by considering the strategic advantage through uniqueness perceived by customers and the lowest price as well as strategic targets covering industry wide and particular segments (Porter 2004). According to previous literature review study, manufacturing industries tend to be labor-intensive, while service-based industries are more profitable and require less manpower. The high level of education in developed countries is more suitable for the service industry, as compared to the manufacturing industry. (Nurcahyo and Habiburrahman 2021).

Thus in this paper will study on how the Resource based view (RBV) approach to manage and identifying resources that will prove to add competitiveness advantage in DHL strategically. And also in this research will be focused to identify how SWOT analysis strategy enables a company like DHL to measure its business performance with competitors and the industry.

## **1.1 Objectives**

By its very nature the world of technology is one of accelerating change. Today's customers not only demand everything faster but want to pay less for it. Short product life cycles, high speed-to-market, quick product launches and intense competition add further pressure. With the increasing growth of companies in the technology sector, the market will be filled with many electronic products with various uses and innovations. Thus the supply chain needs to be agile and flexible to cope with the fast pace of change and cost-effective to maintain a competitive edge, while at the same time delivering customer satisfaction. The purpose of this paper is to study and understand the business strategy of DHL Supply Chain in gaining a competitive advantage with a Resource Based View approach. This business strategy is reviewed by SWOT analysis to determine the competitive advantage of DHL Supply Chain.

## **2. Literature Review**

### **1.1 Resource Based View (RBV)**

Resource-Based View (RBV) is a strategic perspective which states that internal resources are more important to the company than external factors in achieving and maintaining competitive advantage. The basic premise of RBV is that a mix of the type, amount, and nature of the company's internal resources should be considered foremost in designing strategies that can lead to a sustainable competitive advantage. Strategic management involves developing, exploiting the company's unique resources, capabilities, and maintaining and strengthening these resources. Resources mean anything that can be considered a company's strength or weakness (Birger Wernerfelt, 1984). More formally, company resources at any given time can be defined as assets (tangible and intangible) that are tied semi-permanently to the company (Caves 1980). Examples of resources are: brand names, internal technology knowledge, hiring skilled personnel, trade contacts, machines, efficient procedures, capital, etc.

RBV provides answers to address some of the key issues in strategy formulation for diversified companies, such as:

- a) Among the company's current resources, which diversification should be based?
- b) Which resources should be developed through diversification?
- c) In what order and into what markets should diversification take place?
- d) What type of company does a particular company want to acquire?

## **1.2 Competitive Advantage**

In achieving competitive advantage the company must have a unique position compared to competitors. The indicator of competitive advantage is achieved through Operational Effectiveness (OE). If the OE value is low in a company, then it is an indication of the cost and quality of the product or service produced is of low value (Porter and Heppelmann 2014). Competitive advantage in a company can be measured from five of them in terms of industry competitors through potential entrants, viewed from buyers through bargaining power of buyers, then suppliers are measured from bargaining of suppliers, and substitute products are measured by how big the threat is from the product or service. replacement. Types of competitive advantage include cost leadership, differentiation, cost focus, and differentiation focus. The competitive advantage of cost leadership is implementing a low-cost strategy with cheap labor sources and high turnover results. If the company can maintain overall cost leadership in each of its business operations, the company can become a business player in the product or service sector. Differentiation is where a company applies a strategy to make its product or service unique so that it attracts buyers to meet their needs. Differentiation can be applied to delivery systems, marketing approaches, and product durability. The strategy to achieve the next competitive advantage is to focus on two types, including cost focus where the company applies cost advantage in its operations and differentiation focus applies customer segmentation and exploits customer needs so that the benefits are obtained from low costs and the right customers (M. E. Porter 2004).

## **1.3 SWOT Analysis**

A strengths, weaknesses, opportunities, and threats (SWOT) analysis has become a fundamental tool for organizations to evaluate their position in the market and is widely used to analyze the internal and external environments of organizations during times of indecision (Rozmi et al. 2018; Wu 2020). The four components identify either internal or external considerations. Strengths refer to the internal elements of an organization that facilitate reaching its goals, while weaknesses are those internal elements that interfere with organizational success. Opportunities—external aspects that help an organization reach its goals—are not only positive environmental aspects but also opportunities to address gaps and initiate new activities. Threats, on the other hand, are aspects of the organization's external environment that are barriers or potential barriers to reach its goals (Aldehayyat and Anchor 2008; Fleisher and Bensoussan 2003; Lee and Lin 2008; Shrestha et al. 2004). Dyson (2004) claimed that the association between the SWOT analysis and different techniques indicates that SWOT is a flexible model that can be incorporated with newer approaches and techniques. Therefore, the use of SWOT as a tool through which organizations evaluate their position in the market analysis can last for a long time.

## **3. Methods**

The research methodology in this paper uses by collecting data including journal and paper, annual report from PT DHL Supply Chain and gathering current strategy of the company. As the qualitative research that use in this paper is describe and examine the SWOT analysis. SWOT analysis of DHL Supply Chain analyses the brand by its strengths, weaknesses, opportunities & threats. In DHL Supply Chain SWOT Analysis, the strengths and weaknesses are the internal factors whereas opportunities and threats are the external factors. SWOT Analysis is a proven management framework which enables a brand like DHL Supply Chain to benchmark its business & performance as compared to the competitors.

Analysis of the company's business strategy with the Resource Based View approach can be done by looking at the core business of a company, namely management, marketing, finance, operations, research and development, and management information systems. Then the IFE Matrix carried out as a tool to evaluate the strengths & weaknesses of a company and identify and evaluate the relationships of all business areas of the company to formulate the best strategy for the company (David 2011).

This RBV focuses on how a company improves its performance by identifying and making good use of its internal resources and these internal resources must be unique and difficult to imitate so that they are difficult for other companies to implement. From the increase in performance, the company will have a competitive advantage. So, the SWOT Matrix created to find out what are the strengths and weaknesses of a company so that the company can take advantage of existing opportunities and ward off threats that will be faced by the company.

## **4. Result and Discussion**

### 3.1 Management

DHL supply chain managing supply chains to reduce complexity for the customer. This includes warehousing, transportation as well as key products like LLP, Service Logistics, packaging and e-commerce along strategic industry verticals. DHL aim to deliver world-class logistics services. To do that company need to achieve Excellence in a sustainable way. It is also DHL mission that is to enabled through excellent execution along with 3 bottom lines, Employer of choice, Provider of choice and Investment of choice. Employer of choice means to know your people that is to engaged employees bring passion and commitment to work and deliver exceptional quality. Provider of choice means know your customer that is exceptional quality delights customers and leads to loyalty. And for the last one Investment of choice means know your number, which define that by using DHL customer loyalty leads to profitable growth.

### 3.2 Marketing

As globalization matures, world economy is dominated by three gravity centers (Distribution of world GDP by major economic centers) there is NAFTA (26%), European Economic Area (20%) and Greater China (20%) (Corporate Development based on IHS Data; McKinsey Global Institute). Globalization is a megatrend which has been fueling the growth of global logistics for many years. However, global trade continues to grow in absolute terms, a smaller share of the goods manufactured globally is traded across borders. This reflects the fact that labor cost arbitrage between different regions becomes less important. Despite current condition on globalization occur, DHL have strong positioned in global logistic market. Figure 1 describes the global logistics market growth.

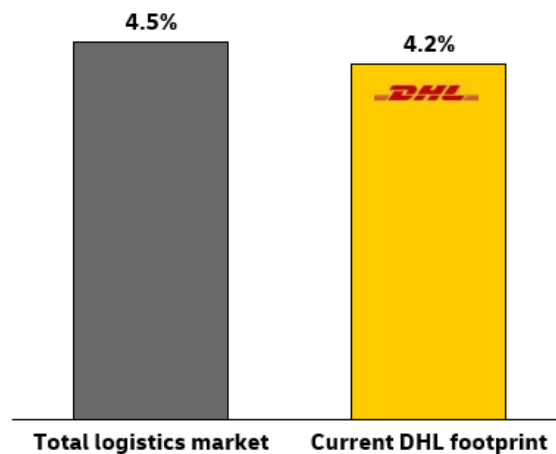


Figure 1. Global logistics market growth (Source: DHL Strategy 2025 Report)

The global contract logistics market is estimated at around €215.4 billion for the year 2020. DHL is the global market leader in the fragmented market of contract logistics with a market share of 5.8 % (2020) and operations in more than 50 countries. The market share of the second-leading provider is only half as large. Figure 2 describes contract logistic market in 2020.

#### Contract logistics market 2020<sup>1</sup>

€ billion	Middle				Global
	Asia Pacific	Americas	East/Africa	Europe	
Contract logistics	75.9	63.4	7.8	68.3	<b>215.4</b>

<sup>1</sup> Company estimate.

Figure 2. Contract Logistic market 2020 (Source: DHL Annual Report 2021)

### 3.3 Finance

Researchers have managed to collect annual report data regarding DHL financial position from 2020 -2022. As mentioned in Figure 3 its proven finance strategy once again in the 2021 financial year, which, in addition to the interests of shareholders, also takes the creditor requirements into account. The finance strategy will be further enhanced in 2022.

#### Selected cash flow indicators

€ m	2020	2021	Q4 2020	Q4 2021
Cash and cash equivalents as at 31 December	4,482	3,531	4,482	3,531
Change in cash and cash equivalents	1,809	-1,055	233	-444
Net cash from operating activities	7,699	9,993	2,918	2,616
Net cash used in investing activities	-3,640	-4,824	-1,672	-2,184
Net cash used in financing activities	-2,250	-6,224	-1,013	-876

Figure 3. Financial position (Source: DHL Annual Report 2021)

In terms of business unit in DHL Supply Chain, it has a strong revenue growth. Revenue in the division rose by 10.5 % to €13,864 million in the year under review. Excluding negative currency effects of €30 million, revenue exceeded the prior-year figure by 10.7 %. The strong performance registered during the course of the year extended to all regions and sectors; growing e-commerce business, new business and contract renewals provide further reinforcement. In the fourth quarter of 2021, revenue increased by 4.4 % to €3,655 million. Figure 4 represents the supply chain position.

Key figures, Supply Chain							Supply Chain: revenue by sector and region, 2021	
€ m	2020 adjusted <sup>1</sup>	2021	+/- %	Q4 2020 adjusted <sup>1</sup>	Q4 2021	+/- %	Total revenue: €13,864 m	
Revenue	12,549	13,864	10.5	3,501	3,655	4.4	of which Retail	29%
of which EMEA (Europe, Middle East and Africa)	6,104	6,596	8.1	1,689	1,800	6.9	Consumer	22%
Americas	4,640	5,266	13.5	1,310	1,329	1.5	Auto-mobility	14%
Asia Pacific	1,814	2,046	12.8	505	534	5.7	Technology	13%
Consolidation / Other	-9	-44	<-100	-3	-14	<-100	Life Sciences & Healthcare	12%
Profit from operating activities (EBIT)	424	705	66.3	174	198	13.8	Engineering & Manufacturing	6%
Return on sales (%) <sup>2</sup>	3.4	5.1	-	5.0	5.4	-	Others	4%
Operating cash flow	1,063	1,582	48.8	699	664	-5.0	of which Europe/Middle East/Africa/Consolidation	47%
							Americas	38%
							Asia Pacific	15%

<sup>1</sup> Prior-year amounts adjusted due to reclassifications.  
<sup>2</sup> EBIT / revenue.

Figure 4. Supply chain position (Source: DHL Annual Report 2021)

### 3.4 Operations

As a logistics company that has been operating globally with the strength of the brand already known by the public and operationally can partner with local logistics companies. According to Kaminsky et.al (2000) managing a global supply chain is the same as managing a domestic supply chain that spans geographically. International-scale company competition is divided into two dimensions including configuration, namely value-adding activities carried out in several places and coordination, namely activities that need to be integrated in different countries. In measuring the performance, the results of DHL's operations are considered through operating cash flow after changes in WC, revenue by sector, and new business wins by sector, which can be seen in Fig. 5. DHL's operational portfolio from 2020 and 2021 remains unchanged.

DHL Supply Chain division expressed in € 000,000s*													
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	yoy in %	Q2 2021	yoy in %	Q3 2021	yoy in %	Q4 2021	FY 2021
Total revenues	3,232	2,733	3,083	3,501	12,549	3,241	0.3%	3,315	21.3%	3,653	18.5%	3,655	13,864
Purchased goods and services	(1,358)	(1,166)	(1,368)	(1,597)	(5,489)	(1,365)	(0.5%)	(1,465)	(25.6%)	(1,482)	(8.3%)	(1,807)	(6,119)
Staff costs	(1,353)	(1,287)	(1,344)	(1,377)	(5,361)	(1,357)	(0.3%)	(1,408)	(9.4%)	(1,494)	(11.2%)	(1,594)	(5,853)
Net other operating	(186)	10	(57)	(123)	(356)	(146)	21.5%	(35)	(450.0%)	(314)	(450.9%)	62	(433)
Net income from investments (equity method)	1	1	1	(2)	1	--	(100.0%)	1	--	2	100.0%	(1)	2
EBIT	105	33	112	174	424	167	59.0%	198	500.0%	142	26.8%	198	705
Margin in %	3.2%	1.2%	3.6%	5.0%	3.4%	5.2%		6.0%		3.9%		5.4%	5.1%
Operating cash flow after changes in WC	(29)	117	276	699	1,063	241	931.0%	143	22.2%	534	93.5%	664	1,582
<b>Revenue by sector</b>													
Retail	28%	29%	29%	28%		27%		29%		28%			32%
Consumer	23%	25%	23%	21%		22%		22%		22%			23%
Life Sciences & Healthcare	10%	11%	10%	10%		11%		12%		11%			12%
Auto-mobility	15%	12%	13%	13%		15%		14%		12%			14%
Technology	12%	14%	14%	13%		14%		13%		12%			13%
Engineering & Manufacturing	6%	6%	5%	5%		5%		7%		6%			6%
Others	6%	3%	6%	10%		6%		3%		9%			--
<b>New business wins by sector</b>													
Retail	26%	23%	26%	29%		19%		15%		52%			48%
Consumer	17%	24%	22%	16%		25%		17%		10%			14%
Life Sciences & Healthcare	7%	18%	25%	16%		35%		18%		13%			4%
Auto-mobility	40%	9%	4%	7%		1%		23%		3%			8%
Technology	7%	13%	13%	12%		8%		9%		13%			16%
Engineering & Manufacturing	2%	7%	4%	8%		5%		9%		4%			7%
Others	1%	6%	6%	12%		7%		9%		5%			3%

Figure 5. Indicators Results of Operations

In Figure 5 In terms of operating cash flow after changes in WC, there was an increase of 49% in terms of FY 2020 of 1,063 and FY 2021 of 1,582. Then, in terms of revenue per retail sector, there was a significant increase of 4%, followed by the consumer and life sciences & healthcare sectors which increased by 2%, the auto-mobility and engineering & manufacturing sectors only increased by 1%, and the technology sector did not increase. Furthermore, in terms of new business in each sector, retail experienced a significant increase of 20%, technology by 4%, auto-mobility by 1%.

### 3.5 Research and Development

DHL as a service provider does not have significant costs in research and development activities. Research and development activities are carried out to address risks in international business. Currency exchange rate risk can affect the relative profit of the company's sales in a country. Fluctuations in currency values can be an advantage or disadvantage for a globally integrated logistics company. Operating exposure also affects global supply chain companies where there can be changes in cash flows due to unexpected changes in exchange rates. The risk strategies that can be used to overcome this operating exposure are (Kaminsky et.al 2000):

- Speculative strategies in which the company simulates scenarios of currency exchange rates in the worst or optimistic conditions.
- Hedge strategies are companies that design supply chains by sharing risks so that losses in one part can be subsidized by other parts that have profits.
- Flexible strategies through which companies strategically partner with local logistics companies in each country so that companies can transfer from unprofitable regions to other regions.

### 3.6 Management Information System

The industrial era 4.0 and even towards industry 5.0 made global logistics companies implement an integrated system. In operational activities, DHL uses a centralized SAP. The monitoring system and reports have also been digitized through the Compliance Management System (CMS). In realizing Good Corporate and Governance (GCG), the company has an internal audit that evaluates and monitors the company's management process and provides input for improvement (Coglianese and Nash 2021). The internal audit function at DHL considers risks through a risk management system (RMS) where the board of management is regularly informed of any findings from the internal audit and the supervisory board provides a resume every year. In addition to an integrated system, DHL also implements ISO 27001 certified IT security. Cybersecurity filters out-of-procedure access and prevents data manipulation. In monitoring internal activities, DHL uses the Internal Control System (ICS) which is part of the RMS. ICS can measure DHL's accounting compliance in each country so that financial reporting is in accordance with applicable principles and all transactions are recorded by the system accurately and prevents errors from occurring.



Figure 6. Technological Developments in the Logistics Sector

DHL, as a technology pioneer, continues to innovate in every development in the logistics sector (Figure 6) and implements an online ordering system for tracking every shipment of goods and a smart truck application to measure fuel usage in each truck so that operations run efficiently and effectively. In the application of technology to the industrial era 5.0 seen in Figure 5, artificial intelligence has a high impact and can be applied in less than 5 years from a customer perspective, DHL is known as a global logistics company that is easy of use, logistics services that are available at any time , and responsive.

**IFE Matrix**

Table 1.DHL Supply Chain IFE Matrix

<b>Key Internal Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>
<b>Strengths</b>			
1.Collaborating in a diverse team to deliver the high performance	0.04	3	0.12
2.Value-added services such as eFulfillment and returns management, Lead Logistics Partner (LLP), and Service Logistics and packaging solutions	0.08	4	0.32
3.Maintain high levels of service and reliability, and gain full visibility into product movements	0.04	3	0.12
4.Optimized package supply chain operations that operates with 14 million m2 of warehousing area and operational space, 10 thousand vehicles, and is supported by 177 thousand employees	0.07	4	0.28
5.Standardisation and use of innovative technologies, such as some 2,000 collaborative robots and some 25,000 smart wearables deployed to increasing speed and agility	0.08	4	0.32
6.Leverage data analytics to drive operational efficiencies and to enhance the customer experience by integrating physical and digital supply chain solutions	0.06	3	0.19
7.Revenue in the division rose by 10.5% to €13,864 million in the year under review	0.10	4	0.40
8.As global market leader in the fragmented market of contract logistics with a market share of 5.8 % (2020) and operations in more than 50 countries	0.06	3	0.19
9.Usage centralized SAP and digitized monitoring system and reports through the Compliance Management System (CMS)	0.05	3	0.15
<b>Weaknesses</b>			
10.Require heavy investment to grow its business and to generate return on investment	0.06	1	0.06
11.High price	0.08	1	0.08
12.High tariff	0.08	1	0.08
13.Limited market share growth	0.05	2	0.10
14.There are gaps in the product range sold by the company	0.06	2	0.13
15.Not highly successful at integrating firms with different work culture	0.04	2	0.08
16.Value added activity need additional cost	0.04	2	0.08
<b>Total</b>	<b>1.00</b>		<b>2.69</b>



Based on the IFE matrix shown in Table 1, the weighting of the key internal factors, both strengths and weaknesses, is determined. From the table it is known that the weighting score is 2.69. Total weighted scores well below 2.5 characterize organizations that are weak internally, whereas scores significantly above 2.5 indicate a strong internal position (David, 2011). So, internally DHL supply chain already has a strong internal position. Thus the RBV approach is in line with the matrix value and the competitive advantage of DHL supply chain is indeed from the resources owned.

### 3.7 SWOT Analysis

Table 2. DHL Supply Chain SWOT Matrix

<b>Strength</b>	<b>Weaknesses</b>
1. Operate world wide on more that 50 countries 2. Optimized package supply chain operations that operates with 14 million m2 of warehousing area and operational space, 10 thousand vehicles, and is supported by 177 thousand employees 3. Has value-added services for supply chain solution 4. Standardisation and use of innovative technologies to constantly striving to increase speed and agility along the entire supply chain	1. Require heavy investment to grow its business and to generate return on investment 2. High price & tariff 3. Limited market share growth 4. There are gaps in the product range sold by the company
<b>Opportunities</b>	<b>Threats</b>
1. Contract logistics market continues to grow 2. Good growth prospects for e-commerce	1. Prices for services offered by competitors 2. The large number of competitors both local and international 3. Cyber attacks and information technology security

Based on the SWOT matrix shown in Table 2, the strengths, weaknesses, opportunities, and threats are analyzed:  
**Strengths:** DHL Supply Chain most prominent and competitive advantage is its own resources. With a large operating and warehouse area as well as a large number of support vehicles, it is possible for the DHL supply chain to meet the needs of a large number of customers. Moreover, the goods sector from technology has many kinds, from computers, laptops, cell phones, semiconductors, enterprise computing, and so on. Operations are supported by a total of 177 thousand employees. Then, using technological innovation to increase efficiency, DHL Supply Chain also offers value-added activity services outside of warehousing operations but still related to logistic operations such as eFulfillment and returns management, Lead Logistics Partner (LLP), Service Logistics and packaging solutions. This internal strength reinforces DHL Supply Chain's competitive advantage over its competitors.

**Weaknesses:** as a provider of contract logistics and supply chain activities as a whole, DHL Supply Chain's prices and tariffs can be considered expensive. Adequate operating costs also require a large investment. This is also due to the high operating costs to support the best service quality. In addition, in some service packages, there is a price gap that may be enough to make certain customers hesitate to choose DHL services.

**Opportunities :** growth of our e-commerce is dependent on local as well as global economic trends. The ongoing pandemic and pandemic-related restrictions have continued to strengthen the trend towards online shopping and again drove strong volume growth across the business in the year under review. Then, growth in eFulfillment and e-commerce as initially accelerated by the pandemic will continue to increase the complexity of supply chains. This,

together with the apparent vulnerability of traditional supply chain set-ups, will increase the demand for flexible and agile solutions, driving outsourcing. Therefore the market for contract logistics is likely to continue growing.

**Threats:** contract logistics industry is a large industry with many competitors in it. Many competitors are local and international. The threat that arises is in the form of many competitors who offer contract logistics services at lower costs regardless of whether the quality is good or bad. Then, with the use of information technology, of course, there is also the risk of cyber attacks that can break into and access company data.

## **5. Conclusion**

The score from the IFE Matrix proves that DHL Supply Chain already has a strong internal position. Then based on the SWOT analysis obtained by DHL Supply Chain has great operating power, a combination of physical and digital supply chain, the use of technological innovation to increase efficiency, and the existence of value-added activity services as a competitive advantage. Based on the results of the analysis using the RBV approach and SWOT analysis, it can be concluded that the DHL Supply Chain business strategy applies the Porter's Differentiation strategy. Differentiation strategy at producing products and services considered unique industry-wide and directed at consumers who are relatively price-insensitive (David 2011). However, the researcher also argues that with all the operations and services offered, there seems to be a combination that leads to a focus strategy. This is arguably not good because the contract logistics industry is actually a large industry with many competitors, so DHL Supply Chain is also advised to maintain the price of its services.

Then in the 2020-2021 pandemic, the increase in e-commerce has also led to an increase in market contract logistics in the technology sector, in the discussion of marketing and market share obtained by DHL Supply Chain, it is also known that DHL Supply Chain adopts intensive market penetration strategies.

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