



ABSTRACT

The most successful organizations understand that the primary aim of any business is to create value for the stockholders. Creating value for stockholders means delivering consistently high returns on their capital. This generally requires both strong revenue growth and attractive profit margin.

As the only state owned company which core business in general insurance, PT. Asuransi Jasa Indonesia (Persero), has an obligation to service the society but in the other hand its also has to create profit to stockholder. During the period of 2005 – 2008, the company had performed well by maintaining good level of market share.

In this research the writer would like to apply the alternative concept for measuring company performance by using Economic Value Added (EVA) and make it as the basic of a strategy development. By Eliminating the accounting distortions, EVA is calculated during period of 2002 – 2008 which give a fluctuate result of the EVA value. The year 2002, 2005 and 2007 give positive result of EVA and the other years is negative. This condition shows that in spite of the successfulness of management in maintaining the market share, management are unable to maintain value creation to the company.

This research gives clear view about factors that causing the negative and positive of EVA and writer make it as a basic of a strategy development.

Keywords: Economic Value Added (EVA), performance and Strategy Development