

## ABSTRACT

The height subsidizes the oil fuel continuing to uprising every year has pushed the government to do the reduction program of kerosene subsidy. One of these governmental programs is to convert the kerosene to LPG 3 kg. Pertamina which in this case is BUMN commissioned to distribute LPG 3 kg have the goals to do the transfer of 9.9 million kilolitre consumer of kerosene become LPG until years of 2007 - 2010. Utilizing to reach the goals, Pertamina invite the private sector to work along for success of this convert program as a partner to operating SPPBE.

Pertamina's policy to improve the cooperation with private sector in business SPPBE will make many new companies rise and improve the tense of competition in LPG filling industry. The competition among the company in filling industry LPG which grow from the presure from supplier, buyer and product substituted will progressively increase the competition along with the increasing of pressure from new competitor appearance. PT Jaya Trade Indonesia (PT JTI) which since year of 1970 has become one of agent Pertamina for transporting, distributing and filling LPG tube of 12 kg, 50 kg and bulk LPG have operate LPG filling station which located in Bekasi, need to have competitive advantage to improve the company value and also can even grew in the industry. Competitive advantage obtained from activities that company manages to suit the externals condition which continue to change.

Each activities type in enchaining this company value is later expected can give the contribution significant to creation of value, besides is also felt important to dig capabilities and company interest so that company can have the proper competitive advantages in LPG filling industry. These matters become important because analysis of the value chain will able to identify the activities that matter to be a value in competitive advantage.

These analyses will also identify the resources and capabilities of the company so it can be integrated to become advantage competitive. Research result show that PT Jaya Trade Indonesia have four core competences that become the



competitive advantage, that are achievement of economic scale, access to raw material, wide distribution network and also filling speed of the LPG. The result of analyzing resources, capabilities and key success factors are the potential source of advantages competitive, based on this the proper competitive advantage applied by company come from driven cost activities which lied in value chain of the company.

Key words : LPG conversion, competitive advantage, key success factors, resource, core competences, capacities, value chain, five forces