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Market Development Strategy for Building Management Business Through the Integration of PESTEL, SWOT-TOWS, and ISM Frameworks

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Abstract

The Building Management industry in Jakarta faces challenges from economic volatility and post-pandemic shifts in workspace preferences. PT XYZ, a national private company, experienced significant fluctuations in revenue growth, reaching a contraction of -7.7% in 2024. This condition requires PT XYZ to expand its market, which is currently concentrated within a captive market. This study aims to formulate alternative concepts for a comprehensive market expansion strategy using a multi-framework approach. The research method employed is descriptive qualitative with a case study approach. The analysis was conducted by identifying macro factors (PESTEL) combined with internal capability analysis (SWOT) and strategy synthesis (TOWS), as well as hierarchical modeling using Interpretative Structural Modelling (ISM) powered by Exsimpro ISM software. The results map PT XYZ's alternative market expansion strategies into a seven-level hierarchical structure divided into three implementation phases. The internal consolidation and capability foundation (enabler) phase at Levels 7 and 6 relies on digitalization, human resource up-skilling programs aligned with ESG trends, capitalization of Greenship expertise and Quality Management Systems, and the formation of an agile organization. The intermediate phase at Levels 5 and 4 serves as acceleration through the strengthening of Business Development functions, B2B digital marketing, and leveraging affiliate credibility alongside financial liquidity governance resilience. The peak phase (Levels 3, 2, and 1) represents the final output in the form of a cost leadership strategy with service differentiation and strategic alliances to execute market expansion into non-CBD segments, government infrastructure, and State-Owned Enterprises.

Keywords: Building Management, Market Expansion, PESTEL, SWOT-TOWS, Interpretative Structural Modelling (ISM).

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INTRODUCTION

The Building Management business, or property management, has transformed from a mere technical maintenance function into a strategic instrument for optimizing property asset value. In Indonesia, the urgency for professional building management has intensified alongside the massive growth of the commercial and institutional property sectors (Inthalasari et al., 2024). The facility management services industry was estimated to have a market value of IDR 182 trillion in 2023 and is projected to surge to IDR 281 trillion by 2029, registering a compound annual growth rate (CAGR) of 6.30% (Mordor, 2025). However, beneath this substantial potential lies an efficiency paradox within the industry. Data from

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Badan Pusat Statistik (BPS) in 2024 revealed that out of approximately 186,534 construction-supporting companies, only 3% were classified as efficient, while the remaining 97% continue to struggle with productivity issues, operational costs, and human resource quality development (E. P. Putri et al., 2024).

Jakarta, as the primary representation of the national office market performance, holds a total office space stock reaching 9.3 million m² (Savills, 2024). The Jakarta office market currently operates in a tenant-driven phase, where oversupply conditions compel building owners to offer competitive incentives to maintain occupancy levels (LMAN, 2026). Furthermore, the emergence of flexible working trends, such as Work From Home/Anywhere (WFH/WFA), and the rise of coworking spaces potentially dampen the demand for conventional office spaces. Concurrently, this intense level of competition creates a higher barrier to entry for companies seeking to acquire new building management contracts.

PT XYZ, a national private company operating for over 54 years, faces significant performance volatility challenges within its Building Management business line. Although this sector remains the primary revenue contributor for the company (revenue for over 50%), its growth rate exhibits an unstable, fluctuating trend. After growing by 12.02% in 2021, the rate sharply corrected, experiencing a contraction of -7.68% in 2024, before significantly rebounding to 38.79% in 2025. The fundamental problem lies in the company's low market share in the Jakarta region, where the company's primary managed building area spans only 43,250 m²—a figure that remains substantially low compared to Jakarta's total market stock.

Furthermore, PT XYZ's portfolio structure indicates a highly critical dependency on its captive market, where 80% of revenue originates from its affiliate group, Bank Mandiri. This dependency escalates business concentration risks, particularly amidst government budget efficiency policies and State-Owned Enterprise (SOE) consolidation plans under the Danantara holding company, which are predicted to squeeze building management service margins.

Within the concept of the Dynamic Capabilities Theory developed by David J. Teece, firms are expected to integrate, build, and reconfigure internal and external competences to address rapidly changing business environments. Dynamic capabilities are implemented by *sensing* opportunities, *seizing* them through market capture, and *transforming* through asset reconfiguration to achieve sustainable competitive advantage (Augier & Teece, 2009). For PT XYZ, referring to this dynamic capabilities concept, executing market development into external segments (non-affiliates) and portfolio diversification is an essential imperative that must be undertaken immediately.

On the other hand, PT XYZ must scrutinize various key factors that can influence the success of its market development. In addition to examining the company's internal capabilities to evaluate its strengths and weaknesses, evaluating external environmental conditions is critical. This evaluation is necessary to capture a more comprehensive overview of the opportunities and threats facing the market. External factors, such as political shifts in leadership, macroeconomic stability, and policy support through incentives, serve as the core foundation for competitive strategies (Sihite, 2015). From an economic perspective, stable inflation and interest rates are highly crucial for investment viability (Utomo et al., 2022). Furthermore, technological factors, such as the implementation of Building Information Modelling (BIM), modern energy management, and social media integration, are identified

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as primary drivers of operational competitiveness within the Jakarta market (Mahardika et al., 2025; M. W. R. Y. Putri & Murhadi, 2025).

A review of past literature reveals an empirical tendency where building management studies in Indonesia predominantly focus on large-scale enterprises, such as SOEs, leaving medium-sized private companies relatively under-researched (Wibowo et al., 2024). Methodologically, property marketing research inclines toward descriptive-evaluative designs that rely heavily on static SWOT analyses combined with IFAS/EFAS or QSPM matrices. Consequently, many strategy formulations become trapped in a mere list of recommendations without addressing the root causes. There remains a significant shortage of studies applying structural modeling, such as Interpretative Structural Modelling (ISM), to transform these descriptive factors into a dynamic and integrative decision-making hierarchical model.

Driven by the conditions, this study aims to formulate alternative market development strategy concepts for PT XYZ's Building Management business line. This research is expected to fill the gaps in both the scope of building management studies in Indonesia and the empirical methodology by integrating macro-environmental PESTEL and micro-environmental SWOT-TOWS analyses into an ISM-based strategic architecture. The findings are projected not only to provide academic contributions by enriching strategic management models within the Building Management industry but also to offer practical benefits for PT XYZ's management. Specifically, it serves as a robust framework for determining investment prioritization and executing effective, efficient operational steps to achieve market development within the Building Management business.

METHODOLOGY

This study employs a qualitative descriptive approach with a case study design focusing on the Building Management Division of PT XYZ. The case study method was selected to comprehend the reality of business strategy as a product of social construction, shaped through interactions among stakeholders, government policies, and the company's internal capacity (Rahardjo, 2017). The research locus is situated in Jakarta to delve deeply into how the company interprets market opportunities and threats in order to formulate adaptive measures aligned with its corporate vision and mission.

Data collection was conducted through data source and method triangulation to enhance the understanding of the investigated phenomenon. Primary data were obtained through semi-structured interviews and questionnaires involving three expert respondents from PT XYZ's management, namely the President Director, the Director of Business and Operations, and the General Manager of the Building Management Division. Meanwhile, secondary data were gathered through the study of internal corporate documents, such as annual reports and business plans, as well as external documents, including government regulations and property market research reports from relevant institutions.

The data analysis process was executed systematically through three integrated main stages. The first stage involved environmental analysis to construct the SWOT matrix by incorporating the PESTEL framework and internal capability analysis. The PESTEL analysis examines the company’s macro-external environment, encompassing Political, Economic, Social, Technological, Environmental, and Legal factors (Adianti et al., 2025). This PESTEL analysis serves as the foundation for identifying opportunities and threats. Concurrently, the

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internal capability analysis was conducted to identify corporate strengths and weaknesses. The integration of internal and external dimensions through the SWOT and PESTEL frameworks generates strategies that are more comprehensive, adaptive, and sustainable (Azkiya & Wandebori, 2025; Luthfi et al., 2025).

The second stage entails strategy synthesis through TOWS matrix analysis based on the factors identified in the SWOT analysis. The TOWS matrix serves as a conceptual framework supporting a systematic analytical process that facilitates the mapping between internal and external factors. The results of the TOWS matrix analysis yield strategic alternatives across four categories: offensive strategies (SO - Strengths-Opportunities), improvement strategies (WO - Weaknesses-Opportunities), defensive strategies (ST - Strengths-Threats), and survival strategies (WT - Weaknesses-Threats).

The final stage involves decision modeling using Interpretative Structural Modelling (ISM). ISM is a modeling technique that synchronizes expert judgments to provide a concrete representation of the hierarchical structure of sub-elements within each system element, as well as to identify key sub-elements and the characteristics of each sub-element, serving as a foundation for formulating strategic planning and implementation guidelines for management (Herjito & Setiawan, 2021). In this study, data processing for the ISM analysis was performed using Exsimpro ISM software.

RESULTS AND DISCUSSION

PESTEL Analysis

The PESTEL analysis was structured based on the analysis of relevant secondary data sources. The Political dimension indicates that primary opportunities arise alongside the government's development orientation through the *Asta Cita* vision and *Rencana Pembangunan Jangka Menengah Nasional* (RPJMN) 2025–2029, which prioritize green economic transformation and integrated infrastructure development (Bappenas, 2025). The establishment of various new ministries and agencies under the current administration directly drives the demand for office space and professional building management services. Furthermore, the government has begun implementing a mandatory policy requiring all new buildings to comply with Green Building (*Bangunan Gedung Hijau* - BGH) standards starting in 2024. Within the scope of Jakarta, this green policy is reinforced by fiscal incentives from the Provincial Government of DKI Jakarta for building managers who successfully achieve energy and water efficiency (Nurcahya et al., 2024).

Within the Economic dimension, PT XYZ faces a dynamic landscape where Indonesia's economic growth in 2026 is projected to stagnate at 4.9%–5.1%, constrained by limited fiscal space due to the government's focus on flagship programs, which in turn triggers efficiencies across various sectors, and mounting monetary pressures (CORE, 2025). Furthermore, the volatility of the Rupiah exchange rate and interest rates poses a threat by increasing the procurement costs of imported mechanical-electrical components (Sugiharti et al., 2020). These conditions can trigger tenants to implement space-saving measures (*downsizing*). The office market environment remains a tenant-driven market characterized by an oversupply situation, which restrains developers from launching new projects. Another structural threat emerges from the significant increases in Jakarta's Minimum Wage (UMP), which rose by 6.5% in 2025 and 6.17% in 2026, potentially burdening labor-intensive business models such as building management.

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The potential of the building management industry in Jakarta remains extensively vast. Referring to data from the Dinas Cipta Karya, Tata Ruang, dan Pertanahan Provinsi DKI Jakarta, by 2026, there are a total of approximately 1,300 high-rise buildings in Jakarta, comprising residential, commercial, mixed-use, and socio-cultural structures. However, the intense level of competition among building management firms affiliated with SOEs, multinational corporations, and local private companies has raised the barriers to entry for acquiring new building management contracts. Consequently, industry players are compelled to implement market development strategies, business diversification, and continuous product innovation to maintain their competitive position in the market (Gunawan, 2024; M. W. R. Y. Putri & Murhadi, 2025).

The Social dimension indicates a shift in tenant preferences, which now prioritize building locations with public transportation accessibility and green building certifications (Baharum, 2023). Buildings located along MRT or LRT corridors record significantly stronger occupancy rates (approximately 76%) compared to non-mass transit areas (68%) (LMAN, 2026). Furthermore, there is a rising trend in environmental consciousness (*green awareness*), where a green building image has become a decisive factor in corporate tenant loyalty (Solihin et al., 2023). Conversely, post-pandemic changes in working styles through Work From Home/Anywhere (WFH/WFA) patterns and the proliferation of coworking spaces pose a substitution threat that could dampen the demand for conventional office spaces.

Within the Technological aspect, the adoption of digital innovations such as the Internet of Things (IoT), Artificial Intelligence (AI), and Building Management Systems (BMS) has become the new standard for driving energy and operational efficiencies (Asif et al., 2024). Utilizing digital platforms in Business-to-Business (B2B) marketing is proven to strengthen corporate reputation as an innovative partner. However, there is a risk of technological obsolescence for companies that are slow to adapt, alongside cybersecurity threats and high initial investment costs (Capital Expenditure) for procuring advanced building automation systems (Billanes et al., 2025).

The Ecological aspect identifies a substantial market gap due to the remarkably low proportion of green-certified buildings in Jakarta (Prasetyawan et al., 2023). This condition presents a significant opportunity for PT XYZ to offer management services oriented toward Greenship standards from the Green Building Council Indonesia (GBCI), encompassing energy efficiency, water conservation, and building environmental management. Nevertheless, building operations in Jakarta remain hindered by structural environmental risks, such as flooding, land subsidence, and air pollution, which compel building managers to possess robust environmental risk management competencies (Fuady et al., 2025).

Lastly, within the Legal dimension, existing buildings are increasingly compelled to adopt green retrofitting strategies and green building certifications (Kussumardianadewi et al., 2024). Compliance with technical regulations, such as *Sertifikat Laik Fungsi* (SLF) and *Persetujuan Bangunan Gedung* (PBG/IMB), constitutes an absolute prerequisite in high-rise building management in Jakarta to mitigate legal risks (Tanuhendrata et al., 2021). The implementation of an integrated Quality Management System through international standards, such as ISO 9001, 14001, 45001, and 37001, serves as an essential instrument to guarantee operational transparency and occupational health and safety (Sri Santhya et al., 2024). Proactive compliance with national and regional Green Building (BGH) regulations

has now transformed into a primary competitive advantage for firms to secure the trust of asset owners in a highly competitive market.

Internal Capability Analysis

The internal capability analysis of the company was conducted by processing interview results from three respondents within PT XYZ's management, alongside analyzing relevant internal corporate documents. Based on the processed information, it is evident that PT XYZ's strengths lie in its long operational track record, spanning over 54 years since its establishment in 1971, with a diverse portfolio in high-rise building management. The company has implemented an integrated Quality Management System backed by various international certifications, including ISO 9001, 14001, 45001, and 37001, which provide service quality assurance and operational compliance for clients. The company's human resource (HR) capabilities also serve as a primary advantage due to its professionally certified experts, including Greenship Professional (GP) certifications that align with current green building trends. Furthermore, the company's credibility is reinforced by strategic corporate affiliation through share ownership by the Bank Mandiri Pension Fund (*Dana Pensiun Bank Mandiri*). This connection grants extensive access to banking finance and capital stability, complemented by operational cost efficiency—indicated by an operating expense ratio (*BOPO*) of 78.63%—which maintains the company's financial health.

On the other hand, several internal weaknesses necessitate mitigation, particularly the business portfolio structure, which remains heavily concentrated within the affiliate group, with 80% of revenue sourced from projects affiliated with Bank Mandiri. This vulnerability is compounded by limited capabilities within the business development function and relatively weak brand equity in the external market. Operationally, service oversight is not yet optimal due to a minimal Quality Assurance function alongside administrative processes that remain largely manual, thereby hindering innovation and efficiency. Furthermore, the company faces challenges regarding a competency gap among human resources that is not yet uniform across all units, combined with financial conditions that are still in a recovery phase for cash flow liquidity stabilization.

SWOT-TOWS Analysis

The opportunities and threats identified through the PESTEL analysis, alongside the strengths and weaknesses derived from the internal capability analysis, are integrated into the SWOT matrix presented in the table below:

Table 1. SWOT Matrix

Strengths (S)	Weaknesses (W)
1. Extensive experience and business portfolio track record in building management.	1. Business portfolio remains highly concentrated within the Bank Mandiri affiliation.
2. Implementation of an integrated Quality Management System through ISO 9001, ISO 14001, ISO 45001, and ISO 37001 certifications.	2. Limited capabilities within the business development team function.
3. Favorable client assessments regarding service quality.	3. Sub-optimal operational oversight and service standardization.
	4. Competency gaps among human resources and structural organization

4. Superior human resource capabilities supported by the availability of certified professional experts. 5. Corporate affiliation credibility, access to banking finance, and operational cost efficiency. 6. Established networking within the business ecosystem and marketing media, including digital marketing. 7. Adequate support from suppliers/vendors to guarantee service quality.	adaptation issues in business development. 5. Financial condition remains in a cash flow liquidity recovery phase. 6. Limited optimization of building management technology.
Opportunities (O)	**Threats (T)**
1. Government policies to continue infrastructure development. 2. Government policies regarding environmental sustainability. 3. Increasing market consciousness toward occupational health and environmental issues. 4. Technological advancements in building management. 5. Adoption of technology in marketing strategies. 6. Vast market potential for building management in Jakarta. 7. Building management regulations and service quality standards.	1. Projected economic stagnation, Rupiah exchange rate volatility, and labor wage increases. 2. Space substitution through new working models and a tenant-driven market. 3. Risk of a digital divide or technological obsolescence. 4. Constrained fiscal space within government and SOE budgets. 5. Compliance risks related to green building regulations. 6. Environmental risks impacting building operations. 7. Intense competition from large-scale competitors and incumbent building managers.

Source: Processed data (2026)

The various factors identified in the SWOT analysis are synthesized into the TOWS matrix, which systematically integrates external and internal variables to formulate a dynamic strategic mix. This mix encompasses offensive (SO), improvement (WO), defensive (ST), and survival (WT) strategies. The TOWS matrix analysis yields 11 market development strategic alternatives, delineated as follows:

Table 2. TOWS Matrix

	S	**W**
	SO Strategies	**WO Strategies**
O	1. SO1: Capitalizing on Greenship expertise and integrated Quality Management Systems as a market expansion strategy. 2. SO2: Expanding and diversifying the portfolio into non-CBD segments and government infrastructure through Business-to-Business (B2B) networking.	1. WO1: Strengthening the function of the Marketing or Business Development unit within the Building Management Division. 2. WO2: Digitalizing Quality Assurance and administrative functions, alongside optimizing the Envision building management system. 3. WO3: Up-skilling human resource

	3. SO3: Optimizing brand identity and digital marketing strategies.	competencies in alignment with ESG trends through continuous training programs.
	ST Strategies	**WT Strategies**
T	1. ST1: Implementing a cost leadership strategy integrated with service differentiation. 2. ST2: Leveraging corporate affiliation credibility to position the firm in the market and mitigate the impacts of SOE consolidation by Danantara.	1. WT1: Refined liquidity governance to withstand economic dynamics and price competition. 2. WT2: Establishing an agile organization to rapidly respond to client demands and market competition. 3. WT3: Developing strategic alliances through partnerships, operational cooperation, or outsourcing strategies.

Source: Processed data (2026)

***Interpretative Structural Modelling* (ISM)**

The ISM analysis aims to transform the strategic elements derived from the TOWS matrix into a hierarchical, structural decision model based on the judgments of three expert respondents from PT XYZ's management.

Table 3. Strategic Elements for ISM Analysis

Element No.	Code	Strategic Element
E1	SO1	Capitalizing on Greenship expertise and integrated Quality Management Systems as a market expansion strategy.
E2	SO2	Expanding and diversifying the portfolio into non-CBD segments and government infrastructure through B2B networking.
E3	SO3	Optimizing brand identity and digital marketing strategies.
E4	ST1	Implementing a cost leadership strategy integrated with service differentiation.
E5	ST2	Leveraging corporate affiliation credibility to position the firm in the market and mitigate the impacts of SOE consolidation by Danantara.
E6	WO1	Strengthening the function of the Marketing or Business Development unit within the Building Management Division.
E7	WO2	Digitalizing Quality Assurance and administrative functions, alongside optimizing the Envision building management system.
E8	WO3	Up-skilling human resource competencies in alignment with ESG trends through continuous training programs.
E9	WT1	Refined liquidity governance to withstand economic dynamics and price competition.
E10	WT2	Establishing an agile organization to rapidly respond to client demands and market competition.
E11	WT3	Developing strategic alliances through partnerships, operational cooperation, or outsourcing strategies.

Source: Processed data (2026)

The following represents the analysis of the data processing results executed using Exsimpro ISM software:

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1. *Structural Self Interaction Matrix* (SSIM)

The initial stage involved constructing the SSIM, a matrix that illustrates the contextual relationships among the elements. The SSIM was aggregated from the expert respondents' questionnaires to determine the direction of relationships between elements using the symbols V, A, X, and O:

a. V: variable i influences or drives variable j, but not vice versa (e_{ij} = 1, dan e_{ji} = 0).
b. A: variable i is influenced by or achieved through variable j, but variable i does not influence variable j (e_{ij} = 0, dan e_{ji} =1).
c. X: variable i dan j mutually influence one another (e_{ij} = 1, dan e_{ji} = 1).
d. O: there is no relationship between variable i dan variable j (e_{ij} = 0, dan e_{ji} = 0).

Table 4. *Structural Self Interaction Matrix*

	SO1	SO2	SO3	ST1	ST2	WO1	WO2	WO3	WT1	WT2	WT3
SO1		V	X	V	V	V	X	X	X	X	O
SO2			A	A	X	A	O	O	O	A	X
SO3				V	X	A	A	A	O	A	X
ST1					A	O	X	A	A	O	O
ST2						V	O	A	O	X	X
WO1							X	X	O	X	V
WO2								X	A	O	O
WO3									V	X	V
WT1										A	O
WT2											V
WT3											

Source: Exsimpro ISM, processed data (2026)

2. *Reachability Matrix*

The SSIM is subsequently converted into the Initial Reachability Matrix using binary digits (1 and 0). The value 1 indicates the existence of a direct contextual relationship or influence between the strategic elements, whereas 0 signifies the absence of a direct relationship.

Table 5. *Initial Reachability Matrix*

	SO1	SO2	SO3	ST1	ST2	WO1	WO2	WO3	WT1	WT2	WT3
SO1	1	1	1	1	1	1	1	1	1	1	1
SO2	0	1	1	1	1	1	0	0	0	1	1
SO3	1	1	1	1	1	1	1	1	1	1	1
ST1	1	1	1	1	1	1	1	1	0	0	1
ST2	1	1	1	1	1	1	1	1	1	1	1
WO1	1	1	1	1	1	1	1	1	1	1	1
WO2	1	1	1	1	1	1	1	1	1	1	1
WO3	1	1	1	1	1	1	1	1	1	1	1
WT1	1	1	1	1	1	1	1	1	1	1	0
WT2	1	1	1	1	1	1	1	1	1	1	1
WT3	1	1	1	1	1	1	0	0	0	1	1

Source: Exsimpro ISM, processed data (2026)

The next step is to align the logical consistency of relationships among elements by applying the transitivity rule, based on the principle that if element A is connected to B, and

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B is connected to C, then A must also be connected to C. The Exsimpro ISM software automatically tests the transitivity of the Initial Reachability Matrix and processes it into the Final Reachability Matrix. The processing results also reveal the Driving Power (DP) value, which measures an element's capacity to drive the system, and the Dependence (D) value, which measures the degree of an element's dependency on other elements.

Table 6. *Final Reachability Matrix*

	SO1	SO2	SO3	ST1	ST2	WO1	WO2	WO3	WT1	WT2	WT3	DP	R
SO1	1	1	1	1	1	1	1	1	1	1	1	11	1
SO2	0	1	1	1	1	1	0	0	0	1	1	7	5
SO3	1	1	1	1	1	1	1	1	1	1	1	11	1
ST1	1	1	1	1	1	1	1	1	0	0	1	9	3
ST2	1	1	1	1	1	1	1	1	1	1	1	11	1
WO1	1	1	1	1	1	1	1	1	1	1	1	11	1
WO2	1	1	1	1	1	1	1	1	1	1	1	11	1
WO3	1	1	1	1	1	1	1	1	1	1	1	11	1
WT1	1	1	1	1	1	1	1	1	1	1	0	10	2
WT2	1	1	1	1	1	1	1	1	1	1	1	11	1
WT3	1	1	1	1	1	1	0	0	0	1	1	8	4
D	10	11	11	11	11	11	9	9	8	10	10		
L	2	1	1	1	1	1	3	3	4	2	2		

Source: Exsimpro ISM, processed data (2026)

3. Strategic Element Mapping Graph

The strategic element mapping graph is constructed through the MICMAC (*Matrice d'Impacts Croisés Multiplication Appliquée à un Classement*) matrix. This matrix is a cross-multiplication framework that maps elements into a quadrant graph across two axes based on the interaction of two quantitative parameters derived from the Final Reachability Matrix: the DP value on the vertical binary axis (Y) and the D value on the horizontal binary axis (X). Within the ISM-MICMAC analysis, there are four distinct quadrants characterized by the following attributes:

a. Quadrant I (Autonomous): Consists of elements characterized by weak driving power and low dependence.
b. Quadrant II (Dependent): Comprises elements that possess weak driving power but a highly elevated degree of dependence.
c. Quadrant III (Linkage): Includes elements that exhibit strong driving power as well as high dependence.
d. Quadrant IV (Independent): Contains elements featuring maximum driving power but exceptionally low dependence.

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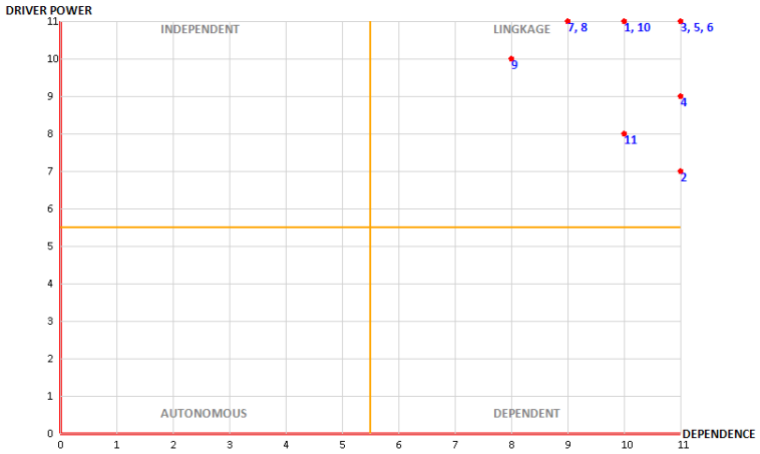

Figure 1. Strategic Element Mapping Graph
Source: Exsimpro ISM, processed data (2026)

The mapping results reveal a crucial finding: all strategic elements are heavily concentrated within Quadrant III (Linkage), indicating that every strategic element possesses an equally high driving power (DP) and dependence (D). This phenomenon illustrates the complex and highly interconnected ecosystem characteristic of the company's business system. No elements are isolated (autonomous); therefore, management cannot execute strategies partially or in isolation. Any strategic intervention or policy implemented on a single element will immediately trigger a chain reaction that reciprocally influences other elements. Operating under a labor-intensive and asset-light strategy as a building management service provider, PT XYZ's strategic decisions cannot stand alone within siloed functional structures.

4. Hierarchical Structural Framework of Strategic Elements

In the final stage, the ISM analysis constructs a directed graph (*diagraph*) that partitions PT XYZ's market development strategies into seven interconnected hierarchical levels, structured from bottom to top.

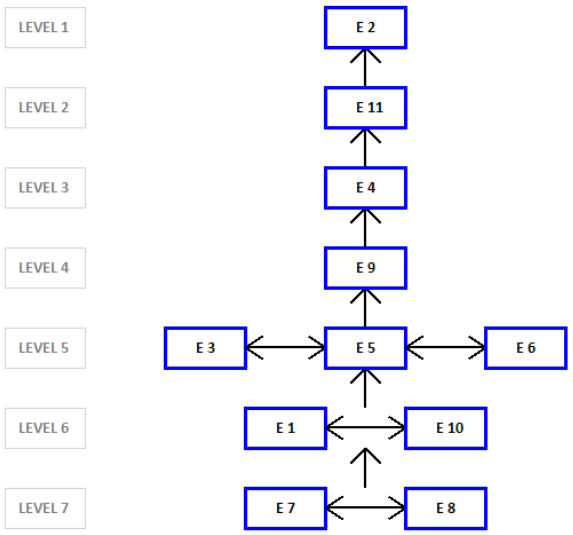

Figure 2. Hierarchical Structural Framework of Strategic Elements
Source: Exsimpro ISM, processed data (2026)

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The elements positioned at the lowest echelon (Level 7) act as the foundation or primary root drivers (*independent enablers*), whereas the element at the highest echelon (Level 1) represents the ultimate goal of the company's overall strategy. The interpretation of this hierarchical structural framework for the strategic elements is delineated as follows:

a. Level 7, serving as the bedrock foundation or primary driver, consists of E7 (digitalizing Quality Assurance and administrative functions, alongside optimizing the Envision building management system) and E8 (up-skilling human resource competencies in alignment with ESG trends). These two elements exhibit a reciprocal relationship, meaning that digitalization necessitates competent human resources, while competent human resources require digital control mechanisms to operate optimally.
b. Level 6, functioning as the capability enabler, comprises E1 (capitalizing on Greenship expertise and integrated Quality Management Systems) and E10 (establishing an agile organization). Organizational agility is imperative to empower the company's certified experts to rapidly respond to client demands and regulatory shifts without facing bureaucratic bottlenecks.
c. Level 5, serving as the driver for reputation and market repositioning, comprises E3 (optimizing brand identity and digital marketing strategies), E5 (leveraging corporate affiliation credibility), and E6 (strengthening the function of the Marketing or Business Development unit). These three elements operate through a circular interplay to cultivate the company's brand authority within the external market.
d. Level 4, functioning as the financial backing factor, is occupied by E9 (refined liquidity governance). Its positioning at the intermediary level indicates that healthy liquidity is an outcome driven by the effectiveness of the marketing unit at Level 5, which subsequently serves as the working capital to fuel the upstream strategies.
e. Level 3, acting as the competitive advantage driver, is occupied by E4 (implementing a cost leadership strategy integrated with service differentiation). Internal operating efficiency, achieved through a low BOPO ratio, enables the company to offer highly competitive pricing without compromising service quality.
f. Level 2, serving as the business transformation accelerator, is occupied by E11 (developing strategic alliances through partnerships, operational cooperation, or outsourcing strategies). This partnership framework is utilized to accelerate geographic penetration while minimizing capital-intensive physical investments, thereby reinforcing the company's asset-light strategy.
g. Level 1, serving as the ultimate strategic objective, is occupied by E2 (expanding and diversifying the portfolio into non-CBD segments and government infrastructure through B2B networking). This level represents the ultimate goal, functioning as the cumulative impact derived from the successful execution of all underlying strategic levels beneath it.

Based on this hierarchical framework, PT XYZ's management can allocate its strategic priorities into three distinct implementation phases:

a. The Internal Consolidation Phase (Levels 7 and 6): The market development strategy must initiate with the reinforcement of internal capabilities. This is achieved by accelerating the digitalization of Quality Assurance functions through the optimization of the Envision building management information system, which must progress in

tandem with the up-skilling of human resource competencies in alignment with ESG trends. Securing this capability foundation serves as a strict prerequisite for acquiring green building (Greenship) expertise and establishing an agile organizational structure capable of rapidly responding to regulatory dynamics and modern market demands.

b. The Market Penetration and Financial Stabilization Phase (Levels 5 and 4): Strategies during this phase are directed toward the penetration process executed through a three-way integration: optimizing the Business Development unit, leveraging B2B digital marketing instruments, and capitalizing on the credibility of the corporate affiliation group. Successful market penetration within this phase is anticipated to serve as an effective mechanism for financial stabilization, refined through enhanced liquidity governance and securing the availability of working capital required to withstand market price wars.
c. The Expansion and Portfolio Diversification Phase (Levels 3, 2, and 1): Strategies are systematically directed toward market development and portfolio diversification. This is achieved by capitalizing on cost advantages and forming strategic alliances through corporate partnerships to sustainably acquire new building management market share in Jakarta, specifically focusing on the non-CBD and government infrastructure segments.

The ISM hierarchical structure from Level 7 to Level 1 reflects PT XYZ's strategic transformation process, which aligns precisely with the concept of Dynamic Capabilities in navigating Jakarta's highly dynamic building management industry landscape. Within the *sensing* phase, PT XYZ identifies environmental regulatory shifts and evolving market expectations regarding green buildings; this is operationalized through the digitalization of Quality Assurance based on the Envision application system (E7), alongside the acquisition of Greenship expertise certifications among its human resources (E8, E1). The *seizing* phase is executed through market penetration strategies at Level 5 by leveraging corporate affiliation credibility (E5) and optimizing the Business Development unit (E6), which progressively enhances liquidity (E9) and establishes a highly efficient operating cost structure (E4). Finally, *the transforming/reconfiguring* phase is achieved by transitioning the market development focus away from the captive market toward portfolio diversification into non-CBD and government infrastructure segments (E2), which concurrently serves as a strategic mitigation against asset concentration risk.

CONCLUSION

This research systematically structures PT XYZ's market development strategies into a seven-level hierarchical framework encompassing three primary implementation phases. The first phase entails internal consolidation (Levels 7 & 6), which focuses on digitalizing Quality Assurance functions via the Envision system and up-skilling human resources based on ESG principles to serve as the foundational drivers (*enablers*). The second phase involves market penetration and financial stabilization (Levels 5 & 4) by optimizing the Business Development unit and deploying B2B digital marketing to reinforce cash flow liquidity. The third phase, serving as the ultimate strategic output (Levels 3, 2, & 1), executes geographic expansion into non-CBD and government infrastructure segments through a cost leadership strategy and strategic alliances.

Theoretically, the integration of PESTEL, SWOT, and ISM frameworks transforms the conventionally static SWOT analysis into a dynamic, integrative, and structural decision-making model. Practically, this strategic implementation hierarchy serves as an operational roadmap for PT XYZ's management to systematically determine capital and resource investment priorities, thereby enhancing organizational effectiveness and efficiency.

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