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Operation Strategy Implementation for Business Plan at Material Handling Rental Services Startup LogisMe

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Abstract. Logistics and warehousing companies are often faced with a dilemma due to the high cost of procuring heavy equipment. Although demand for logistics services continues to increase, especially after the Covid-19 pandemic, many companies are struggling to meet their equipment needs. This document outlines the operational strategy plan for LogisMe, a Material Handling Rental Services startup company. The plan leverages a virtual office model for increased efficiency and utilizes a staged workshop rollout across Indonesia to serve customer needs. LogisMe offers rental units and an integrated monitoring portal platform (SaaS) with customizable modules for enhanced customer experience. The key focus is achieving a 90% Service Level Agreement (SLA) through efficient operations and effective quality management practices aligned with ISO standards. The ultimate goal is to become a market leader in innovative, environmentally friendly, reliable, and high-tech rental solutions for material handling, cleaning equipment, and logistics systems.

Keywords: strategic planning, operational plan, material handling, logistics

INTRODUCTION

Logistics and warehousing companies are often faced with a dilemma due to the high cost of procuring heavy equipment. Although demand for logistics services continues to increase, especially after the Covid-19 pandemic, many companies are struggling to meet their equipment needs. This opens up opportunities for alternative solution providers such as heavy equipment rental or subscription-based business models. LogisMe is a company engaged in the sector that provides rental services for material handling, cleaning equipment, heavy equipment and integrated logistics systems. LogisMe offers a rental model in order to provide solutions to the problems of rental services in order to answer the problem of the high cost of acquiring material handling, cleaning equipment and heavy equipment, Providing a commitment to provide support services in the form of the availability of technicians, maintenance and utilities for material handling, cleaning equipment and heavy equipment, Providing a flexible contract system according to customer needs, Providing end-to-end one stop logistics solutions in the form of equipment and unit rentals, rack design systems, maintenance, operators and training services in the fields of warehousing and logistics as well as providing an integrated monitoring system, Providing flexibility for customers to determine the required unit monitoring information system modules and adjusted to the customer's budget, Providing reliable tools that can be trusted by customers. The vision of PT LogisMe Berkat Bersama (LBB) is to become a company providing rental services for material handling, cleaning equipment and logistics solutions that are innovative, environmentally friendly, reliable and high-tech. The values contained in this vision prove that the company wants to become a platform for providing rental services for units by continuing to innovate and utilize the latest technology while still paying attention to environmental sustainability and being environmentally friendly.

METHOD

This research employs a qualitative case study approach to delve into the operational planning processes and strategies implemented by LogisMe, a B2B material handling rental services company. Case studies are particularly suitable for exploring complex of the development and implementation of operational plans within a material handling business with the chosen strategy of Market Development as the first strategy and Product Development as the second strategy. The research also give the reader for a reality that the technology to be embedded in a conventional business will surely transform into modern way of business.

RESULTS

Operational Objective and Goals

LogisMe's operational objectives focus on market development with the value of technology and efficiency offered as mentioned in the QSPM of market development and Lean Canvas. To support the objectives mentioned in the previous point, the operational targets are efficiency and effectiveness of operational costs that are appropriate and used to develop and maximize the value of the services offered to customers in terms of achieving the 90% SLA target.

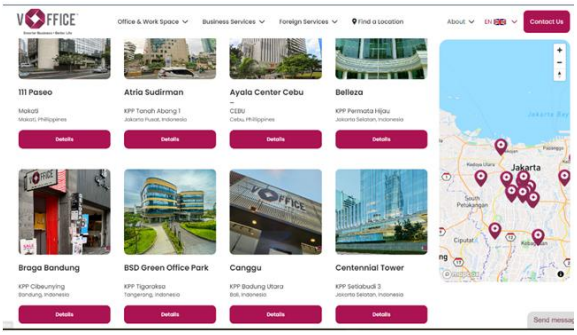
Tabel 1
Objectives and Goals

Category		Objectives		Goals
Short Term (Y.0 s/d Y2)	1	Running operations with virtual office	1	Increase company efficiency by more than 30%
	2	Cooperating with multi-dealers of 2 to 3 vendors.	2	Achieving customer material handling operational needs within 1 week of the contract agreement.
	3	Procuring 50 material handling units with an increase of 2 times in the following year.	3	Running operational and sales marketing achievement targets for each annual target.
	4	Reach Truck: 15 units	4	Customer Experience (CX) with a retention rate of 80% based on data of 90% retention rate – 10% churn rate from marketing
	5	Pallet Mover: 25 units		
	6	Counter Balance: 10 units	5	Fulfillment of SaaS milestone 1 of 8-12 sprints with the achievement of a monitoring platform that can be used to monitor engine hours.
Mid Term (>Y2 s/d Y4<)	1.	Achieving Service Level Agreement (SLA) up to 90%.	1	Fulfilling on-time delivery with a delay rate of 10%
	2.	Building 5 workshops in strategic industrial areas of Java Island: Bekasi (West Java), Tangerang (Banten), Serang (Banten), Karawang (West Java), Surabaya (East Java) and Semarang (Central Java).	2	Achievement of SaaS milestone 2 and 3 of 24-30 sprints with the achievement of a complete, flexible monitoring platform that can be integrated with the customer's internal application if needed, using JSON transfer communication data.
	3.	Building Information Technology (IT) based infrastructure and services.		
	4.	Establishing cooperation with inter-provincial expedition services.	3	Customer Experience (CX) with a retention rate of 80% based on data 90% retention rate – 10% churn rate from marketing Building positive relationships with the community and the surrounding environment
	5.	Building a system connected to SAP, Microsoft Dynamics and Payment Gateway.		
	6.	Building Warehouse Management Systems (WMS) as part of an integrated monitoring portal and Customized Module SaaS		Customer Experience (CX) with a retention rate of 85% based on data 95% retention rate – 10% churn rate from marketing
	7.	Increasing dealer and trainer networks		
	8.	Increasing material handling units by 50 units		Achieving cybersecurity with a penetration protection failure rate of 1x reported in 12 months.
	9.	Strengthening business with consulting service lines and racking system rentals	4	
Long Term (>Y4)	1.	Increasing the number of workshops by 6 locations spread across Sumatra Island: Medan (North Sumatra), Batam (Kepri), Palembang (South Sumatra), Muara Enim (South Sumatra), Pekanbaru (Riau) and Bandar Lampung (Lampung).	1	Achieving SLA 90%
	2.	Increasing the number of workshops by 3 locations spread across Kalimantan: Tanah Bumbu (South Kalimantan), Balikpapan (South Kalimantan) and Ketapang (West Kalimantan)	2	Achieving innovation and research for new company products and services.
	3.	Providing Corporate Social Responsibility (CSR) funds for environmental activities in the surrounding community, especially regarding preservation and cleanliness.	3	
	4.	Achieving ISO 9001:2015 regarding quality management	4	Increasing company innovation and effectiveness by 50%
	5.	Achieving ISO 27001 regarding data security and privacy	5	Achieving SLA 90%
	6.	Adding material handling and cleaning equipment units outside Jabodetabek	6	Developing reliable product innovation
	7.	Diversifying business by purchasing Heavy Equipment units.	7	Achieving customer satisfaction
	8.	Automate the system using Artificial Intelligence (AI) such as ChatGPT, Github Co-Pilot¬ and ChatBot	8	Achieving customer satisfaction
	9.	Increase the number of workshops to 3 locations spread across Sulawesi: Bolaang Mongondow (North Sulawesi), Morowali (Central Sulawesi) and Konawe (South Sulawesi)	9	Increase company efficiency by more than 30%

Source: processed data

Key Points of Operational Efficiency
Virtual Office

In order to increase efficiency and effectiveness, LogisMe uses a virtual office that can be used in all branches throughout Indonesia, which allows companies to provide a more flexible working atmosphere, reduce absence or lateness from work, increase the length of service, especially for quality employees, maximize the knowledge management system and ultimately increase productivity (Mungkasa, 2020).



Source: v-office.co.id

Figure 1
Virtual Office as Efficiency

In accordance with the provisions of Law No. 40 of 2007, the process of establishing PT LogisMe Berkat Bersama (LBB) can be done online through the SABH system of the Ministry of Law and Human Rights (Kemenkumham) by attaching administrative requirements including a photocopy of KTP, NPWP, and documents related to business ownership and business management. Submission of files, namely the submission of the PT name based on the Law related to PT and Permen No. 43 of 2011 concerning the Procedures for Submission and Use of PT Names, that the name submitted must consist of at least 3 syllables, is a new name that has never been used by another company, and is prohibited from using foreign loan words.

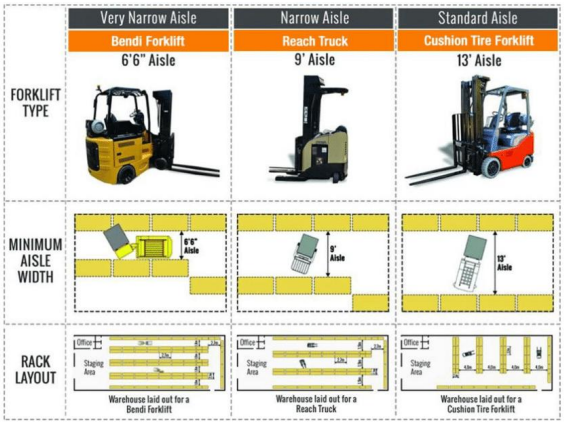
LogisMe's management is assisted by a third party virtual office because LogisMe uses a virtual office as the administrative office and domicile of the company. Regarding the management of Taxable Companies (PKP) using a virtual office, it has been permitted by the Government through the Regulation of the Minister of Finance (PMK) No. 147/PMK.03/2017 concerning Procedures for Taxpayer Registration and Deletion of Taxpayer Identification Numbers and Confirmation and Revocation of Confirmation of Taxable Entrepreneurs states that Article 45 and Article 46 of PMK147/2017 stipulate that entrepreneurs can use virtual office services as a place for reporting and managing PKP (Utami, 2018). The criteria for PKP companies are taxpayer companies with a turnover of 4.8 billion rupiah per year as stated in PMK 197/2013 after previously the turnover limit in a year was 600 million rupiah (Hanjarhadi, 2022). For the location, LogisMe took a position at Plaza Summarecon Bekasi, Jl. Bulevar Ahmad Yani No.Kav K.01, RT.001/RW.011, Harapan Mulya, Medan Satria District, Bks City, West Java 17142.

Workshop

Workshop is one of the important elements in order to answer customer needs, one of LogisMe's targets is to provide fast response services with a Service Level Agreement (SLA) of up to 90%. Workshop procurement is carried out in stages starting from strategic industrial areas in Jabodetabek. Next, Java and Sumatra; strategic industrial areas such as in Surabaya, Gresik and Semarang, Muara Enim, Palembang, Lampung, Batam, Pekanbaru, Medan and others. Then expansion is carried out in the Kalimantan and Sulawesi regions in the long term.

Product Design and Process

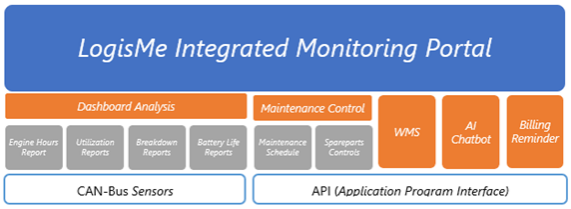
The products and services offered consist of two components, namely rental units and integrated monitoring portal platforms. This is in accordance with the reference to the selection of product development strategies and market development. In this case, it is the provision of material handling units and integrated monitoring portals in terms of providing products and services and guaranteeing SLA achievement of up to 90%. LogisMe's operations are 5 working days for office staff, while field staff such as unit technicians, GPS technicians and Customer Service are 7x24 hours. There are also other support services from IT technicians and unit technicians that can be carried out when an incident occurs or damage is found such as server downtime or unit breakdown.



Source: Sofronov et al (2019)

Figure 2
Material Handling

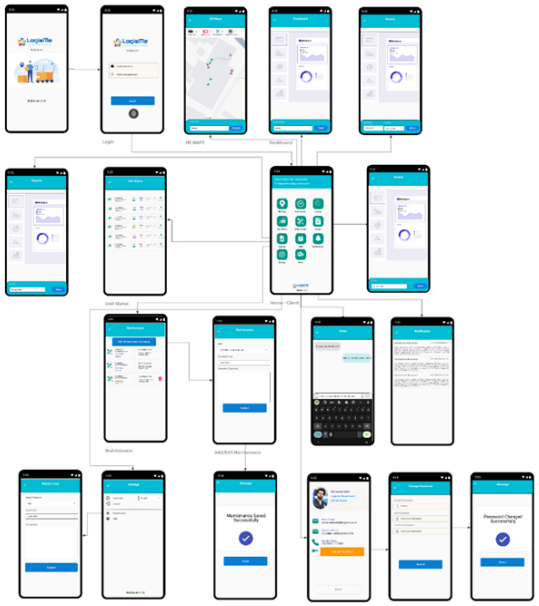
Supporting applications and added value from LogisMe are integrated monitoring portals based on Software as a Service (SaaS) with functional modules that can help customer operations accessed using web-based from laptops or personal computers (PCs) and mobile devices, namely Android and iOS. Ultimately, this aims to provide efficiency in the business run by customers with digitalization and reduced waiting time due to breakdowns to produce service excellence (Prabangkara et al., 2021).



Source: processed data

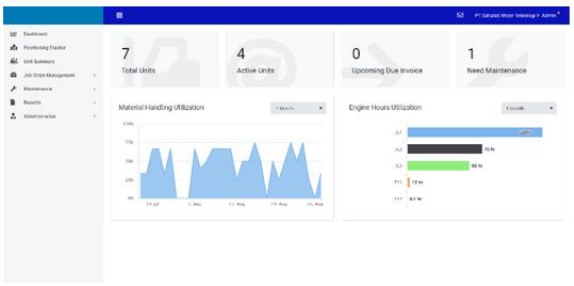
Figure 3
Module Stack LogisMe

Good UI/UX design in design is very important in providing users with a sense of comfort and increasing customer loyalty (Indraputra & Hamdi, 2023). The following is the UI/UX design of the Integrated Monitoring Portal application:



Source: processed data

Figure 4
UI/UX LogisMe Portal



Source: processed data

Figure 5
Dashboard Web

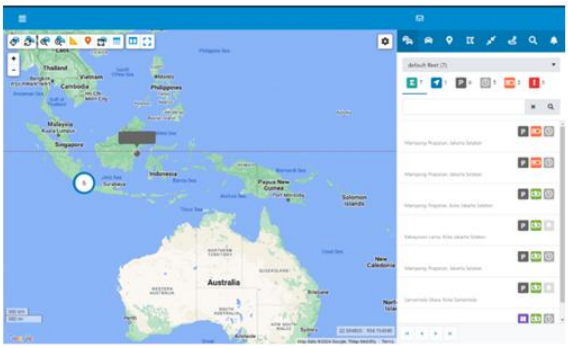


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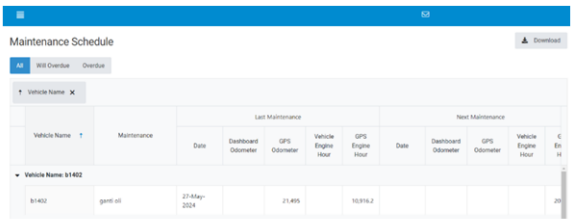
Figure 6
Monitoring Map



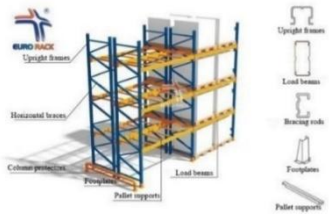
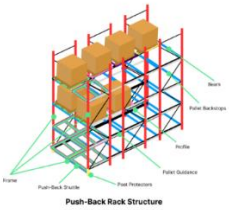
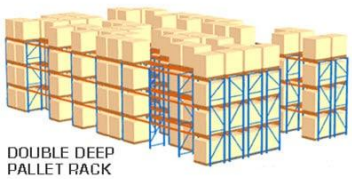
Source: processed data

Figure 7
Maintenance Schedule

Customization Module

Customization Module Software as a Service is part of the Integrated Monitoring Portal, This service is the flexibility of customers to choose which service is suitable for use according to the needs of each company, the analogy of this service can be plug-and-play based on the needs of each company. In addition, this Platform can also integrate with the customer's internal company applications if needed in one platform only. In choosing a market development strategy, user experience greatly influences the long-term relationship of customers.

Table 2
Racking System

Rack	Description	*Rack*	Description
Selective Pallet Racking	The advantage of this type of rack model is that it can be taken directly and quickly using a transport tool without having to follow the First-In First-Out (FIFO) or Last-In First-Out flow procedure. *(LIFO)* (Eurorack, 2024). 	*Cantilever*	This shelving system design is very suitable for items that are ring-shaped or long and irregular in size such as pipes, wood, iron, cables and profiles. This shelf is supported by a cantilever (a protruding structure used as a support) (Cantilever Rack, 2024) 
Drive-in Pallet	The advantage of this type of rack model is that the transport unit can directly enter the rack and take the goods. The procedure that is suitable for using it is the Last-In First-Out (LIFO) method with a warehouse using a single pallet. (Eurorack, 2024). 	*Push-back*	This type of rack design allows efficiency in the placement of goods with minimal or no maintenance. The racks can be moved using a forklift with a roller mechanism that moves on each rack with 2 - 5 blocks. 
Double Deep	Unlike those using single pallets, double deep allows for more efficient placement because it uses double blocks. (Arpac, 2024) 	*Mezzanine Racking Systems*	This rack places various items so that when taking them, there is no need to use a forklift. Usually this design is used in industries with electrical equipment, automotive and machinery. (Byteracking, 2024) 

Source: processed data

Product Knowledge Management

Product knowledge management in B2B business is a systematic process to collect, manage, and disseminate knowledge about SaaS products to all teams in the company, including sales, marketing, and customer service teams (Hadi & Indradewa, 2019). This knowledge includes product features, how it works, benefits, and use cases that are relevant to business customers. The main goal of product knowledge management is to ensure that all teams have the same and in-depth understanding of the product, so that they can provide accurate and relevant information to customers, increase sales and provide better customer service and make it easier for customers to understand the services offered. (Sunaryanto & Sulaeman, 2023). LogisMe provides a web-based portal that can be accessed in real time with complete content regarding guidelines, videos and so on. In addition, knowledge management can motivate the company's internal team to improve their capabilities.

Quality Management

LogisMe is committed to creating good quality management, because LogisMe's main target is to provide SLA services of up to 90% which improves Customer Experience (CX). The following are the steps taken by LogisMe in order to fulfill quality management:

1. Understanding Customer Needs, namely conducting surveys or interviews with customers to understand their needs and expectations and identifying the quality attributes that are most important to customers, such as equipment reliability, energy efficiency, security, and others.
2. Setting Quality Standards, namely determining quality standards based on customer needs and industry standards and ensuring standards cover all operational aspects from receipt to maintenance and delivery of equipment.
3. Developing a Quality Management System, namely designing and implementing a quality management system that complies with ISO 9001 standards and Information System security according to ISO 27001 and OWASP. In addition, creating proper documentation for procedures, work instructions, and quality policies. As a digital platform provider, data security procedures and data backup are very important in order to ensure customer comfort in using the company's services (Sitanggang et al., 2023).
4. Employee Training and Development, namely providing regular training to employees on quality standards and procedures and developing a quality culture within the organization so that each employee is responsible for quality.
5. Quality Monitoring and Control, namely conducting routine inspections and testing to ensure compliance with quality standards, using asset management software to track equipment conditions and maintenance, ensuring all servers and databases are uptime, preventing downtime and using periodic and automatic application and server backups to prevent data loss.
6. Data analysis and continuous improvement, namely collecting and analyzing performance data and implementing Six Sigma and Kaizen for continuous improvement.
7. Managing Supplier Relationships: Selecting suppliers that meet high quality standards and conducting regular audits and evaluations of suppliers.
8. Customer Feedback and Complaint Handling (Support Service): Collecting feedback from customers regularly and Creating effective complaint handling procedures to handle quality issues quickly.
9. Internal Audit and Management Review: Conducting periodic internal audits to ensure the implementation of the quality management system and management review to evaluate effectiveness and make changes if necessary.

Table 3
Scenario and Assumptions

	Scenario	Assumptions
Year 1	Fulfillment of 100% operational needs for staff and facilities and infrastructure.	Operational costs 20% of total revenue
	Fulfillment of 100% minimum certification requirements and target workshop locations in the Jabodetabek area.	Achievement of certification and workshop targets 100% and operational activities running well 80-100% of delivery achievements.

	Cooperation contracts with vendors	2-3 vendors supplying units in the first year.
Year 2	Fulfillment of 100% units of 50 units in the short-term target.	Purchase of 50 new units
	Increased operational costs	Cost increase of 6-10% according to inflation
Year 3	Fulfillment of 100% new unit needs for phase 2	Purchase of 50 new units
	Expansion of workshops outside Jabodetabek	Achievement of workshop needs outside Jabodetabek
	Increased operational costs	Cost increase of 6-10% according to inflation
Year 4	Milestone monitoring platform phase-2	Achievement of dashboard features, forecasting and software integration outside LogisMe using API.
	Fulfillment of supporting facilities and infrastructure	Achievement of workshop needs and expansion
	Increased operational costs	Cost increase of 6-10% according to inflation
Year 5	Fulfillment of 100% new unit needs for phase 3	Purchase of 50 new units
	Fulfillment of supporting facilities and infrastructure	Achievement of racking unit needs as part of new services and workshop expansion to areas outside Java and Sumatra
	Increased operational costs	Cost increase of 6-10% according to inflation

Source: processed data

CONCLUSION

The implementation of a comprehensive operational strategy is crucial for LogisMe's success in the competitive material handling rental services market. By leveraging a virtual office model, LogisMe can optimize operational efficiency and reduce overhead costs. The phased rollout of workshops across Indonesia ensures strategic expansion and better accessibility to customers. The integrated monitoring platform, offered as a Software-as-a-Service (SaaS), provides customers with real-time data, flexibility, and enhanced operational efficiency. LogisMe's commitment to quality management, aligned with ISO standards, is essential for delivering exceptional customer service and building trust. By focusing on customer needs, providing reliable equipment, and offering innovative solutions, LogisMe can differentiate itself from competitors. Additionally, the company's emphasis on environmental sustainability and social responsibility demonstrates its commitment to ethical business practices. Overall, LogisMe's operational strategy positions the company for sustainable growth and success in the rental services industry. By effectively implementing these strategies, LogisMe can strengthen its market position, increase customer satisfaction, and achieve its long-term business objectives.

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