
LEVERAGING COMPANY REVENUE THROUGH LAND AND BUILDING FIXED ASSET OPTIMIZATION STRATEGIES IN COMMERCIAL AND TRADING COMPANIES

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ABSTRACT

Leveraging business revenue through the utilization of fixed assets is crucial for companies. The purpose of this study is to examine and analyze the management of land and building fixed assets carried out by Commercial and Trading Companies. The research approach used is a descriptive qualitative approach with a case study method. The unit of analysis in this study is the Asset division of the Commercial and Trading company, namely PT Pertamina Patra Niaga Central Java Region (JBT). Data were collected through observation and interview methods, and triangulation was carried out using data collection methods, namely in-depth interviews with 5 informants who have different positions and duties, direct observation of the condition of the company's assets, and analysis of documents such as asset legal status documents, SOPs, and related operational records to validate the data. The results of the study found that asset optimization strategies to increase company revenue can be carried out by developing master policies and regional utilization guidelines supported by periodic evaluations, renovations and reassessments of idle assets to adjust market value to actual function, the application of digital technology to automate licensing and utilization monitoring, external collaboration in the form of leasing or collaboration with third parties. The implication of this study is that companies can provide strategic input to companies in an effort to improve the effectiveness and efficiency of fixed asset management.

Keywords: Fixed assets Income Land and buildings

INTRODUCTION

Assets are equipment used to support organizational activities and are used to achieve the organization's goals. Assets play a vital role as economic resources owned by an entity, and these assets have economic, commercial, exchange, or social value.(Amin et al., 2024). Assets are generally divided into fixed assets and current assets.(Pakpahan et al., 2023)Fixed assets are long-term physical assets, such as property, plant, and equipment (PP&E), while current assets are short-term assets typically used up in less than one year. Current assets are

used in day-to-day business operations to keep the business running. Fixed assets, on the other hand, are assets that can be physically seen and are relatively permanent in nature and have a long useful life of more than 12 months.

Fixed assets that, if used continuously in a company's operational activities, have a limited economic life, so the company must dispose of the fixed assets. Assets that are no longer usable can be exchanged for other assets of the same or different type, sold, or disposed of. Depreciation is the periodic and systematic allocation of an asset's acquisition cost over

different periods that benefit from its use. Fixed assets must then be presented on the balance sheet at their acquisition cost less accumulated depreciation to obtain their book value. Inappropriate treatment of fixed assets or non-compliance with the Statement of Financial Accounting Standards will affect the presentation of the company's financial statements. (Nechitaylo & Tomshinskaya, 2022).

In its implementation, asset management requires initial planning. This stage serves to ensure that planned asset management is implemented effectively and to oversee the management process, including the use of funds and property assets. Furthermore, this stage also aims to understand the limitations of effectiveness and efficiency, consider economic stability in asset management planning, and design collaborations with third parties related to asset management (Suseno et al., 2021).

In the context of commercial and trading companies, asset management encompasses aspects such as inventory, maintenance, and supervision of fixed assets, particularly land and buildings. Asset management also encompasses other aspects, such as asset procurement and disposition, optimizing asset use to increase efficiency, asset risk management, and asset documentation and legality to ensure legal compliance. However, several issues are frequently encountered, such as inaccurate inventory data, inadequate maintenance, and weak oversight of asset use. These issues can be caused by limitations in integrated management systems, a lack of human resource competency, and minimal budget allocation for asset maintenance.

Furthermore, legal issues, such as land ownership and building certification, often present obstacles in asset management within companies.

According to 2024 company data, the company's total assets reached Rp 5,026,652,232,415, with a recorded book value of approximately Rp 1,952,889,543,878. This is because these assets have been fully depreciated in accordance with the applicable depreciation policy. However, even though the book value has reached zero in accounting, these assets often still have a relatively high market value or significant potential economic benefits. In other words, even though the asset's accounting value is no longer recorded, its economic potential remains and can be optimized according to needs or available opportunities. However, field conditions indicate that several land and building assets outside of buildings are not being optimally utilized. Therefore, the company needs to optimize these assets. Asset optimization is not always easy. This process involves eliminating obstacles and threats that could disrupt the management of these assets. (Amin et al., 2024). Asset optimization is defined as a process in asset management that aims to maximize the potential of an asset in terms of its physical attributes, value, quantity/volume, location, economics, and law.

The focus of this research on land and buildings is based on their high economic value and strategic role in company operations. Land and buildings not only have asset values that tend to increase, but also contribute significantly to company revenue through rentals, sales, or further development. The complexity of

management involving legal, physical, and financial aspects makes land and building management require special attention. Therefore, optimizing land and building management is crucial for increasing company revenue while addressing various existing problems. Therefore, this research aims to: evaluate the strengths and weaknesses, as well as the challenges and opportunities faced by companies in managing fixed assets, especially land and buildings, and formulate appropriate strategies to optimize these assets in an effort to increase company revenue.

METHOD

This research uses a descriptive qualitative approach with a case study method. The unit of analysis in this study is the Asset division. This research was conducted at PT Pertamina Patra Niaga Regional JBT, a company located in Semarang City, Central Java Province. Semarang is the center of economic, trade, and industrial activities in Central Java, with a strategic position that supports various business activities. The data sources in this study are all words and actions obtained from informants who are considered to have detailed knowledge about the problem being studied. The data collection methods in this study consist of two methods, namely: observation and interviews. Interviews were conducted with managers, supervisors, project support, and administration as informants for the research. According to Pratama & Pangayow (2016), an interview guideline needs to be used as a guide in the interview. This interview guideline is compiled based on theoretical studies, expert judgment from supervisors and

examiners, and practitioners who have expertise in the field of fixed assets and buildings management. In this study, the triangulation that will be used is technical and source triangulation. Technical triangulation is carried out by verifying the validity of interview data through analysis of relevant company documents, such as asset valuation reports. Data in qualitative research is analyzed by reading the data (observation notes, interview transcripts) to detect emerging themes and patterns. The stages of data analysis in qualitative research are divided into three (Abdussamad, 2021): data reduction, data presentation, and drawing conclusions.

Results and Discussion

Based on observations and interviews conducted with informants, fixed asset management, particularly land and buildings, in commercial and trading companies is problematic. As presented in Table 1, SWOT analysis is used to describe good management conditions, including strengths, weaknesses, opportunities, and threats. According to Umar (2020), SWOT analysis is a method used to identify strengths, weaknesses, opportunities, and threats with the aim of designing effective business strategies. This analysis helps organizations understand their market position and develop effective strategies to achieve competitive advantage. Based on the definitions above, it can be concluded that SWOT analysis is an important tool in strategic planning because it helps organizations understand their internal and external situations. By identifying strengths, weaknesses, opportunities, and threats, organizations can develop effective strategies to capitalize on

strengths and opportunities, as well as address weaknesses and threats.

Table 1. SWOT Analysis

Internal Factors		
No	Excess	Weakness
1.	Utilization of assets has been carried out in accordance with the company's business processes.	There are still assets in strategic locations that have not been optimally utilized.
2.	The company has assets that can be utilized optimally, such as land and buildings.	Limitations in long-term planning for the utilization of prime location assets
3.	The location of the company's assets is in a strategic place	Complex bureaucratic and regulatory barriers, as well as limited human resources and costs
4.	There is a periodic evaluation of asset utilization by the asset owner.	The NJOP value is too high for some assets due to the assumption of use for oil and gas activities even though it is not
External Factors		
No	Opportunity	Threat
1.	Opportunities for collaboration with third parties, both in the form of rentals and collaboration	Government regulations that may limit the flexibility of asset utilization.
2.	Technology development and digitalization to support asset utilization	The potential value of assets that is not commensurate with the determined NJOP can cause economic losses or inefficiencies.
3.	The development of asset utilization guidelines can help with optimization at the regional level.	Dependence on decisions at the holding or parent company level in asset utilization policies

To further detail the SWOT analysis, EFAS (External Factor Analysis Summary) and IFAS (Internal Factor Analysis Summary) are used as tools to more systematically assess external and internal factors (Umar, 2020). FAS is a tool used to identify and analyze external factors affecting an organization. These external factors

include opportunities and threats originating from the organization's external environment. Meanwhile, IFAS is a tool used to identify and analyze internal factors affecting an organization. These internal factors include strengths and weaknesses originating from within the organization.

Table 2. IFAS Matrix

	Internal Factors	Weight	Rating	Weighted Score
Strengths	Utilization of assets has been carried out in accordance with the company's business processes.	0.15	8	1.17
	The company has assets that can be utilized optimally, such as land and buildings.	0.12	7	0.85
	The location of the company's assets is in a strategic place	0.10	8	0.78
	There is a periodic evaluation of asset utilization by the asset owner.	0.15	9	1.32
Weakness	There are still assets in strategic locations that have not been optimally utilized.	0.12	6	0.73
	Limitations in long-term planning for the utilization of prime location assets	0.10	5	0.49
	Complex bureaucratic and regulatory barriers, as well as limited human resources and costs	0.12	4	0.49
	The NJOP value is too high for some assets due to the assumption of use for oil and gas activities even though it is not	0.15	4	0.59
	Total	1.00		2.29

Table 3. EFAS Matrix

	Internal Factors	Weight	Rating	Weighted Score
Opportunity	Opportunities for collaboration with third parties, both in the form of rentals and collaboration	0.15	8	1.19
	Technology development and digitalization to support asset utilization	0.15	9	1.33
	The development of asset utilization guidelines can help with optimization at the regional level.	0.22	8	1.78

	Internal Factors	Weight	Rating	Weighted Score
Threat	Government regulations that may limit the flexibility of asset utilization.	0.15	2	0.30
	The potential value of assets that is not commensurate with the determined NJOP can cause economic losses or inefficiencies.	0.15	2	0.30
	Dependence on decisions at the holding or parent company level in asset utilization policies	0.19	5	0.93
	Total	1.00		5.81

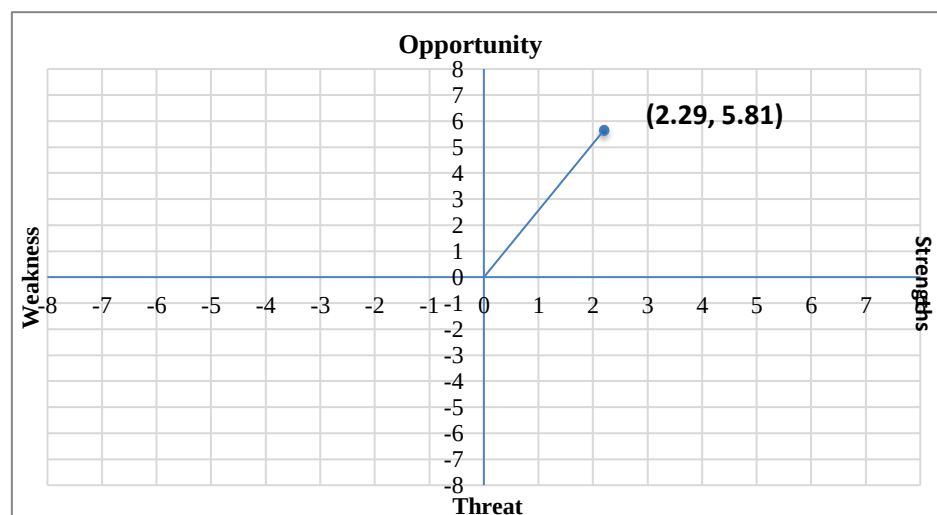


Figure 4. Ifas Efes Matrix

Based on the results of the SWOT matrix analysis, each component intersection can be explained as follows: The company can optimize the periodic evaluation mechanism and structured business processes to support the development of asset utilization guidelines at the regional level, so that asset management standards can be applied consistently across operational areas. Furthermore, asset utilization evaluation data can be integrated with digitalization initiatives to automate utilization reporting and analysis, accelerate decision-making processes,

and increase transparency. Furthermore, the combination of clear business processes and optimal asset conditions will also increase the company's bargaining power in establishing cooperation with third parties, both in the form of leases and business collaborations. Asset utilization is also a key point emphasized in the statement. Optimal asset utilization is a crucial indicator in assessing the effectiveness of fixed asset management. When assets are not only recorded but also used according to their function to support operational

activities and achieve company goals, this reflects efficiency in resource utilization. This is in line with the Resource-Based View (RBV) Theory framework, which emphasizes that an organization's competitive advantage can be achieved if the company is able to manage its internal resources, including fixed assets, effectively and efficiently. According to the RBV, resources that are valuable, rare, inimitable, and non-substitutable are the key to long-term competitive advantage. Fixed assets in the form of land and buildings managed by a company are one of the strategic resources that have VRIN characteristics, especially if these assets are strategically located, have strong legal status, and are used to support core business operations. (Barney, 1991) The Resource-Based View (RBV) theory states that the resources owned by a company, including physical assets such as land and buildings, will only become a competitive advantage if they are managed and utilized appropriately. (Omar, 2023).

To address gaps in the utilization of idle or suboptimal strategic assets and address inadequate long-term planning, companies can implement regional asset utilization guidelines. These guidelines will help formulate asset allocation policies based on regional characteristics and potential, thereby maximizing the economic value of assets. Furthermore, the application of digital technology in the licensing and asset monitoring process can simplify bureaucracy, reduce reliance on limited human resources, and accelerate response times in asset utilization. Through strategic collaboration with external partners, companies can also

renegotiate asset value assumptions to align the NJOP determination with their actual economic function.

To address this dependency on parent company decisions, companies need to strengthen reporting mechanisms and operational authority through regular asset utilization evaluations and a clear business process structure, allowing branch-level management to make more independent utilization decisions. To mitigate potential losses due to increasingly stringent government regulations, the results of periodic evaluations serve as the basis for rapid adjustments to asset utilization procedures and schedules, ensuring that any new policies can be implemented promptly. Furthermore, optimal assets and strategic locations should be maintained as a core portfolio in diversifying asset use, thereby minimizing the impact of fluctuations in the NJOP value.

Tungga and Tomasowa's (2021) study, "Tourism Asset Management Strategy in Rote Ndao District, East Nusa Tenggara," aims to evaluate, identify, and formulate priority strategies for tourism asset management in Rote Ndao Regency. Based on a SWOT analysis, the study found that the main weaknesses in asset management are low human resource competency and a lack of supporting facilities and infrastructure. Proposed priority strategies include improving human resource quality, developing an asset management information system, and monitoring tourism asset utilization. Optimizing tourism assets is expected to increase Regional Original Income (PAD) and community welfare. Thus, the results of this study indicate

the importance of asset identification, development of asset management information systems, monitoring asset utilization, and increasing the professionalism of human resources and supporting infrastructure to optimize the contribution of assets to Regional Original Income (PAD).

In a vulnerable position due to underutilized strategic assets and excessively high NJOP values, companies must prioritize idle asset optimization programs and reassess market values based on actual functional uses, thereby reducing dependence on parent company authorization. Improved long-term planning through the integration of evaluation results and regional guidelines is also needed to increase readiness for changes in parent company policies. Finally, streamlining bureaucracy and improving human resource competency through workflow automation and internal training will help companies adapt to increasingly complex regulations, maintain smooth compliance processes, and maintain operational continuity.

CONCLUSION

The results of this study indicate that the management of land and building fixed assets carried out by the commercial and trading company PT Pertamina Patra Niaga is carried out in a structured manner by paying attention to the business processes and duties of each employee, the company also utilizes assets, pays attention to the legal status of assets and several company assets are located in strategic locations that have a high NJOP value. The management of land and building fixed assets has a positive impact on the company's operations and revenues

through the utilization of excess assets (excess capacity) and periodic evaluations based on useful life and residual value. Although there are still assets that have not been optimally utilized, this strategy reflects efforts to improve efficiency and increase the economic value of assets, thus supporting the achievement of overall company performance. Then, based on the SWOT analysis that has been carried out, optimization of land and building fixed assets to increase company revenues can be done through the preparation of master policies and regional utilization guidelines supported by periodic evaluations, renovations and reassessments of idle assets to adjust market values to actual functions.

The results of interviews with several informants indicate that various strategies have been proposed, including a strategy that can be implemented to optimize asset utilization, particularly land assets located in strategic locations (prime locations), through clear policies from the Parent Company. This strategy includes the importance of incorporating the prime location asset utilization plan into the Company's Long-Term Plan (RJPP). Then, strategies for renovating and repairing assets whose physical condition is less than ideal, establishing collaboration with internal parties, developing and utilizing technology using a digital-based asset system and periodic evaluation analysis to assess the contribution of each asset to the company's business objectives. The benefits of this research for the company can provide strategic input to the company in an effort to improve the

effectiveness and efficiency of fixed asset management. For policy makers, the results of this study can provide an overview and information, namely how optimal the management of land and

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