Abstract

The last decade witnessed accelerated change in the world economic order leading to the emergence of new challenges for the cement industry. Rapidly changing technologies, demanding customers and above all demand for stringent environmental discipline have compelled industry to perform better than ever. It is now an established fact that profit enhancement of a business stems from setting global quality standards. This will give it the competitive edge in the global market. Nevertheless, cost reduction, capital and operational competitiveness, capital efficiency and world-class quality should be the key operational themes of cement companies. This thesis considers that the use of information system and technology in the cement industries become more critical in recent years. This paper reasons that the impact of IS/IT in the cement industries will be more critical as not only the integration and optimization of the complete cement production process is impossible without integrated electrical, automation and information management solutions. The role that information management solution fulfill is crucial for improved product quality and business performance with more effective and efficient work processes – particularly as cement industries have had to meet the pressures of international competition over and above existing domestic competition. Based on strategic grid model formulated by McFarlan and McKenney, Earl stated that a cement company should be in the first quadrant where information systems are seen to be of little impact in the present or future. IT can be seen as a support activity requiring average or below average investment, and only occasional senior management attention. (Michael J. Earl, 1989: p.5). This statement is questionable as for cement industry, IT is becoming strategic in that the computer systems being planned and developed soon will be critical to the company’s survival or growth. The Indonesian cement industries scenarios and its characteristics is chosen as a reference in this thesis to prove this hypotheses and we believe that these characteristics are similar in other ASEAN countries and the following observations and suggestions apply more widely. It is important to mention that the scope of this study is limited to the impact of IT/IS on strategy and competitive advantage, using Indonesian cement industry as reference.