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Proposed Business Strategy in Toll Road Sector to Optimize Tariff Adjustments Process

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ABSTRACT

Delays in toll tariff adjustments, primarily caused by an inability to fulfill Minimum Service Standards (SPM) due to financial constraints, pose a significant challenge for Indonesian Toll Road Business Entities (BUJT). This research investigates this issue at PT Waskita Bumi Wira (PT WBW), the concession holder for the Krian-Gresik toll road. This study aims to analyze the internal and external factors affecting PT WBW's performance and to formulate a business strategy to ensure on-schedule SPM fulfillment and tariff adjustments. Using a qualitative approach, this research combines primary data from in-depth interviews with secondary data from company reports. Analyses were conducted using PESTLE, Porter's Five Forces, VRIO, Value Chain, and SWOT frameworks. Internally, PT WBW possesses operational and governance strengths but is hindered by a weak financial position and over-reliance on outsourcing. Externally, it faces macroeconomic pressures and user price sensitivity, yet opportunities exist in regional development and digitalization. The findings indicate its current resources only provide competitive parity, not a sustainable advantage. The study proposes an integrated cost leadership and differentiation strategy, structured within a Hexagonal Restructuring Model. This strategy, focusing on financial restructuring, operational internalization, and strategic partnerships, is designed to break the cycle of delays, improve financial sustainability, and secure timely tariff adjustments for PT WBW.

KEYWORDS *Toll Road, Market Analysis, Internal Analysis, External Analysis, SWOT, Business Strategy, Hexagonal Restructuring*

INTRODUCTION

Indonesia's commitment to infrastructure development has been established for many years. In the *Master Plan of Acceleration and Expansion of Indonesia's Economic Development (MP3EI) 2011–2025*, it was stated that global conditions indicate Asia's growing importance in global trade. In line with this trend, Indonesia must enhance its competitiveness by maximizing the potential of its domestic market. The role of interconnectivity and the development of a strong logistics system is essential to boost the competitiveness of national products in

both domestic and international markets (Blackwood & Childs, 2016; Ji et al., 2023; Makarova et al., 2021; Padurariu et al., 2017; Qin et al., 2023; Sgarbossa et al., 2020). Therefore, three key strategies in the MP3EI to achieve these goals are the development of Indonesia's Economic Corridors, strengthening national connectivity, and enhancing human resources and national science & technology capabilities.

As part of the strengthening national connectivity strategy, under the tagline *"Locally Integrated and Globally Connected"*, one of the primary objectives is to connect remote areas through improved infrastructure and basic services (Kerkhoff, 2017). This approach aims to ensure the widespread distribution of development benefits, supporting inclusive growth across the nation. One of the main strategies of Indonesia's infrastructure plan is the development of toll roads. A well-connected toll road network is vital to achieving national connectivity, which would greatly aid economic growth, reduce logistics costs, and improve transportation efficiency.

Globally, toll road management practices vary significantly across different regions, reflecting diverse approaches to infrastructure financing, regulatory frameworks, and operational strategies (ALIJOYO & VORST, 2022; Milenković et al., 2022; Susanti et al., 2023). European countries like France and Spain have developed sophisticated concession models with long-term agreements and automatic tariff adjustment mechanisms tied to inflation indexes, ensuring financial sustainability while maintaining service quality. In contrast, countries like Australia and the United States employ revenue-sharing models with government entities, where toll operators share risks and revenues with public authorities. Asian markets, particularly Singapore and Malaysia, have implemented dynamic pricing strategies and advanced technology integration, including electronic toll collection and traffic optimization systems that maximize revenue efficiency.

Regional practices in Southeast Asia demonstrate varying degrees of success in tariff management. Malaysia's toll road sector benefits from structured periodic review mechanisms that consider both economic indicators and service performance metrics. Thailand's expressway system incorporates user satisfaction surveys as part of tariff adjustment criteria, while the Philippines faces similar challenges to Indonesia regarding delayed tariff adjustments due to political sensitivities and regulatory bottlenecks (Fioresi de Sousa et al., 2021; Hennig et al., 2023; Sulaima et al., 2022).

However, infrastructure development in Indonesia has faced many challenges, especially in bureaucracy, land acquisition, and funding. President Susilo Bambang Yudhoyono (SBY) issued Presidential Regulation No. 75 of 2014 on the *Acceleration of Priority Infrastructure Provision* to address these challenges. This regulation established a specialized body/institution, the Committee for the

Acceleration of Priority Infrastructure Provision (KPPIP), to coordinate and facilitate the acceleration of priority infrastructure project implementation. It also regulates the sources of funding for priority infrastructure projects, which may come not only from state or regional budgets (APBN/APBD) but could also involve State-Owned Enterprises (SOEs) or Public-Private Partnership (PPP) mechanisms (Amelia Pratiwi & Ariyasa Qadri, 2024; Ismi' et al., 2021; Rahmat & Pribadi, 2021; Yunita sari, 2021).

SOEs, acting as investors in toll road development, later established subsidiaries called Toll Road Business Entities (BUJT) that hold toll road concessions. Toll road concessions are contractual agreements (usually called *Perjanjian Pengusahaan Jalan Tol* / PPJT) between Indonesia's government through the Ministry of Public Works and the Toll Road Business Entity (BUJT), granting the right to finance, build, operate, and collect toll revenues. PPJT defines the project scope, concession period, total investment, internal rate of return (IRR) on investment, tariff toll rates, and adjustment mechanisms.

BUJT's financial condition highly depends on revenue from toll collection. Therefore, the tariff toll rate plays a critical role. Based on regulations, tariff toll rate adjustment mechanisms can take place every two years based on economic factors such as inflation and fulfillment of service level agreements (SLAs). However, despite regulations, toll tariff increases do not always occur as scheduled in the agreement/PPJT. Most BUJTs experience delays in tariff adjustments, which can impact financial performance, service maintenance, and future investments.

PT Waskita Toll Road (PT WTR) is a subsidiary of PT Waskita Karya that focuses on investing in and managing toll roads in Indonesia. PT WTR's vision is to be a leading company in Indonesia for toll road investment, with a mission to continuously increase company value through competent human resources, integrated systems and technologies, synergies with business partners, and innovation. PT WTR has achieved a high level of success as a toll road developer, with shared ownership in 18 toll road concessions spanning more than 1,000 kilometers across Java and Sumatra islands.

PT Waskita Bumi Wira (PT WBW) is one of PT WTR's subsidiaries holding the concession for the Krian–Legundi–Bunder (also known as Krian–Gresik) Toll Road. PT WBW was established on August 20, 2014. PT WBW's shares are owned 99.98% by PT WTR and 0.08% by PT Panca Wira Usaha. The Krian-Gresik toll road Sections 1 to 3 have been operational since November 2020, while the Ramp Junction connecting to Surabaya-Mojokerto has been operational since February 2023. PT WBW's vision is to be a toll road company providing the best service with a focus on road user safety, with a mission to provide excellent service to road users and utilize technology to expedite service and ensure safety.

PT WBW's tariff adjustment was delayed for three years. The primary cause of delay in PT WBW's toll tariff adjustments was the process of fulfilling *SPM Jalan Tol*. Fulfilling *SPM Jalan Tol* requires consistent operations and maintenance to maintain road quality, service facilities, and safety standards. Operations and maintenance heavily depend on the company's financial condition. According to the 2023 Annual Report, PT Waskita Karya had a return on assets (ROA) ratio of -4.20%, PT WTR had an ROA of -1.92%, and PT WBW's ROA was -5.06%. These negative ROA figures indicate these companies operate at a loss and fail to generate profit from their assets, likely due to high operating costs, high debt, and insufficient revenue. These financial conditions limit the companies' ability to fund operations and maintenance, resulting in delays in fulfilling *SPM*. The companies are trapped in a cycle where weak financial performance leads to failure in fulfilling *SPM* on schedule, which delays tariff adjustments and further worsens revenue and financial health.

This study represents the first comprehensive application of a multi-framework strategic analysis (PESTLE, Five Forces, VRIO, Value Chain) combined with the novel Hexagonal Restructuring Model specifically designed for Indonesia's toll road sector. Unlike previous research that focuses on single analytical frameworks or general infrastructure management, this research integrates multiple strategic analysis tools to provide a holistic understanding of toll road operational challenges and proposes a unique implementation model addressing the specific regulatory, financial, and operational complexities of Indonesia's toll road industry.

The urgency of this research stems from the systemic nature of tariff adjustment delays affecting multiple toll road operators across Indonesia, threatening the financial sustainability of infrastructure investments and potentially deterring future private sector participation in national connectivity projects. The findings provide actionable strategies not only for PT WBW but also serve as a reference framework for other toll road operators facing similar challenges in emerging markets.

The objective of this research was to identify and analyze the company's internal strengths and weaknesses that could impact its ability to prevent delays in toll tariff adjustments; to examine external opportunities and threats that must be considered in developing strategies to prevent future delays; and to formulate business strategies that leverage internal strengths, address weaknesses, utilize external opportunities, and mitigate threats to ensure timely fulfillment of *SPM* and toll tariff adjustments. The research benefits extend to policymakers seeking to improve regulatory frameworks, investors evaluating infrastructure projects, and academic researchers studying public-private partnerships in emerging economies.

RESEARCH METHOD

This research applied a qualitative methodology, using in-depth interviews as the primary data source along with company documents, including annual reports, past internal studies, financial analysis reports, minutes of meetings, and relevant regulatory documents. The interview protocol consisted of structured questions covering strategic management, financial performance, operational challenges, and regulatory compliance, with each interview lasting 60 to 90 minutes. A total of eight key internal stakeholders were interviewed, including senior management, financial officers, operational managers, and regulatory compliance personnel.

Company documents were selected based on their relevance to strategic decision-making and operational performance. Validation was conducted through triangulation with interview data and cross-referencing with external regulatory documents. The research adhered to ethical standards to ensure confidentiality and voluntary participation.

The study began by identifying the business issue of delays in the toll tariff adjustment process, primarily caused by the failure to fulfill SPM according to the expected schedule, which was linked to the company's financial condition.

After data collection, analysis was conducted. Market analysis helped provide a deeper understanding of customer needs, industry dynamics, and external factors affecting the company. External analysis explored factors that could present opportunities or threats to the toll tariff adjustment process, while internal analysis evaluated the company's strengths and weaknesses impacting its ability to fulfill SPM on schedule.

These analyses were consolidated into a SWOT analysis to identify key strengths, weaknesses, opportunities, and threats. The SWOT analysis was then developed into a SWOT matrix to generate strategic alternatives addressing the company's issue. The research concluded by proposing an implementation and strategy plan offering practical guidance to help the company apply the proposed solutions and prevent future delays.

RESULT AND DISCUSSION

The results and discussion contain the results of research findings and scientific discussions. Write down scientific findings (scientific finding) obtained from the results of research that has been carried out but must be supported by adequate data. The scientific findings referred to here are not data obtained from research results. The scientific findings must be explained scientifically including: What are the scientific findings obtained? Why did that happen? Why such a variable trend? All these questions must be explained scientifically, not only descriptively, if necessary, supported by adequate scientific basis phenomena. In addition, the comparison with the results of other researchers on the same topic

should also be explained. Research results and findings must be able to answer the research hypothesis in the introduction.

Market Analysis

East Java is one of the highest economy growths in Indonesia. Therefore, connectivity from each of the region is highly needed. Toll road development is one of the Government's plans to improve accessibility and increase connectivity that could lead to significantly cuts of travel time and vehicle operating cost for logistics companies. Krian-Gresik Toll Road serves as an alternative route connecting Sidoarjo to Gresik Regency and Mojokerto to Gresik Regency. This toll road is connected to the Surabaya-Mojokerto Toll Road and Krian Industrial Area and provides four toll gates in Belahanrejo, Lebani, Cerme and Bunder. It is expected to help redistribute traffic loads on increasingly congested national roads. East Java has population of approximately 39,699 million people with population density of 831 people per square kilometer. As of 2019, the largest population was recorded in Surabaya with around 2,896 million people, while the smallest population was approximately 129 thousand people. The highest population growth rate was 1,63%. The local economy around Krian-Gresik toll road that is most growth driven by industry and trade, could create strong potential demand for this toll road. Krian-Gresik toll road could play a strategic role to support corridor of distribution system. Referring to the Presidential Regulation No. 80 of 2019 about Acceleration of Economic Development in the areas of Gerbangkertosusila, this could contribute positively to the traffic volume growth of Krian-Gresik toll road.

Since Krian-Gresik is operating in December 2020, the traffic volume is higher on weekdays and decline on weekends which indicates that the majority of trips along Krian-Gresik Toll Road is commuter or work-related users. If we compare the actual average daily traffic in 2023 to the concession agreement, THE actual traffic was only equivalent to 17% of the concession agreement. The actual vehicles composition also has a large deviation from the projections stated in the concession agreement. The gap between projected compared to actual traffic and vehicle composition indicates that misalignment in user segmentation assumptions and delayed in regional industrial development. The limited presence of heavy logistic vehicles suggests that the anticipated industrial demand, especially from nearby developments has not become a consistent toll road usage. It also indicates that current usage is still driven mostly by Class 1 Vehicles as local commuter. The underperformance of traffic volume and the heavy reliance on Class 1 Vehicle carry several implications for the future direction of PT WBW. First, it signals a highly need for recalculation of traffic assumptions and revenue projections to adjust marketing and operational strategies to match the real user basis. Second, PT WBW needs to have a good understanding of local commuter behaviour and their preferences towards pricing. Pricing strategy must be carefully re-evaluated.

Krian-Gresik toll road users' is typically sensitive to price. This sensitivity has been clearly demonstrated through increased traffic volume during periods when Krian-Gresik toll road offered toll discounts in 2023 and 2024. Based on the evaluation conducted by PT WBW, the toll tariff discount implemented in July 2023 which provided 13,68% reduction for Class 1 to 3 Vehicles, and 35,26% reduction for Class Vehicles 4 and 5 is resulting in 17,58% increase in total average daily traffic and 7,64% increase in toll revenue compared to conditions in June 2023 before discount. Tariff toll discount was reintroduced once again in February 2024 with a 7,04% reduction in Class 1 Vehicles, and the same discount rates as before for Class 2 to 5 Vehicles. The result is traffic increase by 25,29% while toll revenue increased by 20,29% compared to the baseline condition in June 2023, before the implementation of the discount.

External Analysis

To gain a deeper understanding of the external factor that affect Krian-Gresik toll road, this research would use three strategic tools: the Pestel Framework, the Five Forces Model, and Competitor Analysis. External analysis is essential to identify potential threats and opportunities that could arise from external factors. To know external factors that can influence its ability to gain and sustain competitive advantage, we analyse using PESTEL Framework.

This lack of policy consistency and regulatory clarity create a sense of uncertainty for toll road operators. This unpredictability makes it difficult to plan long-term investments, forecast cash flows, or execute business strategies with confidence. This uncertainty could also lessen the investor confidence and delay much-needed development. The economic outlook across the region is marked by slow post pandemic recovery, industrial stagnant, and agricultural hardship that all contribute to weakened toll road demand. These conditions must be carefully considered in traffic forecasting, tariff planning and revenue projections to ensure long term viability of toll roads operations.

Public perception of fairness also plays a major role in shaping acceptance of toll tariff increases. Users often assess whether the road service is worth the cost. If these expectations are not met, resistance to tariff increases can intensify, particularly when combined with broader concerns about cost living or lack of government subsidies. In addition, there is underlying expectation that road infrastructure should be the responsibility of the government rather than commercialized through user fees. This belief contributes to public resistance during tariff adjustments.

Integration with digital navigation platforms such as Google Maps and Waze become highly important in shaping user behaviour. These platforms help drivers plan their routes based on real time traffic conditions and estimated travel times.

However, if toll road segments are not accurately reflected in the route suggestions, users may avoid toll roads. Improved integration can serve as low cost but high impact solutions to increase visibility and promote toll road as viable and smart travel option, especially among logistic operators and app reliant commuters. To conclude, technology is a strategic opportunity, both to streamline operations and to enhance user experience.

Although toll roads are often seen as tools for reducing vehicle emissions by enabling smoother traffic flow and cutting down travel time, environmental responsibility imposed on operators have become increasingly demanding. PT WBW is expected to contribute and comply with carbon mitigation measures by implementing reforestation. While these initiatives align with national sustainability goals, they also bring significant financial burdens for PT WBW. The requirements to fund beautification and environmental compliance programs add to the financial pressure, lessen fund portion for other critical areas such as operations, maintenance and system upgrades. Moreover, failure to meet these environmental standards can delay the approval of toll tariff increases, further adding to the revenue challenge.

To understand the competitive external pressure, we use Five Forces Model to analyze toll road industry environment. In the toll road industry, threat of new entrants is considered low due to a number of significant barriers that make it difficult for new players to break into the market. One of the most critical entry barriers is economic of scale. In the context of toll roads, this means that established players who already manage large networks and benefit from operational efficiency can spread their cost over more users. Entering the toll road sector requires high capital investment to build infrastructure, cover long construction timeline and future maintenance. This limits the number of companies capable of entering the industry. On top of that, toll roads are highly regulated. Operators must go through formal concession process with the government, which includes strict technical, financial, and legal requirements. This process makes even harder for new players to enter.

The intensity of competition in the toll road industry is generally low to moderate. Unlike in many other sectors, where companies compete directly for the same customers, toll road operators in Indonesia function under a concession-based system. These concessions assign specific routes or regions to each operator. As a result, the relationship between toll road business entities (BUJT) tends to be more cooperative than competitive. However, rivalry can still emerge in specific contexts particularly in areas where toll roads run along overlapping corridors or offer similar routes to users. In these cases, toll roads may indirectly compete for traffic volume, especially if pricing, convenience, or service level differ.

The threat of substitute in toll road industry can be considered moderate to high, depending on the location and type of user. The most relevant substitute for toll road industry are free national roads, railways and air travel particularly for longer journey. For local and cost sensitive travelers, free national roads are the primary substitute. For long distance travel, particularly the Trans Java corridor, rail and air transportation present more serious competition. Interview result show that in areas like Trans Java, substitution pressure is high especially due to the rising service quality of railways and air travel. Improved punctuality, comfort, and affordability make these options increasingly attractive.

In the toll road industry, the bargaining power of buyers is high, driven by their direct influence on revenue, the availability of alternatives, and the low cost of switching. Toll road users represent a major revenue source, and their decisions play a central role in determining the sustainability of toll road businesses.

The bargaining power of suppliers in the toll road industry is moderate, but it varies depending on the type of supplier and the stage of the toll road lifecycle. During the development phase toll road operators rely heavily on external contractors, engineering consultants, IT service providers, and financial institutions such as banks. These suppliers play a critical role in construction quality, project delivery timelines, operational readiness, and financing. Since the number of capable, experienced players in these categories especially for large scale infrastructure is limited, their bargaining power tends to be higher. However, once the toll road is fully operational, some routine functions such as maintenance, cleaning, and basic road monitoring can be handled internally. In these cases, the bargaining power of suppliers decreases, as toll operators can easily shift to alternative providers without significant cost or risk.

Competitor Analysis

To understand its position in the market and determine appropriate strategies, PT WBW must analyse the competitive environment faced by Krian-Gresik toll road. Although toll roads in Indonesia operate under concession assigned by government that limit direct competition, rivalry still occurs in corridors where users have alternative route options. Krian-Gresik main competitors is the national roads which offer the same route with free access. Other than that, Surabaya-Gresik also considered as competitor because both toll roads serve commuters and logistics company moving between Gresik and Surabaya. To understand competitor and know how to respond, we need to do competitor analysis by identifying as follows:

Competitor: Free National Roads

Free national roads remain one of the biggest competitors to the Krian-Gresik toll road, especially for price sensitive users. National roads offer similar routes between Gresik and Surabaya without any toll fees, making them the better option for those who want to avoid extra costs.

In term of distance, these national roads are comparable to the toll route but in terms of travel times, they are usually slower. Heavy trafiic, intersections, and mix of vehicle types like motorbikes, trucks and local public transport can slow things down significantly. While toll roads offer a smoother and quicker drive, national roads appeal to those who have the time but not the budget. Competitor's future objectives, Competitor's current strategy, Competitor's assumptions, Competitor's capabilities, National Roads would keep providing free and accessible road as it is the Government's mandate. They will respond not to the competitors but to the public pressure for occasional road repairment.

Competitor: Surabaya – Gresik Toll Roads

Surabaya-Gresik Toll Roads is a well-established route that has been in operations since 1991, and it directly connects Gresik to Surabaya's city center, port and industrial zones. In short, it is a familiar and trusted route for daily commuters and logistic companies. While the travel distance and duration are comparable to the Krian-Gresik toll road, the Surabaya-Gresik route holds a clear advantage in terms of direct access to strategic destinations. It also has lower toll tariff ranging from Rp 400 to Rp 1.300 per kilometer, make it more appealing for frequent users looking to minimize travel expenses. However, this toll road is also known to experience significant congestion during peak hours, especially in section leading into Surabaya city area. This traffic build up can reduce its time advantage and affect overall travel experience for users.

Surabaya-Gresik toll roads will try to maintain its position by focus on providing well regular maintenance and congestion management efforts, possibly invest in technology upgrades. They will frequently have tariff adjustment as regulated, but not afraid to lose their loyal customers.

Internal Analysis

PT WBW have a variety of resources that form the foundation of its operational capabilities and long-term sustainability. These resources are categorized as follows:

Tangible Resources

a. Financial Resources

WBW's financial resources are currently more of a weakness than a strength. While the company has access to funding and keeps its operation running, the high debt levels, weak returns and reliance on parent company support create financial pressure.

b. Organizational Resources

WBW's organizational resources are a strength, reflected in its formal structure, governance system and its compliance with regulatory personnel requirements. These elements provide a stable foundation for delivering quality service, managing risk, and adapting operational challenges.

c. Physical Resources

PT WBW's physical resources can be categorized as strength. The company owns and operates a strategically located toll road with supporting facilities. While there are still areas to improve, it has strong foundations and with continued investment in maintenance and customer experience, this asset has the potential to play a much larger role in the company's long-term success.

d. Technological Resources

There are still limitations. Continued investment is constrained by financial limitations. Therefore, PT WBW's technological resources can be considered a moderate strength rather than weaknesses. The company has successfully fulfilled regulatory requirements under SPM and added several supporting technologies that contribute to efficiency and transparency. But, to transform technology into a long-term competitive advantage, PT WBW must continue to invest in system upgrades, enhance user facing technology, and ensure its infrastructure evolves alongside digital expectations.

Intangible Resources

a. Human Resources

PT WBW's human resources categorized as strength. Despite small team, the company maintains competent, well educated, productive and efficient workforce, supported by strategic outsourcing and strong group level collaboration.

b. Innovation Resources

PT WBW's innovation resources are an emerging strength. The company has shown clear potential in applying technology and internal creativity to improve operations. With greater structure, investment, and alignment to long term goals, innovation can evolve into more strategic asset for PT WBW in the future.

c. Reputational Resources

PT WBW's reputational resources are moderate strength. The company has built credibility through regulatory compliance, solid safety performance and generally positive user feedback.

As stated before, Capabilities is the organizational and managerial skills required to coordinate various resources effectively and utilize them strategically. Based on the resources we have analyze before, here are capabilities that PT WBW has developed:

d. Financial Management Capability

PT WBW has shown the ability to manage short term cash flow and secure syndicate financing. However, High debt to equity ratio, negative ROA, and long-term reliance on Cash Deficiency Ratio shows PT WBW still have difficulty in financial and would have problem to long term financial sustainability. These

financial constraints directly impact other capabilities, especially in road maintenance and SPM compliance.

e. Governance and Compliance Capability

Strong organizational and managerial control through its two-tier governance structure, implementation of GCG principles and ISO certifications have been shown in PT WBW. PT WBW also consistently fulfills regulatory obligations including routine SPM audits in safety and operational categories indicating mature compliance systems.

f. Operational Management Capability

PT WBW effectively manages daily toll roads operations across its 29 km toll road, ensuring smooth traffic flow, safety, and service continuity through four toll gates, integrated ramps and supporting facilities. It has consistently passed SPM audits for operational and safety standards, and uses surveillance and emergency systems to respond to incidents. However, there are delays in meeting SPM road condition standards, due to the company's limited financial capacity to carry out timely repairs and maintenance. This affects the overall effectiveness of operational delivery and represents a vulnerability that must be addressed strategically.

g. Technology Utilization Capability

The company has adopted some technologies to support efficiency and decision-making. However, limited investments capacity constrains its ability to expand these systems into broader user-facing innovations.

h. Human Resource Capability

PT WBW maintains lean, well-educated workforce that is supported by training and training and cross functional collaboration. However, its heavy reliance on outsourced personnel limits its ability to build long-term institutional knowledge and weakens the internal development of leadership and expertise pipelines.

i. Innovation Execution Capability

Some innovations have been initiated to address operational challenges. While these reflect internal creativity, innovation informal, and lacks structured governance, funding, or alignment with long-term strategic goals.

j. Reputation and Stakeholder Trust Capability

PT WBW has maintained a positive reputation in terms of safety and general user satisfaction. However, service inconsistencies like uneven road surfaces and unfinished development rest areas present reputational risks if not addressed systematically.

VRIO Analysis

Based on the VRIO Analysis, PT WBW existing resources and capabilities fall under the category of competitive parity. Core functions such as operational management, governance and technology utilization are valuable and well executed but are not rare or difficult to imitate. This means that PT WBW can maintain

baseline performance, but these capabilities do not yet offer sustainable competitive advantage.

PT WBW's reputation and stakeholder trust that was built on a low accident rate and regulatory compliance may offer some degree of temporary advantage. However, this strength is undermined by inconsistent service delivery, such as uneven road conditions and unfinished rest area development. Without clear strategy to build on this goodwill, the company's reputation remains fragile and not fully used to its advantage.

On the other hand, financial management is currently a weakness, as can be seen in the high DER, negative ROA, and continue reliance on CDS. PT WBW has shown early signs of innovation capability with the development of internal tools. However, these innovations are largely informal, developed without structured R&D process, dedicated resources, or long-term strategic alignment. While such initiatives indicate internal creativity, it cannot be considered a source of sustainable advantage.

Value-Chain Analysis

PT WBW's current value chain is sufficient to maintain compliance and operational stability but vulnerable to financial constraints and overreliance on vendor. To enhance long-term competitiveness and consistently fulfill SPM regulations, PT WBW needs to start developing more internal key capabilities, ensuring valuable knowledge is kept and shared within the company while strategically manage vendor relationships and developing traffic optimization strategies.

CONCLUSION

This research addressed recurring delays in the tariff adjustment process in Indonesia's toll road sector, focusing on PT WBW, the concession holder of the Krian-Gresik toll road, where financial constraints hindered fulfillment of Minimum Service Standards (SPM). A multi-framework analysis revealed that PT WBW's challenges reflect broader systemic issues including regulatory uncertainty, financial market limitations, and infrastructure demand-supply imbalances. While PT WBW demonstrated strengths in operational management, governance, strategic assets, and innovation initiatives, weaknesses included a weak financial position, reliance on outsourced operations, and underdeveloped technological optimization. The study contributes to strategic management literature by highlighting the need for hybrid strategies that balance cost leadership and differentiation in emerging market infrastructure businesses. The proposed business strategy integrates financial restructuring, operational internalization, digital optimization, innovation enhancement, and strategic partnerships, structured through the Hexagonal Restructuring Model to guide measurable transformation.

Future research could explore the implementation outcomes of this model across multiple toll road operators and examine the impact of specific regulatory reforms on accelerating tariff adjustment processes and financial sustainability in emerging markets.

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