

ABSTRACT

The role of strategic industries is very important, especially to support the processing industry toward high-tech industries, create synergies and to prepare a comprehensive infrastructure development in order to support national economic development and building a defense industry needed. The irony side that occurs is so important is the role of the industrial sector but more than last 10 years, the strategic industrial sectors even worse off. The facts of the preliminary survey (March, 2012), in general in the past five years, the Strategic Industries Business Units still difficult to achieve sales target achievement reach 80%, moreover achieve 100% or more. Gain still small and even some of the Business Unit were off.

Not optimal of business performance of based-defense strategic industries today is believed to be caused because they have a weakness in the design of competitive strategy and the creation of value creation which tend to be not fully refer to the demands of the market, and not maximum in business performance of strategic industries, is also supported by the inability of management in exploring market attractiveness in the area of operation, and many business opportunities that seem still difficult to exploit. From the above it is clear that the phenomenon of has not been able to carefully anticipate the business opportunities that exist and are not ready to compete in intense because there are limited resources and the difficulty of accessing the market due to the limited capabilities of human resources and supporting facilities.

Based on the above, it is interesting to be studied in a study with the aim to explore and assess data and information about the effect of market attractiveness, unique resource to competitive strategy and value creation, and the implications on business performance of based-defense strategic industries in Indonesia. As for the type of investigation is used causality which test the relationship and effect between the independent variables and the dependent variable. Analytical approach and technical solutions that will be used as a tool of analysis in this study is the Partial Least Square (PLS). PLS is an alternative method of analysis with Structural Equation Modelling (SEM) based variance.

Verification of the hypothesis testing results revealed that the unique resource of based-defense strategic industries Business units has a dominant effect when compared with the effect of market attractiveness in developing competitive strategy and value creation.

Keywords; Business Performance, Competitive Strategy, Market Attractiveness, Unique Resources, Value Creation