

ABSTRACT

Business competition requires the companies to improve their performance continually. The negative trend of export volume during 2014 increased the intensity for the already competitive logistic and forwarding market. Increasingly tight competition in 2014 along with the already competitive logistic and forwarding market requires forwarding companies to be sensitive to changes in the market. Target costing is one pricing and costing method to be considered in competitive market. The attempt on using activity analysis is carried out to achieve the target cost subject to increase profitability and market competitiveness. The research object is Guna Lintas Sarana, an international forwarding company in Surabaya and this research is limited to the service and activities involved in delivering export custom clearance. Research is started by conducting market research as guidelines in determining the target price. The next stage is to calculate drifting cost and compare it with the target cost determined by management. Then the activity analysis was performed to seek for potential cost reduction and process improvement.

The conclusions that can be drawn from this study is that through implementation of target costing with activity analysis, Guna Lintas Sarana able to exceed target cost of delivering export custom clearance service either for 20' container or 40' container. The total costs managed to be reduced is Rp 53,243,598.82 (Rp 41,863,598.82 or 21.88% activity costs and Rp 11,380,000 direct costs). Thus, reduce the unit cost of delivering service for 20' container to 645, 283.99 (from Rp 692,047.75) and 887,583.99 (from Rp 934,347.75) for 40' container.

Keywords: Target Costing, Activity Analysis, Non Value Added Costs, Cost Reduction.