

ABSTRACT

The purpose of this research is to obtain information 1. The shape and process competitive advantage has been developed. 2. The shape of the concept of TQM system in aspects focused. 3. TQM implementation in aspects: conditions fulfil, leadership role, and the steps of it. 4. Progressed enterprise performance after TQM implementation together with competitive advantage strategy positioned by management GM Group in nine years ago, since 1991 to 1999.

This research uses qualitative approach with case study design of Yin Model. Case study was conducted in GM group enterprise in South Kalimantan. Snow-ball sampling technique use to select of key informants. Collecting data use In-dept interview, observation, document study, and photograph techniques. Data analysis through two steps: *first*, select data, set data, and data verification. *Second*, matching terms, giving implication policy, and conclusions. To fulfil validity criteria of data i.e. credibility level, transferability level, dependability level, and confirm-ability level use data verification techniques: triangulation source and method, lengthen in case study research-field, colleagues discussion, and references-check completely

Findings from this research show that: 1. Forward vertical integration and horizontal integration strategies had positioned based SWOT analysis with weighted-values method as same as GE- McKinsey Nine Cells Model. Grow and Build or Hold and maintain placed on the right position in GM group business unit strategy. Based on these strategies, GM Group has developed enterprise competitive advantage and completed with cost-reduction strategy that directed to cost-leadership strategy. The enterprise competitive advantage consists three components, i.e. efficiency, quality, and customer responsiveness. 2. TQM concept system GM Group's uses two philosophies, i.e. continuous improvement, and employee involvement and empowerment. fulfil facilities as needed to conform order-specification that each enterprise customer placed. 3. GM group's Management had developed concept implementation of TQM system with hard-effort fulfil conditions as needed, conducted leadership-role that motivate continuous improvement in operational process to increase value-added, and uses nineteen steps as same as Goetsch and Davis TQM model. 4. Implementation of TQM system together with competitive advantage has increased GM group's performance. Enterprise performance of GM Group has been increasing, enterprise productivity 12,41%, manufacturing cycle efficiency 11%, efficiency 4,48%, quality 69,33%, and customer responsiveness 3,99%. Implementation competitive advantage strategy together with TQM had been resulting positive synergy to increase enterprise performance.

Key words: *Enterprise competitive advantage strategy, Continuous improvement, Employee involvement and empowerment, Enterprise productivity, Manufacturing cycle efficiency.*