

ABSTRACT

This case study of PT. Pesona Edukasi is concerned with the management challenge of staying ahead of its competition having successfully become the technology leader in the software industry. PT Pesona Edukasi is one of the leading education-software firms in Indonesia today. Through its series of innovative multimedia products under the brand PesonaEdu, the firm not only led education sector, but also won international acclaims and even collaborated with some of the best software firms in the world. However, experience has suggested that software firms face continual intense competition that in the past had brought down even dominant industry players such as the likes of WordPerfect in the word-processing application market and Lotus 123 in the spreadsheet sector. How best to manage innovation in such an environment as to safeguard against future rivals as well as new innovations is the central theme of this case study.

The case study began by looking into how PT Pesona Edukasi used the opportunity emerged in a government project to catapult itself over the following years into a powerhouse firm. The analysis for this was based on Porter's Five-Force model to understand its external environment determinant, and Core Capability concepts to understand how the firm managed its internal technology capability development. The next stage of the analysis was to seek what type of key routines must be developed to continually prepare the firm against future entrants or innovations made by other firms. To this end, the author has made use the ideas espoused by Dorothy Leonard-Barton, on how to manage feasibility while strengthening the core capabilities of the firm.

The education software market is particularly attractive because of the few threats offered to a dominant market leader. The threat from suppliers and customers were considered low. The customer was positioned as users rather than developer, while the hardware supplier has different capability. The characteristic knowledge required for developing a multimedia product presents a high enough barrier so as to make the threat of new entrant was low. Although the threat of new entrant is low, this might be potential threat in the future if PT Pesona Edukasi has not prepared the future competition.

Among the key activities identified for maintaining capabilities were shared problem solving, incorporating new processes, experimentation, and absorbing new external knowledge. PT Pesona Edukasi has been doing great job in the terms of building its technological resources assimilating new innovations into its core product and process. But the company lacked commitments in experimentation and seeking new knowledge externally. As the recommendation in this case study, PT Pesona Edukasi should begin improve the core process such as production process to minimize the cost of production and time consuming. While in the term of core values, PT Pesona Edukasi should begin to appreciate of any experimental and prototyping by the employees. This could be done by giving reward or incentive and appreciate any intelligent failure.

Keywords: *core capability, knowledge creating activities, innovation process, core value, and resources.*