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Competitive Strategy Redesign Indonesian Film Industry (Case Study of Perum Produksi Film Negara)

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ABSTRACT: The aim of this research is to analyze the competitive strategy of the Indonesian film industry by testing samples at the State Film Production Company (PFN) as the only state-owned company operating in the film industry. In analyzing the competitive strategy, an analysis was carried out using financial ratio analysis by looking at the financial performance of the State Film Production Company (PFN) for the period 2015 - 2021. Then an assessment was carried out using the Corporate Life Cycle approach to determine the company's positioning amidst the development of the film industry both at the national and international levels. The type of research used is descriptive with the data source used is secondary data. Secondary data in this research is the Financial Report of Perum PFN for the period 2015 - 2021. The financial ratios used as analytical tools are liquidity ratios, leverage ratios, profitability ratios, activity ratios and market value ratios. Overall research results referring to the company's financial ratios show that positioning PFN in the Infant category, there is a high probability that the business will die due to lack of sales with negative cash flow conditions. So, in order to be able to compete in the national film industry, it is necessary to redesign appropriate and efficient competitive strategies.

KEYWORDS: Competitive Strategy, Financial Ratios, Film, PFN, Redesign.

INTRODUCTION

Many companies or businesses fail because they cannot formulate the right strategy to deal with problems. The most important aspect of competitive strategy is Positioning, namely the strategy for dealing with changes in the business environment. In determining the positioning of a company, it can be overcome by utilizing the Corporate Life Cycle or company life cycle. Competitive advantage is a position that must be achieved if you want to survive in the fierce competition among business actors. Providing quality products, quality services, product variations that pamper customer choices, product availability and price advantages are conditions that make a company superior to competitors in competition. (Nainggolan, Competitive Advantage Dan Upaya Meningkatkan Laba Perusahaan, 2018).

Phil McKinney as CEO of CableLabs said that without a strong and robust innovation strategy, no company can survive (Ng, 2022). In his article What is Strategy? Porter argued that companies must change their strategy if structural changes occur in the industry. Changes can be caused by encouragement from the development of various entities in a business ecosystem, the entry of significant influence or power relations. Competitive strategy according to Porter must strategically clarify or emphasize the ultimate goals of the business or industry. The most important aspect of competitive strategy is Positioning, namely the strategy for dealing with changes in the business environment. Positioning strategy means creating a unique competitive position so that the company has a new position to gain new trade-offs and sustainable advantages (Porter M. , What is a strategy?, 1996).

To find out the position of a company, financial ratio analysis can be done. According to (Halim, 2021) Financial report analysis is the process of reviewing, measuring and understanding the company's condition and finances as stated in the financial reports. Financial ratio analysis is an assessment carried out by analyzing financial reports (balance sheet and profit and loss statement), in order to determine the company's past, current conditions and future prospects. So by analyzing financial ratios it is hoped that it can be taken into consideration in formulating a company's competitive strategy.

A competitive strategy is needed to advance a country's film industry. History shows that after the South Korean government gradually revised the Law of Cinema, the film industry rose from adversity to penetrate the international market share (KIM, 2013) In 2019, the South Korean film market reached $2.2 billion with more than 226 million moviegoers, the largest for eight consecutive years. Overall, in 2019 South Korean consumers watched an average of about 4.37 films, one of the highest numbers in the world compared to the US average of 3.51 films. As of 2021, there are 542 multiplex cinemas with 3,254 screens, and almost all cinemas are operated by three multiplex chains: CGV Cinema (operated by CJ), Lotte Cinema (Lotte), and Mega Box.

Apart from South Korea, a number of countries are trying to formulate effective competitive strategies to counter Hollywood film hegemony, known as innovation form the south (Pinariya, Ikhsano, & Sutjipto, 2020). Canada, through the Ministry of Cultural Heritage, is trying to protect its country's cultural values from the cultural invasion of the United States. Not only that, other countries are also implementing competitive strategies in protecting domestic media and national cultural industries, such as Norway, Denmark, South Korea, Spain, Mexico, Venezuela and South Africa..

Based on the phenomenon of a number of countries in managing the film industry, competitive strategy has an important role. Referring to Michael Porter's strategic thinking, developing competitive strategies with competitive advantage is necessary in the context of global competition. According to Porter, the role of government has a strong influence in creating an industry's national competitive advantage.

The government's role in the film industry can be seen from the history of the development of the State Film Production Public Company or abbreviated as PFN as an Indonesian state-owned enterprise in the film sector. PFN was one of the pioneers of the film industry in Indonesia when it was formed. PFN originated from the Java Pacific Film (JPF) company founded by Albert Balink in Batavia. JPF underwent several name changes before finally becoming PFN in 1975. PFN is the oldest film company handling post-production in Indonesia which will be 79 years old in 2024. Therefore, in looking at the competitive strategy of the film industry in Indonesia, in this research a test was carried out. sample of the performance of Perum PFN in the period 2015 – 2021.

THORETICAL REVIEW

Analysis of financial statements according to (Munawir, 2010) is an analysis of financial reports which consists of reviewing or studying the relationships and tendencies or trends to determine the financial position and results of operations as well as the development of the company concerned. According to (Muhardi, Analisis Laporan Keuangan, Proyeksi dan Valuasi Saham, 2013) The purpose of financial report analysis is to make economic decisions using financial report information and important relevant information.

Financial Ratios according to (Sugiono, 2009) is the relationship between elements in the financial statements shown in a number. This relationship is expressed simply in mathematical form. There are 3 (three) ways to analyze financial ratios, namely trend analysis, vertical analysis, and the du pont chart (Fahmi, 2014).

The ratios that can be used to analyze financial reports in this research are:

1. Liquidity ratio (liquidity ratio) is a ratio that describes the company's ability to fulfill short-term obligations/debts. The liquidity ratios used include:
   a. Current Ratio (CR), namely to measure a company's ability to pay short-term obligations or debts that are immediately due when they are collected in full.
   b. Quick Ratio (QR), which is a ratio that describes the company's ability to pay current obligations/debts without taking into account the value of inventory.
   c. Cash Ratio (CR), which is a ratio used to measure the ability of cash availability to pay debts. This ratio can be said to be a ratio that shows a company's true ability to pay its short-term debts.
2. Profitability Ratio is a ratio to assess a company's ability to earn profits. This ratio can provide an overview of the level of management effectiveness of a company. The profitability ratios used include:
   a. Gross Profit Margin Ratio, which is a ratio that shows the relative profit of the company, by means of net sales minus the cost of goods sold.
   b. Net Profit Margin Ratio, which is a ratio that shows how large a percentage of net income is obtained from each sale.
   c. Return on Assets Ratio, namely the ratio used to measure how much net profit will be generated from each fund embedded in assets.
3. Solvency Ratio is a ratio used to measure a company's ability to pay all its obligations, both short term and long term if the company is liquidated/dissolved. The solvency ratios used include:

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   a. Debt to asset ratio (DAR), namely the ratio used to measure the comparison between total debt and total assets.
   b. Debt to Equity Ratio (DER), which is the ratio used to assess debt versus equity.
4. Activity Ratio is a ratio used to measure a company's effectiveness in using the assets it owns. The activity ratios used include:
   a. Inventory Turnover Ratio, which is a ratio that shows the ability of funds embedded in inventory to rotate within a certain period.
   b. Asset Turnover Ratio / Total Asset Turnover, namely the ratio used to measure the turnover of all assets owned by the company and measure how many sales are obtained from each rupiah of assets
5. Growth Ratio is a ratio that describes the growth presentation of company items from year to year. The growth ratios used include::
   a. Sales Increase Ratio / Sales Growth, which is a ratio that shows the percentage increase in sales this year compared to last year.
   b. Net Profit Increase Ratio / Net Income Growth, which is a ratio that shows the company's ability to increase net profit compared to last year.

Corporate Life Cycle according to (Adizes & Kalderon, 2014) is a situation where the company experiences the phases of life like a living creature. The company will experience normal struggles and difficulties or have been experienced by many other companies that will continue to emerge, if the company will move to the next phase in its development in the life cycle. Therefore, the Corporate Life Cycle is a tool that can be used to diagnose an organization or company which can be used to create strategies.

(Martinson B. K., 2012) states that the Corporate Life Cycle is a systematic reflection of the state of the company at that time, for example sales growth, cash management, and the strategic goals of a company. (Adizes I., 2015) The stages in the life cycle can be identified through how a company applies four factors, namely Purposeful (P), Administration (A), Entrepreneurship (E), and Integration (I) or usually abbreviated as PAEI. Corporate Life Cycle will determine the company's position in the life cycle. After knowing the company's current position, you will know the problems that the company will face and also solutions in the form of appropriate strategies to overcome them.

The stages in the life cycle can be identified by how the company applies four leadership style factors, namely Purposeful (P), Administration (A), Entrepreneurship (E), and Integration (I) or usually abbreviated as PAEI. The basic premise of the company life cycle theory is that companies, as is the case with living creatures, develop through several stages starting from birth and ending with death. According to Adizes, it can be concluded that a company's life cycle is determined by the interrelationship between flexibility and control, not by the chronology of the company's age.

The implementation of PAEI as a form of managing the interrelationship between flexibility and control varies in each stage of the Corporate Life Cycle. Adizes groups the company life cycle into 10 stages, namely: courtship, infancy, go-go, adolescence, prime, stable, aristocracy, discrimination, bureaucracy, and death. Each of these stages has various methods of implementing leadership styles. Adizes, said that the growth and maturity of an organization (company) is determined by flexibility and controllability. When a company is young, it is very flexible, but not always controllable. As a firm grows older, its control capabilities increase, but its flexibility decreases. However, Adizes warned that whether a company is young or old is not always caused by size and time. Large companies with long traditions are not necessarily old, and small companies that do not have traditions are not necessarily categorized as young companies.

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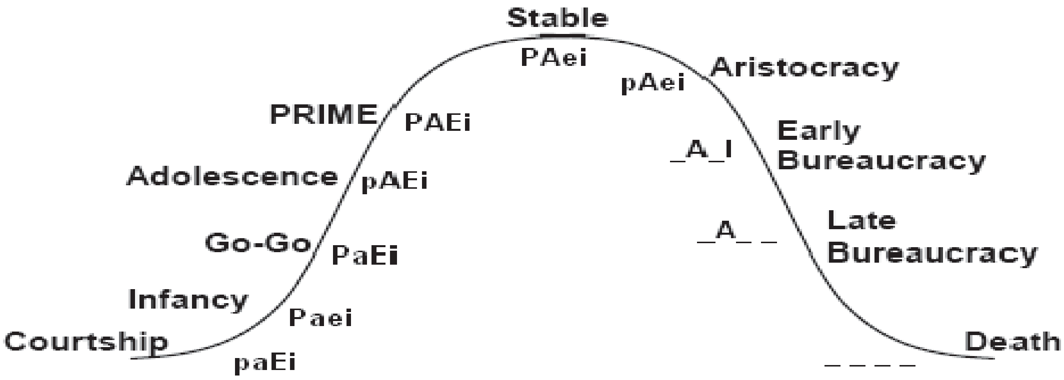

Figure 1. Lifecycle curve by Dr.Ichak Adize

RESEARCH METHODS

This research uses a descriptive quantitative approach, namely a method that aims to determine the value of independent variables, either one variable or more (independent) without making comparisons, or connecting them with other variables. Meanwhile, Quantitative means using calculations using financial ratio analysis and trends in analyzing the company's financial reports.

This research chose to look at the performance of the competitive strategy of State Film Production Company (PFN) for the period 2015 to 2021 as the object of research which focuses on financial report data which includes balance sheets and profit and loss reports, then measuring the company's financial performance using financial ratio analysis and classification. on the corporate life cycle.

The implementation of this research uses quantitative data in the form of company financial reports for the period 2015 - 2021. The data collection method is a documentation method which is carried out by collecting financial reports that are considered related to the research.

The data analysis method used in this research is quantitative descriptive, namely by analyzing the company's financial reports and describing financial performance in detail and then assessing it using a corporate life cycle approach to see the company's position so that more appropriate competitive strategy recommendations can be obtained. The variables in this research are financial ratios which include: liquidity ratio, solvency ratio, profitability ratio, activity ratio and growth ratio.

The data processing steps for financial ratio analysis in this research are:

1. Identify the company's financial reports for the 2015 - 2021 research period.
2. Calculate and analyze the necessary financial ratios, such as liquidity ratios, solvency ratios, profitability ratios, activity ratios and market value ratios.
3. Evaluate and interpret research results regarding financial performance to see the condition and position of the company referring to the corporate life cycle.

Calculation of financial ratios refers to (Kasmir 2016) with the following calculation formula :

1. **Liquidity Ratio**
   a. *Current Ratio*

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities} \times 100\%$$

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b. *Quick Ratio*

$$Quick\ Ratio = \frac{Current\ Assets - Inventory}{Current\ Liabilities} \times 100\%$$

c. *Cash Ratio*

$$Cash\ Ratio = \frac{Cash}{Current\ Liabilities} \times 100\%$$

2. Solvency Ratio

a. *Debt to Assets Ratio*

$$Debt\ to\ Assets\ Ratio = \frac{Total\ Debt\ (Liabilities)}{Total\ Assets} \times 100\%$$

b. *Debt to Equity Ratio*

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Debt\ (Liabilities)}{Total\ Equity} \times 100\%$$

3. Profitability Ratio

a. *Gross Profit Margin*

$$Gross\ Profit\ Margin = \frac{Gross\ Profit}{Net\ Sales} \times 100\%$$

b. *Net Profit Margin*

$$Net\ Profit\ Margin = \frac{Earning\ After\ Tax}{Net\ Sales} \times 100\%$$

c. *Return On Equity*

$$Return\ On\ Assets = \frac{Net\ Income}{Total\ Assets} \times 100\%$$

4. Activity Ratio

a. *Inventory Turnover*

$$Inventory\ Turnover = \frac{Cost\ of\ Goods\ Sold}{Inventory}$$

b. *Total Assets Turnover*

$$Total\ Assets\ Turnover = \frac{Sales}{Total\ Assets}$$

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5. **Growth Ratio**
   a. *Sales Growth*

$$Sales\ Growth = \frac{Sales\ this\ Year - Sales\ last\ Year}{Sales\ last\ Year}$$

   b. *Net Income Growth*

$$Net\ Income\ Growth = \frac{Net\ Income\ this\ Year - Net\ Income\ last\ year}{Net\ Income\ last\ year}$$

RESULT

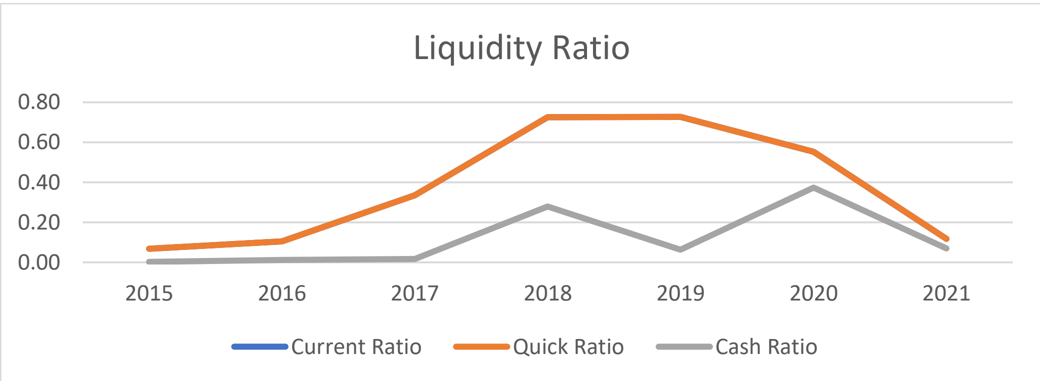
Based on the results of the analysis of the financial reports released by Perum PFN for the 2015 - 2021 period, it shows that Perum PFN is experiencing conditions that are different from the potential development of the film industry at the national and international level. There is an anomaly where the growth of the film industry is increasing but the condition of the company (Perum PFN) is actually experiencing a stagnant condition and tends to experience financial problems..

The calculation results from the PFN Financial Report for the 2015 - 2021 period show the following picture:

1. Liquidity Ratio calculation results

Table 1: Calculation of Liquidity Ratio of Perum PFN 2015 - 2021

Liquidity Ratio	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Current Ratio	0.07	0.11	0.33	0.72	0.73	0.55	0.12
Quick Ratio	0.07	0.11	0.33	0.72	0.73	0.55	0.12
Cash Ratio	0.00	0.01	0.02	0.28	0.06	0.37	0.07



Graph 1: Calculation of Liquidity Ratio of Perum PFN 2015 – 2021

2. Solvency Ratio calculation results

Table 2: Calculation of the Solvency Ratio of Perum PFN 2015 - 2021

Solvency Ratio	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Debt to Assets Ratio	0.50	0.55	0.51	0.38	0.36	0.34	0.41
Debt to Equity Ratio	1.00	1.26	1.20	0.77	0.72	1.34	7.05

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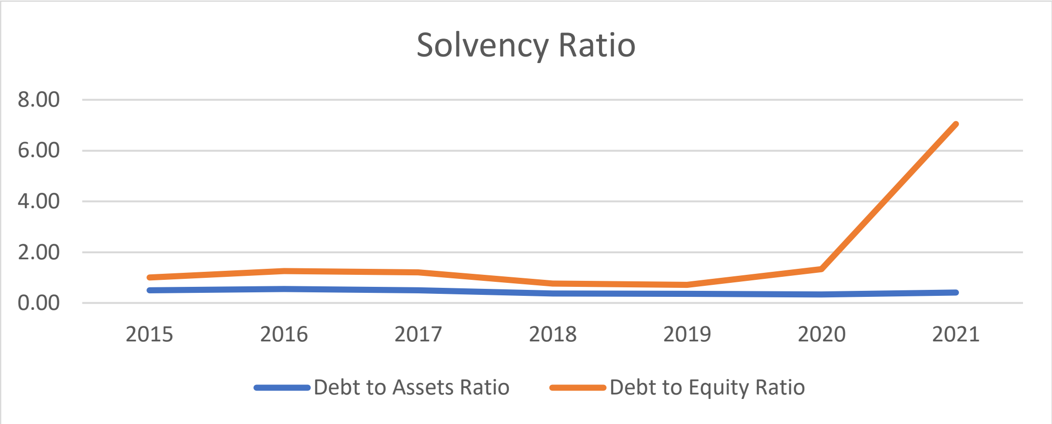
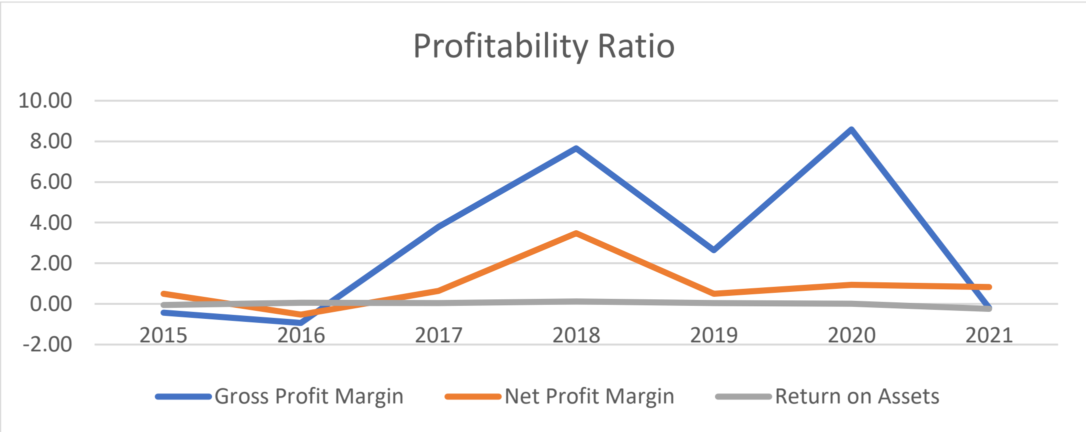


Graph 1 : Perhitungan Rasio Solvabilitas Perum PFN 2015 – 2021

3. Profitability Ratio calculation results

Table 3: Calculation of Perum PFN's Profitability Ratio 2015 - 2021

Profitability Ratio	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Gross Profit Margin	-0.42	-0.93	3.80	7.65	2.65	8.59	-0.20
Net Profit Margin	0.50	-0.53	0.64	3.48	0.50	0.94	0.83
Return on Assets	-0.05	0.05	0.05	0.12	0.05	0.01	-0.23



Graph 3: Calculation of Perum PFN's Profitability Ratio 2015 – 2021

4. Activity Ratio Calculation

Table 4: Calculation of Perum PFN Activity Ratio 2015 - 2021

Activity Ratio	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Fixed Assets Tuirnover	0.06	0.18	0.65	0.82	0.53	0.56	0.36
Total Assets Turnover	0.05	0.16	0.48	0.53	0.35	0.40	0.29

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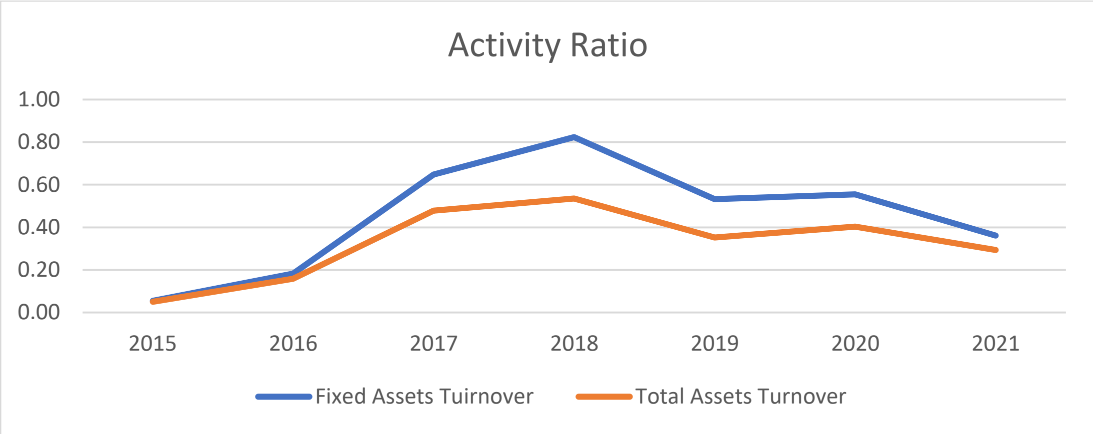
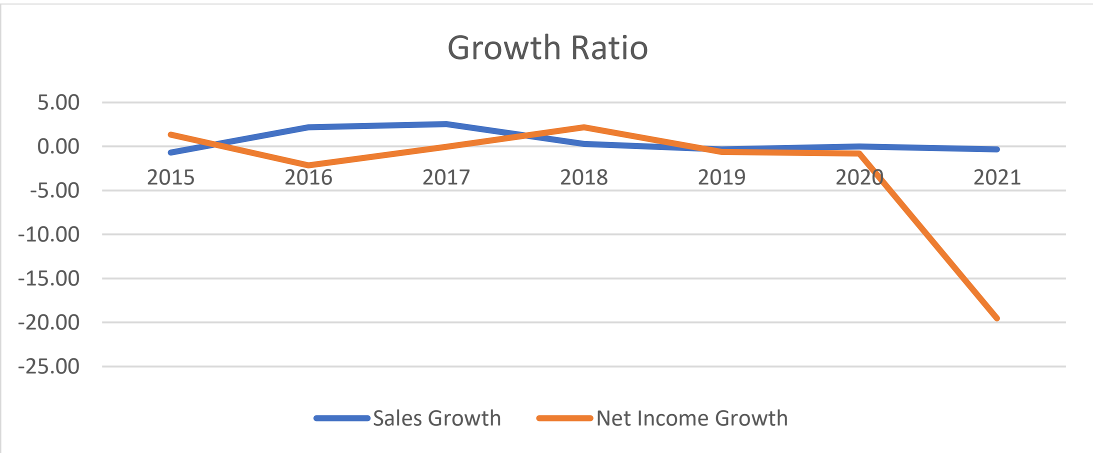


Graph 4. Activity Ratio Calculation

5. Calculation of Growth Ratio

Table 5: Calculation of PFN Public Housing Growth Ratio 2015 - 2021

Growth Ratio	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Sales Growth	-0.72	2.16	2.52	0.29	-0.35	0.01	-0.35
Net Income Growth	1.35	-2.16	-0.04	2.18	-0.61	-0.80	-19.52



Graph 5: Calculation of PFN Public Housing Growth Ratio 2015 – 2021

6. Calculation of Average Financial Ratios for Perum PFN 2015 - 2021

Liquidity Ratio		**Profitability Ratio**	
Current Ratio	0.38	Gross Profit Margin	3.0197
Quick Ratio	0.38	Net Profit Margin	0.9065
Cash Ratio	0.12	Return on Assets	0.0004

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Table 6: Average Financial Ratios of Perum PFN for the 2015 - 2021 Period

Solvency Ratio		**Activity Ratio**		**Growth Ratio**	
Debt to Assets Ratio	0.44	Fixed Assets Turnover	0.46	Sales Growth	0.51
Debt to Equity Ratio	1.91	Total Assets Turnover	0.33	Net Income Growth	-2.80

Source: Laporan Keuangan Perum PFN

Based on the results of measuring the Financial Ratios, it can be concluded that the company's condition is not in good condition, where capital is dominated by debt with the ability to obtain very low net profits. The calculation details are as follows:

1. Based on the Liquidity Ratio, PFN does not have the ability to fulfill short-term obligations (debt).
2. Based on the Solvency Ratio, if PFN is liquidated, the company will not be able to pay all its short and long term obligations because capital still depends on debt.
3. Based on the Profitability Ratio, PFN has the ability to make sales, however, the income earned is very small because there are still large company expenses (short and long term liabilities).
4. Based on the Activity Ratio, PFN still relies on the use of its assets to help company operations. Organizing the core business (production) does not provide more effective turnover compared to asset management.
5. Based on the Growth Ratio, PFN still has the ability to make sales, however the problem is that the increase in net profit is still very minimal

In the Corporate Life Cycle perspective according to (Adizes I. , 2014) The company will experience phases of life like a living creature. The company will experience normal struggles and difficulties or have been experienced by many other companies that will continue to emerge, if the company will move to the next phase in its development in the life cycle. Therefore, the Corporate Life Cycle is a tool that can be used to diagnose an organization or company which can be used to create strategies. (Martinson B. , 2012) states that the Corporate Life Cycle is a systematic reflection of how the company is at that time, for example sales growth, cash management, and the strategic goals of a company. (Adizes I. K., 2015)

Companies that have flexibility and controllability will have the ability to adapt. Moreover, developments in technology and information require companies to be able to adapt due to market changes. This condition has an impact on choosing the right Market Positioning strategy. Market Positioning can be described as a strategy that encourages a company or country to have a product or service whose quality can beat its competitors. Thus, a company must be able to influence customer perceptions regarding their products which are similar to those of competitors. The purpose of Positioning is to establish the image or identity of a brand, so that consumers can perceive it in a certain favorable light. (Team, 2022)

From this explanation, looking at the condition of Perum PFN's financial ratio analysis in 2015 - 2021, the company is in an Infancy position, where there is a high probability that the business will die due to lack of sales with negative cash flow conditions. So, in order to be able to compete in the national film industry, it is necessary to redesign appropriate and efficient competitive strategies.

DISCUSSION

The condition of Perum PFN for the period 2015 – 2021 on average has problems with the growth ratio where Net Income Growth experiences a negative condition of -2.80. If we look at the data in a time series, negative conditions occurred consistently in 2016 - 2021. Apart from that, Sales Growth also experienced a negative ratio in 2015, 2019 and 2021 with an average growth of only 0.51. This condition illustrates that the company is having difficulty getting net income and sales are not experiencing a significant increase.

Negative conditions also appear in the calculation of profitability ratios over a certain period of time. In the Gross Profit Margin aspect, negative numbers appeared in 2015, 2016 and 2021. Net Profit Margin also experienced a negative index in 2016 and only reached less than 1. Meanwhile, Return on Assets also showed a negative index in 2015 and 2021. This condition illustrates that the company is experiencing difficulties in obtaining profits which is influenced by the company's uncompetitive sales performance.

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The company's liquidity ratio has also decreased, although it had increased in 2018 - 2019, but in 2021 it will decrease again as in 2016. This condition illustrates that the company is burdened by short-term obligations/debts and a decline in sales levels. In 2021, the solvency ratio will see an increase in the asset management aspect, however, equity tends to stagnate. This condition illustrates that the company is not moving in accordance with its core business because it relies on assets to solve problems. This can also be seen in the results of measuring the activity ratio where the company is very dependent on assets rather than its main business in the film sector.

Based on an analysis of the financial ratios of the Perum PFN company for the period 2015 - 2021, it shows that there is a competitive strategy error, because the company's condition is not profitable while the development of the film industry is increasing. Film, as part of the creative economy industry, makes a significant contribution to economic growth in Indonesia. Based on statistical data from the Central Statistics Agency (BPS) regarding Gross Domestic Product at Constant Prices according to Expenditures, it shows that the contribution of Films as part of Intellectual Property Products to GDP reached 0.92, equivalent to 2014 with a contribution to Gross Fixed Capital Formation (PMTB). amounting to 2.85% or IDR 86,599.19 billion.

Meanwhile, the Indonesian film market in 2025 is predicted to experience growth with a Compounded Annual Growth Rate (CAGR) or annual growth rate of 9.5%, higher than the CAGR value of the global film industry which reaches 6% (ResearchandMarkets, 2022). The economic growth value of the Indonesian film industry in 2025 is predicted to reach USD 0.14 billion or an increase of 55.56% compared to 2020.

This opportunity certainly needs to be utilized by Perum PFN and the development of the Film Industry in Indonesia. However, if you look at the financial reports released by Perum PFN for the 2015 – 2021 period, it shows that Perum PFN is experiencing different conditions from the growing market potential. To see this performance, one method of measurement is to look at the company's financial ratios. (Bull, 2007) believes that financial ratio analysis or financial ratio analysis is used to evaluate the performance and financial condition of a company by measuring the company's financial performance achievements. The goal is to provide information about business entities in decision making by external and internal users. Terminology, definitions and formulas in calculating vertical analysis, return on investment, investment utilization ratio, liquidity ratio, stability ratio and growth ratio are explained in the technical notes. So it can briefly measure the conditions and life cycle projections of a company.

This condition is in stark contrast to the market conditions in the film industry at national and global levels. PFN is actually unable to position itself in the growth trend of the creative industry sector, especially the film sector. In fact, within the institutional framework, PFN is expected to exist as a state company that has the ability to increase film production in accordance with PP number 08 of 1988. This regulation has then been updated by President Joko Widodo by issuing PP number 42 of 2023 concerning Changes in the Legal Entity of Public Production Companies Film Negara becomes a Corporate Company. Therefore, an effective competitive strategy needs to be formulated in order to design the competitive strategy. Remembering that in the Indonesian film industry, PFN is not a single player. There are quite a lot of other film companies that are commonly known, including MD Entertainment, INFINITE Studios, IDESOURCE and BALINELE.

To win competition in the film industry, PFN must have a competitive advantage. (Lamb, Hair, & McDaniel, 2001) defines competitive advantage as a set of features of a company that can be accepted by its market as an important element of advantage in competition. In fact, this understanding is in line with what was put forward by Porter, who emphasized that the element of advantage is very important in a competitive industry, and the advantage in question is the privilege possessed compared to competitors. The importance of competitive advantage was stated explicitly by (Porter M. E., 1998) that "Competitive advantage is at the heart of a firm's performance in competitive performance." This means that the higher a company's competitive advantage, the higher its performance in competition. That's the way it should be.

CONCLUSION

Based on the results of measuring the Financial Ratios, it can be concluded that the company's condition in the period 2015 - 2021 is not in good condition, where capital is dominated by debt with the ability to obtain very low net profits. Apart from that, the company does not move according to its core business in operational activities because it relies on asset management, although it is not yet optimal, with an equity level that tends to be stagnant. So PFN's position from a Corporate Life Cycle perspective is in an

Infancy condition, where there is a high possibility that the business will die due to lack of sales with negative cash flow conditions. So, in order to be able to compete in the national film industry, it is necessary to redesign appropriate and efficient competitive strategies.

The initiation for PFN to rise has been planned through the Ministry of BUMN by encouraging transformation towards the film financing business. On August 29 2021, the Minister of BUMN, Erick Tohir and the Minister of Tourism and Creative Economy, Sandiaga Uno stated that they agreed to change the State Film Production BUMN (PFN) to no longer be a film producer but to develop into a film financing institution for filmmakers and the national film industry. Previously, the Ministry of BUMN immediately directed the State Film Production Company or PFN as a film financing institution that would fund the production of Indonesian films. This effort can be carried out by encouraging PFN to become a BUMN that acts as a film financial institution. However, until the preparation of this document took place, PFN had not been fully able to transform into film financing. Even the financial reports submitted show negative trends and are in poor condition with various internal problems.

SUGGESTION

Perum PFN has become PT. PFN is in accordance with Government Regulation (PP) Number 42 of 2023 which was signed by President Joko WIdodo on 12 October 2024. To improve company performance in line with the transformation plan that has been determined by the government, further research is needed to determine the direction of the company's redesign. Considering the existence of PFN as the only state-owned company operating in the film sector, especially with the ratification of PP number 42 of 2023 concerning Changes in the Legal Entity of the State Film Production Public Company to become a Limited Liability Company. Apart from that, the company still has assets that can be optimized for company development.

Important aspects that need to be considered in the PT transformation process. PFN is how to sharpen the company's competitive strategy so that the company's operations return to its core business in the film sector. Considering that the growth of the film industry and creative content has increased along with the end of the Covid-19 pandemic and increasingly rapid technological developments. So the role of PT. PFN as a BUMN can make a positive contribution to the national economy in the film industry. And can help develop a constructive film ecosystem in building the economic and social aspects of society.

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