ABSTRACT

This research discusses the substance of its value in an IT-based company, namely PT. Telkom Indonesia. The method applied is the Partial Adjustment Valuation (PAV) approach, which states that changes in output in the production process are usually not exactly the desired one, so the Speed of Adjustment coefficient is needed to bridge the desired output and the actual output. This study uses Dynamic Speed of Adjustment because this method used commonly to calculate the value of IT, which fluctuates each period, and the dynamic factor used to measure its dynamics is Market Value Added (MVA), other dynamic factors such as EVA, Tobins' Q and MTBV will also be discussed briefly in the study as a comparison. This study uses two calculation models: the three-factor model (K, L, and I) and the two-factor model (K and L) to prove the benefits of the IT value to the company. K is the value of the company's equity, L is the cost of labor, and I is the cost of IT. These measurements are divided into two types, namely measurements based on currency units (Performance Value) and based on ratio units (Performance Ratio). This final project research leads to an understanding that the value of IT is real in improving business performance and refutes the paradox which states that there is no relationship between IT spending/investment and the size of profits that the organization/company will receive. Thus, the results of this study are open to studies that discuss the value of IT to develop further.

Keywords— IT value, MVA, performance measure