

# Business Development Strategy Analysis PT. X Using the SWOT Method

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**Abstract:** *With the many businesses in Indonesia, the competition for change and uncertainty becomes more stringent, so that this situation creates sharp competition between companies. The aim of the company's strategy is to maintain its competitive position, even if it is possible to be able to increase the mastery of products in the market. PT. X has implemented a marketing strategy that is an integration strategy in its business activities, where the integration strategy is a strategy that expands the company's operations by cooperating with other companies in the same industry. But in reality there are problems in the marketing field. This study uses Strengths, Weakness, Opportunities and Threats (SWOT) methods in which there are stages of strategy formulation that can assist in determining new strategies such as the Internal Factor Evaluation Matrix (IFE), External Factor Evaluation Matrix (EFE), Internal External Matrix (IE) and SWOT matrix. The results of the analysis of the business development strategy of the company PT. X using the SWOT method is as follows: {SO: (S1,S2,S3; O1,O3)(S4,S5; O1,O2)}, {ST: (S1,S2,S3; T1,T2,T5)(S4,S5; T3,T4)}, {WO: (W1; O1,O3)(W2; O1,O2,O3)}, {WT: (W1; T3,T4)(W2; T1,T2,T5)}. The strategy produced by looking at the company's capabilities: The strategy for managing the company (strategy S1,2,3; O1,3), (strategy W2; O1,2,3), (strategy W1; O1,3), (strategy W2; T1,2,5), (strategy S4.5; O1,2), (strategy W1; T3,4). Corporate management strategy (strategy W2; T1,2,5), (strategy W1; T3,4). Marketing strategy (strategy S1,2,3; T1,2,5), (strategy W1; O1,3). Organizational strategy and HR (strategy S4.5; O1,2), (strategy S4.5; T3,4).*

**Keywords:** SWOT, Strategy, Business, Internal, External

## 1. INTRODUCTION

At this time in general the industry developed very well, including the diversity of its industries, so that various upstream to downstream industries emerged which of course needed many partners in their operations (Hutabarat, 2017). With so many businesses in Indonesia, the competition for change and uncertainty will become more stringent. so that this situation caused sharp competition between companies. The strategy built by the company, especially by management has a significant impact on the success or failure of a company as well as on bankruptcy or company survival on the market (Nowakowska-Grunt, 2009).

Strategy is a framework for everything that is important, such as entrepreneurship, competition and functionality that will be applied to realize the company's goals and the position of the company to achieve sustainable success (Nedelea, 2009). Strategy can be interpreted as a direction or goal from the organization in the long run that creates benefits for the organization through the management of resources (Yasar, 2010).

The ultimate goal of the company's strategy is to maintain its competitive position, even if it is possible to be able to increase product mastery in the market (Gasparotti, 2009).

This paper used some literature to support the research, for example paper with title Strengths, Weaknesses, Opportunities And Threats (SWOT) Analysis On Globacom Ltd (Bello, 2013). Strengths vs. Strong Position: Rethinking the Nature of SWOT Analysis (Clardy,

2013). SWOT Analysis of strategic Position of Cycling Federation in Iran (Arefeh Jamshidi, 2012). Comparing AHP and ANP: An Application of Strategic Decisions Making in a Manufacturing Company (GÖRENER, 2012). SWOT Analysis (LALITHA CHAVALI, 2017). The Strategic Planning (SWOT) Analysis Outcomes And Suggestions According To The Students And The Lecturers Within The Distance Education System (Tugba Yanpar YELKEN, 2012). Coping with Imprecision in Strategic Planning: A Case Study Using Fuzzy SWOT Analysis (Hasan Hosseini-Nasab, 2011). Strategic Planning & SWOT Analysis (Kotnal, 2017). SWOT Balanced Scorecard (Rangkuti., 2012). Strategic development and SWOT analysis at the University of Warwick (Dyson, 2004). Combining SWOT and AHP Techniques for strategic planning (Osuna & Aranda, 2007). Prioritiation of e-Government strategies using a SWOT-AHP analysis: the case of Turkey (Kahraman, Cetin, & Demirel, 2007). Studying strategies of sport management using SWOT technique (Leila Asayesh, 2013). Focused SWOT: diagnosing critical strengths and weaknesses (Ronen, 2009). A Synthesis on SWOT Analysis of Public Sector Healthcare Knowledge Management Information Systems in Pakistan (Arfan Arshad, 2017). A SWOT Analysis Tool For Indonesian Small and Medium Enterprise (Husni Thamrin1, 2017). Development of Strategic Plan for Hotel Industries through Swot Analysis (C.Kiritharan nair, 2016). Importance-Performance Analysis based SWOT analysis (Boonyarat Phadermrod, 2016). Logistics Platform for Improve Strategic Flexibility

(Abrahamsson, 2003). Impacts of External Business Environment on Organisational Performance in the Food and Beverage Industri in Nigeria (Adeoye, 2012). A Logistics Strategy Taxonomy (Autry, 2008)

Selection of PT. X as the object of study based on consideration, PT. X has implemented a marketing strategy, namely the integration strategy in its business activities, where the integration strategy is a strategy that extends the company's operations by cooperating with other companies in the same industry. but in reality there are problems in the marketing field. Based on these problems, in this study an analysis of customer satisfaction will be carried out, understanding of consumer satisfaction itself is the level of consumer feelings after comparing between what he received and expectations Strengths, Weakness, Opportunities and Threats (SWOT) (Ommani, 2011). In the strategy preparation phase there are several matrices that can assist in determining new strategies such as the Internal Factor Evaluation Matrix (IFE), External Factor Evaluation Matrix (EFE), Internal External Matrix (IE) and SWOT matrix (Nejad, 2011).

This Paper is organized as follows. Section 2 is review about the basic ship theory. Section 3 would be about the result of the research and section 4 discussion of research. Finally, while in section 5 we would present the conclusions of this paper.

## 2. MATERIALS AND METHODS

In order for the results of the research to be obtained as expected, then analyze and identify problems and collect data through articles both media and electronic as a source and guide.

### 2.1 SWOT Analysis

SWOT analysis is a strategic planning method used to evaluate strengths, weaknesses, opportunities, and threats in a project or a business speculation (Hajikhani & Jafari, 2013). These four factors form the acronym SWOT (Strengths, Weaknesses, Opportunities, and Threats). This process involves determining the specific objectives of business or project speculation and identifying internal and external factors that support these goals. SWOT analysis can be applied by analyzing and sorting things that affect all four factors, then applying it in the SWOT matrix image, where the application is how strengths are able to take advantage of opportunities, how to overcome weaknesses which prevents advantages from opportunities that exist, then how strengths are able to deal with existing threats, and finally how to overcome weaknesses that can make threats real or create a new threat (Lumaksono, 2014). The hierarchical representation of the SWOT structure is shown in Figure 1 (Chermack & Kasshanna, 2007).

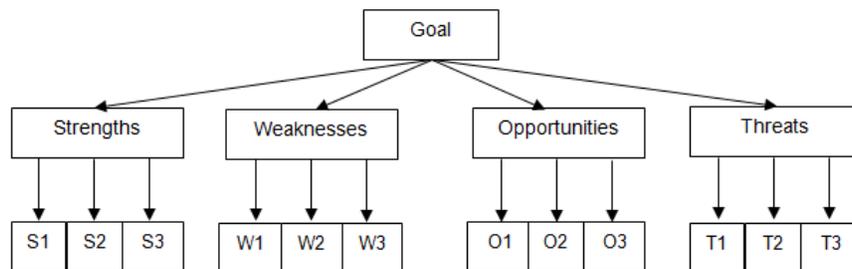


Fig.1. Hierarchical structure of the SWOT matrix

IFAS EFAS	Opportunities (O)	Treats (T)
	Strenght (S)	SO Strategy: • Create strategies that use strength to take advantage of opportunities
Weaknesses (W)	WO Strategy: • Create strategies that minimize weaknesses to take advantage of opportunities	WT Strategy: • Create strategies that minimize weaknesses and avoid threats

Fig.2. SWOT matrix

### 2.2 Technical Concept Strategy

Strategies are actions that require top management decisions and a lot of company resources to realize them. Besides that, the strategy also affects the organization's life

in the long run, at least for five years. Therefore, the nature of the strategy is oriented towards the future. The strategy has multifunctional or multidivisional consequences and in its formulation it is necessary to consider the internal and external factors facing the company (Rangkuti., 2012).

A good understanding of the concept of strategy and other related concepts, greatly determines the success of the strategy prepared. These concepts are as follows:

- a. Distinctive competence is an action taken by a company in order to do activities better than its competitors.
- b. Competitive advantage is a specific activity developed by the company to be superior compared to its competitors.

### 3. RESULT

Information about strengths, weaknesses, opportunities and threats in detail to the company based on existing information, information data is translated with brief, concise, clear and logical explanations. The preparation of a strategy factor synthesis questionnaire was made to determine the importance of each component based on the condition of the company. From each sub on the questionnaire then the component that has the highest value is taken and the results will be used in the synthesis of strategy factors. The results of the questionnaire were finally determined by each sub-component to have four components.

**Table 1.** Synthesis of Internal Strategy Factors

Internal Strategy Factors	SP	K	SPxK	Weight
Strenght (S)				
1. Company reputation	5	5	25	0,33333
2. Customer decision	4	5	20	0,26667
3. Product quality	2	5	10	0,13333
4. Capable & forward-	3	5	15	0,2

thinking expertise				
5. Dedicated employees	1	5	5	0,06667
Total SPxK =75				
Weaknesses (W)				
1. Market share	2	2	4	0,66667
2. Customer resistance	1	2	2	0,33333
Total SPxK =6				

**Table 2.** Synthesis of External Strategy Factors

External Strategy Factors	SP	K	SPxK	Bobot
Opportunities (O)				
1. Productivity improvements	1	3	3	0,166667
2. New technology	3	3	9	0,5
3. Product position in the buyer's view	2	3	16	0,33333
Total SPxK =18				
Treats (T)				
1. Increase in foreign exchange rates	3	5	15	0,2
2. Increase electricity, telephone and Whatapp rates	1	5	5	0,066667
3. Changes in people's lifestyles	4	5	20	0,266667
4. Competitor market share	2	5	10	0,133333
5. Structure of production and administrative costs	5	5	27	0,333333
Total SPxK =75				

**Table 3.** SWOT matrix

External factors          Internal factors	Factor of Opportunities (O)	Treats Factors (T)
	1. Productivity Improvement 2. New technology 3. Position of product in the view of the buyer	1. Increase in foreign exchange rates 2. Increase telephone, electricity and Whatapp rates 3. Changes in people's lifestyle 4. Competitors' market share 5. Structure of production and administrative costs
Strength Factor (S) 1. Company reputation 2. Customer decisions 3. Product quality 4. Capable and forward-thinking expertise 5. Dedicated employees	SO Strategy: • (S1,S2,S3;O1,O3) • (S4,;O1,O2,O3)	ST Strategy: • (S1,S2,S3;T1,T2,T5) • (S4,S5;T3,T4)

Factor of Weaknesses (W) 1. Market share 2. Customer resilience	WO Strategy: • (W1;O1,O3) • (W2;O1,O2,O3)	WT Strategy: • (W1;T3,T4) • (W2;T1,T2,T5)
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**Table 4.** Company Strategy

Strategy	Information
Chosen strategy	
a. Management direction strategy company	1. Increase production capacity economically with good quality (strategy S1,2,3; O1,3)
	2. Develop and improve company image (strategy S1,2,3; O1,3)
	3. Maintaining a brand image (strategy W2; O1,2,3)
	4. Increase market share (market share) in key markets (strategy W1; O1,3)
	5. Maximizing volume with optimal volume outside the main market, for example by increasing the market to various provinces (standard S1,2,3; O1,3)
	6. Maximizing prices with optimal volume outside the main market (strategy W2; T1,2,5)
	7. Continuing to foster labor and marketing personnel (strategy S4.5; O1,2)
b. Management Strategy company	1. Develop a management system that is in accordance with the demands of global development and the development of the company itself (strategy W2)
	2. Strengthening the relationship of suppliers and supporting institutions, both quality and quantity (strategy W1)
Functional Strategy	
a. Marketing strategy	1. Establish products based on grade / class I as main products and grade products / other classes as an offensive support and marketing tool (strategy S1,2,3; T1,2,5)
	2. Setting the optimal price while maintaining the mission and providing reasonable conditions for the distributor (strategy S1,2,3; T1,2,5)
b. Organizational Strategy and SDM	1. Establish a career pattern (career path) for labor (strategy S4.5)
	2. Hold service compensation adjustments for employees (strategy S4.5)

**4. DISCUSSION**

Based on the results of the SWOT method analysis. (Strength: market reputation, customer decisions, product quality, skillful and forward-looking expertise, dedicated employees), (Weakness: market share, customer retention), (Opportunity: productivity improvements, new technology, product position in the buyer's view), (Threat: increase in foreign exchange rates, increase in telephone, electricity and Whatapp rates, changes in people's lifestyles, competitors' market share, structure of production and administrative costs). The strategy produced by looking at the ability of the company, Increasing economic production capacity with good quality, Increasing market share (market share) in the main market and maximizing volume with optimal volume

outside the main market, for example by increasing the market to various provinces, Maximizing prices with optimal volume outside the main market and set an optimal price while maintaining the mission and providing reasonable conditions for suppliers, Strengthening the relationship of suppliers and supporting institutions, both quality and quantity, Using excess production for outside market share, Establishing career patterns (career paths) ) for workers.

**5. CONCLUSION**

The results of the analysis of the business development strategy of the company PT. X using the SWOT method is as follows: {SO: (S1,S2,S3; O1,O3)(S4,S5; O1,O2)}, {ST: (S1,S2,S3; T1,T2,T5)(S4,S5; T3,T4)}, {WO: (W1; O1,O3)(W2;

O1,O2,O3}}, {WT: (W1; T3,T4)(W2; T1,T2,T5)}. The strategy produced by looking at the company's capabilities: The strategy for managing the company (strategy S1,2,3; O1,3), (strategy W2; O1,2,3), (strategy W1; O1,3), (strategy W2; T1,2,5), (strategy S4.5; O1,2), (strategy W1; T3,4). Corporate management strategy (strategy W2; T1,2,5), (strategy W1; T3,4). Marketing strategy (strategy S1,2,3; T1,2,5), (strategy W1; O1,3). Organizational strategy and HR (strategy S4.5; O1,2), (strategy S4.5; T3,4).

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