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SWOT Analysis in Preparing Company Strategic Plans

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Abstract: Effective business strategy requires a deep understanding of the strengths, weaknesses, opportunities and threats that exist in the market. In facing a dynamic business environment, companies need to utilize their internal strengths to take advantage of external opportunities, while simultaneously overcoming their weaknesses to face existing threats. Flexibility, adaptability, good communication, and social and environmental responsibility are also key elements in a successful business strategy. With a holistic and sustainable approach, companies can achieve sustainable growth and strengthen their position in the market.

Keywords: SWOT Analysis, Company, Strategic Plan

INTRODUCTION

The development of companies in Indonesia is currently driven by macroeconomic stability, supportive government policies, digitalization, a large domestic market, and improving infrastructure. In addition, foreign investment, improving the quality of human resources, demographic changes, participation in global trade, and awareness of sustainability have contributed to the growth and innovation of companies in various sectors. In addition, success in maintaining this growth momentum will depend heavily on the private sector's ability to continue to adapt to change, increase competitiveness, and invest in innovation and sustainability (Suryatman, 2021). Challenges such as global economic uncertainty, climate change and the need for structural reforms must be addressed with proactive policies and collaboration between various stakeholders. With the right approach, Indonesia has the potential to become one of the leading economies in the Southeast Asia region, driving sustainable and inclusive corporate growth. This is very necessary considering that companies in Indonesia are currently developing very rapidly so there is a need for a company strategy to be able to compete both internally and nationally (Suhartini, 2018).

This is in accordance with data obtained from the Central Statistics Agency (2020), the growth of large and medium companies in 2019 increased by 4.01 percent compared to 2018. Therefore, companies must have the right competitive strategy to continue to grow and compete in the market. . The strategy developed by company management will have a significant impact on the success or failure of a company as well as on the company's bankruptcy or survival in the market. So that every company makes a collective effort to be able to compete in the global market by utilizing technology, achieving economies of scale,

diversifying risks, accessing resources and expertise, and accelerating innovation. This collaboration allows them to meet regulations, achieve sustainability goals, and increase competitiveness through various forms of cooperation such as strategic alliances, joint ventures, and consortia. In addition, company collaboration is an important strategy to overcome competitive global market challenges (Widiyarini, 2019). By sharing resources, risks and expertise, companies can improve operational efficiency, accelerate innovation and meet regulatory and sustainability demands. Forms of cooperation such as strategic alliances, joint ventures, and consortia allow companies to achieve larger and more complex goals, thereby increasing their competitiveness in an ever-growing market (Suriono, 2021).

Therefore, current corporate competition is also characterized by globalization, technological advances, and demands for sustainability. Companies must adapt quickly to market changes, take advantage of digitalization and develop innovative strategies.

Collaboration is key to achieving efficiency, diversifying risks, and meeting regulatory and sustainability goals. Companies that are able to innovate and collaborate effectively will have a competitive advantage in an increasingly complex global market (Elvana, 2022). With companies facing increasingly intensive competition in a rapidly changing environment. To remain competitive, they need to adopt a flexible approach and be responsive to market and technology trends. Strategic collaboration, whether through alliances, joint ventures, or consortia, is becoming increasingly important in developing competitive advantage. In addition, attention to sustainability and ESG (Environmental, Social, and Governance) practices are key factors in attracting customers and investors who are increasingly concerned with social and environmental responsibility. Successful companies are those that can balance innovation, collaboration and social responsibility in their business strategy (Rofaidah, 2019).

So in this case, it is necessary to use a SWOT analysis approach (Strengths, Weaknesses, Opportunities, Threats), companies can gain in-depth insight into the internal and external factors that influence their strategy. By identifying internal strengths and weaknesses, companies can take advantage of the advantages they have and overcome the challenges they face. On the other hand, by understanding the opportunities and threats in the external environment, companies can adjust their strategies to take advantage of market opportunities and overcome risks that may arise (Siregar, 2020).

So based on the background above, companies that have become one of Indonesia's most popular are exploited by business people to start companies both nationally and internationally, so there is a need for SWOT analysis strategies that can help realize competitiveness both nationally and internationally. Therefore, this scientific paper is entitled "SWOT Analysis in Preparing Company Strategic Plans" with the aim of identifying the strengths, weaknesses, opportunities and threats of an organization. By understanding these factors, startup entrepreneurs can develop more effective strategies to increase competitiveness in the market.

METHOD

The methodology in this research is to use qualitative research. Moleong (2017, p. 8) stated that qualitative research is used to understand the naturalistic phenomenon or condition of an object and the presentation of data is not done by expressing it numerically because the data presentation is quantitative. Qualitative research findings also go deeper to understand phenomena from a complex and contextual perspective. Findings from qualitative research are often descriptive and interpretive, providing in-depth understanding of various aspects of the phenomenon under study. As well as identifying the main themes that emerge from the data and patterns that may exist in it. This can help in understanding relevant issues and relationships between various variables.

Data collection for this research uses literature studies. The use of this data is to support relevance data in scientific papers without direct field research. This is in accordance with the aim of literature study techniques which can help researchers to develop critical analyzes of

existing studies, identify weaknesses or strengths in previous research, and understand how their research can contribute to the same topic.

Apart from that, the explanation of the SWOT analysis that will be used in this research is as follows:

1. **Strengths:** Identifying the internal strengths of an organization or business that can be utilized to face competition. By understanding these advantages, organizations can make optimal use of them to strengthen their position in the market.
2. **Weaknesses:** Be aware of internal weaknesses that may hinder competitiveness. By knowing these shortcomings, organizations can take steps to correct or overcome existing problems so that they become more competitive.
3. **Opportunities:** Identify external factors that can be utilized to improve performance and growth. By understanding these opportunities, organizations can take strategic steps to take advantage of market changes or existing trends.
4. **Threats:** Identify external factors that can hinder performance and growth. By knowing these threats, organizations can take proactive steps to reduce their negative impact or even turn threats into opportunities.

By understanding these four aspects through a SWOT analysis, the company can develop a more effective and adaptive strategy to increase competitiveness in the market.

RESULTS AND DISCUSSION

Strategy Planning

Strategic planning is an important tool for evaluating internal strengths and weaknesses as well as external opportunities and threats faced by an organization, industry, or country. By using methods such as SWOT, Porter's Five Forces, PESTEL, and benchmarking, entities can identify competitive advantages and areas for improvement. The results of this analysis help in formulating effective strategies to improve competitive position in the market, encourage innovation, adaptability, and maintain customer satisfaction and loyalty. Through a systematic and comprehensive approach, entities can achieve sustainable growth and long-term success (Savitri, 2021).

Additionally, by implementing comprehensive strategic planning, organizations, industries, or countries can develop better strategies to navigate the dynamic and competitive market landscape. Several further steps that can be taken after carrying out strategic planning include (Anatasia, 2022)

- **Differentiation Strategy:** Developing a unique product or service to stand out in the market. This could be innovative features, superior quality, or a great customer experience.
- **Operational Efficiency:** Improve operational efficiency to lower costs and increase profit margins. This includes process optimization, adoption of new technologies, and effective supply chain management.
- **Market Development:** Exploring new markets or underserved market segments to expand the customer base and increase revenue.
- **Continuous Innovation:** Encourage a culture of innovation to continuously introduce new products, services or processes that can provide long-term competitive advantage.
- **Risk Management:** Identifying and managing risks that can affect competitiveness, including market, operational, financial and reputation risks.

By following these steps, an entity can strengthen its position in the market, overcome competitive challenges, and achieve long-term success. Effective competitive analysis not only helps understand current conditions but also provides guidance for better strategic planning and decision making. Additionally, by carrying out a comprehensive competitive analysis, entities can form better strategies to navigate the intense market competition. Further steps that can be taken include product differentiation, increasing operational efficiency, exploring new

markets, continuous innovation, risk management, human resource development, strategic collaboration and improving customer service. Implementation of these strategies helps strengthen positions in the market, overcome competitive challenges, and achieve sustainable success and growth (Rindiani, 2023)

External and Internal Analysis of the Company's Environment

Table 1. Analysis of External and Internal Factors in the Company's Environment

No	Internal factors	External Factors
	Strength	Opportunity
1	1. Brand and Reputation 2. Production capacity of one of the largest derivative products 3. Can have high exports 4. Using very high quality raw materials 5. Collaborate with technology	1. Market demand continues to increase 2. Strategic location 3. Open use of new technology 4. Have good relationships with customers 5. The breadth of the company network
2	Weakness	Threat
	1. It requires high funds to achieve a competent company 2. Production competition is increasingly rapid 3. Weak in capital 4. Lack of competitor cooperation due to competition 5. Product R&D is not developing	1. Tight competition between competitors who continue to develop advanced and sophisticated 2. Difficult to obtain initial or additional capital from investors 3. High customer expectations and fierce competition in terms of customer service 4. The increase in the UMR will be relatively high every year 5. Many competitors offer products at low prices

Quadrants and Sowl Matrices

The SWOT matrix quadrant is a strategic analysis tool used to identify and evaluate internal factors (Strengths and Weaknesses) and external factors (Opportunities and Threats) that influence an organization, project, or business. This matrix consists of four quadrants, each of which helps in the formulation of effective strategies. In addition, through a deep understanding of the SWOT matrix quadrants, organizations can identify key areas that need to be improved or exploited. This enables them to formulate more focused and effective action plans to improve performance, overcome challenges and take advantage of opportunities that exist in their business environment. In addition, the SWOT matrix can also help in making better strategic decisions, as it strengthens the understanding of the organization's relative position in the market and the factors that influence it. Thus, the SWOT matrix is not only an analysis tool, but also a very valuable tool in strategy development and business planning (Carina, 2022).

In this case, before creating a SWOT quadrant, it is best to calculate the weights and branches of internal and external factors using the internal IFAS (Internal Factor Analysis Summary Matrix) and EFAS (External Factor Analysis Summary Matrix). The following table is below:

Table 2. IFAS (Internal Factor Analysis Summary Matrix)

No	Strength (Strength)	Weight	Ratings	Score
1	Brand and Reputation	0.09	3	0.27
2	Production capacity of one of the largest derivative products	0.20	4	0.80
3	Can have high exports	0.10	4	0.40
4	Using very high quality raw materials	0.15	4	0.60
5	Collaborate with technological will	0.10	3	0.30
Amount		0.64	18	2.37

No	Weakness (weakness)	Weight	Ratings	Score
1	It requires high funds to achieve a competent company	0.10	3	0.30
2	Production competition is increasingly rapid	0.06	4	0.24
3	Weak in capital	0.06	2	0.12
4	Lack of competitor cooperation due to competition	0.05	2	0.10
5	Undeveloped product R&D	0.09	3	0.27
Amount		0.36	14	1.03
Total		1.00	32	3.40

Based on the table above, it shows that the total results of the Company's IFAS matrix by showing the total value in the results of internal factor analysis with a total score of 1.00, this figure is in the above average category, which indicates that the internal conditions of the Company are in a good position.

Table 3. EFAS (External Factor Analysis Summary Matrix)

No	Opportunities (Opportunities)	Weight	Ratings	X Rating Weight Score
1	Market demand continues to increase	0.20	4	0.80
2	Strategic Location	0.15	3	0.45
3	Open use of new technology	0.10	3	0.30
4	Have good relationships with customers	0.08	4	0.32
5	The extent of the company network	0.07	2	0.14
Amount		0.60	16	2.01

No	Treath (Threat)	Weight	Ratings	X Rating Weight Score
1	Tight competition between competitors who continue to develop advanced and sophisticated	0.12	3	0.36

2	It is difficult to obtain initial or additional capital from investors	0.07	2	0.14
3	High customer expectations and fierce competition in terms of customer service	0.05	2	0.10
4	The increase in the UMR will be relatively high every year	0.08	3	0.24
5	Many competitors offer products at low prices	0.08	2	0.16
Amount		0.40	12	1.00
Total		1.00	28	3.01

Based on the table above, it shows that the total results of the Company's EFAS matrix with a total value of 1.00 are above average. Thus, the score obtained indicates that the Company is taking advantage of the opportunities it has and avoiding external threats. Next, the SWOT matrix table is as follows:

Table 4. Company SWOT Matrix

SO Strategy	WO Strategy	ST Strategy	WT Strategy
Companies can identify their internal strengths, such as technological innovation or expertise in manufacturing, to create new products that meet emerging market needs. Through innovation and excellence in R&D, companies can expand their product lines to take advantage of opportunities in different but related markets.	Implement technological solutions that can improve or overcome company operational weaknesses, such as process automation or the use of digital platforms. As well as developing better risk management strategies to reduce the impact of the company's internal weaknesses and exploit opportunities in the market more effectively.	Optimize operational processes or cost management to increase company efficiency and reduce vulnerability to external threats, such as increasing costs or price competition. As well as utilizing strengths in regulatory compliance or risk management to overcome threats from regulatory changes that could affect the company's operations or business activities.	Seek partnerships with other companies that have expertise or resources that can fill the company's internal weaknesses and help overcome external threats. By changing marketing strategies or brand positioning to overcome negative perceptions of internal company weaknesses that can be exploited by external threats.

By applying SWOT analysis, startups can utilize internal strengths to seize opportunities, overcome weaknesses with existing opportunities, use strengths to face threats, and reduce weaknesses while avoiding threats. This allows startups to act proactively and defensively, strengthening their position in the market and increasing their chances of long-term success. And by using SWOT analysis, startups can formulate strategies that utilize internal strengths, overcome weaknesses, seize opportunities and reduce threats. This allows them to increase competitive advantage, optimize growth, and minimize risk, all of which are critical to long-term success in dynamic markets.

This is because an effective business strategy requires a good understanding of the strengths, weaknesses, opportunities and threats that exist in the market. Companies need to

leverage their internal strengths to take advantage of external opportunities, while addressing or improving their weaknesses to face existing threats. With the right approach, companies can increase their competitiveness, respond quickly to market changes, and create long-term value for shareholders and customers. It is important for companies to continuously monitor their business environment and adapt their strategies according to developments, so that they can remain relevant and successful in an ever-changing market.

CONCLUSION

In carrying out business strategies, companies also need to pay attention to flexibility and adaptability. The business environment is always changing, and companies that can adapt quickly to change will have a competitive advantage. In addition, it is important to build a culture of innovation and learning that allows companies to continue to develop and improve their performance. In addition, transparency and good communication within the company are also very important. This allows the entire team to have the same understanding of goals, strategies and changes occurring, so they can work together more effectively to achieve a shared vision.

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