

# Determination Of Business Strategy at PT. Multi Jaya Lombok Through SWOT Analysis

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**Abstract:** SWOT analysis can be used as a determinant in corporate strategic planning. Multi Jaya Lombok in this case uses SWOT analysis in preparing the company's strategic plan based on Strengths and Opportunities as well as Weaknesses and Threats. This research uses a descriptive research type. The respondents are all the management staff of the Company as many as 4 people that were selected by purposive sampling technique. The research instrument uses a SWOT questionnaire, with 17 criteria for Internal and External Strategic Factors. The results of the study show that Multi Jaya Lombok (MJL) is in a very favorable situation where the company has opportunities and strengths so it must be able to take advantage of the opportunities that exist today.

**Keywords:** SWOT Analysis, Strategic Factors, Multi Jaya Lombok.

## INTRODUCTION

SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis is very commonly known and easy to do. The strategic management process is a process that includes strategic planning, implementation, or implementation and evaluation (Zia, Semiarty, and Lita, 2018). The analysis is an activity to understand all the information contained in a case, find out what issues are going on, and decide what action should be taken immediately to solve the problem. So it can be concluded that SWOT analysis is a systematic identification of various factors to formulate a strategy for a company and internal and external organizations (Kirana and Nugraheni, 2022). This analysis is based on the logic that can maximize strengths and opportunities, but simultaneously can minimize weaknesses (Weaknesses) and threats (Threats) (Amaliah et al., 2017). Based on this explanation, this study aims to make a follow-up decision regarding renewing the management system at PT. Multi Jaya Lombok, as a form of strategic planning by looking at the location of the calculation results of the SWOT analysis of PT. Multi Jaya Lombok in the quadrant.

To make a plan, must evaluate external factors, as well as internal factors. Analysis of the factors, must produce the strengths, (strengths) possessed by an organization, as well as knowing the weaknesses (weaknesses) that exist in that organization. While the analysis of external factors must be able to find out the opportunities (opportunities) that are open to the organization and also be able to find out the threats (threat) experienced by the organization concerned. Appropriate strategies for marketing activities need to be implemented so that communication objectives can be achieved and as per desired expectations (Santoso & Alawiyah, 2021). Designing a strategy can be done by analyzing and utilizing strengths and opportunities, and at the same time should be able to minimize and suppress weakness and threats so that a superior strategy can be achieved (Tamara in Sakdiah & Arpenas, 2018).

Devi, Pringgandinie, Yulina, and Hadiansah (2022) said that the effective use of SWOT analysis can play an important role in determining competitive strategies, in order to know the strengths, weaknesses, opportunities and threats faced by the company in maintaining the company's survival. To analyze SWOT more deeply, it is necessary to look at external and internal factors as important parts of a SWOT analysis, namely: (Pearce and Richard, 1997). These external factors affect opportunities and threats (O and T). Where this factor relates to conditions that occur outside the company that affects the company's decision-making. This factor includes the industrial environment and macro environment, economy, politics, law, technology, population, and socio-culture.

These internal factors influence the formation of strengths and weaknesses (S and W). Where this factor relates to the conditions that occur in the company, which also affects the formation of company

decision-making. These internal factors include functional management: marketing, finance, operations, human resources, research and development, management information systems, and corporate culture (Fahmi, 2014).

The SWOT matrix can describe how the opportunities and threats from the company's external environment are anticipated with the strengths and weaknesses it has. The SWOT matrix will make it easier to formulate various strategies. The alternative strategies taken must be directed at efforts to use strengths and improve weaknesses, take advantage of business opportunities, and overcome threats. So from the SWOT matrix, four groups of alternative strategies will be obtained which are called the SO strategy, ST strategy, WO strategy, and WT strategy. (Mudraja Kuncoro, 2005)

Each of these alternative strategies is (Umar, 2010):SO Strategy (Strenght-Opportunity). This strategy is based on the company's mindset, namely by utilizing all the strengths it has to seize and take advantage of as many opportunities as possible.

ST Strategy (Strenght-Threath). This strategy is made based on the strengths of the company to anticipate existing threats.

WO Strategy (Weakness-Opportunity). This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses.

WT Strategy (Weakness-Threath). This strategy is based on defensive activities, trying to minimize the company's weaknesses and at the same time avoid threats.

### METHOD

This research uses a descriptive research type. The respondents are all the management staff of the Company as many as 4 people that were selected by purposive sampling technique. The research instrument uses a SWOT questionnaire, with 17 criteria for Internal and External Strategic Factors. Calculations with weights and values are carried out for each IFAS (Internal Factor Analysis Strategy) and EFAS (Internal Factor Analysis Strategy). Weights are given a total value of 1.00 for internal as well as external. Scores are given for each observation criterion between 5 which means very strong to 1 which means very weak. The number of multiplications between the weight and value of each internal and external criterion will then become a coordinate point (x, y) which will be placed in a SWOT quadrant.

### RESULTS AND DISCUSSION

The results of the SWOT analysis of Internal Strategic Factors are briefly presented 17 criteria as measured by their values and weights.

Table 1. Results of SWOT Analysis of Internal Strategic Factors

| No.      | Item Internal Factor Analysis Summary (IFAS)  | Mark | Weight | M*W         |
|----------|---|------|--------|-------------|
| <b>A</b> | <b>Strengths</b>  |      |        |             |
| 1        | Results and innovation increase every year because they already use digital technology                        | 3    | 0.15   | 0.45        |
| 2        | Developing its business in the procurement of construction materials by becoming a Conwood distributor in NTB | 4    | 0.15   | 0.6         |
| 3        | Has complete infrastructure   | 3    | 0.15   | 0.45        |
| 4        | Standardized workforce  | 4    | 0.05   | 0.2         |
| 5        | Has advanced and adequate technology  | 3    | 0.1    | 0.3         |
|          | Sub-Total   |      |        | 2           |
| <b>B</b> | <b>Weaknesses(Weakness)</b>   |      |        |             |
| 6        | Comply with the policies that have been set   | 2    | 0.05   | 0.1         |
| 7        | Human Resources (HR)  | 2    | 0.1    | 0.2         |
| 8        | The facilities are sufficient   | 1    | 0.1    | 0.1         |
| 9        | Employee work skills are up to standard   | 2    | 0.05   | 0.1         |
| 10       | So far, health workers have been sufficient, but during this pandemic, many human resources had double duties | 1    | 0.05   | 0.05        |
| 11       | The organizational structure within the company is clear  | 2    | 0.05   | 0.1         |
|          | Sub-Total   |      | 1.00   | 0.65        |
|          | <b>Total IFAS</b>   |      |        | <b>2.65</b> |

After the results of the scoring are obtained, a positioning chart can be made, where the vertical axis shows the total score of external aspects and the horizontal axis shows the total score of internal aspects. The coordinates of the two aspects show the position of the relevant MJL. From the calculation of the score where the opportunity and threats lines are 3.2 and the strength/weakness line is 2.65, MJL's position is in quadrant I according to the figure 1.

Table 2. Results of SWOT Analysis of Eksternal Strategic Factors

| No.                    | Item Eksternal Factor Analysis Summary (EFAS)   | Mark | Weight | M*W        |
|------------------------|---|------|--------|------------|
| <b>A Opportunities</b> |   |      |        |            |
| 12                     | There is support from financial institutions for additional capital   | 3    | 0.2    | 0.6        |
| 13                     | Active partner  | 4    | 0.2    | 0.8        |
| 14                     | Ongoing regional development  | 2    | 0.15   | 0.3        |
| 15                     | Population growth continues to increase   | 3    | 0.1    | 0.3        |
|                        |   |      |        | 2          |
| <b>B Threats</b>       |   |      |        |            |
| 16                     | Directly proportional to the high industry demand for professionals in the construction sector with the high number of companies operating in the construction sector | 3    | 0.2    | 0.6        |
| 17                     | Several large and experienced construction companies are more considered to be accepted in tenders for physical development in government projects                    | 4    | 0.15   | 0.6        |
| Sub-Total              |   |      | 1.00   | 1.2        |
| <b>Total EFAS</b>      |   |      |        | <b>3.2</b> |

- a) Quadrant 1: This is a very favorable situation. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy (growth-oriented strategy).
- b) Quadrant 2: Despite facing various threats, this company still has internal strength. The strategy that must be implemented is to use strength to take advantage of long-term opportunities by way of a diversification strategy (product/market).
- c) Quadrant 3: The company faces enormous market opportunities, but on the other hand, it faces various internal constraints/weaknesses. The focus of this company's strategy is to minimize the company's internal problems so that it can seize better market opportunities.
- d) Quadrant 4: This is a very unfavorable situation, the company is facing various internal threats and weaknesses.

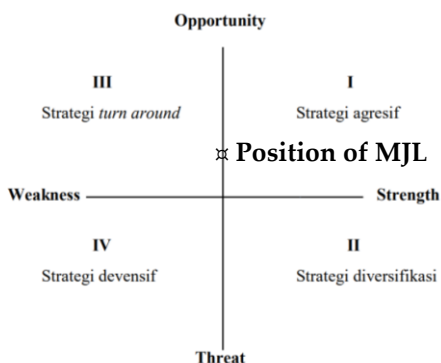


Figure 1. MJL Position Diagram

From the description, Multi Jaya Lombok (MJL) is in a very favorable situation where the company has opportunities and strengths so it must be able to take advantage of the opportunities that exist today. The

strategy that must be applied in this condition is to support an aggressive growth policy (growth-oriented strategy).

There are current strengths, namely the achievement of continuously increasing performance due to the use of digital technology, business development in the procurement of construction materials by joining as a Conwood distributor in West Nusa Tenggara, having complete infrastructure, a workforce that meets standards and has sophisticated technology. and adequate must be utilized as much as possible for the growth of the company. In addition, the opportunities that exist are related to support from financial institutions for additional capital, working partners who continue to be active, ongoing regional development at both the district/city and provincial government levels, as well as population growth which continues to increase so that increasing the number of requests must be achieved by PT. Multi Jaya Lombok.

### CONCLUSION

PT. Multi Jaya Lombok (MJL) is in a very favorable situation where the company has opportunities and strengths so it must be able to take advantage of the opportunities that exist today. The strategy that must be applied in this condition is to support an aggressive growth policy (growth-oriented strategy).

There are current strengths, namely the achievement of continuously increasing performance due to the use of digital technology, business development in the procurement of construction materials by joining as a Conwood distributor in West Nusa Tenggara, having complete infrastructure, a workforce that meets standards, and sophisticated technology. All of that must be utilized as much as possible for the company's growth. In addition, the opportunities that exist are related to support from financial institutions for additional capital, partners who continue to be active, ongoing regional development at both the district/city and provincial government levels, as well as population growth which continues to increase so that increasing the number of requests must be achieved by PT. Multi Jaya Lombok.

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