



## Proposed Business Strategy for Company X

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**ABSTRACT:** In 2019, Covid outbreak affect business situation that leads to decline due to lockdown and economic fall. However, Covid-19 pandemic create opportunity for IT sector to grow. Reflect the situation, in 2020 to 2021, company X suffered loss in income as of minus 903,167,461 rupiahs. The company suffer 5.33% and 9.16% revenue decrease in 2021 and 2022, and target revenue was not achieved. This research is conducted to assess internal and external factors that affect company X profitability and formulate strategy based on the problem occurred. This research is using qualitative approach with data collected through literature review, observation, and in-depth interviews with company X.

**KEYWORDS:** Business Strategy, IT Sector, Marketing Strategy.

### INTRODUCTION

The competitive landscape of the economic business world has been significantly influenced by technological advancements in recent decades. In response to these changes, companies have adopted strategies such as automating their business operations, collecting industry-specific information, and leveraging it to gain a competitive edge [1]. Indonesia is experiencing significant advancements in various technology trends. Factors such as the rapid growth of information technology, urbanization, and consumerism in urban areas aid in the advancement of technology within the country. The "Making Indonesia 4.0" initiative aims to improve the economic cycle and position Indonesia as one of the top 10 global economies by 2030. The successful implementation of Industry 4.0 relies on crucial factors like the availability of digital infrastructure, including IoT, artificial intelligence, augmented reality, virtual reality, and other technologies [2]. These advancements play a vital role in driving Indonesia's journey towards Industry 4.0.

Company X, a technology company based in Indonesia, dedicated to delivering innovative solutions for businesses through a technological approach. As market interest continues to expand and Indonesia's technology industry experiences rapid growth, competition among IT vendors intensifies. However, company X reported their operating revenue as declined in 2021, with the net loss of 903 billion rupiahs for the year 2021. Company X suffered loss in income from 2020 to 2021 with approximately 6% loss, and from 2021 to 2022 with approximately 10% loss. Within these two years, the world suffered from Covid-19 pandemic that has brought most business sector to fall. However, compared to many other industries, the pandemic gave IT industry many opportunities with massive market expansion. By 2025, it is anticipated that IT companies in Indonesia will experience a substantial rise in digital innovation across multiple sectors, resulting in a potential annual economic impact of USD 150 billion [3]. Given the abundant opportunities available, it is crucial for Company X to reevaluate its business strategies and consider new approaches to ensure continuous growth and sustainability.

### LITERATURE REVIEW

The literature review highlights several key factors to consider in developing a successful business strategy for Tech Company. This research emphasizes the importance of differentiation and innovation as crucial elements for gaining a competitive advantage in the fast-paced tech industry. Porter's Differentiation Strategy seeks to create a competitive edge by offering unique and innovative product or service, that makes the company can stand out from competitor and attract customers. This research emphasis two hierarchies of strategy, the first is business strategy that serves as competition strategy. Wandebori (2019) defined business strategy as a comprehensive commitment to utilize and improve resources into capabilities that form the basis for superior competence to gain competitive advantage with one product market [4]. Business strategy is developed with a customer-centric approach, focusing on achieving leadership and differentiation through product and pricing strategies [5]. The second is functional strategy that serves as more technical strategy in the form of marketing, operations, HR, finance, and technology [4]. Functional strategies serve two



crucial purposes: supporting the overall business strategy and providing guidance to functional managers to enhance performance within their respective functional areas. Functional strategy formulated based on integrated analysis and TOWS Matrix analysis. Business strategy is perceived as a fluid concept that outlines how an organization will compete and interact with different stakeholders in order to attain overarching organizational objectives [6]. Customer-centricity emerges as a critical focus area. Kotler's consumer analysis framework used to understand the business's target customers in order to draw meaningful conclusions to develop successful marketing strategy [10]. Understanding customer needs, preferences, and pain points is vital for tailoring products or services to meet their expectations. The steps to perform customer analysis using Kotler's framework are: identify customer segment, identify needs and various factors that influence customer behavior, develop strategies, and monitor and evaluate strategies. When examining business strategy, the process of strategy formulation involves aligning internal factors with external factors. Internal analysis involves assessing the organization's resources and value chain activities to identify and leverage superior capabilities and competencies, ultimately leading to a competitive advantage [11]. Internal analysis measured with two instruments: Resource analysis and Porter Value Chain Analysis. While external analysis involves examining the elements present in the external surroundings of an organization, and subsequently evaluating the potential opportunities and obstacles that the organization may encounter [16]. By assessing the factor of external environment, the business can mitigate threats and leverage opportunities [17]. External analysis measured with three instruments: General Environmental analysis, Porter Five Forces, and Competitor analysis. General environmental analysis is a strategic tool for identifying and assessing external aspects in a business environment, with seven factors to be identified, which are Political/Legal, Economic, Demographic, Social-Culture, Technological, Global, and Physical [4]. Porter's Five Forces analyze and shapes industry competition by considering the intensity of rivalry among existing competitors, the potential threats posed by new entrants, the bargaining power of suppliers and buyers, and the availability of substitute products and services [7]. Competitor analysis used to assess the capabilities and vulnerabilities of rival firms [12]. According to Zahra and Chaples (1993), competitive analysis can be described as the systematic effort made by a company to define and comprehend its industry, identify its competitors, evaluate the strengths and weaknesses of its rivals, and anticipate their future actions [19]. The purpose of competitive analysis is to gain a thorough comprehension of the competitive factors present in the competitive environment of a specific organization. Where it seeks to comprehend the organization's industry, its competitive standing within the industry, the essential conditions for survival and success, as well as the nature of competition and the market dynamics [20]. Which is why, managers require competitive information to gain insights into the industry and its competitor [18]. Porter (1980) outlines four key components of competitor analysis that enable informed predictions about The competitor's response profile includes their future objectives, present strategy, underlying assumptions, and overall capabilities.

From internal and external analysis, a SWOT will be formed that serves as a decision-making tool to determine an organization's strategy. By examining the external and internal environments of the organization, a SWOT analysis is conducted to ascertain the strategic vision of the firm [22]. SWOT analysis helps in identifying which resources and capabilities of an organization are likely to offer a competitive advantage and which ones may not be as advantageous [13]. When utilized effectively, SWOT analysis has the potential to serve as a solid foundation for the successful development of strategies [21]. After conducting a SWOT analysis, the TOWS matrix is created to facilitate strategy development by exploring the relationships between the identified Strengths, Weaknesses, Opportunities, and Threats. Which systematically recognizes the connections among these components and offers a structure for generating strategies that are grounded in these connections [15]. Prior research by Prastika and Fachira (2023) that used SWOT analysis and TOWS matrix to analyze strategy for small IT business in Indonesia, based on the situation of the company, the study suggests that the company should implement a strategic plan that maximizes its strengths and opportunities, while effectively addressing weaknesses and mitigating potential threats in the fiercely competitive IT industry of Indonesia [23]. The strategy formulation process involves developing a strategy, plan, or solution that will be implemented, outlining the required steps to formulate an ideal strategy or solution in order to achieve the best possible outcomes [24].

According to Solihin (2012), business strategy should not be confused with corporate level strategy. They are distinct concepts and should not be considered interchangeable [25]. Business-level strategy focuses on the company's competitive position within an industry relative to its competitors. The main focus of business-level strategy is to improve the competitive position of the company's products and services within targeted market segments. The main focus is on improving competitiveness within targeted markets [26]. Michael Porter (1998) proposed three universal competitive strategies with the goal of establishing a reliable long-term position and surpassing competitors, which are: Cost Leadership, Differentiation, and Focus [27]. Each strategy can be implemented



separately or combined with one another as needed. By aligning the company’s resources, capabilities, and market opportunities, companies can effectively determine whether a cost leadership or differentiation strategy best suits their circumstances. This matching process ensures that businesses can leverage their strengths and position themselves advantageously in the market, ultimately driving sustainable growth and competitive advantage.

**METHODOLOGY**

This research is a qualitative research, which is expressed through the use of language that includes emerging questions and procedures, with generally acquired data in participant’s environment [19]. The study utilized cross-sectional data collection to expedite the research process given its limited duration. This approach involves gathering data from multiple individuals at a single point in time and provides insights into the prevalence of outcomes or exposure [28]. This research gathered relevant data from Company X, encompassing both primary and secondary sources. Primary data was obtained through surveys, observations, and personal interviews conducted with Company X to gain insights into their current business situation. According to Burges (1984) and Lofland & Lofland (1995), in-depth interviews are described as a conversational form [29] [30]. In-depth interviewing is a qualitative research approach that involves conducting extensive one-on-one interviews with a small number of participants to explore their perspectives on a specific concept, program, or situation [31]. In-depth interviews were conducted using open-ended questions to gather comprehensive information. Secondary data was collected from various existing resources such as publications, journals, reports, and other managerial information pertaining to Company X and the IT industry. The data collected from Company X helped identify the business issue, which was further analyzed through consumer analysis and environmental analysis to understand the internal and external factors impacting the problem. Strategies were formulated using analytical tools like the TOWS matrix, VRIO framework, and integrated analysis approach.

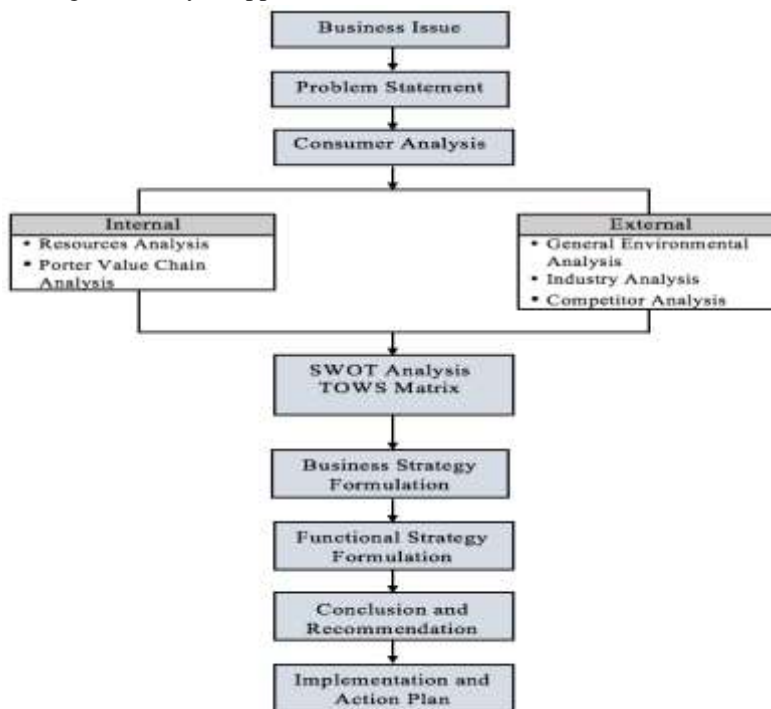


Figure 1. Conceptual Framework

**ANALYSIS**

**A. Consumer Analysis**

Kotler's consumer analysis framework is utilized to gain a deeper understanding of a business's target customers, enabling the development of effective marketing strategies. This involves employing the segmentation, targeting, and positioning (STP) approach to analyze and define specific customer segments for better market positioning.



**I. Segmentation**

Company X segmented their customer based on the type of customer who needed technology to operate, which are company that is engaged in real estate, mining, agriculture, tourism, government, supply chain, finance/bank, and asset management. In their operation, the company needed technological problem solving to make work efficient.

**II. Targeting**

Company X is targeting companies at government and private sector companies with medium and high company market size. The company use direct marketing which is outbound marketing as the method to create relationships with customers. This approach involved directly reaching out to potential customers through mailings and cold calls, leveraging both first and second-degree connections, in order to secure deals. The company would first analyze the potential customer by uncovering their pain, then proposed technology based solution to overcome the customer’s problem.

**III. Positioning**

Positioning refers to the capacity to establish a specific perception in the minds of consumers that shapes their views of a brand or product. To effectively position themselves in the eyes of customers, a company should concentrate on emphasizing its competitive advantage, which can be achieved through marketing communication efforts. Company X as a company that provided IT product/service should focus on showing the company’s expertise by providing certifications and portfolio to convince consumers that company X always providing high quality product/service. This can be done by using marketing channels, develop partnership and strategic alliances.

**B. External Analysis**

**I. General Environment Analysis**

The overall environment comprises various dimensions in the macro environment that directly impact the industry and indirectly affect the company’s operating within it [4]. This analysis assesses both internal and external factors within the organization and the industry that can influence the business positively or negatively. The analysis considers seven key factors, namely Political/Legal, Economic, Demographic, Social-Culture, Technological, Global, and Physical [4].

**Table 1.** General Environment Analysis

Factor	Description
Politic & Legal	The Indonesian government has created a Digital Indonesia Roadmap 2021-2024 that focuses on four essential sectors: digital infrastructure, digital government, digital economy, and digital society.
Economic	Indonesia is a suitable place for digital technology investments due to the size of its main Southeast Asian markets. Which can be an opportunity for IT businesses in Indonesia to prepare for the utilization of current and new technology.
Social Culture	TechInAsia (2015) indicates Indonesians as the late adopters, with the behavior of adopting products and services that have high popularity in the market. This behavior makes the tech industry have difficulty in offering new and innovative ideas. Digital adoption has undeniably accelerated, with Indonesia's internet penetration has increased dramatically to 73% across all 34 provinces (voi, 2020).
Technology	Technology, particularly digital, robotics, and automation is increasing and having a dramatic influence in various industries, including manufacturing, energy, and housing. McKinsey (2022) foresee four technology-based development drivers to be particularly important for Indonesia’s economy: clean tech, the future of connectivity that includes 5G and the Internet of Things (IoT), distributed infrastructure such as cloud and edge computing, and next-level process automation.
Physical	The use of AI has high energy consumption that is required to run it. Whereas, the use of AI is also an excellent tool to better understand and solve environmental problems. The energy bill for ICT remains high and is anticipated to rise as applications and user bases develop.
Demography	Indonesia’s population as of 2022 is 275.77 million with population growth in 2022 is 1.17% (Badan Pusat Statistik, 2022). When the population increases, the income withdrawn will also increase. Population is the main resource that has a major influence on infrastructure development.
Global	Indonesia has become the largest user of Information Technology (IT) in Southeast Asia (Latif, 2021). The development of technology adoption has risen sharply and keeps constantly developing in all industry sectors which are manufacturing, e-commerce, transportation, health, and education.



## II. Industry Analysis (Porter's 5 Forcer)

The Porter's Five Forces framework is based on the idea that organizations can shape their strategies and navigate the competitive landscape by comprehending the opportunities and threats it presents. This framework proves valuable in helping companies evaluate industry performance, anticipate the effects of trends on competition, identify favorable industries for competition, and establish effective positioning strategies for achieving success [7].

**Table 2.** Industry Analysis

No.	Description	High-Low
1	Threat of New Entrants	Low
2	Bargaining Power of Suppliers	Low
3	Bargaining Power of Buyers	High
4	Threat of Substitute Products	Low
5	Rivalry Among Competitors	High

## III. Competitor Analysis

Competitor analysis is the process of identifying competitors in the same industry. As a result, direct competitors to be investing ted are company A and company B.

### a) Company A

Founded in 2018, Company A operates in Indonesia, specializing in the provision of location and business intelligence software. Their expertise lies in combining geospatial data with machine learning for predictive analysis. With an extensive database consisting of over 6 million Points of Interest (POI) in Indonesia, 1100 thematic data, and information from 138 million mobile devices, the company collaborates with government entities like the Ministry of Tourism and Creative Economy and Jasa Raharja to offer location intelligence using spatial data. Their target markets encompass various sectors including FnB, retail, supply chain, agriculture, environment, and government, enabling them to enhance business decision-making by integrating client data with their own. Key strengths include a strong brand identity, a reputable company image, a robust managerial strategy, and a readiness for rapid expansion. The company has also formed numerous partnerships and collaborations with both government and private entities, setting it apart as a geospatial company with the largest data repository. However, a notable weakness is the potential reliance on a single product or service.

### b) Company B

Established in 2018, Company B operates as an IT services and consulting firm. Their offerings include a range of accessible or open-source products that seamlessly integrate to facilitate the transfer and processing of geospatial data. With over 2,000 users, including more than 900 active users, the majority of their user base consists of licensed organizations. Company B primarily targets diverse sectors such as industry, agriculture, and mining, aiming to optimize data processing and analysis to support decision-making processes. Notable strengths include a well-structured human resource management system. However, being a relatively new company, Company B faces challenges in terms of low brand recognition and securing investment.

## C. Internal Analysis

### I. Resources Analysis

The Resource-Based View approach examines and interprets an organization's internal resources, highlighting their importance in formulating strategies that lead to sustainable competitive advantage [8]. This method stated that company sustainable competitive advantage is valuable, rare, cannot be imitated, and no substitute.



Table 3. Resources Analysis

Resource	V	R	I	O	Competitive Implication
Finance	✓				Competitive parity
Organization	✓	✓			Temporary competitive advantage
Physical	✓				Competitive parity
Technology	✓	✓	✓	✓	Sustainable competitive advantage
Human Resource	✓	✓	✓		Unused competitive advantage
Innovation	✓	✓	✓	✓	Sustainable competitive advantage
Reputation	✓	✓			Temporary competitive advantage

**II. Value-Chain Activity Analysis**

Value chain analysis entails evaluating the activities conducted both internally and externally by an organization and linking them to the evaluation of the organization's competitive advantage. This analysis evaluates the extent to which each operation contributes value to the organization's products or services.

Table 4. Value-Chain Activity Analysis

Activity	Description
<b>Primary Activities</b>	
Inbound Logistics	Inbound logistics activities include all processes that are associated with receiving, storing, and distributing internal inputs. Inbound logistics activities in company X: sourcing and procurement, purchasing & scheduling, transportation, receiving
Operations	Operational activities in company X start with Product team to help with product development and design. Then, it will be transferred to the Technology team, they will do data gathering, analysis, and provide assistance and insight on product technology. Product team and Technology team will work together, and do the final quality checking by the Chief of Technology. The next step is calculating the cost of producing the product, and the administration process will continue.
Marketing and Sales	Partnership and Strategic team are assigned marketing and sales task in order to gain sales for the company.
Services	Company X provides service maintenance up until 6 months after purchases.
<b>Support Activities</b>	
Firm Infrastructure	Company X has three founders who have high experience in geospatial analytics and employees with skills and expertise in the information and technology field, which makes the company able to seek opportunities, problem-solving, seek new customers, and retain the customer. The finance team helps to analyze the company to make important decisions and improve the efficiency and effectiveness of company operations.
Human Resources Management	This activity involved recruiting, training, and employee management who works and are involved in company X. This activity is carried out by the Human Resource team, which manage all activity for managing employees.
Technology Development	Computer programs, networks, databases, web technologies, artificial intelligence (AI), and technical knowledge are used by the company to support operations.
Procurement	Company X has a different supplier for the product or service they are offered. The company did not have an exclusivity agreement with the supplier, which makes the supplier set a higher price for the product and have to wait for the availability of the product. On the other hand, the company could not choose another supplier since not so many companies own and sell the system.

**D. SWOT Analysis**

SWOT analysis is performed to assess the internal and external factors that can influence the business. By analyzing strengths, weaknesses, opportunities, and threats, the company can evaluate its current position and implement suitable strategies and business plans.



Table 5. SWOT Analysis

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> <li>The first to have TKDN certificate for GIS software named in Indonesia.</li> <li>Human resources have skillset that is necessary in this industry. Some of the employee won several tech and design contests.</li> <li>Knowledge resource makes the company strong in technology innovation.</li> <li>Work portfolio can be the advantage of being trustworthy IT company.</li> <li>Have a good reputation in the eyes of customers.</li> </ul>	<ul style="list-style-type: none"> <li>Less human resources which makes performance less efficient.</li> <li>Did not have exclusivity agreement with the suppliers, where supplier have more power to set price.</li> <li>High cost, the company cannot manage it costs efficiently.</li> <li>Bootstrapping method in funding can hinder future investment and limit business growth.</li> <li>Most customers do one-time purchase and often do re-order.</li> </ul>
OPPORTUNITY	THREATS
<ul style="list-style-type: none"> <li>Information technology advancement, future growth of technology that would benefit the company.</li> <li>Roadmap to Indonesia Digital, company X as IT company can offer the product and services to support the roadmap.</li> <li>Company X can expand the market segment, as digital technologies offer expanded market and support MSMEs in business operation.</li> </ul>	<ul style="list-style-type: none"> <li>Many similar competitors in the market, with both related and unrelated product and services.</li> <li>Big competitor has good brand identity, which can make it hard for company X to compete in tender process.</li> <li>Patents and regulatory requirements regarding tech products.</li> </ul>

**BUSINESS SOLUTION**

**TOWS Matrix**

The TOWS matrix is a comprehensive tool that integrates components of SWOT analysis and considers the interconnectedness between Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T) to generate strategic insights and recommendations. The TOWS matrix serves as a framework for creating, comparing, deciding, and evaluating business strategies.

Table 6. TOWS Matrix

	STRENGTH	WEAKNESS
	<ul style="list-style-type: none"> <li>The first to have TKDN certificate for GIS software named Geodashboard in Indonesia. (S1)</li> <li>Human resources have skillset that is necessary in this industry. (S2)</li> <li>Knowledge resource makes the company strong in technology innovation. (S3)</li> <li>Work portfolio can be the advantage of being trustworthy IT company. (S4)</li> <li>Have a good reputation in the eyes of customers. (S5)</li> </ul>	<ul style="list-style-type: none"> <li>Less human resources which makes performance less efficient. (W1)</li> <li>Supplier have more power to set price. (W2)</li> <li>High cost, the company cannot manage it costs efficiently. (W3)</li> <li>Bootstrapping method in funding can hinder future investment and limit business growth. (W4)</li> <li>Most customers do one-time purchase and often do re-order. (W5)</li> </ul>
OPPORTUNITY	SO Strategies	WO Strategies
<ul style="list-style-type: none"> <li>Future growth of technology that would benefit the company. (O1)</li> <li>Roadmap to Indonesia Digital. (O2)</li> <li>Can expand the market segment. (O3)</li> <li>Indonesia is a suitable place for digital technology investments due to the size of its main Southeast Asian markets. (O4)</li> </ul>	<ul style="list-style-type: none"> <li>Prepare for customer pitching. (S4, S5, O1, O2, O4)</li> <li>Create strategic marketing plan. (S2, S3, S4, S5, O1, O2, O3, O4)</li> <li>Utilizing reputation of high quality product and service to capture new market. (S1, S2, S3, S4, O1, O2, O3, O4)</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate financial statement and decide whether to have external investor or not. (W1, W3, W4, O1, O4)</li> <li>Cost reduction strategy. (W3, O1)</li> <li>Effective resource allocation (W1, W2, W3, O3)</li> </ul>
THREATS	ST Strategies	WT Strategies
<ul style="list-style-type: none"> <li>Many similar competitors in the market. (T1)</li> <li>Big competitor has good brand identity. (T2)</li> <li>Patents and regulatory requirements regarding tech products. (T3)</li> </ul>	<ul style="list-style-type: none"> <li>Explore strategic partnership opportunities. (S3, S4, S5, T1, T2, T3)</li> <li>Keep Innovating. (S2, S3, S4, T1, T2)</li> <li>Increase company' s social activities. (S4, S5, T1, T2)</li> <li>Highlight and make use of company' s competitive advantage. (S1, S2, S3, S4, S5, T1, T2)</li> </ul>	<ul style="list-style-type: none"> <li>Develop partnerships and strategic alliances. (W2, W3, T1, T2)</li> <li>Developing a strong brand identity (W5, T1, T2)</li> <li>Know the customers, establish good relationship with customers. (W5, T1, T2)</li> </ul>



## **BUSINESS-LEVEL STRATEGY**

Business-level strategy centers on how a company positions itself in relation to competitors within a particular industry. To achieve a competitive strategic advantage, a company must effectively utilize its competitive advantage to meet consumer needs and remain competitive in the product market [4].

### ***A. Porter's Generic Level Strategy***

Porter's generic strategies encompass a range of approaches used to achieve a competitive advantage at the business level. These strategies, outlined by Porter (1985), consist of cost leadership, differentiation, focused cost leadership, focused differentiation, and integrated cost leadership and differentiation. In the case of company X, based on the VRIO framework, the company excels in technology, human resources, and innovation, allowing them to provide unique and distinctive products or services. Therefore, a suitable business-level strategy for company X would be Differentiation.

According to Wandebori (2019), companies can enhance differentiation through two means: being more distinctive in performing the same activity or creating new value activities that increase distinctiveness. To achieve differentiation, companies can focus on increasing differentiation resources, reducing differentiation costs, altering rules for creating distinctiveness, and reorganizing value activities. In the context of company X, based on the VRIO and value chain analysis, the approach of increasing resources would support the differentiation strategy. Sustaining differentiation requires the presence of unique value activities that can influence customer purchasing criteria.

The following are some methods for increasing resources in differentiation: amplify resources for differentiation in value activities, make actual product use as designed, create value signals to strengthen differentiation in criteria of use, provide product-related information to facilitate usability and signal [4]. Increase differentiation resources should allow the company to support uniqueness as demonstrated with the company's ability to provide barrier against the threat of imitation. Based on the analysis, IT industry have high rivalry among the competitors where there are many similar competitors in the market that will offer a product or service that is hard to draw lines between IT products. To be competitive in the competition, the company need to differentiate itself from the competitor. Differentiation will result in superior performance if the consumer perceived value exceeds the cost to the differentiation.

## **FUNCTIONAL STRATEGY**

Functional strategies serve two crucial roles: supporting the overall business strategy and aiding functional managers in enhancing performance within their respective functional areas. These strategies are developed through comprehensive analysis, including integrated analysis and TOWS Matrix analysis.

### ***A. Business and Strategic Development***

Business development involves the activities of identifying, nurturing, and acquiring new customers and business opportunities to drive growth and enhance profitability. Which includes increasing revenues, business expansion, increase profitability by building strategic partnership, and make strategic business decisions. As per the findings from the TOWS matrix analysis, it is recommended for the company to focus on cultivating partnerships and strategic alliances. A strategic alliance is needed to achieve mutual goals and growth with other company while still retaining independence. By having mutual planning and marketing ideas together will hugely increase the company with expanding the customer base. Company X still lacks in terms of company's reputation; this strategy should allow the company to increase its brand identity. Building partnership could also be done with the supplier, as both the company and supplier could achieve mutual benefit. Based on the analysis, company X has smaller power in terms of its relationship with customer. Building partnership with supplier will allow the company to reduced costs, increased efficiency, minimize price, and may gain an exclusivity agreement with the supplier in supplying the product. The company could also increase their participation in tender process/projects, as it would increase the experienced and added company's portfolio which would enhance the company's credibility and apply new knowledge.

### ***B. Marketing Strategy***

Marketing strategy centers around the identification and fulfillment of customer needs [9]. This involves determining the allocation of resources to the marketing department. Marketing strategy is related to pricing, sales, and product distribution [4]. Based on TOWS matrix, create strategic marketing plan to develop a strong brand identity on the value chain are the key strategies for successful marketing development. A strong brand identity can help to increase the awareness of the company's product and service,





that can lead to profitability and increased customer loyalty. To increase brand identity, the company can focus on building brand awareness through marketing campaigns, create brand's personality with branding elements that act as a visual trademark for identifying the brand.

Another marketing strategy that the company could use to improve their competitive position in the market is intensive strategy. Intensive strategy encompasses market penetration, market development, and product development approaches. Based on the analysis, the company have a wide segmentation with the criteria of needed technology advancement. The company need to focus on attracting new potential customers from other markets that have not yet been reached. Thus, the company should implement market development strategy to increase the company's profitability, increase brand recognition and adapt to changing customers' needs and industry trends. Market development strategies may include price penetration, geographic expansion, branding, and distribution.

## CONCLUSION

The decline in revenue and failure to achieve revenue targets for the company indicate sluggish growth, highlighting the need for a comprehensive analysis of internal and external factors. To assess the external conditions of the company, a combination of general environmental analysis, industry analysis, and competitor analysis has been employed. Opportunities emerge from the conditions and circumstances in Indonesia's government in increasing the use of technology, applying Indonesia digital transformation. Rapid development of technology was due to Covid-19 pandemic who change the social culture of Indonesian as it accelerated the adoption of digital technologies has also affect companies to make a change to technology. Based on the industry analysis, intensity of rivalry among competitors is high, lower bargaining power of supplier limits the threat of the new entrants in entering the business. However, the company has low reputation among IT Company that influence the company's profitability.

Internal analysis was performed using resource analysis and porter value chain analysis. Based on the resource analysis, the company excel in technology, human resource, and innovation, which allow the company to offer unique, different, and distinct product or services that allows them to have differentiation strategy. However, the company is still lacking in the marketing & sales and procurement section. Internal and external analysis factors then used to formulate strategies using TOWS matrix. With the analysis that is collected, strategies are proposed to solve company X problem are business strategic development and marketing strategy.

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