SWOT Analysis of PT XYZ by Identifying Strengths and Challenges in the Company

Dhea Anggraeni[1], Hapzi Ali[2]
[1]Bhayangkara Jakarta Raya University, Jakarta, Indonesia, dheaanggraeni210@gmail.com
[2]Bhayangkara Jakarta Raya University, Jakarta, Indonesia, hapzi.ali@gmail.com

Corresponding Author: dheaanggraeni210@gmail.com[1]

Abstract*:* This study focuses on dissecting the strategic positioning of PT. XYZ by employing the SWOT analysis framework. Through this research, the internal elements of the company are identified, namely advantages (Strengths) and limitations (Weaknesses), as well as external aspects consisting of opportunities (Opportunities) and risks (Threats). The primary objective of this analysis is to formulate a suitable strategy for PT. XYZ in maintaining its competitiveness and confronting various obstacles within its business landscape. The method applied is descriptive qualitative, with information gathered through literature review, direct observation, and conversations with relevant parties at PT. XYZ. The findings from the SWOT analysis are expected to provide a comprehensive understanding of the company's strategic standing and serve as a foundation for future strategic decision making.

Keywords: Strenghts, Weaknesses, Oppurtunities, Challenges.

INTRODUCTION

In the dynamic landscape of global business, characterized by intense competition and continuous change, an organization's ability to comprehensively understand its strategic position is a fundamental prerequisite for achieving long-term sustainability and growth (Teece, Pisano, & Shuen, 1997). Comprehensive strategic assessment enables companies to clearly articulate their internal capabilities and external circumstances that impact them, thereby forming a robust foundation for formulating flexible and efficient strategies (Hamel & Prahalad, 1994). Among the various strategic analysis methods available, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis remains a widely used and relevant framework, presenting a structured way to assess the internal advantages, internal shortcomings, external potentials, and external constraints faced by an entity (Learned, Christensen, Andrews, & Guth, 1969).

This research adopts the lens of SWOT analysis to investigate the strategic position of a company operating within its industry environment. The identification of internal strengths, which include unique assets, resources, and capabilities that provide a competitive edge, is a crucial step in understanding a company's strategic potential (Penrose, 1959). Concurrently, an understanding of internal weaknesses, which indicate areas where the company is at a

disadvantage compared to competitors, is essential in recognizing areas that need strategic improvement (Ansoff, 1965).

Beyond the internal perspective, understanding the external environment is equally important. The external environment presents various opportunities that companies can leverage to drive innovation, market expansion, and revenue growth (Abell, 1980). However, the same environment is also marked by various threats, including regulatory changes, the emergence of new competitors, or shifts in consumer preferences, which require proactive strategic responses to protect and enhance the company's position (Kotler & Keller, 2016).

The primary objective of this research is to conduct a meticulous and structured analysis of the strengths, limitations, opportunities, and threats specifically relevant to the company under study. Through careful identification and evaluation, this research seeks to provide an in-depth understanding of the strategic situation facing the company. It is anticipated that the results of this analysis will offer valuable insights for decision-makers in designing and implementing strategies that effectively utilize strengths, address weaknesses, exploit opportunities, and mitigate the impact of threats.

Therefore, this study aims to contribute meaningful insights to the strategic management literature by illustrating a real-world implementation of the SWOT analysis framework within the context of an actual organization. Furthermore, this research underscores the importance of profound strategic understanding as a foundation for achieving sustainable organizational performance and competitive advantage in an increasingly complex business environment.

METHOD

This research employs a qualitative descriptive method to portray the existing situation based on primary and secondary data. The analysis is conducted using the SWOT analysis framework. Primary data collection was carried out through semi-structured interview sessions with management and key staff at PT. XYZ with the aim of identifying internal elements (strengths and weaknesses) as well as their perspectives on external elements (opportunities and threats). Secondary data were obtained from internal company documents, industry sector reports, and relevant literature reviews. Subsequently, the collected data were analyzed qualitatively to identify central themes related to the strengths, weaknesses, opportunities, and threats relevant to PT. XYZ. The results of this analysis will be presented in a SWOT matrix format and a comprehensive narrative description.

RESULTS AND DISCUSSION
SWOT Analysis

SWOT analysis is a crucial, organized technique in the formation of company strategy. It is used to assess the positive aspects (strengths), negative aspects (weaknesses), potentials (opportunities), and dangers (threats) within the business domain. The term SWOT itself is an acronym formed from these four elements. This study encompasses both elements within the organization, such as its internal strengths and weaknesses, and elements from outside the organization, namely the opportunities and risks the company faces. The goal is to identify the strengths, weaknesses, opportunities, and threats that may impact the company's future performance. Data on opportunities and threats can be obtained from various sources, including consumers, official records, suppliers, the banking industry, and other business colleagues. Several organizations use the services of analysis firms, online research, and reviews of relevant trends at both domestic and international levels to gather information (Mashuri, 2020).

As an acronym, SWOT represents an analytical technique that identifies the strengths and weaknesses of a company's internal environment, as well as the opportunities and risks arising from its external conditions. This analysis compares external potentials with the organization's internal capabilities and limitations. The primary goal of SWOT is to identify

the company's advantages and disadvantages, existing market potentials, and various risks that may arise from external factors in the future. This process serves as a tool in the preparation of an organization's strategic plan. Given that organizations operate in two types of environments, internal and external, the analysis of both is crucial for achieving more effective strategic management. This process of evaluating the organization together with its environment is known as SWOT Analysis (Laksana & Waluyo, 2021). Furthermore, SWOT Analysis is defined as a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats relevant to an organization, project, or specific situation (IJESPG Journal, 2025; Asana, 2025; Gramedia, 2022). As an acronym, SWOT provides a systematic framework for identifying and analyzing internal and external elements that can potentially affect the success of an entity (IJESPG Journal, 2025).

Components of SWOT Analysis:
  A. Strengths (S):
     Strengths are positive internal attributes that provide a competitive advantage to an organization (Asana, 2025; Gramedia, 2022). These advantages can include distinctive assets, superior capabilities, a solid brand image, or cost efficiency.
  B. Weaknesses (W):
     Weaknesses are negative internal characteristics that place the organization in a less competitive position compared to its rivals (Asana, 2025; Gramedia, 2022). An example is the lack of certain resources.
  C. Opportunities (O):
     Opportunities are positive external elements that the organization can exploit to achieve its goals (Asana, 2025; Gramedia, 2022). These can include developing market trends, technological evolution, supportive regulatory changes, or unmet consumer demand.
  D. Threats (T):
     Threats are negative external elements that have the potential to hinder the organization's progress (Asana, 2025; Gramedia, 2022). Examples include the emergence of new competitors, changes in consumer preferences, a downturn in economic conditions, or unfavorable regulatory changes.

Company Strengths

Positive capabilities and assets within the company that generate a competitive advantage are referred to as strengths. These are the unique capabilities and assets that the company possesses, enabling it to operate effectively and efficiently, and to succeed in the market. Strengths can encompass various aspects, such as:

  A. Superior Resources: For example, patented technology, a well-known and respected brand, strong financial capital, or exclusive natural resources.
  B. Competent Capabilities: Examples include specialized employee expertise, efficient production processes, an extensive distribution network, or exceptional customer service.
  C. Organizational Advantages: Such as a positive company culture, continuous innovation, or experienced management

Identifying and leveraging strengths is key for a company to seize opportunities and overcome challenges. Strengths are the foundation upon which strategic goals can be built.

Challenges within the Company

In the business world, challenges are factors from both outside and inside the company that have the potential to hinder its development or success. Companies need to pay attention to and strategically respond to these various sources of challenges. Some examples of challenges include:

A. Intense Competition: The emergence of new competitors or the intensification of competition from existing players.
B. Market Changes: Shifts in consumer preferences, changing industry trends, or disruptive technological developments.
C. Internal Limitations: Such as a lack of resources, operational inefficiencies, or a lack of innovation.
D. Economic and Regulatory Factors: Economic recessions, changes in government policies, or burdensome new regulations.

Understanding the challenges faced is crucial so that companies can take proactive steps to mitigate their impact or even turn them into opportunities. An effective response to challenges often distinguishes between successful and lagging companies. In SWOT analysis, "Strengths" are included in internal factors, while "Challenges" (often also referred to as "Threats" in the context of SWOT) are included in external factors. Clearly understanding both helps companies formulate more comprehensive and effective strategies.

Strategi IFAS dan EFAS Berdasarkan Kekuatan dan Tantangan Perusahaan

Based on SWOT theory, the Internal Factor Analysis Summary (IFAS) and the External Factor Analysis Summary (EFAS) are used to identify the internal and external factors of a company or organization. Understanding the various factors that constitute strengths and opportunities is crucial for companies in formulating competitive strategies. SWOT analysis is one method that can be applied, encompassing strengths and weaknesses, which are summarized in IFAS. Additionally, opportunities and threats are also analyzed and included in EFAS. It is hoped that by applying IFAS and EFAS analysis, various elements can be identified in a structured manner, so that strengths and opportunities can be reinforced, and weaknesses and threats from competitors and external factors can be reduced. The IFAS matrix is implemented by assessing and weighting each piece of information regarding the organization's internal factors, namely the company's strengths and weaknesses (Dhika, 2019).

A. Assumed Results of SWOT Analysis for PT. XYZ: Strength: Well-known brand, good product innovation, extensive distribution network. Weaknesses: High production costs, lack of responsiveness to changing trends, limited human resources.
B. Opportunities: E-commerce growth, increasing consumer awareness of quality, export market potential.
C. Threats: Intense competition, regulatory changes, economic fluctuations.

Table 1. IFAS Calculation

No	Factors	Weight	Rating	Score
	Strengths (S)			
1.	Widely known brand	0,20	4	0,80
2.	Good product innovation	0,15	3	0,45
3.	Extensive distribution network	0,10	4	0,40
	Sub Total	**0,45**		**1,65**

	Weakness (W)			
1.	High Production Costs	0,15	2	0,30
2.	Less responsive to trends	0,20	1	0,20
3.	Limited Human Resources	0,20	2	0,40
	Sub Total	**0,55**		**0,90**
	Total	**1,00**		**2,55**

Tabel 2. EFAS Calculation

No	Factors	Weight	Rating	Skor
	Opportunities (O)			
1.	E-commerce growth	0,30	4	1,20
2.	Increasing quality awareness	0,20	3	0,60
3.	Export market potential	0,10	2	0,20
	Sub Total	**0,60**		**2,00**
	Threats (T)			
1.	Intense competition	0,25	3	0,75
2.	Regulatory changes	0,10	2	0,20
3.	Economic fluctuations	0,05	**2**	**0,10**
	Sub Total	**0,40**		**1,05**
	Total	**1,00**		**3,05**

Table 3. IFAS & EFAS Quadrant Diagram
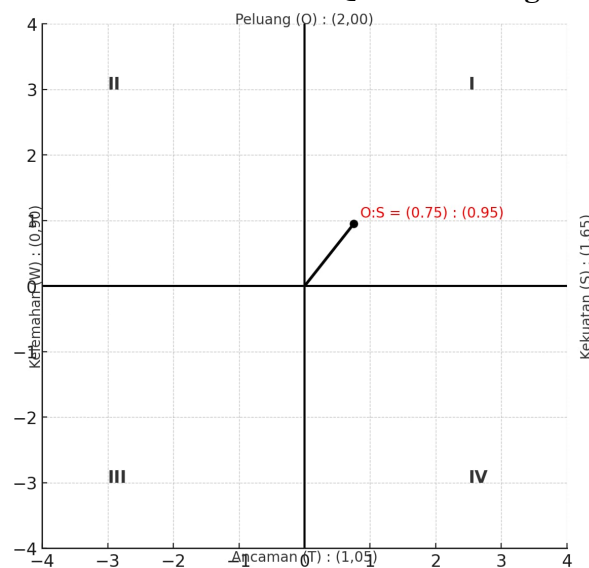
SWOT Coordinates: (0.75 ; 0.95)
Calculated based on:
Strengths – Weaknesses = 1.65 – 0.90 = 0.75 (X-axis)
Opportunities – Threats = 2.00 – 1.05 = 0.95 (Y-axis)

        According to this placement, PT. XYZ is in the area of the matrix that indicates adequate internal strengths and high external environmental attractiveness. This situation leads to the choice of an offensive or growth-oriented strategy.
The verbal description of its quadrant position is as follows:
Based on the total IFAS score of 2.55 and the total EFAS score of 3.05, PT. XYZ's position is in Quadrant I (Aggressive).
    A. Quadrant I (SO):

The company is in a position with significant internal strengths and attractive external opportunities. This situation suggests the implementation of expansion or offensive strategies, where the company is advised to use its superior internal assets to leverage the available opportunities.

B. Quadrant II (WO):

In this quadrant, there are opportunities outside the company, but the company has internal limitations or weaknesses in its strengths. The appropriate strategy is to strengthen internal capacity to effectively utilize these opportunities.

C. Quadrant III (WT):

This quadrant describes a situation where the company has internal weaknesses and also faces many threats from the external environment. In this condition, a defensive strategy becomes a wise choice to minimize losses and strive for survival.

D. Quadrant IV (ST):

The company has internal strengths but is threatened by various external threats. The recommended strategy is diversification or to protect itself from the negative impacts of these threats by utilizing its existing strengths.

Table 4: SWOT Matrix of XYZ Company

Internal Factor / Eksternal Factor	STRENGTH (S)	WEAKNESSES (W)
	1. Widely known brand	1. High production costs
	2. Good product innovation	2. Less responsive to trends
	3. Extensive distribution network	3. Limited Human Resources
OPPORTUNITIES (O)	**STRENGTH-OPPORTUNITY (SO)**	**WEAKNESSES-OPPORTUNITY (WO)**
1. E-commerce growth	Leverage well-known brand (S1) for online expansion (O1).	Address lack of trend responsiveness (W2) through e-commerce (O1).
2. Consumer awareness of quality increases	Emphasize product innovation (S2) for quality market (O2).	Seek partnerships (O2) to address limited HR (W3)
3. Economic fluctuations	Utilize extensive distribution network (S3) for export (O3).	
THREATS (T)	**STRENGTH-THREATS (ST)**	**WEAKNESSES-THREATS (WT)**
1. Intense competition	Strengthen brand loyalty (S1) to face competition (T1).	Reduce production costs (W1) to face price competition (T1).
2. Regulatory changes		Seek HR flexibility (W3) to face regulatory changes (T2).
3. Economic fluctuations		Adjust production (W1) to face economic fluctuations (T3).

CONCLUSION

This analysis was conducted to determine the strategic position of PT. XYZ using the SWOT method, by identifying the strengths and challenges that affect the company. The results of the analysis show that PT. XYZ has fairly good internal strengths, particularly in its widely known brand, product innovation, and extensive distribution network. The company also has

significant external opportunities, especially from e-commerce growth and increasing consumer awareness of quality.

Nevertheless, PT. XYZ also faces internal weaknesses such as high production costs, a lack of responsiveness to changing trends, and limited Human Resources (HR). Moreover, threats from the external environment such as a high level of competition, the possibility of regulatory revisions, and changing economic conditions must be a concern for the company.

Based on the SWOT matrix, some strategies that PT. XYZ can consider are leveraging brand strength for online expansion (SO), addressing a lack of responsiveness to trends through e-commerce platforms (WO), strengthening brand loyalty to face competition (ST), and reducing production costs to compete on price (WT).

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Tentang Peringkat Akreditasi Jurnal Ilmiah Periode III Tahun 2020 TERAKREDITASI PERINGKAT SINTA 4. 3. https://doi.org/10.24198/kumawula.v3i2

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