

Competitive Improvement Strategies of The Coconut Oil Industry at PT XYZ

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ABSTRACT: This study aims to develop strategies for enhancing competitiveness in the coconut oil industry amidst intense competition. It analyzes the internal and external conditions of PT XYZ, focusing on optimizing strengths and opportunities while leveraging an Initial Public Offering (IPO) strategy. The study examines the internal and external conditions of PT XYZ to develop strategies for improving competitiveness. Utilizing qualitative methods, the research employs analytical tools such as the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices, SWOT analysis, and the Quantitative Strategic Planning Matrix (QSPM). The sample consists of 15 respondents, including 11 internal and 4 external participants. Results show that the company's internal conditions, with 5 strengths and 4 weaknesses, yield an IFE score of 3.03. In contrast, the external conditions, featuring 5 opportunities and 4 threats, result in an EFE score of 2.92. This analysis places PT XYZ in Quadrant IV of the IE matrix, indicating a "grow and build" strategy, as both scores exceed the average benchmark of 2.50. These findings highlight significant potential for continuous improvement in strategy and operations. The next step involves formulating alternative strategies through the SWOT method, generating eight options based on the analysis. Ultimately, the QSPM identifies three primary strategies with the highest total scores: increasing production capacity to enhance revenue and market share, developing innovative products and services, and implementing business processes adhering to Good Agricultural Practice (GAP) standards. This study provides actionable insights for PT XYZ to bolster its competitiveness in the coconut oil industry.

Keywords: Matrix IFE and EFE, Matrix IE, Matrix SWOT, IPO Strategy, QSPM

INTRODUCTION

Indonesia is among the countries with significant potential for coconut commodity development. Coconut plays a vital role in Indonesia's economic, social, and cultural life, contributing to non-oil national revenue. Currently, coconut ranks fourth in contributing to Indonesia's foreign exchange after palm oil, rubber, and cocoa (Novira Kusri, 2021). According to data from the Asian and Pacific Coconut Community (APCC), Indonesia held the top position as the leading coconut producer from 2019 to 2021. Below is a chart comparing Indonesia's coconut production volume with other countries.

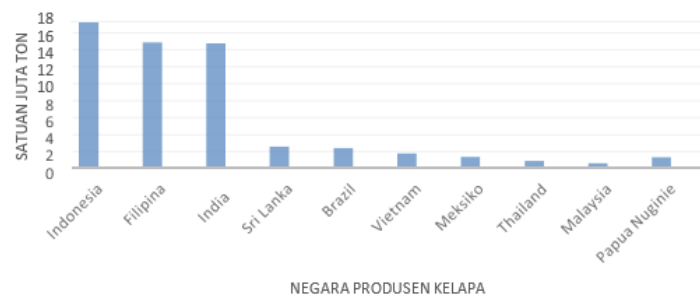


Figure 1. Graph of Coconut Producing Countries' Exports

Source: *Asian and Pacific Coconut Community (APCC) 2021*

Figure 1 shows that India produced over 16 million tons of coconut in 2021 (Statistics, 2022). The Philippines ranked second with a total production of 14.77 million tons, followed closely by Indonesia in third place with 14.68 million tons. The Indonesian Bureau of Statistics (BPS) released data on the area of coconut plantations in Indonesia, which reached 3,346,000 hectares in 2020. This area ranks second among Indonesia's leading commodities, such as oil palm and rubber. In terms of production quantity, BPS recorded national coconut production at 2.85 million tons in 2021, a 1.47% increase from 2.81 million tons in the previous year. Riau is the largest coconut-producing province in Indonesia, yielding around 395,000 tons in 2021, followed by North Sulawesi with 271,100 tons.

According to Wohan G (2019), Indonesia has developed at least 16 coconut-based derivative products, with copra being one of the primary products. Copra, derived from coconut meat, is widely utilized in both food and non-food products. The processing of coconut meat can produce fresh coconut or copra, from which various downstream products are created. The APCC (2022) states that Indonesia has developed basic coconut meat products, including copra, coconut oil, copra meal, dried coconut, and coconut milk. Copra has the highest production volume, averaging 2,839,850 MT, primarily used to produce coconut oil.

Coconut oil stands out as a leading coconut derivative. Based on BPS data (2021), over the past five years (2018-2022), national coconut oil consumption has surpassed that of biodiesel and oleochemicals. The coconut oil industry is a focus area for the Indonesian government, making Indonesia the second-largest coconut oil producer globally in 2021. The industry's growth trend, according to APCC (2023), is illustrated in Figure 2, showing Indonesia's current coconut oil market with a Herfindahl-Hirschman Index (HHI) of 9807. This score indicates a highly concentrated market, where a lower index value reflects a larger number of market players or exporting countries, while a higher index value signifies fewer market players or exporting nations.

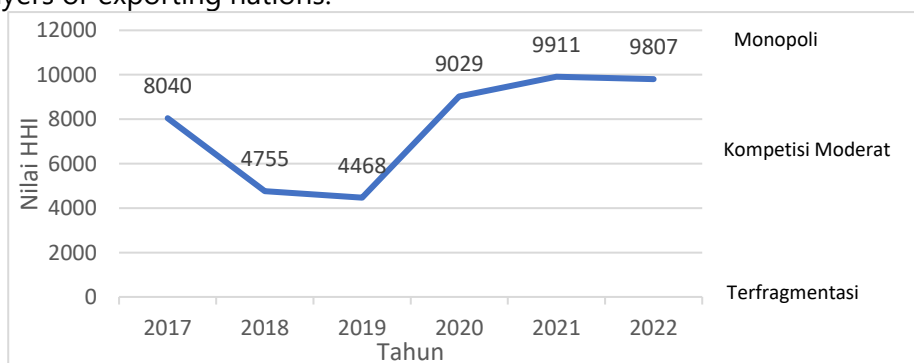


Figure 2. Indonesian Coconut Oil Market HHI Index Trend Chart

Source: *Asian and Pacific Coconut Community (APCC) 2021*

Indonesia's Coordinating Minister for Economic Affairs, Airlangga Hartanto, has emphasized the importance of advancing the coconut industry to boost Indonesia's global competitiveness. According to the Ministry of Agriculture, the target for national coconut productivity is set at 2.87 million tons. In light of challenges faced by the palm oil industry, such as reduced domestic cooking oil supply due to increased exports and political factors, there is a push to diversify with crude coconut oil (CCO) as an alternative to crude palm oil (CPO).

Key global coconut producers are enhancing their comparative and competitive advantages in coconut production to stay competitive. Leveraging technological advancements, skilled human resources, and supportive government policies is expected to pave the way for new companies entering the coconut oil industry.

Porter (1990) describes competitiveness as a comparative concept reflecting the ability and performance of companies, subsectors, or nations in supplying goods or services in both domestic and international markets. Between 2018 and 2022, the coconut oil market fluctuated but generally trended upward, driven by national demand and productivity. After the COVID-19 pandemic, Indonesia's coconut oil competitiveness strengthened in 2022 with primary trade partners, and international demand for coconut oil is projected to rise due to expanding industrial needs. Enhancing the competitiveness of Indonesian coconut oil will require government support, particularly by increasing production, productivity, and quality through Good Agricultural Practice (GAP) to ensure the sustainability of coconut commodities and their derivatives (Tambunan K, 2023).

According to the Ministry of Industry, there are approximately 96 companies in Indonesia's coconut oil processing sector, comprising 17% large enterprises and 83% small and medium enterprises (SMEs). While the industry presents significant opportunities, it also faces challenges, notably post-harvest sensitivity and climate variability (APCC, 2022). However, given Indonesia's prominent role in global coconut oil supply, the country has a substantial opportunity to bolster its competitiveness in the international market. The following data highlights competition in the coconut oil sector, including both public and private companies, based on net income and productivity.

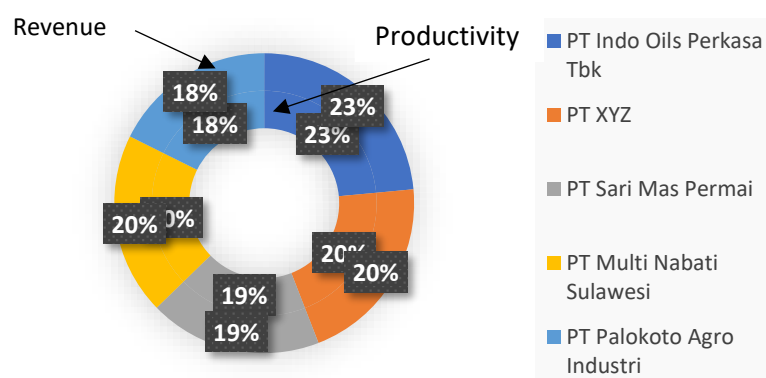


Figure 3. Percentage Chart of Coconut Oil Companies by Net Revenue and productivity in 2022

Source: Data Processed (Ministry of Industry, 2023)

Based on the net income and productivity data shown above, the illustration indicates that the share of net income and productivity among these companies reflects a relatively low

percentage in meeting Indonesia's coconut oil demand. These five companies represent only about 2% of the total domestic demand. This indicates significant competition among them to increase productivity and financial strength to address the substantial demand for coconut oil in Indonesia.

One of the companies competing in the coconut oil industry is PT XYZ, established in 2019. PT XYZ has implemented strategies to enhance its competitiveness, notably by pursuing an Initial Public Offering (IPO) valued at IDR 100 billion. Through this approach, the company aims to improve productivity and financial performance, aligning with its vision to become a leading agro-industry in Indonesia by processing high-value-added coconut products that benefit human health. To boost competitiveness and become a top coconut oil producer, PT XYZ recognizes the importance of creating added value to surpass competitors.

However, such strategies may not be universally effective across all companies. According to PT XYZ's management report, challenges include an insufficient coconut supply to meet production capacity, limited market reach, and the lack of international partnerships, resulting in stagnant productivity and financial performance. The company's productivity has remained steady at 5,600 tons per year from 2020 to 2023, which has also impacted financial outcomes. PT XYZ processes and produces various coconut derivatives, including Pure Coconut Oil (PCO), Virgin Coconut Oil (VCO), Crude Coconut Oil (CCO), Desiccated Coconut (DC), and Copra Meal.

David F. (2006) outlines that an internal and external environment matrix is a strategic formulation tool used to summarize and evaluate a company's strengths, weaknesses, opportunities, and threats (SWOT). PT XYZ's management indicates that their competitive strategies have not yet achieved optimal performance, evidenced by production and sales levels remaining unchanged post-IPO. For companies to be competitive, a robust internal environment is essential to effectively address competition. An internal environment analysis assesses the company's strengths and weaknesses, enabling it to manage opportunities effectively in facing external threats.

External factors also play a crucial role in enhancing strategic competitiveness. The external environment is beyond the company's control and cannot be directly influenced. To ensure the company achieves its goals, PT XYZ must assess external conditions meticulously. By matching the internal and external environments, the company can align its mission and make informed decisions to reach strategic competitiveness.

SWOT analysis allows PT XYZ to identify areas of improvement, integrating both internal strengths and weaknesses with external opportunities and threats to guide decision-making. This study aims to propose strategic alternatives post-IPO, using qualitative and quantitative analysis to inform PT XYZ and provide input to stakeholders for selecting priority strategies.

RESEARCH METHODOLOGY

Location, Time and Research Approach

The location of this research was carried out at PT XYZ which is located in Balingbing Village, Pagaden Bar District, Subang Regency, West Java. The research was conducted in June 2024 and is planned to be completed in August 2024. This research activity includes proposals, data collection, data processing, data analysis, and the preparation of a research thesis.

Sampling Techniques

In this study, there are several methods to collect research data to be analyzed. The following are some of the data collection methods used in this study:

1. Interview

The sample collection method used in the study is a semi-structured interview, that is, the interviewer has prepared a topic and a list of questions for the interview guide before the interview starts. However, it is not closed if there are additional questions to support the answers from the participants.

2. Observation

This study uses observation techniques to observe internal and external factors that will be compiled by researchers based on company conditions.

Types and Data Sources

This study uses two types of data, namely primary data and secondary data. Primary data was obtained by going to the field and getting data directly from respondents through interviews and observations. While Secondary Data is data from research results from previous research related to the theme of this research.

RESULT AND DISCUSSION

Company Overview

PT XYZ is engaged in the coconut oil processing industry. The Company was established on March 20, 2019 and sold in May 2019 with Virgin Coconut Oil (VCO) products. The factory is located in Batununggul 1 Balimbing, West Pagaden District, Subang Regency, West Java Province.

Indonesia as the No. 1 producer of Coconut in the world. So far, most of them are still exported to China, Thailand, Malaysia, Sri Lanka, India and other countries. Most of them are in the form of raw materials such as copra, CCO, granular coconut which does not have high added value for all *stakeholders* related to coconut plantations, especially coconut farmers, labor, coconut industry and also to state revenue.

Coconut vegetable oil as a tropical plant that has many health benefits for humans and animals. Currently, there are still few companies that produce pure/vegetable oil from coconut, because it is still a home industry activity. Increasing public awareness, especially at the middle to upper levels, towards a healthy lifestyle, choosing and consuming natural, healthy and organic foodstuffs.

With the reasons and opportunities mentioned above, PT XYZ established a factory to process coconut plantation products to be processed into natural, healthy, hygienic, organic coconut derivative products, which are high added value, create jobs and get foreign exchange and tax revenue for the country. In carrying out its business activities, the company is always guided by the vision and mission that has been set, which is also a manifestation of the aspirations of the company's founders. The company's vision and mission is to become a *leading agro-industry* company in Indonesia that processes coconut plantation products and their derivative products in an integrated and high added value manner and is beneficial to human health and the mission embraced by the company, namely producing *Pure Cooking Oil* (PCO), *Virgin Coconut Oil* (VCO) and *Raw Nata de coco* with processing and drying processes *Edible White Copra* is integrated, producing products derived from PCO and VCO for the needs of the food, pharmaceutical and cosmetic health industries, creating jobs and improving welfare for the community around the factory area and Producing Subang as a processing center for coconut products and their derivatives with high added value in the local and global markets.

In addition, PT XYZ has consumers from Global Dairi Natural, Kusuma Mukti Remaja, Barco, Nabati, Intinusa Niaga Abadi, Mangga Dua, Sinar Niagamas Pacific and Asian Agri. Some of these consumers are retail consumers and distributor consumers. Some consumers are shown in figure 4.



Figure 4 PT XYZ Consumer

In order to achieve the goals and desires of the shareholders as well as the development of the business run by the company, the company's organizational structure is formed through the delegation of tasks or work to each individual or certain unit so that the company's operational activities can run well and smoothly. The structure of PT XYZ is shown in Figure 6.

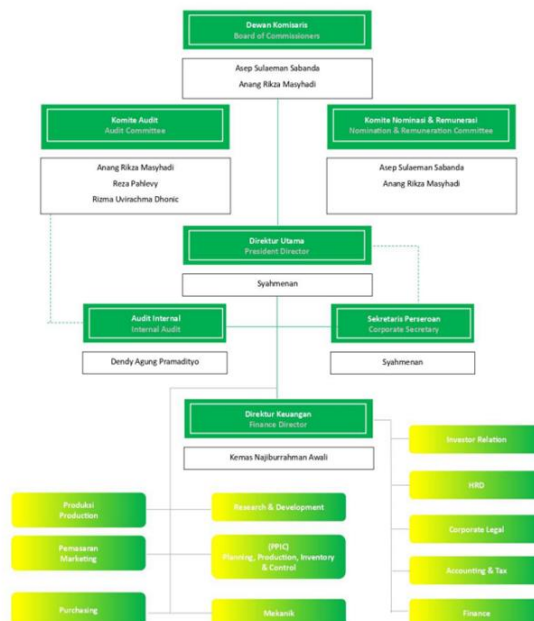


Figure 5 Corporate organizational structure of PT XYZ

PT XYZ has a subsidiary that supports its company's business processes, namely PT Agrindo Lestari Jaya. The subsidiary runs the business of developing horticultural food crop plantations, opening and improving 143 KM of commodity transportation roads by PT Infrastruktur Pembangunan Negeri, other construction projects which are infrastructure development programs in Katingan Regency and its surroundings. In addition, PT XYZ has the certification namely the Halal certificate from the Indonesia Ulema Council (MUI), the halal certificate for the assessment of food, drugs and cosmetics MUI, ISO 22000:2018 and ISO 9001:2015.

Internal and External Analysis

To analyze the internal condition of PT XYZ using the *value chain analysis* method to be able to determine the strengths and weaknesses of the company owned. As for external analysis, PT XYZ uses *the five forces porter* method to be able to determine the company's strengths and weaknesses. This was done by field observation and interviews with expert respondents.

PT XYZ Value Chain Analysis

According to Pearce and Robinson 2009 in (Wisdaningrum, 2013), the first step in value chain analysis is to break down a company's operations into specific activities or business processes, by grouping the activities of these processes into the category of primary or supporting activities. In research conducted by (Knez, Jaklič, & Stare, 2021) value chain analysis, which is related to the costs of both main and supporting activities in the company's business processes, both foreign and domestic. Based on the analysis of Main Activities and Supporting Activities.

The value chain analysis of PT XYZ shows that internal factors, including costs in main activities like logistics, operations, marketing, and sales, as well as supporting activities such as HR management, technology development, and purchasing, significantly impact product pricing. Strengths outweigh weaknesses, with the company's infrastructure being a key strength due to its Initial Public Offering (IPO), which enhances transparency and fosters trusted relationships with suppliers for smooth business operations. However, a notable weakness lies in the company's ongoing technology and information system development, which affects human resources and facilities, potentially impacting performance in both the short and long term.

A. Primary Activities

As part of the internal factors within its value chain system, PT XYZ's primary activities can be described as follows:

1. **Inbound Logistics** This includes managing raw materials and input supplies, covering receipt control, warehousing, and inventory. The primary component in coconut oil production is copra, and PT XYZ secures supplies through contracts with at least seven suppliers located across Riau, Jambi, Palembang, and Banten. These agreements set standards for quality, quantity, and price, helping to ensure efficient raw material procurement despite copra's fluctuating market conditions. In 2022, PT XYZ's logistics expenses totaled IDR 17.5 billion, which rose to IDR 27.1 billion in 2023 due to increased operational activities and expanded production capacity, maintaining production quality and quantity.
2. **Operations** Operations encompass converting inputs into finished products, and PT XYZ uses a streamlined in-line process to convert copra into coconut oil on a single production line. In 2023, the company's cost of goods sold (COGS) increased from IDR 22.77 billion in 2022 to IDR 24.07 billion, driven by enhanced production processes and new machinery, aimed at optimizing raw material consumption amid fluctuating copra prices. Waste from production is repurposed into copra meal, a byproduct with significant resale value.
3. **Outbound Logistics** Once production is completed and quality-approved, the final product, referred to as Component Finish Goods (CFG), is stored based on raw material origin, oil type, and production date. To optimize cost-efficiency, PT XYZ outsources distribution to third-party transport providers rather than maintaining its own fleet, with scheduled shipments aligned with customer orders. However, the company maintains tight

oversight over logistics providers to ensure availability and the condition of transport assets.

4. **Marketing and Sales** PT XYZ's marketing strategy involves direct sales to industrial customers seeking coconut oil or copra meal. In 2023, demand from 64 local and international companies highlighted the market need. Pricing is determined based on global coconut oil indices and raw material fluctuations, with partnerships supporting distribution and collaborations to expand market presence. The company's primary market includes the Jabodetabek region, West Java, and Central Java, leveraging the proximity of its Subang facility. Product-specific strategies include:
 - **Virgin Coconut Oil (VCO):** A high-value product with rising demand, sold at a premium price.
 - **Pure Cooking Oil (PCO):** Currently under development for industrial use.
 - **Crude Coconut Oil (CCO):** An essential raw material for the oil industry.
 - **Copra Meal (BM):** High-protein feed material used in livestock production.
5. **Service** PT XYZ is committed to delivering quality by enforcing traceability for its raw materials and performing comprehensive quality control before distribution. Due to limited facilities, third-party testing is utilized for quality assurance, impacting the overall efficiency of service delivery.

B. Support Activities

Support activities that bolster PT XYZ's internal factors are detailed below:

1. **Infrastructure** PT XYZ leveraged its IPO to enhance business expansion in similar industries, supporting its management functions, such as planning, finance, and quality control. The company's primary focus is expanding production capacity by constructing new facilities and purchasing additional machinery. In 2023, the company's fixed assets grew by 8.52%, from IDR 185.54 billion in 2022 to IDR 201.41 billion, driven by these expansions.
2. **Human Resource Management** Human Resources (HR) plays a crucial role in recruitment, placement, training, and defining job roles. PT XYZ works with organizations such as HIPMI Subang and APKI, ensuring compliance with employee and corporate obligations. The company hires permanent and contract employees, with specific training provided to improve productivity and reduce production losses. Staff development in Supply Chain Management (SCM) is essential, as certification supports supply chain efficiency across inventory management, stock control, transportation, and distribution.
3. **Technology Development** PT XYZ relies on technology for competitive advantage. Its current production process is relatively straightforward, but plans for high-tech improvements are underway. Information technology is also progressing, with systems like Warehouse Management System (WMS), Inventory Tracking, and IoT-based real-time monitoring under development. However, reliance on older equipment has led to inefficiencies, and new machinery—acquired with IPO funds—is still in testing to reach production targets of 500 tons per month.
4. **Procurement** All material purchases are managed through a dedicated purchasing department, which issues purchase orders (POs) after confirming quantity, price, and specifications with suppliers. Leveraging IPO funds, PT XYZ is committed to optimizing raw material procurement. In 2023, current assets for procurement were IDR 99.8 billion, a 4.88% decline from IDR 104.98 billion in 2022, reflecting investment in new facilities and equipment testing.

The descriptive analysis of PT XYZ's value chain reveals multiple strengths, notably its capital and recent expansions, which enhance transparency in operational and financial reporting. Its IPO has fostered strong supplier partnerships that support seamless upstream-to-downstream operations. However, the company's primary weakness lies in its underdeveloped technological infrastructure, impacting human resources and facilities, with potential repercussions on short- and long-term performance.

Porter's Five Forces Model Analysis

Porter's Five Forces Model is employed to analyze a company's external environment, focusing on industry competition conditions that influence business sustainability. According to Hitt, Ireland, and Hoskisson (2001), an industry environment encompasses threats from new entrants, suppliers, buyers, substitute products, and competitive rivalry—all of which directly impact a company and its competitive response.

Porter (2008) developed a competitive strategy framework, analyzing business competition based on five main aspects: entry barriers, supplier power, buyer power, the availability of substitute products, and inter-company rivalry. This model, widely used by researchers and business practitioners alike, provides insights into industry competition factors.

The information and communication technology sector, for example, operates in a highly monopolistic market, necessitating a close examination of industry environmental factors. Descriptive analysis of these factors helps companies gauge their competitive positioning by examining threats and opportunities across these five industry forces. According to Bright (2004), Porter's analysis aids in understanding current and future competitive advantages, enabling companies to develop strategies to minimize threats and capitalize on opportunities.

As Nurseto (2012) explains, the challenge for companies lies in positioning themselves in an industry to profitably influence environmental factors, thereby defending against competitive pressures. A company's capacity to affect its industry environment increases its likelihood of outperforming competitors. Below is a detailed Porter's Five Forces analysis for PT XYZ.

A. Industry Rivalry

Competition among companies selling coconut oil has intensified, evidenced by Indonesia's coconut oil industry becoming more concentrated. According to the Ministry of Industry (2022), 17 major players exist out of 96 similar companies nationwide. Competition is fierce, with the Agricultural Secretariat (2022) noting a 6.79% annual growth in coconut oil consumption. Demand volatility and evolving technology further drive this competitiveness. PT XYZ's partnerships with suppliers help manage raw material costs, which affect pricing. However, PT XYZ's ongoing technological development limits its competitive capacity in services and products compared to industry peers.

B. Threat of New Entrants

It is challenging for new entrants to establish businesses in this field, as substantial capital and advanced R&D are required to produce high-standard coconut oil. While opportunities are vast, the industry's limited players indicate a knowledge gap in the coconut oil market. Established in 2019, PT XYZ's IPO in 2021 has fortified its financial position, reducing the impact of potential new entrants due to its capital and market insight.

C. Threat of Substitutes

Palm oil serves as a substitute for coconut oil, as both oils share similar uses. Palm oil is more widely demanded due to its abundant raw materials, quality, and lower cost. This makes the coconut oil industry less competitive relative to palm oil. Nonetheless, PT XYZ's management asserts that the coconut oil industry has its own market, driven by product quality advantages over palm oil. PT XYZ aims to leverage this quality edge through continuous research and product development.

D. Buyer Power

The palm oil industry is complex, influenced by various interests, prompting customers to consider coconut oil alternatives. PT XYZ has observed a 5% annual increase in new customers, with satisfaction surveys rating customer satisfaction at over 90%. However, PT XYZ faces challenges meeting rising demand from new customers due to its current inefficiencies in production.

E. Supplier Power

PT XYZ sources raw materials (copra) from at least seven suppliers across Banten, Riau, Palembang, and Sulawesi. Diverse supplier clusters lead to varying prices and quality, making contractual agreements essential to ensure stable raw material supplies. Weather and climate, significant factors in the agricultural sector, pose major risks, potentially destabilizing prices and demand. Currently, PT XYZ's copra suppliers rely on traditional drying methods, which keep costs low compared to oven-dried production.

Summary

Descriptive analysis of Porter's Five Forces Model reveals that coconut oil production holds more opportunities than threats. The customer factor is a strong driver due to public awareness of coconut oil's benefits. Evidence of this is the company's 5% increase in new customers and the 6.79% annual growth in coconut oil consumption in Indonesia. Rapid technological advancements and information growth in the industrial sector present further opportunities for PT XYZ to enhance production efficiency.

As an agricultural commodities business, PT XYZ faces climate and geopolitical risks that may affect price and demand stability. Competitor activity also demands attention, particularly regarding service and product offerings. The coconut oil (CCO) industry differs from the palm oil (CPO) industry in characteristics and market environment, but these sectors still indirectly impact each other's sustainability.

Evaluation of External Factors

The total EFE (External Factor Evaluation) score for PT XYZ is 2.92, which is calculated from the sum of the weighted scores for each indicator of opportunities and threats. The external factors (EFE) for PT XYZ are detailed in Table 1.

Table 1. External Factors (EFE) PT XYZ

No	Opportunity	Opportunity PT XYZ		
		Weight	Rate	Skor
1	The general public's knowledge of high-quality Crude Coconut Oil (CCO) is increasing.	0,12	3,25	0,38
2	The consumption of Crude Coconut Oil and its derivatives continues to grow, contributing to the potential for increased production capacity	0,13	3,5	0,44
3	There are still relatively few large capitalized businesses in the coconut oil industry.	0,12	3,25	0,38
4	The government supports coconut farmers from	0,09	2,5	0,22

	seed distribution to harvest, ensuring that coconut production aligns with market demand.			
5	Customer trust in the company remains strong and highly valued.	0,09	2,5	0,22
No	Threat	Threat PT XYZ		
		Weight	Rate	Skor
1	The Crude Coconut Oil (CCO) trade faces increasing competition from other more concentrated vegetable oil markets.	0,08	2,25	0,18
2	Climate and weather conditions can cause demand and price instability.	0,12	3,25	0,38
3	The availability of raw materials from suppliers remains a challenge.	0,10	2,75	0,27
4	Competitors offer high-quality products at more competitive prices.	0,09	2,50	0,22
TOTAL		1		2,92

Internal Factor Evaluation

The descriptive analysis results of internal factors using the value chain analysis method show that the total IFE (Internal Factor Evaluation) matrix score for PT XYZ is 3.03, which is above the industry average of 2.5. As indicated in Table 1, this suggests that the company still has room for continuous improvement in both strategy and operations. PT XYZ is considered to have internal strengths that can help mitigate its weaknesses by maximizing the use of its IPO funds effectively.

Table 2 Internal Factors (IFE) PT XYZ

No	Strength	Strengths PT XYZ		
		Weight	Rate	Skor
1	The company has a strong capital base from its IPO strategy.	0,16	4,00	0,64
2	It maintains strong relationships with customers, leading to international clientele.	0,13	3,18	0,41
3	The production process generates no residue or waste.	0,15	3,82	0,59
4	The company actively participates in various organizations, including HIPMI Subang and APKI	0,12	3,00	0,36
5	It has an integrated supply chain system on the downstream side.	0,14	3,45	0,48
No	Weakness	Weakness PT XYZ		
		Weight	Rate	Skor
1	The information technology system is still under development.	0,08	2,00	0,16
2	The current workforce does not yet align with the company's needs.	0,08	1,91	0,15
3	There is a lack of adequate facilities for product research and development	0,07	1,73	0,12
4	The construction of the new factory has caused a decline in the company's productivity.	0,07	1,82	0,13
TOTAL		1		3,03

Formulation of Alternative Strategies

Internal – External Matrix Analysis (IE)

Based on the mapping from the IFE and EFE matrix, PT XYZ's position on the Internal-External (IE) matrix is placed in Cell IV, which falls under the moderate category, as shown in Figure 3. This indicates that the most appropriate grand strategy for PT XYZ is a *grow and build* strategy. Under these conditions, PT XYZ has six strategic options: market penetration, product development, market development, forward integration, backward integration, and horizontal integration.

		TOTAL SKOR IFE		
		KUAT 3,0 – 4,0	RATA-RATA 2,0 – 2,99	LEMAH 1,0 – 1,99
TOTAL SKOR EFE	KUAT 3,0 – 4,0	I	II	III
	RATA-RATA 2,0 – 2,99	IV	V	VI
	LEMAH 1,0 – 1,99	VII	VIII	IX

Figure 6. Matriks IE PT XYZ

Next is the formulation of alternative strategies using the SWOT matrix by identifying the IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) matrices. From this analysis, four alternative strategies can be developed, comprising the SO, WO, ST, and WT strategies. Table 3 presents the results of the SWOT analysis of PT XYZ, which includes the components of strengths, weaknesses, opportunities, and threats, along with the strategies associated with each of these components: SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses-Threats).

SWOT Matrix Analysis

After conducting the IE Matrix analysis, the next step is to formulate alternative strategies for PT XYZ using the SWOT Matrix. This matrix incorporates the alternative strategies identified within the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices. The analysis results have identified four possible strategic alternatives: SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses-Threats).

Figure 4.6 displays the SWOT Matrix analysis for PT XYZ, detailing the components of strengths, weaknesses, opportunities, threats, and strategies associated with each category (SO, WO, ST, and WT), allowing PT XYZ to identify strategic options for business development. The eight alternative strategies include:

Strengths – Opportunities (SO):

1. Increase production capacity to boost revenue and expand market share in the Crude Coconut Oil (CCO) industry. (S1, S2, S3, S5, O1, O2, O4)
2. Implement the business processes for CCO and other processed oil products based on Good Agricultural Practice principles, emphasizing transparency, accountability, responsibility, independence, and fairness. (S1, S3, S5, O1, O4, O5)

3. Develop products/services to enhance competitiveness through value-added creation. (S1, S2, S4, S5, O1, O2, O3, O5)

Weaknesses – Opportunities (WO):

1. Optimize human resources, equipment, and potential technology to create revenue streams and open new market opportunities. (W2, W3, W4, O2, O3, O4, O5)
2. Enhance and expand supplier partnerships to maximize production capacity. (W1, W5, O1, O2, O4, O5)

Strengths – Threats (ST):

1. Partner with key stakeholders to explore the coconut oil market potential for both long-term and short-term engagements, aligning with the company's roadmap. (S1, S4, S5, T1, T2, T3, T4)
2. Adjust value-added creation to enhance services and reduce prices, strengthening competitive advantages. (S1, S3, S4, S5, T1, T2, T3, T4)

Weaknesses – Threats (WT):

1. Collaborate with shareholders to improve company facilities, while engaging in lobbying and negotiations with various parties to enhance competitive power. (W1, W2, W4, T2, T3, T4)

STRENGTHS (S)		WEAKNESSES (W)
1.	The company has a strong capital base from its IPO strategy.	1. The information technology system is still under development.
2.	It maintains strong relationships with customers, leading to international clientele.	2. The current workforce does not yet align with the company's needs.
3.	The production process generates no residue or waste.	3. There is a lack of adequate facilities for product research and development
4.	The company actively participates in various organizations, including HIPMI Subang and APKI	4. The construction of the new factory has caused a decline in the company's productivity.
5.	It has an integrated supply chain system on the downstream side.	
OPPORTUNITIES (O)	STRATEGI (SO)	STRATEGI (WO)
1.	The general public's knowledge of high-quality Crude Coconut Oil (CCO) is increasing.	1. Optimize human resources, tools, and potential technology to create revenue streams and open new market opportunities. (W2, W3, W4, O2, O3, O4, O5)
2.	The consumption of Crude Coconut Oil and its derivatives continues to grow, contributing to the potential for increased production capacity	2. Enhance and expand supplier cooperation to maximize production capacity. (W1, W5, O1, O2, O4, O5)
3.	There are still relatively few large capitalized businesses in the coconut oil industry.	
4.	The government supports coconut farmers from seed distribution to harvest, ensuring that coconut production aligns with market demand.	
5.	Customer trust in the company remains strong and highly valued.	
THREATS (T)	STRATEGI (ST)	STRATEGI (WT)
1.	The Crude Coconut Oil (CCO) trade faces increasing competition from other more	1. Establish collaborations with shareholders to enhance the company's facilities, as well as to lobby and negotiate with various

concentrated vegetable oil markets.	term and long-term timelines to outline the company's roadmap. (S1, S4, S5, T1, T2, T3, T4)	parties to improve competitiveness. (W1, W2, W4, T2, T3, T4)
2. Climate and weather conditions can cause demand and price instability.	2. Adjust value-added creation strategies to enhance service quality and reduce prices as a means to improve competitiveness. (S1, S3, S4, S5, T1, T2, T3, T4)	
3. The availability of raw materials from suppliers remains a challenge.		
4. Competitors offer high-quality products at more competitive prices.		

Figure 7 MATRIKS SWOT PT XYZ

Determining Strategic Priorities (QSPM Analysis)

After the previous stage received input from the internal (IFE) and external (EFE) environment analysis, along with alignment with the IE and SWOT matrices, the final step in this research is to determine the priority strategy using the QSPM matrix. This method objectively identifies which alternative strategy is the priority and best for the company.

The strategy priority assessment using the QSPM method involves multiplying the weights from the IFE and EFE matrices by the strategy's attractive score (AS) to produce the Total Attractive Score (TAS). The total TAS from each strategy determines the priority of the strategy. The determination of the Attractive Score (AS) in QSPM and the calculation of the Total Attractive Score (TAS) are crucial. Based on the QSPM table results, each alternative strategy has a different Total Attractive Score (TAS). From these results, the strategies are ranked from the highest to the lowest TAS. Table 4 presents the results of the QSPM analysis on PT XYZ's competitive enhancement strategy, aligned with the strategies generated from the IE matrix. This alignment ensures that the strategies considered are consistent with the company's positioning within the matrix, supporting optimal decision-making in terms of prioritizing growth and competitive initiatives.

Based on the analysis results using the Quantitative Strategic Planning Matrix (QSPM), the priority strategies for PT XYZ, with the highest total scores, are as follows:

1. Increase Production Capacity to boost revenue and expand market share in the Crude Coconut Oil (CCO) industry, along with other processed oil products, through the expansion of a new factory.
2. Product/Service Development and Supplier Expansion to enhance competitiveness through value-added creation.
3. Implement Good Agricultural Practices (GAP) in CCO business processes, emphasizing transparency, accountability, responsibility, independence, and fairness.

Table 3. presents the results of the QSPM analysis on PT XYZ's competitive enhancement strategy

Rank	Alternative Strategy PT XYZ	Type	Score STAS
1	Increase production capacity to boost revenue and expand market share in the Crude Coconut Oil (CCO) industry.	Market penetration	7,48
2	Develop products/services to address competition through value-added creation.	Backward integration	7,37
3	Implement Good Agricultural Practice (GAP) in the Crude Coconut Oil (CCO) business process, emphasizing transparency, accountability, responsibility, independence, and fairness.	Product development	7,12
4	Collaborate with relevant parties regarding the potential coconut oil market for both long-term and short-term periods to outline the company's roadmap.	Forward integration	6,90
5	Adjust value-added creation to enhance service quality and reduce costs, improving competitiveness.	Backward integration	6,58
6	Collaborate with shareholders to enhance company facilities and engage in lobbying and negotiations with various stakeholders to boost competitiveness	Market development	6,56
7	Expand and strengthen supplier partnerships to maximize production capacity.	Product development	6,46
8	Optimize human resources, tools, and technology to create new revenue streams and explore new market opportunities.	Product development	6,32

CONCLUSION

The analysis conducted on the company, focusing on the IPO strategy using the IFE matrix supported by value chain analysis, indicates that the internal factors have a score of 3.03. In contrast, the EFE matrix, backed by Porter's five forces analysis, shows that external factors have a score of 2.92. This positions the company in quadrant IV of the IE matrix, indicating a "grow and build" strategy.

In line with this, the formulation of alternative strategies and the prioritization of strategies for enhancing competitiveness through SWOT analysis and QSPM yield the following priorities, listed from highest to lowest: (1) Increase production capacity to enhance revenue and expand market share in the Crude Coconut Oil (CCO) industry; (2) Implement product/service development strategies and add suppliers to respond to competitive pressures through value-added creation; (3) Conduct Crude Coconut Oil (CCO) business processes under the concept of Good Agricultural Practice (GAP), emphasizing transparency, accountability, responsibility, independence, and fairness; (4) Collaborate with relevant stakeholders regarding the market potential for coconut oil over both the long and short term to establish a corporate roadmap; (5) Adjust value-added creation processes to improve services and reduce prices, enhancing competitiveness; (6) Partner with shareholders to enhance company facilities and engage in lobbying and negotiations with various parties to boost competitiveness; (7) Strengthen and expand supplier collaborations to maximize

production capacity; (8) Optimize human resources, tools, and potential technologies to create revenue streams and open new market opportunities.

The managerial implications that the company can implement include focusing on the three main priority strategies: increasing production capacity, developing products, and executing business processes under the GAP concept. These three strategies are interconnected and can enhance the efficiency and effectiveness of the company's business processes.

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