

IMPLEMENTATION OF SWOT ANALYSIS IN BUSINESS STRATEGY DEVELOPMENT: CASE STUDY AT BANK SYARIAH INDONESIA KCP JAKARTA ARTERI PONDOK INDAH

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Abstract

The objectives in this study are: 1) To determine the implementation process of SWOT analysis can affect the development of business strategy of Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah. 2) To find out the obstacles and challenges faced by Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah in adopting and implementing the results of SWOT analysis in the development of its business strategy, as well as strategies to overcome these obstacles. This research is a field research with a qualitative approach. The research data was obtained by direct interview techniques with information sources, namely managers and staff of Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah. The analysis method used is the Descriptive analysis method. The results of this study show that: 1) The implementation of SWOT analysis is significant for the business strategy of BSI KCP Jakarta Arteri Pondok Indah. The analysis identifies strengths, weaknesses, opportunities, and threats, enabling the bank to expand its customer base and overcome obstacles, such as geographical limitations. SWOT helps formulate adaptive strategies for business growth and service to customers. 2) Although the SWOT analysis provides valuable insights, BSI KCP Jakarta Arteri Pondok Indah faces obstacles, such as reliance on upper-middle class customers that limits portfolio diversification. The solution, expanding the customer base and product diversification. Intense competition in the Islamic and conventional banking industry is also a challenge; solutions, strengthen brand image, and develop innovative products.

Keywords: Strategy Management, SWOT Analysis, Innovation, Differentiation

INTRODUCTION

Background

Amidst the increasingly tight competition in the banking industry, Bank Syariah Indonesia (BSI) as one of the financial institutions engaged in the sharia banking system, is faced with the challenge of maintaining and increasing its market share and competitiveness. Therefore, it is important for BSI to continue to develop the right business strategy in order to take advantage of existing opportunities, as well as overcome challenges and anticipate threats that may arise. Business strategy is a competitive advantage. The sole purpose of strategic planning is to enable a company to obtain, as efficiently as possible, the ultimate position that can be maintained in the face of its competitors (Sedarmayanti, 2017:43) The Islamic banking industry in Indonesia has continued to experience significant growth in recent years. As part of the rapidly growing banking sector, Bank Syariah Indonesia (BSI) has a great responsibility to ensure the continuity of its operations, as well as to remain at the forefront in providing quality services to customers.

According to Sondang P. Siagian, (2016) strategic management is a series of decisions and actions that show the number of decision options and options taken by managers to achieve organizational goals. Decisions and selection of actions are made partially or completely and in practice can be done simultaneously or gradually. However, amidst increasingly tight competition and rapid changes in the business environment, BSI KCP Jakarta Arteri Pondok Indah is faced with various problems that require attention in its strategic management. One of the strategic analysis methods often used in developing business strategies is SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. This analysis helps companies to identify internal factors that are the

company's internal strengths and weaknesses, as well as external factors that are opportunities and threats in its business environment.

However, in the context of BSI KCP Jakarta Arteri Pondok Indah, there are several problems that need to be considered in implementing SWOT analysis for business strategy development: Bank Syariah Indonesia (BSI) KCP Jakarta Arteri Pondok Indah faces difficulties in accurately identifying its market position amidst the increasingly tight competition in the Islamic banking industry. This includes a deep understanding of the market segments they serve, customer needs, and how the organization can compete with other Islamic banks in the same region. Challenges in effective risk management, including operational, financial, and sharia risks specifically related to compliance with sharia principles. The development and retention of human resources (HR) that are not yet optimal and have competencies that are in accordance with business needs. BSI KCP Jakarta Arteri Pondok Indah faces difficulties in identifying, assessing, and managing risks appropriately, which could threaten its financial stability and reputation. By considering the problems above, research on the implementation of SWOT analysis at BSI KCP Jakarta Arteri Pondok Indah is relevant to help this bank identify optimal business strategies in facing challenges and utilizing opportunities in its business environment.

Formulation of Research Problems

Based on the background of the problem, it can become the coreThe problems in this study are as follows:

1. How can the SWOT analysis implementation process affect the development of the business strategy of Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah?
2. What are the obstacles and challenges faced by Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah in adopting and implementing the results of the SWOT analysis in developing its business strategy, and what are the strategies to overcome these obstacles?

Research purposes

Where a research conducted by a researcher will have a purpose. Therefore, this research has the following research objectives:

1. To find out the process of implementing SWOT analysis can influence the development of business strategies of Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah.
2. To identify the obstacles and challenges faced by Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah in adopting and implementing the results of the SWOT analysis in developing its business strategy, as well as strategies to overcome these obstacles.

LITERATURE REVIEW AND HYPOTHESIS

Literature Review

Strategy Management

According to Susanto (2014:2) strategic management is a process to determine the direction and goals of an organization in the long term along with the selection of methods to achieve them through the development of strategy formulations and systematically planned implementation. The term strategic management comes from two words, namely "management" and "strategy". While the word strategic is an adjective from the word strategy. In the sense of a company (corporation), management is an individual or group of people who are responsible for analyzing and achieving organizational goals. As a group of functions, management includes the functions of planning, organizing, implementing (actuating) and supervising (controlling). According to Joel Ross and Michael "without strategy, an organization is like a ship without a rudder, it will go round in circles". In forming an independent action and decision from either managers or employees, strategy is very necessary to formulate company plans and goals in a coordinated manner (Anam, 2018:33). Strategic management according to Hadar Nawawi, is future-oriented planning and is determined as a

fundamental decision so that the organization runs effectively in producing goods or services and providing quality services with optimal direction in achieving the goals and various targets of the organization (Taufiqurokhman, 2016:37).

SWOT Analysis

The SWOT analysis quoted by Hendrawan (2021) is the process of evaluating all strengths, weaknesses, opportunities, and threats in individuals and businesses.

According to Gürel & Tat (2017) SWOT compares strengths, weaknesses, opportunities and threats. Strengths and weaknesses are reviewed to determine current and future opportunities and threats. The clearer the knowledge of strengths and weaknesses, the smaller the opportunities that are not achieved. Good opportunities can be used to counter threats, in addition, weaknesses can be overcome through the company's strengths. According to David & Fred (2010), the SWOT matrix is a matching tool that helps companies improve 4 types of strategies, namely SO (Strength-Opportunities) strategy, WO (Weakness-Opportunities) strategy, ST (Strength-Threats) strategy, and WT (Weakness-Threats) strategy.

SWOT analysis consists of four factors, where Fajar (2020) explains these factors as follows: Strengths Skills or advantages are a special competency at the core of the organization. Strengths are an added value for the company in facing existing competition. And can satisfy stakeholders and customers for fulfilling their needs and desires. Weakness Weaknesses in an organization are natural, but the organization must continue to build performance and policies to minimize or cover weaknesses at the core of the organization. because weaknesses can hinder company performance, such as management capabilities, financial resources, and marketing skills.

Opportunities Opportunities are important situations that provide benefits to the organization. These factors usually come from the company's external environment, for example, increasing the company's relationship with suppliers or buyers. Threats After there is an important situation that is beneficial, now there is also an important situation that is detrimental to the organization called a threat. Where it is a condition that threatens the stability of the organization or hinders performance. As well as changes in government regulations can be a threat to the company's success.

Innovation and Differentiation Theory

Product innovation according to Hurley and Hult in Curatman, et al. (2016:64) defines innovation as a company mechanism to adapt to a dynamic environment, therefore companies are required to be able to create new thoughts, new ideas and offer innovative products and improved services that satisfy customers. According to Kotler and Keller (2016:393) product differentiation is an effort by a company to differentiate its products from competitors' products in a characteristic that makes them more desirable or special. The definition of product differentiation according to Kotler as quoted by Bobby Yuriadhina (2015:2292) is the activity of designing a series of meaningful uniqueness to differentiate what the company offers from what competitors offer.

Wahyono in Roring and Soegoto (2014:1229) stated that continuous innovation in a company is a basic need which in turn will lead to the creation of competitive advantage. Conventionally, the term innovation can be interpreted as a breakthrough related to new products. According to Thomas W. Zimmerer et al. in Nurhaita (2016:21), product innovation indicators are: Design changes Design changes are a series of stages to achieve the expected results in the form of improvements from the starting point. Technical innovation Technical innovation is introducing new technology, new services, and new, more useful ways of doing things.

Product development Product development is a company's effort to continuously create new products and modify old products.

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Framework of Thinking

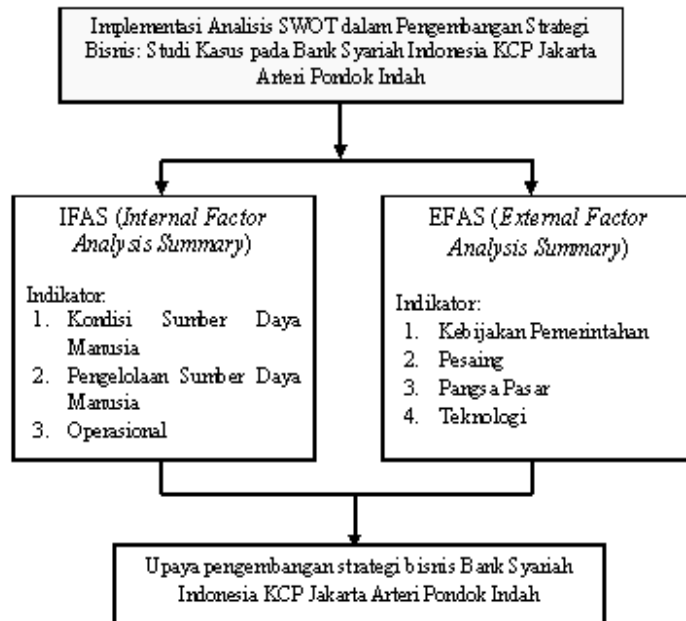


Figure 1
Framework of Thinking

RESEARCH METHODS

This research is a field research with a qualitative approach. The research data was obtained by direct interview techniques with information sources, namely the manager and staff of Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah. The analysis method used is the Descriptive Analysis Method. The descriptive analysis method is a way of formulating and interpreting existing data so as to provide a clear picture of the strengths, weaknesses, opportunities, and threats at Bank Syariah Indonesia KCP Jakarta Arteri Pondok Indah. Also SWOT Analysis. This analysis is based on logic that can maximize strengths and opportunities, but at the same time can minimize weaknesses and threats.

RESEARCH RESULTS AND DISCUSSION

Bank Syariah Indonesia (BSI) KCP Jakarta Arteri Pondok Indah implements a number of business development strategy points to improve performance and service to customers. First, the main focus of BSI KCP Jakarta Arteri Pondok Indah is to expand the customer base by identifying market potential that has not been fully explored, both in the individual and corporate segments. This strategy includes intensive and innovative marketing efforts to reach more potential customers. In addition, BSI KCP Jakarta Arteri Pondok Indah also prioritizes the development of products and services that are in accordance with the needs of the sharia market, such as sharia-based financing, savings, investments, and digital banking services. Second, BSI KCP Jakarta Arteri Pondok Indah implements a strategy to strengthen its brand image and reputation as a trusted and professional Islamic financial institution. This is done through effective and transparent communication to customers about the Islamic values applied in every service and product provided. In addition, the bank also seeks to improve the competence and quality of service through employee training and

development, as well as the application of modern information technology to improve operational efficiency and service quality.

Third, BSI KCP Jakarta Arteri Pondok Indah also implements a strategy to strengthen cooperation networks with related parties, such as business partners, other financial institutions, and local communities. This cooperation covers various fields, including joint marketing, joint product development, and corporate social responsibility (CSR) programs that have a positive impact on the surrounding community. With this strategy, BSI KCP Jakarta Arteri Pondok Indah hopes to strengthen its position as a leading sharia bank in the region, as well as increase its contribution to economic growth and the welfare of the wider community.

SWOT Analysis

SWOT analysis is an assessment of the results of situation identification, to determine whether a condition is categorized as a strength, weakness, opportunity or threat.

Strength is an internal situation of the organization in the form of competencies/capabilities/resources owned by the organization, which can be used as an alternative to handle threats. Here is the identification of existing strengths: The bank applies sharia principles in all its operations, attracting customers seeking banking services in accordance with Islamic values. With a wide network and good reputation in the Islamic financial market, BSI can attract customers and establish business partnerships.

BSI is able to develop innovative products and services according to the needs of sharia customers, increasing competitiveness in the market. Focus on developing information technology to improve operational efficiency and provide a better transaction experience to customers. Skilled and experienced employees in Islamic finance are a strength in providing quality services to customers.

Weakness is an internal situation of an organization where the organization's competencies/capabilities/resources are difficult to use to handle opportunities and threats. Here is the identification of existing weaknesses: Despite having an extensive network, this bank is limited in its geographical reach compared to large conventional banks. Focusing on middle to upper class customers may reduce portfolio diversification and increase risks related to market fluctuations. The bank is limited in its range of products and services compared to conventional banks, limiting its appeal to some customers. Intense competition in the Islamic and conventional banking industries can reduce market share and profit margins. Changes in regulations related to Islamic banking or government policies may affect the operations and growth of BSI KCP Jakarta Arteri Pondok Indah.

Opportunity is an external situation of an organization that has the potential to be profitable. Organizations in the same industry will generally feel advantaged when faced with such external conditions. Here is the identification of existing opportunities:

With increasing awareness of Islamic finance, there are opportunities for customer growth and increased market share for BSI. Demand for Islamic financial products and services continues to increase, creating opportunities for new product development and revenue generation. Banks can form partnerships with other financial institutions or financial technology companies to expand their services and market reach.

Opportunities to leverage new technologies such as digital banking applications to improve operational efficiency and customer service. BSI KCP Jakarta Arteri Pondok Indah can consider expanding to other regions in Indonesia or international markets for long-term growth. Threat is an external condition that has the potential to cause difficulties.

Organizations in the same industry will generally feel disadvantaged/complicated/threatened when faced with such external conditions. Here is the identification of existing threats:

Global economic instability could have a negative impact on Indonesia's financial markets, increasing credit and investment risks. Cyber security threats and technological developments can increase the risk of data theft and fraud, threatening customer trust. Changes in banking and sharia regulations may result in additional costs and delays in implementing new policies. Increasing competition in the banking industry, both sharia and conventional, could reduce market share and profit margins.

Political and economic instability at home and abroad can disrupt the growth and business operations of BSI KCP Jakarta Arteri Pondok Indah.

SWOT Matrix

After knowing the strengths, weaknesses, opportunities, and threats that exist in the UMKM Kaliputu Kudus tourist village, the next step is to compile a SWOT matrix. The SWOT matrix is an important tool to help managers develop four types of strategies, namely SO (strengths-opportunities), WO (weakness-opportunities), ST (strengths-threats), and WT (weaknesses-threats).

SO Strategy (strengths-opportunities).

This strategy is made based on the company's way of thinking, namely by utilizing all the strengths it has to seize and utilize the greatest opportunities. The strategies that are formulated based on this analysis are: Improving marketing of sharia products: Utilizing good reputation and extensive network to increase public awareness of sharia financial products and services. Innovative product development: Leveraging strengths in developing innovative products and services to meet the growing demand in the Islamic financial market.

WO (weakness-opportunities) strategy

This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses. The strategies formulated based on this analysis are:

Diversify product portfolio: Leverage partnerships with other financial institutions to overcome limitations in product and service variety.

Leveraging new technologies: Using new technological opportunities such as digital banking applications to improve operational efficiency and reach a wider customer base.

ST Strategy (strengths-threats)

This strategy is made based on the strengths that the company has to anticipate existing threats. The strategies that are made based on this analysis are:

Strengthening cyber security: Harnessing the power of information technology to address cyber security threats and ensure customer trust is maintained.

Partner relationship development: Strengthening partnerships with other financial institutions and financial technology companies to face increasing competition in the banking industry.

WT (weakness-threats) strategy

This strategy is based on defensive activities, trying to minimize the company's weaknesses while avoiding threats. The strategies formulated based on this analysis are:

Regulatory risk analysis: Identifying and mitigating risks related to changes in banking and sharia regulations through monitoring and rapid adaptation to new policies.

Geographic diversification: Overcoming the limitations of geographic reach by exploring expansion opportunities to other regions in Indonesia or international markets that are more politically and economically stable.

CLOSING

Conclusion

Based on the chapter of analysis and discussion results, the author will draw conclusions from the results of this study. The conclusions from the results of this study are as follows:

1. The implementation of SWOT analysis has had a significant impact on the development of BSI KCP Jakarta Arteri Pondok Indah's business strategy. From the SWOT analysis conducted, the bank can identify internal strengths, weaknesses, opportunities, and external threats that affect their performance and market position. For example, BSI can leverage its strengths in implementing sharia principles to expand its customer base, while addressing weaknesses such as limited geographic reach by adopting a product portfolio diversification

strategy or expanding into new areas. Thus, SWOT analysis helps the bank formulate a more effective and adaptive strategy, which has a direct impact on business growth and customer service.

2. Although the SWOT analysis provides valuable insights, BSI KCP Jakarta Arteri Pondok Indah also faces a number of obstacles and challenges in adopting and implementing the results of the analysis. One of the obstacles faced is the dependence on middle to upper class customers, which can reduce portfolio diversification and increase risks related to market fluctuations. Strategies to overcome this obstacle involve efforts to expand the customer base to a wider segment and diversify products and services. In addition, BSI must also face stiff competition in the sharia and conventional banking industries, which can reduce market share and profit margins. Strategies to overcome these challenges involve strengthening the bank's brand image and reputation, as well as developing innovative products and services to differentiate itself from competitors.

Suggestion

The suggestions are as follows:

BSI KCP Jakarta Arteri Pondok Indah needs to continue to utilize internal strengths such as the application of sharia principles to expand the customer base. It is necessary to develop more creative and innovative strategies to maximize the potential of the strengths it has. In addition to identifying weaknesses, banks also need to focus on concrete steps to reduce the impact of existing weaknesses, such as through product portfolio diversification or developing expansion strategies into new areas. BSI KCP Jakarta Arteri Pondok Indah needs to increase marketing efforts to reach a wider customer segment, including groups of people with various economic levels, to reduce dependence on middle to upper class customers. Developing innovative products and services is the key to winning the competition. Banks need to continue to conduct market research and innovate to produce products and services that suit customer needs.

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