

CHAPTER I

INTRODUCTION

1.1 Object Overview

1.1.1 Company Profile

PT Warga Utama Prima Mandiri (PT WUPM) is an Indonesian company engaged in the construction services sector. The company was established in 1982 under the name CV Warga Utama. This company is owned and led by Tries Mahardika, acting as the Chief Executive Officer (CEO). The company initially focused on providing labor, cleaning services, and providing goods, primarily serving PT South Pacific Viscose (PT SPV) as its main client. This 35-year partnership has strengthened PT WUPM reputation as a reliable and trusted service provider (PT WUPM, 2024).



Figure 1.1 Logo of PT WUPM

Source: PT WUPM (2024)

In 2004, CV Warga Utama changed its name to a limited liability company (PT) and adopted the name PT Warga Utama Prima Mandiri. This transformation marked a new phase of growth, allowing the company to expand its service offerings and strengthen its position in the construction and outsourcing sectors. The company operates from its head office in Purwakarta, West Java, and is strategically positioned to support Indonesia infrastructure development needs (PT WUPM, 2024).

PT WUPM offers a comprehensive range of services, including:

1. Construction Services: Carrying out various construction projects, with a focus on quality and safety standards with certification such as Industrial building construction services, water channel construction services, highway construction services, and railway construction services.
2. Labor Provision (Outsourcing): Providing skilled labor to meet client demand in various sectors.
3. Procurement: Offering a wide range of products, including office supplies, machine parts, and building materials.

1.1.2 Company Vision and Mission

PT WUPM committed to its mission to achieve sustainable growth and provide high customer satisfaction. PT WUPM vision is to establish itself as a national market leader by emphasizing integrity, customer-centric service, and excellence in quality. By achieving ISO 9001 and SMK3 certifications in 2017, PT WUPM has demonstrated its commitment to quality management and occupational health and safety, ensuring that the company meets industry standards (PT WUPM, 2024). To strengthen the direction of PT WUPM, the company has the following vision and mission:

1. Vision

To become a national-scale company that is a market leader in every field and always prioritizes sustainable growth with human resources who are committed to continuing to produce excellence to create corporate governance with integrity (PT WUPM, 2024).

2. Mission

- a) To be a place for superior human resources to develop and grow together based on the company values and culture.
- b) Maintaining a commitment to always provide customer satisfaction by paying attention to the quality of service provided.
- c) Creating harmonious relationships within the company and establishing humanistic relationships with customers (PT WUPM, 2024).

1.1.3 Company Organizational Structure

The organizational structure of PT Warga Utama Prima Mandiri (PT WUPM) reflects a clear division of tasks and responsibilities at various levels of management and operations. This structure is designed to ensure resource efficiency and smooth operational processes within the company.

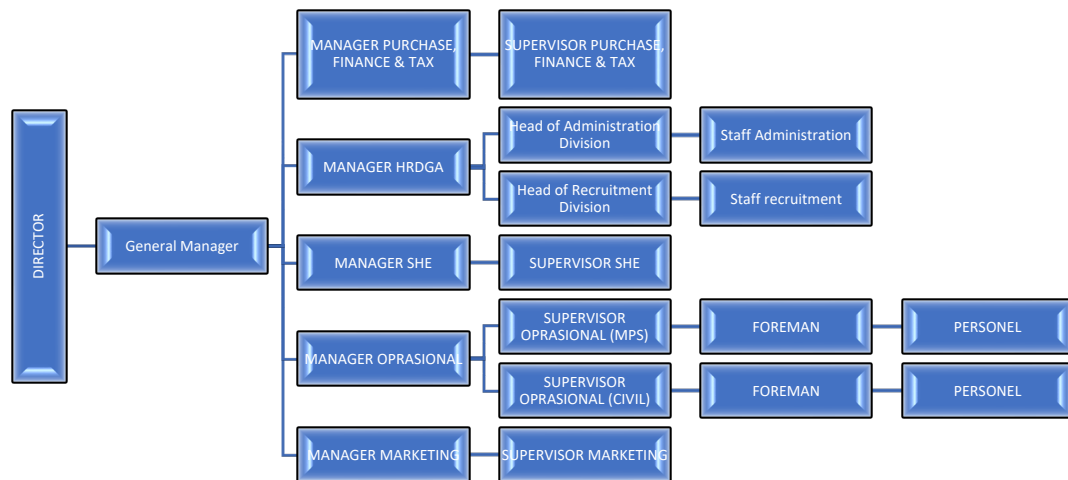


Figure 1.2 PT WUPM Organizational Structure

Source: PT WUPM (2024)

At the highest level, the Director holds full control over the company's operations, supported by the General Manager, who is responsible for coordinating cross-departmental activities. The General Manager plays a central role in bridging communication and implementing strategic policies from the director to the managers below (PT WUPM, 2024).

Under the General Manager, there are five main divisions:

1. Manager of Purchase, Finance & Tax

Responsible for overseeing and managing all aspects of finance, taxation, and procurement. This division ensures efficient budget management and compliance with tax regulations. The manager is assisted by the Supervisor of Purchase, Finance & Tax, who is supported by the Head of Administration Division and the Head of Recruitment Division in handling administrative and recruitment staff (PT WUPM, 2024).

2. Manager of HRDGA (Human Resource Development & General Affairs)

Responsible for managing human resources and general affairs of the company. This division ensures that HR-related policies run effectively and align with the company vision (PT WUPM, 2024).

3. Manager of SHE (Safety, Health, and Environment)

Leads the oversight of workplace safety, employee health, and compliance with environmental regulations. SHE Supervisor reports directly to this manager and ensures the implementation of safety standards across all projects and company operations (PT WUPM, 2024).

4. Operational Manager

Supervises project implementation and daily company operations. Two supervisors report to this manager: Operational Supervisor (MPS) and Operational Supervisor (Civil). Each supervisor is responsible for overseeing projects in the fields of mechanical, electrical, and civil works, directly supported by Foremen and Personnel on site (PT WUPM, 2024).

5. Marketing Manager

Manages the marketing and sales strategies for PT WUPM construction services. The manager is assisted by the Marketing Supervisor, who ensures the effective execution of marketing programs (PT WUPM, 2024).

This organizational structure demonstrates that PT WUPM places a strong emphasis on human resource management, workplace safety, and operational efficiency. With a clear and organized division of tasks, PT WUPM can maintain service quality and enhance competitiveness in the construction sector.

1.1.4 Company Services and Products

PT Warga Utama Prima Mandiri (PT WUPM) operates in the construction services sector, contributing to various infrastructure and industrial development projects. With extensive experience in the field, PT WUPM offers a range of services focused on industrial and public infrastructure, aligning with the company vision of sustainable growth and client satisfaction.

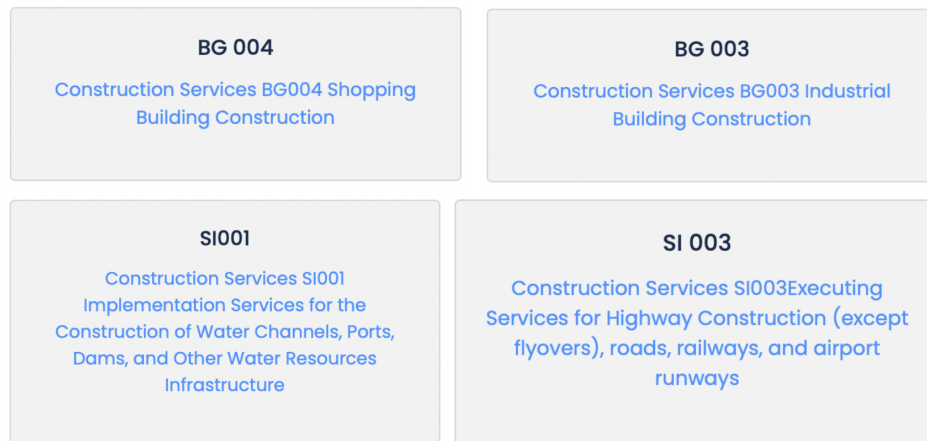


Figure 1.3 PT WUPM Service

Source: indokontraktor.com (2024)

The main services provided by PT WUPM include:

1. (BG003) Industrial Building Construction Services

PT WUPM specializes in the construction of industrial buildings, including factories and warehouses. The company handles all phases of construction, from planning and execution to supervision, ensuring high-quality results that meet industrial standards. A main client for PT WUPM is PT Lenzing, for whom the company has completed numerous construction projects aimed at expanding and optimizing production facilities (indokontraktor.com, 2024).

2. (BG004) Commercial Building Construction Services

PT WUPM also undertakes construction projects for commercial buildings under BG004, with a specific focus on office buildings, warehouses, rental office spaces, and retail shops. The company expertise lies in constructing commercial properties that provide long-term economic value and generate revenue for owners and tenants (indokontraktor.com, 2024).

While the BG004 classification covers a wide range of commercial structures such as shopping centers, gas stations, public transportation terminals, and railway stations, PT WUPM limits its scope to the construction of office buildings, warehouses, rental spaces, and retail outlets (PT WUPM, 2024).

3. (SI001) Water Channel and Drainage Infrastructure

PT WUPM offers construction services focused on water channels, drainage systems, and water resource infrastructure. These projects are essential for PT Lenzing Water Treatment Plant, irrigation, and improving local water management systems. The company also has played a significant role in government projects within Purwakarta Regency, addressing critical water infrastructure needs to benefit the local community (indokontraktor.com, 2024).

4. (SI003) Highway and Road Construction Services

PT WUPM provides construction services for road in Purwakarta Regency. The company is dedicated to enhancing local and regional connectivity by developing transport networks that facilitate economic growth and improve access between regions. PT WUPM worked with PT Lenzing to build the company access road as well as the surrounding roads (indokontraktor.com, 2024).

1.2 Research Background

The construction sector is a cornerstone in supporting economic growth, both nationally and globally. As a sector that plays a role in the development of infrastructure, property, and public facilities, construction has far-reaching impacts across various industries, including transportation, energy, and housing. In Indonesia, this sector continues to experience rapid growth, driven by increased government investment in strategic infrastructure projects such as the construction of toll roads, ports, airports, industrial zones, and housing (Soemardi et al., 2020).

According to statista.com (2024) indicates that Indonesia Gross Domestic Product (GDP) has seen significant growth from 1989 to 2029, with projections reaching a new peak in 2029, reflecting the construction sector substantial contribution to driving national economic growth. However, despite this growth, Indonesia construction industry still faces significant challenges in terms of productivity, efficiency, and technology adoption.

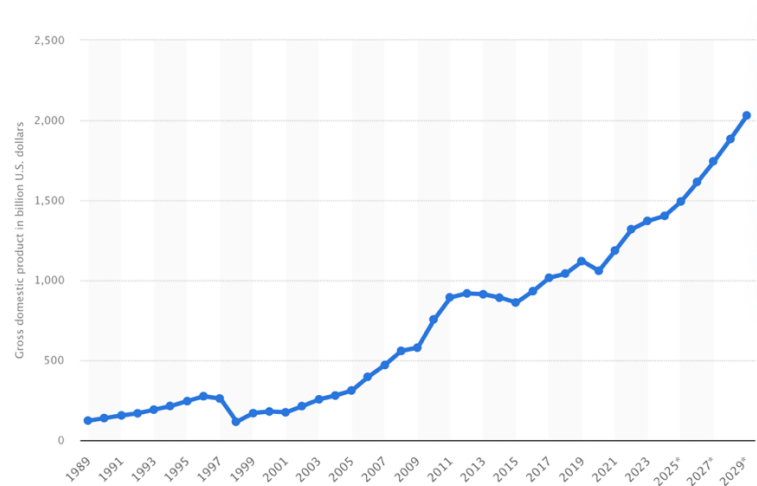


Figure 1.4 Indonesia GDP

Source: statista.com (2025)

According to Soemardi et al. (2020), construction sector contributes around 10.4% of Indonesia GDP and employs approximately 135.000 construction and engineering companies, most of which are local SMEs. Fluctuating raw material prices, changing policies and regulations, and global economic uncertainty are external factors that can affect the stability and sustainability of construction companies. Internally, operational efficiency, human resource management (HRM) capabilities, and the adoption of appropriate technologies are critical factors in determining a company competitiveness in this industry.

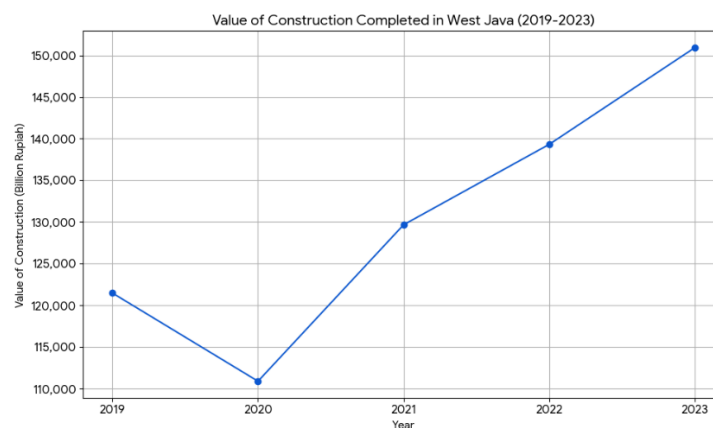


Figure 1.5 Value of Construction Completed in West Java (2019-2023)

Source: www.bps.go.id (2025)

Above is data released by the *Badan Pusat Statistik* (BPS) through their publication “*Konstruksi dalam Angka*” for the relevant years, the total value of construction completed in West Java showed significant dynamics during the period 2019 to 2023.

In 2019, before the COVID-19 pandemic, the value of construction completed in West Java was recorded at IDR 121,49 trillion. However, in 2020, there was a significant decline of around 8.71%, with the construction value falling to IDR 110,91 trillion. This decline was very likely caused by the impact of economic disruption and activity restrictions due to the outbreak of the COVID-19 pandemic which affected the implementation of various construction projects (BPS-Statistics Indonesia, 2021).

Entering 2021, the construction sector in West Java began to show a strong recovery. The value of construction completed increased significantly by 16.92% compared to the previous year, reaching IDR 129,68 trillion (BPS-Statistics Indonesia, 2022). This positive growth trend continued in the following years. In 2022, the construction value increased again by 7.44%, reaching IDR 139,33 trillion (BPS-Statistics Indonesia, 2023). Further increases occurred in 2023, where the value of construction completed in West Java was recorded at IDR 150,93 trillion, marking growth of around 8.33% from 2022 (BPS-Statistics Indonesia, 2024).

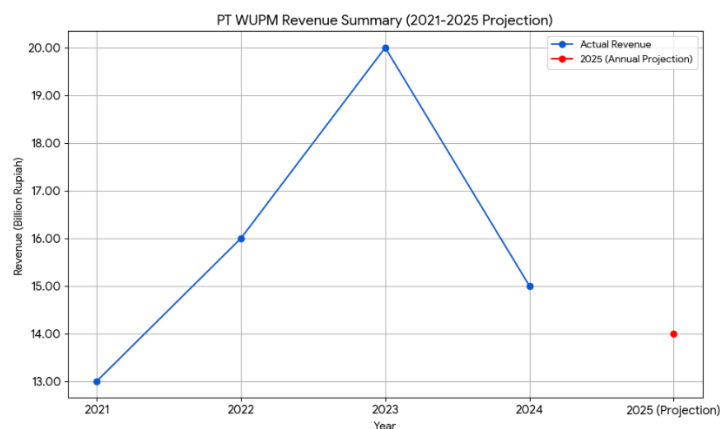


Figure 1.6 PT WUPM REVENUE (2021-2024)

Source: PT WUPM (2025)

As shown in figure 1.6, it can be observed that PT WUPM revenue shows a growth trend from 2021 to 2023. The company revenue was recorded at IDR 13 billion in 2021, then increased to IDR 16 billion in 2022, and peaked at IDR 20 billion in 2023. However, after reaching this peak, the company revenue performance showed a reversal in the trend. In 2024, PT WUPM revenue was recorded to have decreased to IDR 15 billion. Furthermore, based on data from the first quarter of 2025, the annual revenue projection for 2025 is estimated to decrease again to IDR 14 billion. The downward trend in revenue in the last two years (2024 and the 2025 projection) is one of the main focuses indicating the performance challenges faced by the company and underlies the need for a comprehensive analysis and formulation of strategies for PT WUPM.

In response to these challenges and dynamics, construction companies are required to adopt adaptive and innovative strategies. Effective strategy formulation based on data is a key element in maintaining competitive advantage and ensuring business sustainability. Strategic Management is an approach widely adopted by companies to design and develop business strategies that align with internal and external conditions. This process involves comprehensive analysis of factors influencing the company, enabling more effective responses to market changes.

PT Warga Utama Prima Mandiri (PT WUPM) is one of Indonesia construction service companies, operating since 1982. Initially providing labor services and cleaning services, PT WUPM has grown into a company offering quality construction and labor procurement services. With over three decades of experience, PT WUPM has contributed to various major projects, including local infrastructure development and industrial projects for clients such as PT South Pacific Viscose or Lenzing and several local government projects in Purwakarta Regency.

As a continuously growing company, PT WUPM faces the importance of well-formulated strategies to maintain and enhance its position amidst increasing competition. To support PT WUPM development, this study aims to formulate the appropriate business strategy by using SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) as the primary framework. Through this analysis, this

study will identify PT WUPM internal strengths and weaknesses, as well as external opportunities and threats that may affect the company performance.

According to the previous study conducted by Qunayta & Noviaristanti (2020) titled *Strategic Formulation and Implementation Using IFE & EFE Matrixes in PT. LORAID*. The primary difference lies in the analytical approach and framework used in strategy formulation. The analysis framework applied is SWOT Analysis, focusing on identifying internal and external factors without utilizing the SWOT Matrix to systematically map and match those factors. This approach contrasts with this research, which employs the SWOT Matrix to produce more detailed strategies, encompassing various alternatives such as SO (Strength-Opportunity), WO (Weakness-Opportunity), ST (Strength-Threat), and WT (Weakness-Threat) strategies.

Additionally, according to Qunayta & Noviaristanti (2020) study emphasizes Strategic Implementation and concludes at the implementation stage, without progressing to the decision-making process using advanced analytical tools. Conversely, this research advances to the Decision Stage by applying the QSPM (Quantitative Strategic Planning Matrix) to evaluate the relative attractiveness of each identified strategic alternative. This approach allows PT WUPM to select the most appropriate strategies aligned with the company internal and external conditions in a more measurable manner.

To gain a more comprehensive understanding, this SWOT analysis will be reinforced by the use of the IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) Matrices. The IFE Matrix will evaluate internal factors contributing to the company operational performance, while the EFE Matrix will assist in identifying external opportunities and threats that may impact PT WUPM business prospects. The combination of these analyses is expected to provide a holistic overview of PT WUPM strategic position in the market, which will serve as the foundation for strategic formulation.

Furthermore, this study will apply the QSPM (Quantitative Strategic Planning Matrix) as a tool to evaluate and prioritize various strategic alternatives derived from the SWOT, IFE, and EFE analyses. QSPM enables the study to

conduct a quantitative analysis of strategic options, allowing for objective and data-driven decision making. Through this approach, the study seeks to identify strategies with the greatest potential impact on PT WUPM growth and business expansion.

By utilizing a combination of SWOT, IFE, EFE, and QSPM Matrixes, this study aims to formulate strategies that:

1. Identify new opportunities in the construction industry that can provide competitive advantages.
2. Enhance operational efficiency and productivity by optimizing internal resources and processes.
3. Strengthen the company competitiveness in local and national markets, particularly in strategic construction projects.
4. Anticipate risks and external threats that could hinder business growth and stability.

This study is expected not only to produce strategic formulations that enhance PT WUPM competitiveness but also to contribute significantly to the overall development of the construction sector. The results of this study can serve as a valuable reference for other construction companies facing similar challenges in designing sustainable strategies focused on long-term growth amidst increasingly dynamic global competition.

Based on the background and phenomena above, the author is conducting research titled **“STRATEGIC FORMULATION USING IFE, EFE, SWOT, AND QSPM MATRIXES: A CASE STUDY ON PT WARGA UTAMA PRIMA MANDIRI”**.

1.3 Problem Formulation

PT Warga Utama Prima Mandiri (PT WUPM) operates in the construction industry, which plays a vital role in infrastructure development and Indonesia economic growth. In facing increasingly intense competition, PT WUPM requires effective strategies to maintain and enhance its market position. Internal factors such as operational efficiency and human resource (HR) management are crucial

elements influencing the company performance. On the other hand, external factors like fluctuating raw material prices, government policy changes, and global economic uncertainty also affect the company stability and sustainability. Therefore, analyzing internal and external factors is essential in designing the right business strategy.

The formulation of PT WUPM business strategy will be carried out through SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to identify the company internal strengths and weaknesses as well as the external opportunities and threats it faces. This analysis will be strengthened by the use of the IFE (Internal Factor Evaluation) Matrix and the EFE (External Factor Evaluation) Matrix to provide a comprehensive overview of the company internal and external conditions. The combination of these analyses is expected to produce strategies aligned with PT WUPM needs in enhancing competitiveness and achieving long-term goals.

Additionally, this research will explore and evaluate various strategic alternatives that PT WUPM can implement through the QSPM (Quantitative Strategic Planning Matrix) approach. QSPM enables the company to assess the relative attractiveness of each formulated strategy, allowing for the objective and measurable prioritization of strategies. This evaluation will guide PT WUPM in selecting the most effective strategies to support business growth and market expansion.

Another key difference lies in the decision-making approach. This research positions QSPM as the primary evaluation tool for determining strategic priorities, providing a solid foundation for selecting the best strategy based on the most relevant factors. In contrast, Sausan's research focuses solely on strategy implementation without an in-depth evaluation of the attractiveness of the proposed strategies.

As part of the strategic planning process, the implementation of strategies derived from IFE, EFE, SWOT, and QSPM analyses is key to ensuring that PT WUPM can leverage available opportunities and address future challenges. Properly implemented strategies will help PT WUPM improve efficiency,

strengthen its competitive position, and create advantages in the continuously evolving construction industry.

Based on the previous explanation, the problem formulations in this study are:

1. What are the external environmental conditions that present opportunities and threats for PT WUPM?
2. What are the internal environmental conditions that serve as strengths and weaknesses for PT WUPM?
3. What alternative strategies can be applied by PT WUPM in line with its internal and external environmental conditions?
4. How can PT WUPM formulate appropriate strategies based on SWOT analysis and the QSPM Matrix?

By addressing these questions, this research is expected to provide significant contributions in developing strategies that enhance PT WUPM competitiveness and support its business growth in the future.

1.4 Research Objective

Based on the background and the problem formulations, the objectives of this research as follows:

1. To analyze the external environmental conditions that present opportunities and threats to PT Warga Utama Prima Mandiri (PT WUPM).
2. To evaluate the internal environmental conditions that represent the strengths and weaknesses of PT WUPM.
3. To formulate alternative strategies for PT WUPM based on the analysis of internal and external factors.
4. To develop appropriate business strategies for PT WUPM using SWOT analysis and QSPM Matrixes to enhance competitiveness and ensure long-term growth.

1.5 Research Benefit

1.5.1 Theoritical Benefit

This research contributes to the academic field of strategic management by expanding the understanding and application of analytical tools such as SWOT, IFE, EFE, and QSPM in formulating business strategies. The study provides insights into how internal and external factors influence strategic decision making, which can serve as a reference for future studies exploring competitive strategy development, particularly in the construction sector. This research enriches the literature on the practical integration of qualitative and quantitative methods in evaluating strategic alternatives, reinforcing the importance of data-driven decision-making in achieving long-term business objectives.

1.5.2 Practical Benefit

This study offers practical benefits for PT Warga Utama Prima Mandiri (PT WUPM) by providing:

1. **Strategic Insights**

A comprehensive evaluation of internal and external factors that can guide the company in identifying growth opportunities and mitigating risks.

2. **Competitive Edge**

Formulated strategies that enhance operational efficiency, improve market positioning, and drive sustainable growth in the construction industry.

3. **Decision-Making Framework**

Practical recommendations for the management of PT WUPM to implement and prioritize strategies based on the SWOT and QSPM analysis, ensuring resources are allocated effectively to achieve optimal results.

4. **Industry Application**

The results of this research can be applied to other construction companies facing similar challenges, offering valuable insights for businesses aiming to strengthen competitiveness and expand their market reach.

1.6 Writing Systematics

The content in this research is related to the research overview that is done by the author (the writer of this mini thesis) in a systematically order. The systematic of this research includes 5 chapters, they are:

1. CHAPTER I INTRODUCTION

This chapter discusses about the research objective overview, including the company profile, organizational structure, logo, and vision and mission. This chapter also describes the research background, problem statement, research focus, research questions, research objectives, and the significance of the study as much as the scope of the research.

2. CHAPTER II LITERATURE REVIEW

This chapter discusses about the theories that are related to the research objectives to support the research in answering the research questions. This chapter includes the previous research the writer used to write the research and the research framework.

3. CHAPTER III RESEARCH METHODOLOGY

This chapter discusses about the research methodology that includes the research objects, research location, research stages, operational variables, key informants, data analysis technique, and the validity and reliability of the research.

4. CHAPTER IV RESEARCH ANALYSIS AND RESULT

This chapter discusses about the analysis and the result of the research in result of conclusion and suggestion pulled by the writer of the research for the next chapter.

5. CHAPTER V CONCLUSION AND SUGGESTION

This chapter provides the conclusion of all the previous chapters in the research paper. This chapter also includes the suggestion towards the research object by the author in hope to giving good contribution to them and also to others.