

# Product Business Development Strategy of ABC Ltd. (Case Study: Point of Sales Product Development Company)

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## ABSTRACT

This study investigates the strategic positioning of ABC Ltd. in the competitive Point of Sale (POS) industry, employing tools such as External Factor Evaluation (EFE), Internal Factor Evaluation (IFE), SWOT analysis, and Analytical Hierarchy Process (AHP). Results indicate that ABC Ltd. demonstrates strong capabilities in leveraging external opportunities, achieving an EFE score of 3.46, and internal strengths, reflected in an IFE score of 3.34. Key opportunities include government support for digitalization and the growth of Indonesia's digital economy, while primary strengths lie in active sales strategies and innovation-driven product development. A comprehensive SWOT analysis identified strategic options, and AHP prioritized an aggressive strategy (weight: 0.389) focusing on technological innovation and SME market penetration. Secondary strategies emphasize operational improvements and risk mitigation. The study concludes that ABC Ltd. is well-positioned to sustain growth by aligning its strengths with market opportunities while addressing weaknesses and mitigating threats.

**Keywords:** SWOT analysis, External Factor Evaluation (EFE), Internal Factor Evaluation (IFE), Analytical Hierarchy

Process (AHP), Strategic Management, Technological Innovation

## INTRODUCTION

Technology and finance are pivotal market segments driving industrial growth in Indonesia. The progression of Industry 4.0 has reshaped the competitive landscape, affecting both emerging startups and established corporations undergoing transformation. This evolution includes the development of technology-based solutions such as Point of Sales (POS) systems, which serve as core components of digital transaction systems across various sectors, including restaurants and retail stores.

ABC Ltd., as a subsidiary of XYZ Ltd., has capitalized on this potential by developing an integrated POS product. Despite notable user growth, ABC Ltd. faces intense competition from companies that entered the market earlier and have secured dominant positions. By 2023, ABC's POS product ranked 48th out of 50 companies in the sector, revealing significant challenges in product innovation, technology adoption, and merchant engagement. These challenges underscore the necessity for strategic measures to enhance competitiveness and address existing market gaps.

This study adopts SWOT analysis to evaluate the strengths, weaknesses, opportunities, and threats faced by ABC Ltd. and employs complementary

frameworks such as PEST (Political, Economic, Social, Technological) and Porter's Value Chain [1] to gain a holistic understanding of the internal and external factors influencing business strategy. Internal considerations include workforce capabilities, financial management, and technological resources [2], while external elements encompass political, economic, and technological trends [3]. The findings reveal the critical need to align internal strengths, such as innovation and operational efficiency, with external opportunities like digital economic growth and supportive government policies [4].

Addressing weaknesses, including outdated technology and inefficient distribution systems, alongside mitigating threats from global economic uncertainty and disruptive technologies, is equally crucial [1,5]. Drawing insights from prior studies [6–8] and leveraging tools like the TOWS Matrix [9], the analysis highlights the strategic integration of strengths, weaknesses, opportunities, and threats to formulate actionable business strategies. These strategies aim to enhance ABC Ltd.'s organizational agility, optimize resource allocation, and position its POS product competitively in an increasingly dynamic and competitive market.

## **MATERIALS & METHODS**

This study was conducted at the headquarters of ABC Ltd. in Jakarta, Indonesia, from September to December 2024. It represents a pioneering effort in evaluating business development strategies to inform decision-making processes for advancing the company's operational and strategic goals.

### **Research Approach**

The research utilized a descriptive case study approach supported by a literature review to provide a clear framework for analyzing the object of study. Data collected were analyzed qualitatively and quantitatively, serving as a foundation for formulating alternative business

development strategies. Qualitative analysis was based on in-depth interviews with key management personnel, focusing on internal and external factors, while quantitative analysis included questionnaire results that provided weighted evaluations of strengths, weaknesses, opportunities, and threats (SWOT).

### **Data Types and Sources**

This study employed both primary and secondary data. Primary data were obtained through direct interviews with ABC Ltd.'s management and external consumers, as well as field observations of operational conditions and existing strategies. Secondary data were derived from management reports, annual reports, and other relevant literature.

Primary data collection involved structured interviews and questionnaires targeted at key individuals involved in strategy formulation and implementation. The questionnaires identified and ranked internal and external factors affecting company performance, with researchers guiding respondents to ensure data accuracy and completeness. Secondary data were gathered from internal company documents and academic references relevant to the research topic.

### **Data Processing and Analysis Techniques**

Data were processed using suitable management tools and analyzed descriptively to derive strategic insights for ABC Ltd.'s business development. The analysis involved the following steps:

#### **1. Business Development Strategy Analysis**

This step identified business competitors and positioned ABC Ltd. within the competitive landscape. Existing and planned strategies were evaluated to understand the company's strategic position and potential for growth.

#### **2. Internal and External Analysis**

Internal analysis assessed strengths and weaknesses, focusing on resources, capabilities, and operational processes.

This step aimed to identify areas requiring improvement or optimization. External analysis examined market conditions, regulations, and competition to identify opportunities and threats. The findings informed the construction of a TOWS (Threats, Opportunities, Weaknesses, Strengths) matrix, which guided the company in leveraging strengths to exploit opportunities and counter threats, while mitigating weaknesses.

### 3. SWOT Matrix

A SWOT matrix combined internal and external factors to analyze strengths, weaknesses, opportunities, and threats. The results provided an evaluative framework for understanding ABC Ltd.'s strategic conditions. This framework was instrumental in developing alternative strategies tailored to the company's needs, enabling it to enhance competitiveness and adapt to market dynamics.

By employing a comprehensive approach that integrated qualitative and quantitative methods, this study systematically explored the strategic challenges and opportunities faced by ABC Ltd., resulting in actionable recommendations to strengthen its market position and business growth trajectory.

## RESULT

### Evaluation of External Factors (EFE)

The External Factor Evaluation (EFE) for ABC Ltd. reveals its strong ability to capitalize on external opportunities while managing threats. With a total weighted score of 3.46, ABC Ltd. demonstrates effectiveness in leveraging key opportunities such as government policies supporting digitalization (weighted score: 0.6) and the growth of Indonesia's digital economy (weighted score: 0.8). Additionally, increasing adoption of technology by merchants (weighted score: 1.0) further enhances its potential for expansion in the Point of Sale (POS) industry. However, threats such as regulatory changes, global economic uncertainty, and disruptive technologies pose challenges that require attention. For example, regulatory shifts (weighted score: 0.1) can impose additional compliance costs, while inflation may reduce merchant purchasing power (weighted score: 0.1). To address these issues, ABC Ltd. must develop a proactive risk management strategy while continuously innovating its product offerings. More detailed information about ABC Ltd.'s EFE shown in Table 1.

**Table 1. External Factor Evaluation**

No.	External Strategic Factors	Weight	Rating	Weighted score	Classification
1	Government policies supporting technology	0.15	4	0.60	Opportunity
2	Stability of Indonesia's political climate	0.10	3	0.30	Opportunity
3	Growth of the digital economy	0.20	4	0.80	Opportunity
4	Increasing merchant technology adoption	0.25	4	1.00	Opportunity
5	Advances in cloud computing, AI, and big data	0.10	3	0.30	Opportunity
6	Regulatory changes adding industry challenges	0.05	2	0.10	Threat
7	Global economic uncertainty	0.05	2	0.10	Threat
8	Inflation reducing merchant purchasing power	0.05	2	0.10	Threat
9	Disruptive technological advancements	0.04	3	0.12	Threat
10	Geopolitical uncertainties	0.02	2	0.04	Threat
	<b>Total</b>	<b>1.00</b>		<b>3.46</b>	

### Evaluation of Internal Factors (IFE)

The Internal Factor Evaluation (IFE) score of 3.34 highlights ABC Ltd.'s robust internal capabilities. Strengths such as an active sales strategy (weighted score: 0.6) and high-quality after-sales service (weighted

score: 0.6) contribute significantly to its market competitiveness. The company also excels in understanding merchant needs (weighted score: 0.36) and leveraging technology for product innovation (weighted score: 0.4). Nevertheless,

weaknesses like outdated technology (weighted score: 0.06) and inefficient logistics (weighted score: 0.10) hinder operational efficiency. Addressing these

internal shortcomings by investing in technological upgrades and workforce development will be crucial for sustained growth. IFE analysis is presented in Table 2.

**Table 2. Internal Factor Evaluation**

No.	Internal Strategic Factors	Weight	Rating	Weighted score	Classification
1	Efficiency in internal logistics	0.10	4	0.40	Strength
2	Efficiency in product distribution	0.08	3	0.24	Strength
3	Active sales strategy	0.15	4	0.60	Strength
4	Understanding merchant needs	0.12	3	0.36	Strength
5	High-quality after-sales services	0.15	4	0.60	Strength
6	Efficient procurement processes	0.08	3	0.24	Strength
7	Role of technology in product innovation	0.10	4	0.40	Strength
8	Supportive corporate infrastructure	0.08	3	0.24	Strength
9	Skilled human resources for business development	0.10	4	0.40	Strength
10	Slow logistics processes	0.05	2	0.10	Weakness
11	Inefficient distribution systems	0.04	2	0.08	Weakness
12	Outdated technology	0.03	2	0.06	Weakness
13	Lack of HR development	0.02	1	0.02	Weakness
	<b>Total</b>	<b>1.00</b>		<b>3.34</b>	

**Comprehensive SWOT Analysis and Strategic Formulation for ABC Ltd.**

The SWOT Analysis integrates the insights from EFE and IFE matrices, offering a structured overview of ABC Ltd.'s internal capabilities and external environment. This

analysis is foundational for identifying potential strategies that align strengths and opportunities, mitigate weaknesses, and counter threats. SWOT matrix detailed in Table 3.

**Table 3. SWOT Matrix**

ABC Ltd.	Strength	Weakness
	1. Efficiency in internal logistics	1. Slow logistics processes
	2. Efficiency in product distribution	2. Inefficient distribution systems
	3. Active sales strategy	3. Outdated technology
	4. Understanding merchant needs	4. Lack of HR development
	5. High-quality after-sales services	
	6. Efficient procurement processes	
	7. Role of technology in product innovation	
Opportunity	SO Strategies (Aggressive)	WO Strategies (Conservative)
1. Government policies supporting technology	1. Enhance AI and big data integration (O4, S3, S7)	1. Staff training to enhance HR competencies (W3, O1, O4)
2. Stability of Indonesia's political climate	2. Expand services to SME and underserved areas (O1, O2, S1, S4, S5)	2. Upgrade technological infrastructure (W2, O3, O4)
3. Growth of the digital economy	3. Cloud-based POS development (O3, O4, S6, S7)	3. Optimize logistics and distribution (W1, O2, O3)
4. Increasing merchant technology adoption		
5. Advances in cloud computing, AI, and big data		
Threat	ST Strategies (Competitive)	WT Strategies (Defensive)
1. Regulatory changes adding industry challenges	1. Product differentiation (S7, T3)	1. Invest in R&D for technological upgrades (W2, W3, T1, T3)
2. Global economic uncertainty	2. Competitive pricing strategy (S3, S6, T2)	2. Strengthen risk management frameworks (W1, T2, T3)
3. Inflation reducing merchant purchasing power	3. Build customer loyalty through after-sales (S2, S4, T1, T3)	3. Advanced logistics systems (W1, T2, T4)
4. Disruptive technological advancements		
5. Geopolitical uncertainties		

Based on the SWOT analysis, strategies were developed using the four-quadrant approach: SO (Strength-Opportunity), WO (Weakness-Opportunity), ST (Strength-Threat), and WT (Weakness-Threat). The detailed description of each of these strategies is as follows.

### **SO (Strength-Opportunity) Strategies**

Leverage strengths to maximize opportunities:

1. Enhance innovation capabilities by integrating AI and big data analytics to support merchant operations and improve POS features.
2. Expand services to untapped markets, focusing on SMEs and areas benefiting from government digitalization incentives.
3. Develop advanced cloud-based POS systems that appeal to merchants adopting digital payment solutions.

### **WO (Weakness-Opportunity) Strategies**

Address weaknesses while leveraging opportunities:

1. Implement staff training programs to improve technical skills and address HR development gaps.
2. Modernize outdated technology infrastructure by adopting scalable, cloud-based solutions.
3. Optimize logistics and distribution processes to align with market demands and government-supported growth areas.

### **ST (Strength-Threat) Strategies**

Use strengths to mitigate threats:

1. Differentiate products through innovative features that offer added value over competitors.
2. Develop a pricing strategy to address reduced purchasing power among merchants due to economic uncertainty.
3. Focus on securing market share by offering enhanced after-sales services to build customer loyalty.

### **WT (Weakness-Threat) Strategies**

Minimize weaknesses and counter threats:

1. Invest in research and development (R&D) to reduce reliance on outdated technology.
2. Enhance risk management frameworks to address regulatory and economic uncertainties.
3. Improve operational efficiency through the implementation of advanced logistics management systems.

### **Analytical Hierarchy Process (AHP) for Strategy Selection**

Using the Analytical Hierarchy Process (AHP), four strategies were evaluated: aggressive, conservative, competitive, and defensive. The AHP results indicate that an aggressive strategy (weight: 0.389) is the most suitable for ABC Ltd. This involves prioritizing technological innovation and expanding into the SME digitalization segment. The conservative strategy (weight: 0.219) and defensive strategy (weight: 0.197) follow as secondary options, emphasizing operational efficiency and workforce development.

**Table 4. AHP Strategy Weights**

Strategy	Weight
Agresive (SO)	0.389
Conservative (WO)	0.219
Competitive (ST)	0.196
Defensive (WT)	0.197
Total	1.000

The SWOT and AHP analyses highlight the potential for ABC Ltd. to implement an aggressive strategy, emphasizing technological innovation and SME market penetration. Leveraging its strengths and opportunities while addressing weaknesses and threats will position ABC Ltd. as a competitive player in the evolving POS industry. By following this integrated strategic approach, ABC Ltd. can achieve sustained growth and market leadership.

### **DISCUSSION**

The findings of this study provide valuable insights into ABC Ltd.'s strategic positioning within the Point of Sale (POS) industry, revealing the company's strengths in leveraging external opportunities and

internal capabilities while addressing existing challenges. The External Factor Evaluation (EFE) score of 3.46 underscores ABC Ltd.'s strong ability to capitalize on opportunities such as supportive government policies and the growth of Indonesia's digital economy. These findings align with [6] and [10], who highlighted the importance of leveraging external policy incentives and technological advancements for business expansion. However, the study also identified critical threats, such as regulatory changes and global economic uncertainty, which resonate with challenges outlined by Firdaus and [11]. Addressing these threats requires proactive risk management and continuous innovation to ensure resilience in a dynamic business environment.

The Internal Factor Evaluation (IFE) score of 3.34 emphasizes ABC Ltd's internal strengths, including a proactive sales strategy, high-quality after-sales services, and effective use of technology for product innovation. These elements are critical for maintaining competitiveness, as suggested by Ubay [7], who emphasized the significance of operational excellence and workforce development. However, the study also identifies weaknesses, such as outdated technology and inefficient logistics, which hinder operational efficiency and market responsiveness. These findings align with prior research advocating for internal upgrades to enhance competitiveness, particularly in rapidly evolving industries.

The SWOT analysis integrates the findings from the EFE and IFE evaluations, offering a comprehensive view of ABC Ltd's strategic landscape. SO strategies, such as leveraging strengths to maximize opportunities through AI integration and cloud-based POS solutions, align with Hill and Jones [5], who emphasized the transformative potential of technology in driving competitive advantage. WO strategies focus on addressing internal weaknesses while utilizing external opportunities, including staff training to close skill gaps and technology upgrades to

meet evolving market demands, which resonate with Ubay[7]'s recommendations for workforce and operational improvements. ST strategies aim to mitigate external threats by using internal strengths, such as product differentiation and competitive pricing, as highlighted by Sarah et al. [10]. Finally, WT strategies involve minimizing weaknesses and countering threats through investments in R&D and enhanced risk management, aligning with the resilience-building approaches emphasized by Firdaus and Masya [11].

The application of the Analytical Hierarchy Process (AHP) further refines strategic priorities, identifying an aggressive strategy as the most suitable for ABC Ltd. This approach emphasizes technological innovation and expansion into the SME market, aligning with Sarah et al. [10], who advocated for leveraging advanced technologies to penetrate underserved market segments. Conservative strategies, focusing on operational efficiency and HR development, and defensive strategies, targeting risk management and resilience, complement this primary approach, ensuring balanced and sustainable growth.

This study demonstrates that ABC Ltd. is well-positioned to capitalize on its strengths and external opportunities while addressing its weaknesses and mitigating threats. The proposed strategic framework ensures alignment with industry trends and organizational capabilities, enabling ABC Ltd. to enhance its market position and sustain competitive advantage.

## **CONCLUSION**

This study evaluates the strategic positioning of ABC Ltd. in the competitive Point of Sale (POS) industry, focusing on both external and internal factors. The External Factor Evaluation (EFE) score of 3.46 highlights the company's ability to leverage opportunities such as government support for digitalization, the growth of Indonesia's digital economy, and increasing merchant adoption of technology. Concurrently, the Internal Factor Evaluation

(IFE) score of 3.34 underscores its internal strengths, including a proactive sales strategy, after-sales services, and innovation-driven product development. However, challenges such as outdated technology and logistical inefficiencies require immediate attention.

Through a comprehensive SWOT analysis, strategies were identified across four categories: aggressive (SO), conservative (WO), competitive (ST), and defensive (WT). The Analytical Hierarchy Process (AHP) results prioritize an aggressive strategy (weight: 0.389), emphasizing technological innovation and SME market penetration. Secondary strategies focus on improving operational efficiency and mitigating risks. These strategies position ABC Ltd. to enhance its market presence and achieve sustainable growth while addressing regulatory and economic uncertainties.

In conclusion, ABC Ltd.'s strategic framework successfully aligns internal strengths with external opportunities, offering a clear pathway to sustained competitive advantage in the dynamic POS industry. Prioritizing continuous innovation, operational enhancements, and proactive risk management will be essential for adapting to evolving market conditions. Future research should investigate the long-term effects of these strategies on organizational performance and the company's ability to respond to emerging challenges.

#### **Declaration by Authors**

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