

## REVITALIZING GROWTH STRATEGIES: ENHANCING MARKET POSITION FOR PT SENTRA FOOD INDONESIA

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### Abstract

*This study aims to analyze the strategic management of PT Sentra Food Indonesia using a SWOT analysis to identify key internal and external factors. Employing a descriptive qualitative approach, the research utilizes IFAS and EFAS matrices to evaluate the company's strengths, weaknesses, opportunities, and threats. The analysis includes an examination of the company's brand, distribution network, market reach, and supplier dependencies, using data from company records and industry reports. The findings reveal PT Sentra Food Indonesia's robust brand and distribution network but highlight challenges such as limited market reach and supplier reliance. Opportunities for growth are identified in product innovation, market expansion, and digital transformation. These insights provide recommendations for enhancing the company's sustainability and competitiveness in the dynamic food industry.*

**Keywords:** *Strategic Management; SWOT Analysis; Market Expansion; Food Industry*

## 1. INTRODUCTION

The food industry market has expanded significantly due to growth in population, urbanization, and increasing consumer awareness of health and wellness (Sousa et al., 2024). This expansion is driven by a greater demand for nutritious and high-quality food options as consumers become more health-conscious. However, the industry is also experiencing a period of rapid change due to globalization and evolving market dynamics. Companies in the food sector must navigate a complex landscape that includes meeting stringent quality and safety standards, adapting to shifting consumer preferences, and integrating technological advancements.

In addition to these challenges, food companies face pressing environmental issues that require innovative solutions. They play a crucial role in addressing the nutritional needs of a growing population while dealing with various economic and social pressures (Corigliano & Algieri, 2024). As the industry evolves, companies must balance these demands and adapt their strategies to stay competitive and sustainable in a rapidly changing market.

Food industry plays a crucial role in Indonesia's economy, particularly in the non-oil and gas manufacturing sector. In the first quarter of 2022, this industry contributed 37.77% to the GDP of the non-oil and gas manufacturing sector, highlighting its significant impact on the national economy. The industry also experienced growth, with an increase from 2.45% in the first quarter of 2021 to 3.75% in the first quarter of 2022. Furthermore, the main industry's exports reached USD 10.92 billion in the first quarter of 2022, resulting in a positive trade balance compared to imports, which stood at USD 3.92 billion. Investment in the sector was also substantial, totaling IDR 19.17 trillion during the same period (Kementerian Perindustrian RI, 2022).

PT Sentra Food Indonesia, established on June 28, 2004, acquired PT Kemang Food Industries, a pioneer in Indonesia's processed meat industry founded by Bob Sadino, and PT Sapbeverages Indonesia, which produces packaged beverages. Bob Sadino, a prominent entrepreneur, founded PT Kemang Food Industries in the early 1970s, establishing one of Indonesia's first processed meat companies. With a vision to become a leading food and beverage company in Indonesia, Sentra Food Indonesia is dedicated to providing healthy, high-quality products and continuously innovating through research and development (PT Sentra Food Indonesia Tbk, 2022). To effectively address these multifaceted challenges and capitalize on opportunities, PT Sentra Food Indonesia must develop and implement well-conceived strategies. This study aims to analyze PT Sentra Food Indonesia's strategic approach in to ensure that the company can maximize its role in the industry and navigate the complex landscape successfully. Therefore, conducting a strategic analysis is essential for PT Sentra Food Indonesia to optimize its performance and remain competitive in the dynamic food sector.

## **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **Environmental Scanning**

Internal environmental scanning focuses on evaluating an organization's internal strengths and weaknesses (Suriyankietkaew & Petison, 2020). The Internal Factor Analysis Summary (IFAS) is a widely used tool in this process. It helps organizations identify and assess critical internal factors that impact their strategic decision-making, such as resources, capabilities, and processes. By understanding these internal factors, companies can leverage their strengths and address their weaknesses to enhance their strategic positioning (David & David, 2015).

Conversely, external environmental scanning examines factors outside the organization that could affect its performance (Kenny, 2005). The External Factor Analysis Summary (EFAS) is commonly used to analyze external opportunities and threats. This tool helps organizations anticipate changes in the market, regulatory environment, and competitive landscape, thereby informing strategic adjustments. External scanning provides insights into the broader environment in which a company operates, enabling it to adapt its strategies to emerging trends and challenges (Wheelen et al., 2018).

The integration of internal and external analyses is achieved through the Strategic Factor Analysis Summary (SFAS). SFAS combines the insights from IFAS and EFAS to identify and prioritize strategic issues that are critical for the organization's success. This tool helps in recognizing the most significant factors that impact strategic decisions,

facilitating a focused approach to strategy formulation and implementation (Wheelen et al., 2018).

### Strategy Evaluation

Evaluating existing strategies is crucial for understanding how effectively they are being executed. This involves analyzing the company's corporate strategy, business strategy, Porter's generic strategies, and functional strategies (Criado et al., 2014). Each of these strategies plays a role in shaping the company's overall direction and operational effectiveness. Corporate strategy sets the broad direction for the organization, business strategy focuses on competitive positioning within specific markets, and functional strategies address operational aspects of the business (Zhao et al., 2024).

To explore potential new directions, organizations use tools like the TOWS matrix, GE matrix, and SPACE matrix (Ajmera, 2017). The TOWS matrix helps in developing strategic alternatives by matching internal strengths and weaknesses with external opportunities and threats (Savari & Shokati Amghani, 2022). The GE matrix evaluates strategic options based on industry attractiveness and competitive strength, while the SPACE matrix assesses the strategic position of the company in terms of financial strength, competitive advantage, industry stability, and market attractiveness (David & David, 2015).

### Strategy Recommendation

The final stage in strategic management analysis is crucial, as it involves the development and evaluation of alternative strategies to determine the most viable path forward for the organization. This process often utilizes tools like the Quantitative Strategic Planning Matrix (QSPM), which plays a pivotal role in quantitatively assessing and prioritizing various strategic options (Barak & Javanmard, 2020). By providing a structured approach, the QSPM allows organizations to evaluate the relative attractiveness of different strategies based on key factors such as their potential impact on organizational goals. This evaluation process ensures that the most effective and strategically aligned alternatives are selected for implementation (Mohammadi, 2023). Through this method, companies can systematically compare and contrast alternative strategies, ensuring that informed, data-driven decisions guide their strategic direction.

## RESEARCH METHOD

This research employs a qualitative approach, using a case study method to analyze the strategic management of PT Sentra Food. The qualitative approach allows for an in-depth exploration of the company's strategic factors, offering nuanced insights that are more detailed than those provided by quantitative methods (Broom & Broom, 2024). By focusing exclusively on PT Sentra Food, the case study provides a context-rich analysis that is directly relevant and applicable to the company (Grenier, 2023).

The analysis begins with internal environmental scanning, identifying and evaluating the company's strengths and weaknesses using the Internal Factor Analysis Summary (IFAS). This is followed by an external environmental scan with the External Factor Analysis Summary (EFAS) to assess opportunities and threats in the broader environment.

The Strategic Factor Analysis Summary (SFAS) then integrates these findings to pinpoint key strategic issues. The study also examines PT Sentra Food's current strategies, including corporate, business, Porter's, and functional strategies, to assess their effectiveness. Based on these analyses, alternative strategies are developed using the TOWS matrix, GE matrix, and SPACE matrix, offering potential strategic options. Finally, the Quantitative Strategic Planning Matrix (QSPM) is employed to prioritize and select the most effective strategies, leading to tailored recommendations that will help PT Sentra Food leverage its strengths, address weaknesses, and achieve its strategic goals.

## **RESULT AND DISCUSSIONS**

### **Internal Strategic Assessment of PT Sentra Food Indonesia**

PT Sentra Food Indonesia experienced significant financial deterioration from 2019 to 2021, marked by declining liquidity, increased debt, reduced efficiency, and worsening profitability. The current ratio dropped from 1.13 to 0.56, signaling weakening short-term solvency, while the debt-to-equity ratio surged from 0.60 to 1.43, indicating a growing reliance on debt. Profitability metrics such as net profit margin and operating profit margin turned negative, reflecting operational losses, and both return on equity and return on assets showed poor utilization of resources. Despite a slight improvement in the market-to-book ratio, the price-to-earnings ratio fell into negative territory, pointing to declining investor confidence. Additionally, while Market Value Added (MVA) increased, the Economic Value Added (EVA) was negative, indicating that the company failed to cover its cost of capital, leading to a loss in value. PT Sentra Food Indonesia aims to become a leading food and beverage company in Indonesia, focusing on delivering healthy, high-quality products and continuous innovation. Its strategic plan for 2022-2023 includes organizational restructuring and cost efficiency measures without sacrificing product quality. The company's policies address dividend distribution based on financial health, compliance with sustainable growth regulations, and adherence to anti-corruption, supplier selection, and insider trading laws.

PT Sentra Food Indonesia operates with a streamlined management structure comprising a Board of Commissioners and a Board of Directors. The Board of Commissioners, including Rheza RR Susanto (President Commissioner), Iwan Gogo BP Panjaitan (Commissioner), and Andreas Sugihardjo Tjendana (Independent Commissioner), oversees and advises the Board of Directors. Led by Agustus Sani Nugroho, with Ruliff SS Susanto and Erie Suhaeri, the Board of Directors handles daily operations and annual planning. The company emphasizes adherence to Good Corporate Governance (GCG) principles such as transparency, accountability, and fairness, supported by robust internal controls and risk management practices. Ethical standards are upheld through a comprehensive Code of Ethics, ensuring integrity and compliance with anti-corruption policies. In 2021, PT Sentra Food Indonesia faced no significant legal issues and maintained its commitment to creditor agreements and governance practices in accordance with POJK No. 21/2015 and SEOJK No. 32/2015. The company integrates Corporate Social Responsibility (CSR) into its operations, supporting Sustainable Development Goals through initiatives in health, education, and environmental sustainability. Noteworthy activities in 2021 included disaster relief donations and aid to orphanages, funded by a CSR

budget of IDR 1,213,693,000. Guided by seven core values, PT Sentra Food Indonesia promotes responsibility, competitiveness, customer satisfaction, commercial orientation, professionalism, networking, and health and safety. These values drive the company's commitment to exceptional service, ethical practices, and effective management, ensuring a positive impact on its operations and community.

PT Sentra Food Indonesia demonstrates its operational effectiveness through various resource management practices. In marketing, the company offers a diverse range of processed meat products under multiple brands, employing cost-plus and bundle pricing strategies with prices between IDR 30,000 and IDR 350,000. The company targets both business-to-business and business-to-consumer markets through traditional and digital channels. Financially, Sentra Food secures funding via stock, bank loans, and asset sales, though it faces challenges due to reduced cash reserves and operational losses, leading to the suspension of dividend payments in 2021. In research and development, the company emphasizes creating market-relevant products using advanced technology, aiming for market expansion and cost efficiency. Operationally, Sentra Food excels in product design, quality control, and supply chain management, optimizing production capacity and maintaining strategic facility locations. Human resources practices include e-recruitment, equal opportunity, and regular performance evaluations, with a focus on employee development and well-being. Information systems at Sentra Food manage data communication and internal controls but lack detailed documentation, highlighting potential areas for improvement in systematic quality control and risk management.

PT Sentra Food Indonesia operates primarily in the food processing sector through its subsidiaries, PT Kemang Food Industries (KFI) and PT SAP Beverages (SAP), with SAP having ceased operations in 2017. KFI specializes in processed meat products such as sausages and burgers, as well as specialty items like kebabs and dried beef. The company's primary activities include inbound logistics, where it benefits from long-standing relationships with suppliers and maintains raw material storage capabilities. In operations, KFI distributes its products while SAP no longer contributes. For outbound logistics, Sentra Food employs both direct and indirect marketing strategies, reaching customers through sales points in major cities and retail partners. The company's marketing focuses on business-to-business (B2B) channels, supplying processed meat to hotels, restaurants, and modern retail outlets, though sales of processed meat have decreased slightly. In support activities, Sentra Food's infrastructure includes a management team, production facilities located in Jakarta, and a comprehensive human resources system with e-recruitment, training, and welfare programs. The company also emphasizes technological advancement, integrating new technologies for efficiency and sustainability while managing procurement through established supplier relationships.

PT Sentra Food Indonesia's competitive positioning shows a mix of challenges and strengths. The company faced a competitive disadvantage due to a 16.95% reduction in cash reserves from 2020 to 2021. However, it maintained competitive parity in accounts receivable and trade secrets, despite a decrease in accounts receivable turnover and standard industry practices for trade secrets. Sentra Food gained temporary advantages through investments in waste management, COVID-19 measures, and employee health benefits. It

benefits from strategic production facilities and skilled employees. Sustainable advantages include a robust Internal Control System (SPI), regular internal audits, and a strong company culture of performance, integrity, and creativity. The company also enhances its market position through innovation and acquisitions, such as PT Kemang Food, demonstrating its commitment to quality and customer relations.

Table 1. TIRA Table of Sentra Food

| <b>Tangible Resources</b>   |                                     | <b>V</b> | <b>R</b> | <b>I</b> | <b>N</b> | <b>Competitiveness</b>            |
|-----------------------------|-------------------------------------|----------|----------|----------|----------|-----------------------------------|
| Financial                   | Cash Account                        | -        | -        | -        | -        | Competitive Disadvantage          |
|                             | Accounts Receivable                 | yes      | -        | -        | -        | Competitive Parity                |
| Physical                    | Modernity of Factory and Facilities | yes      | yes      | -        | -        | Temporary Competitive Advantage   |
|                             | Strategic Location of the Factory   | yes      | yes      | -        | -        | Temporary Competitive Advantage   |
| Technological               | Trade Secrets                       | yes      | -        | -        | -        | Competitive parity                |
|                             | Innovative Production Processes     | yes      | -        | -        | -        | Competitive parity                |
| Organizational              | Strengths in Control Systems        | yes      | yes      | yes      | yes      | Sustainable Competitive Advantage |
|                             | Strengths in Evaluation Systems     | yes      | yes      | yes      | yes      | Sustainable Competitive Advantage |
| <b>Intangible Resources</b> |                                     | <b>V</b> | <b>R</b> | <b>I</b> | <b>N</b> | <b>Competitiveness</b>            |
| Human resources             | Experience and Capabilities         | yes      | yes      | -        | -        | Temporary Competitive Advantage   |
|                             | Trustworthiness                     | yes      | yes      | yes      | yes      | Sustainable Competitive Advantage |
| Innovation & creativity     | Scientific Expertise                | yes      | yes      | -        | -        | Temporary Competitive Advantage   |
|                             | Creative Idea Generation            | yes      | -        | -        | -        | Competitive parity                |
| Reputation                  | Brand Name                          | yes      | -        | -        | -        | Competitive parity                |
|                             | Reputation with Customer            | yes      | yes      | yes      | yes      | Sustainable Competitive Advantage |

The IFAS analysis of PT Sentra Food Indonesia reveals a total score of 3.011, with strengths scoring 1.462 and weaknesses 1.549. The company leverages its strengths, such as an effective internal control system, strong relationships with customers and suppliers in the HORECA sector, high-quality ISO 22000:2018 certified products, and a diverse product range. However, it faces significant challenges, including slow product innovation, inadequate promotional efforts, the non-operational status of a subsidiary, high churn rates among household customers, substantial manufacturing costs, and poor financial

performance. These weaknesses hinder the company's competitiveness and highlight the need for strategic improvements to ensure sustainable growth.

Table 2. IFAS Table

| Internal Factors                           | Weight | Score Rating | Weighted Score |
|--|--------|--------------|----------------|
| <b>A. Strengths</b>                        |        |              |                |
| Internal control system                    | 0.025  | 2            | 0.05           |
| Relationships with customers and suppliers | 0.025  | 3            | 0.075          |
| High-quality products                      | 0.226  | 4            | 0.904          |
| Diverse products for the market            | 0.113  | 3            | 0.339          |
| Excellent services                         | 0.047  | 2            | 0.094          |
| Total Score Strength                       | 1.462  |              |                |
| <b>B. Weaknesses</b>                       |        |              |                |
| Slow product innovation                    | 0.062  | 2            | 0.124          |
| Lack of promotion                          | 0.205  | 3            | 0.615          |
| One subsidiary not operating               | 0.021  | 1            | 0.021          |
| High churn rate                            | 0.023  | 2            | 0.046          |
| High manufacturing costs                   | 0.016  | 2            | 0.032          |
| Low financial performance                  | 0.237  | 3            | 0.711          |
| Total Score Weakness                       | 1.549  |              |                |
| Total                                      | 1      |              | 3.011          |

### External Strategic Environment Analysis of PT Sentra Food Indonesia

PT Sentra Food Indonesia operates in a dynamic environment shaped by political, economic, social, technological, and ecological factors. Regulatory challenges, like the lengthy import licensing under Permendag No. 30/2017, affect timely procurement of horticultural products. Politically, post-pandemic stabilization and relaxed restrictions have revived the Horeca and tourism sectors, creating opportunities. Economically, a stronger rupiah benefits exports, but high unemployment (8.42 million in August 2022) threatens consumer spending, while increased per capita income to Rp71 million could boost consumption. Stable electricity tariffs and lower fuel prices reduce production costs, though rising meat costs pressure product prices. Socially, while low beef consumption limits growth, the tourism sector's recovery and outdoor activities increase demand for quick food options, despite challenges in maintaining brand loyalty. Technologically, investment in new product development and efficiency is costly, and rapid IT advancements offer expansion opportunities but require strict quality control. Ecologically, a 3.49% increase in cattle population stabilizes raw material supply, yet climate change could reduce livestock production by 20% by 2050, threatening raw material quality and long-term sustainability.

The External Factor Analysis Summary (EFAS) for PT Sentra Food Indonesia shows a total score of 3.427, with weaknesses outweighing strengths. Opportunities include the appreciation of the Indonesian rupiah, which could benefit exports, a rebound in tourism boosting the horeca sector, and increased local beef cattle distribution aiding raw material procurement. Proactive product development supports market expansion. However, threats include stringent regulations on horticultural imports, high unemployment impacting consumer purchasing power, fickle consumer behavior due to a highly consumptive lifestyle, costly technological innovations, and climate change affecting raw material quality. The EFAS score indicates that weaknesses (2.079) exceed strengths (1.348), emphasizing the need for robust strategies to tackle these challenges and improve market position.

Table 3. EFAS Table

| External Factors  | Weight   | Score Rating | Weighted Score |
|---|----------|--------------|----------------|
| <b>C. Opportunities</b>   |          |              |                |
| Exchange Rate: The Indonesian rupiah has strengthened by 0.48 percent.                                | 0,035    | 2            | 0.07           |
| Tourism Activities: Tourism activities have improved post-pandemic.                                   | 0.196    | 3            | 0.588          |
| Technological Environment: Product Development  | 0.80     | 4            | 0.320          |
| Beef Cattle Distribution: The population of beef cattle in the country has increased by 3.49 percent. | 0.86     | 3            | 0.258          |
| Post-Pandemic Political Conditions  | 0.56     | 2            | 0.112          |
| <b>D. Threats</b>   |          |              |                |
| Regulation Permendag Number 30/2017 on Horticultural Product Import Provisions                        | 0.059    | 2            | 0.177          |
| High Unemployment Rate in Indonesia   | 0.030    | 2            | 0.060          |
| Lifestyle of Society  | 0.242    | 3            | 0.726          |
| Technological Innovation  | 0.142    | 3            | 0.426          |
| Climate Changes   | 0.075    | 2            | 0.150          |
| <b>Total</b>  | <b>1</b> |              | <b>3.247</b>   |

PT Sentra Food Indonesia, certified by MUI and BPOM, markets to retail, horeca, and online segments with tailored strategies. Distribution is managed through PT Kemang Food Industries in major cities. Retail sales are through partners like Super Indo and Alfamart, horeca via strategic alliances, and online through social media and marketplaces.

Table 4. Porter Five Forces Table

| Porter's Five Forces      | Weight | Rating (1-5) | Score |
|---------------------------|--------|--------------|-------|
| Threat of New Entrants    | 0.051  | 3            | 0.153 |
| Bargaining Power of Buyer | 0.528  | 4            | 2.112 |

|                                    |          |   |              |
|------------------------------------|----------|---|--------------|
| Bargaining Power of Supplier       | 0.035    | 2 | 0.07         |
| Threat of Substitute               | 0.074    | 3 | 0.222        |
| Rivalry Among Existing Competitors | 0.312    | 4 | 1.248        |
| <b>Total</b>                       | <b>1</b> |   | <b>3.805</b> |

The industry analysis using Porter's Five Forces reveals that the most significant factors impacting the processed food industry are the bargaining power of buyers, rivalry among competitors, and the threat of substitutes. Buyers have strong leverage due to numerous alternatives, while intense competition exists with many similar products. Substitutes are readily available, posing a notable threat. In contrast, the threat of new entrants and supplier power are less influential. Overall, the sector faces substantial competitive pressures, reflected in a total score of 3.805.

PT Sentra Food Indonesia's supply chain sources from agents, farmers, and imports, with the company acting as both producer and distributor, supported by third-party distribution. The company excels in quality, earning certifications like BPOM, Halal, and ISO 22000:2018. Strong distribution and marketing efforts bolster its position, with effective networks and online promotions. However, innovation needs improvement to stay competitive in the dynamic F&B industry. PT Kemang Food Industries, a subsidiary, strengthens its market stance with high-quality, moderately priced products.

### Analysis of Strategic Factors

The SFAS analysis for PT Sentra Food Indonesia scores 3.127, reflecting a strong competitive position. Strengths include high-quality, ISO-certified products and market-driven variety, while weaknesses like limited promotion and declining financial performance pose challenges. Opportunities such as post-pandemic tourism recovery and product innovation offer growth potential, but consumer brand-switching and costly technological upgrades are threats. Overall, Sentra Food is well-positioned to leverage its strengths and opportunities for future success.

Table 5. SFAS Table

| Strategic Factors                                    | Weight   | Rating | Score        | Duration |
|--|----------|--------|--------------|----------|
| S1. High-quality products                            | 0.091    | 4      | 0.364        |          |
| S2. Diverse products for the market                  | 0.039    | 3      | 0.117        |          |
| W1. Lack of promotion                                | 0.218    | 3      | 0.654        |          |
| W2. Poor financial performance                       | 0.175    | 3      | 0.525        |          |
| O1. Tourism activity has improved post-pandemic      | 0.164    | 3      | 0.492        |          |
| O2 Technological environment for product development | 0.036    | 4      | 0.144        |          |
| T1. Consumer lifestyle                               | 0.228    | 3      | 0.684        |          |
| T2. Technological innovation                         | 0.049    | 3      | 0.147        |          |
| <b>Total SFAS</b>                                    | <b>1</b> |        | <b>3.127</b> |          |

PT Sentra Food Indonesia's vision to be a leading food and beverage company in Indonesia is too broad and misaligned with its actual focus on processed beef products, especially as it no longer produces beverages. While the mission to deliver healthy, high-quality products and innovate through R&D is achievable and relevant, the vision is difficult to attain due to financial struggles, declining sales, and no clear timeline for success.

### **Analysis For Strategic Growth and Expansion**

PT Sentra Food Indonesia has adopted multiple growth strategies. It has pursued vertical integration by partially taking over distribution functions and establishing branches in various cities, which enhances control over product quality and supplier relationships. For horizontal growth, the company has expanded its market presence through new distribution offices in major Indonesian cities. Additionally, PT Sentra Food has engaged in concentric diversification by introducing new products related to existing ones, such as sweet beef jerky and Padang rendang, to expand its product line and cater to consumer preferences.

Sentra Food distributes processed meats through its subsidiaries, Kemang Food and SAP Beverage, with strategic partnerships including Carrefour and Superindo. Established in 2004, Sentra Food acquired Kemang Food Industries, a pioneer in Indonesian processed meats founded by Bob Sadino. PT Kemfood produces a variety of meat products and specialty items, maintaining high production standards and certifications from MUI and BPOM, while PT Sap Beverages focuses on packaged drinks.

PT Sentra Food Indonesia employs a mixed competitive strategy, focusing on cost leadership, differentiation, and niche market targeting. While it struggles with cost leadership due to rising raw material costs, it aims to keep prices competitive and build strong retailer relationships. The company's differentiation efforts are limited, as it prioritizes maintaining partner relationships over clearly showcasing unique product features. Its focus strategy is evident in the production and sale of processed meat products through both indirect and direct channels. Competitive tactics include leveraging the acquisition of Kemang Food to benefit from established market presence and expanding its geographic reach. Cooperative strategies involve robust alliances with suppliers and retailers to ensure supply chain stability and product quality, with long-standing partnerships and rigorous quality control measures in place.

Sentra Food Indonesia's functional strategies encompass various aspects critical to its operations. In marketing, the company targets a broad demographic, focusing on individuals aged 18-64, including students, homemakers, and professionals from middle to upper social classes. Geographically, it concentrates on Indonesia, ASEAN countries, and the Middle East, with a focus on major cities. The company's marketing strategy aims to meet the needs of practical, modern consumers seeking convenient food options. For financial strategy, Sentra Food utilizes a mix of stock, bank loans, and asset sales for funding, while prioritizing operational cash allocation and deferring dividends due to equity and capital structure issues. In operations, Sentra Food emphasizes cost leadership, product differentiation, and responsive processes, implementing international standards in production, maintaining high-quality control, and optimizing location and supply chain management. The company also practices vertical integration to ensure consistent raw material availability and uses advanced inventory and maintenance systems to minimize disruptions. In human resources, Sentra Food prioritizes internal recruitment, supports career

development through training and promotions, and ensures a healthy work environment with regular performance evaluations and comprehensive employee support.

### Strategic Alternative Development and Evaluation

Table 6. TOWS Matrix

| TOWS Matrix  | Strengths  | Weaknesses   |
|--|--|--|
|  | 1. S1: Sentra Food offers high-quality products certified to ISO 22000:2018.<br>2. S2: The company produces a diverse range of products to target various market segments in Indonesia.<br>3. S3: It maintains strong relationships with both customers and suppliers. | 1. W1: Limited promotion results in many consumers being unaware of Sentra Food's product range.<br>2. W2: Product innovation is lacking and relatively slow.<br>3. W3: The company's low financial performance affects its funding. |
| Opportunities  | SO Strategy -  | WO Strategy ( (Maxi - Mini Strategy))  |
| 1. O1: Tourism activities have improved since the pandemic.<br>2. O2: Technological advancements are enhancing product development.<br>3. O3: The population of beef cattle in the country has increased by 3.49%.   | Cooperative strategy - Strategic Alliances ( value chain partnership)  | Market Development   |
|  | ST Strategy (Maxi-Mini Strategy)   | WT Strategy (Mini-Mini Strategy)   |
| 1. T1: The consumer behavior in Indonesia's consumptive lifestyle often leads to brand-switching due to curiosity.<br>2. T2: Technological innovation is crucial for improving productivity and quality, though it requires expensive research and implementation costs.<br>3. T3: Regulatory constraints, such as Permendag No. 30/2017 on Horticultural Product Import Regulations, affect the industry. | Business Strategy - Competitive Strategy (Differentiation)   | Corporate Strategy - Directional Strategy - Retrenchment (Captive Company Strategy)  |

Based on the TOWS Matrix, Sentra Food's alternative strategies include pursuing a competitive business strategy with differentiation and a corporate directional strategy focused on retrenchment through a captive company approach.

In the GE Matrix, PT Sentra Food Indonesia is positioned in the medium attractiveness and competitive strength quadrant, indicating an average competitive stance. The recommended strategy for this position involves selective investment to increase revenue, analyzing market segments to identify more attractive opportunities, and developing contingency plans to safeguard the current position. One effective strategy for Sentra Food is Market Penetration, which includes attracting new buyers within the existing market, enhancing product appeal, and expanding distribution channels.

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Table 7. Space Matrix

| <b>Financial Strength</b>                  | <b>Rating</b> |
|--|---------------|
| 1. Revenue Growth                          | 4             |
| 2. Liquidity Ratios                        | 3             |
| 3. Profit Margin                           | 3             |
| 4. Total Assets                            | 4             |
| Average                                    | 3.5           |
| <b>Environmental Stability</b>             | <b>Rating</b> |
| 1. Competitive pressure                    | -5            |
| 2. Market entry barriers                   | -3            |
| 3. Competing product price range           | -3            |
| 4. Technological changes                   | -2            |
| Average                                    | -3.25         |
| <b>Industry Attractiveness</b>             | <b>Rating</b> |
| 1. Growth potential                        | 4             |
| 2. Profit potential                        | 5             |
| 3. Resource utilization                    | 4             |
| 4. Productivity, capacity utilization      | 6             |
| Average                                    | 4.75          |
| <b>Competitive Attractiveness</b>          | <b>Rating</b> |
| 1. Product Quality                         | -1            |
| 2. Control over suppliers and distributors | -3            |
| 3. Customer loyalty                        | -4            |
| 4. Market share                            | -4            |
| Average                                    | -3            |
| <b>Total Score CA &amp; IA</b>             | <b>1.75</b>   |

The Space Matrix analysis reveals that the scores are as follows: X-axis = total score of CA and IA = 1.75, and Y-axis = total score of FS and ES = 0.25, resulting in a point at (1.75, 0.25). This positions Sentra Food in the aggressive quadrant. According to the Space Matrix theory, this quadrant emphasizes leveraging internal strengths. Therefore, a recommended strategy is market development, aimed at expanding market reach through various methods such as promotions and personalized approaches to consumers in need of the products.

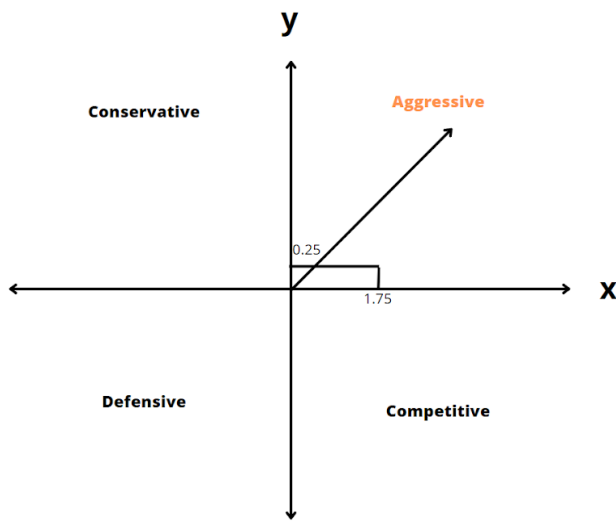


Figure 1. Space Matrix

In the Quantitative Strategic Planning Matrix (QSPM) analysis for PT Sentra Food Indonesia, five strategic alternatives were evaluated based on the company's strengths, weaknesses, opportunities, and threats. The "Market Development" strategy received the highest total score of 6.528, followed by "Market Penetration" with a score of 5.516, and "Differentiation" with 4.482. The "Value Chain Partnership" and "Captive Company Strategy" alternatives scored lower, with totals of 4.003 and 4.345, respectively. These results indicate that the "Market Development" strategy is the most favorable option for the company to leverage its strengths and opportunities while addressing its weaknesses and threats.

**Table 7. Alternatif 1 Market Development**

| Key Factors                               | Weight      | Rating | Weight      |
|---|-------------|--------|-------------|
| A. Strengths                              |             |        |             |
| Internal control system                   | 0.025       | 2      | 0.05        |
| Customer and supplier relations           | 0.025       | 4      | 0.1         |
| High-quality products                     | 0.226       | 4      | 0.904       |
| Varied products for the market            | 0.113       | 4      | 0.452       |
| Excellent service                         | 0.047       | 3      | 0.141       |
| B. Weakness                               |             |        |             |
| Slow product innovation                   | 0.062       | 1      | 0.062       |
| Lack of promotion                         | 0.205       | 5      | 1.025       |
| One subsidiary is not operational         | 0.021       | 0      | 0           |
| High churn rate                           | 0.023       | 3      | .069        |
| High manufacturing costs                  | 0.016       | 1      | 0.016       |
| Poor financial performance of the company | 0.237       | 3      | 0.711       |
| <b>Sum Weight</b>                         | <b>1.00</b> |        | <b>3.53</b> |
| C. Opportunities                          |             |        |             |

|   |             |   |              |
|---|-------------|---|--------------|
| The exchange rate of the rupiah strengthened by 0.48 percent.   | 0.035       | 2 | 0.07         |
| Tourism activities have improved after the pandemic.  | 0.196       | 4 | 0.784        |
| Technological environment for product development.  | 0.080       | 2 | 0.16         |
| The distribution of cattle: The population of cattle in the country increased by 3.49%.                       | 0.086       | 2 | 0.172        |
| The political situation after the Covid-19 pandemic.  | 0.056       | 4 | 0.224        |
| D. Threats  |             |   |              |
| Regulation of Trade Ministry Regulation Number 30/2017 on the Provisions for Importing Horticultural Products | 0.059       | 1 | 0.059        |
| High Unemployment Rate in Indonesia   | 0.030       | 2 | 0.06         |
| Lifestyle of Society  | 0.242       | 4 | 0.968        |
| Technological Innovation  | 0.142       | 3 | 0.426        |
| Climate Change  | 0.075       | 1 | 0.075        |
| <b>Sum Weight</b>   | <b>1.00</b> |   | <b>2.998</b> |
| <b>Total</b>  |             |   | <b>6.528</b> |

Table 8. Alternatif 1 Market Penetration

| Key Factors   | Weight      | Rating | Weight       |
|---|-------------|--------|--------------|
| A. Strengths  |             |        |              |
| Internal control system   | 0.025       | 3      | 0.075        |
| Customer and supplier relations   | 0.025       | 4      | 0.1          |
| High-quality products   | 0.226       | 3      | 0.678        |
| Varied products for the market  | 0.113       | 3      | 0.339        |
| Excellent service   | 0.047       | 2      | 0.094        |
| B. Weakness   |             |        |              |
| Slow product innovation   | 0.062       | 1      | 0.062        |
| Lack of promotion   | 0.205       | 5      | 1.025        |
| One subsidiary is not operational   | 0.021       | 0      | 0            |
| High churn rate   | 0.023       | 3      | 0.069        |
| High manufacturing costs  | 0.016       | 1      | 0.016        |
| Poor financial performance of the company   | 0.237       | 1      | 0.237        |
| <b>Sum Weight</b>   | <b>1.00</b> |        | <b>2.695</b> |
| C. Opportunities  |             |        |              |
| The exchange rate of the rupiah strengthened by 0.48 percent.   | 0.035       | 1      | 0.035        |
| Tourism activities have improved after the pandemic.  | 0.196       | 4      | 0.784        |
| Technological environment for product development.  | 0.080       | 2      | 0.16         |
| The distribution of cattle: The population of cattle in the country increased by 3.49%.                       | 0.086       | 1      | 0.086        |
| The political situation after the Covid-19 pandemic.  | 0.056       | 3      | 0.168        |
| D. Threats  |             |        |              |
| Regulation of Trade Ministry Regulation Number 30/2017 on the Provisions for Importing Horticultural Products | 0.059       | 1      | 0.059        |
| High Unemployment Rate in Indonesia   | 0.030       | 2      | 0.06         |
| Lifestyle of Society  | 0.242       | 4      | 0.968        |
| Technological Innovation  | 0.142       | 3      | 0.426        |

|                   |             |   |              |
|-------------------|-------------|---|--------------|
| Climate Change    | 0.075       | 1 | 0.075        |
| <b>Sum Weight</b> | <b>1.00</b> |   | <b>2.821</b> |
| <b>Total</b>      |             |   | <b>5.516</b> |

PT Sentra Food Indonesia has chosen two key strategies from the QSPM analysis: Market Penetration and Market Development. The Market Penetration strategy aims to boost sales in existing markets, particularly the HORECA (Hotel, Restaurant, Café) and retail sectors, which were hit hard by the COVID-19 pandemic. This includes enhancing promotions, creating appealing products, and strengthening distribution and partner relationships. The Market Development strategy focuses on expanding into new segments, such as households, students, and workers, using digital marketing to increase brand awareness and engage directly with consumers, thereby driving revenue growth.

## CONCLUSION

The strategic analysis of PT Sentra Food Indonesia reveals that the company operates within a rapidly evolving and competitive food industry in Indonesia. By aligning its vision, mission, and core values with its strategic objectives, PT Sentra Food Indonesia has capitalized on its strengths, such as a strong brand reputation, diverse product portfolio, and an extensive distribution network. However, challenges such as limited market penetration in rural areas, reliance on a few key suppliers, and intense competition highlight the need for continuous adaptation and innovation. Opportunities for growth are evident in the rising demand for health-conscious products, the potential for digital transformation, and the expansion into new domestic and international markets. Strategic recommendations include enhancing product innovation, exploring new market opportunities, and leveraging digital technologies to streamline operations and improve customer engagement. In conclusion, PT Sentra Food Indonesia must maintain an agile and forward-looking approach to strategic management, ensuring that it not only responds to current market dynamics but also anticipates future trends. By continuously refining its strategies and remaining committed to its core principles, the company can sustain its competitive edge and achieve long-term success in the challenging food industry landscape.

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