

# STRATEGIC MANAGEMENT WEAKNESSES AND STRENGTHS OF THE COMPANY (Example Case of PT. Unilever Indonesia Tbk)

*by microbiologyj9@gmail.com 1*

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**Submission date:** 27-Apr-2023 12:15AM (UTC-0700)

**Submission ID:** 2069990168

**File name:** ARTIKEL\_2\_Pak\_Rektor\_Copernicus.id.en.docx (36.77K)

**Word count:** 3291

**Character count:** 18368

**STRATEGIC MANAGEMENT**  
**WEAKNESSES AND STRENGTHS OF THE COMPANY**  
(Example Case of PT. Unilever Indonesia Tbk)

**Eduart Wolok**

Department of Industrial Engineering,  
Faculty of Engineering,  
Gorontalo State University, <https://orcid.org/0000-0002-5100-2837>

**ABSTRACT**

Strategic management is the art and science of formulating, implementing, and evaluating cross-functional decisions that can enable an enterprise to achieve its goals. Strategic management is the process of setting organizational goals, developing policies and plans to achieve these goals, and allocating resources to implement policies and plan for achieving organizational goals. Strategic management combines the activities of various functional parts of a business to achieve organizational goals. The writing method used by the author in writing this paper is the method of literature by browsing the internet and other sources to obtain data for the preparation of this scientific article. The sales and sales promotion approach will be effective and efficient if it is designed by applying a regionalization pattern or applied in certain areas or regions. Unilever has implemented a regionalization pattern because Unilever already has factories or company branches in each country.

Keywords: Strategic management, Swot, PT. Universaler Indonesia

**INTRODUCTION**

Strategic management is the art and science of formulating, implementing, and evaluating cross-functional decisions that can enable an enterprise to achieve its goals. Strategic management is the process of setting organizational goals, developing policies and plans to achieve these goals, and allocating resources to implement policies and plan for achieving organizational goals. Strategic management combines the activities of various functional parts of a business to achieve organizational goals.

In this increasingly advanced industrial competition, companies are required to always make positive developments within the company body so that companies always try to improve themselves with good strategic planning. For this reason, PT Unilever Indonesia Tbk as a multinational company that produces products for consumer needs needs to identify its strengths and weaknesses and always monitor every opportunity that brings benefits and threats that bring losses. To meet this demand, a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) is created which has an important role in determining a company's strategy.

SWOT analysis is a systematic way of analyzing threats and opportunities in order to distinguish future environmental conditions so that existing problems can be found. From the SWOT analysis, the company can determine an effective strategy that as far as possible takes advantage of opportunities based on the strengths of the company, overcomes threats that come from outside, and overcomes existing weaknesses.

#### A. FORMULATION OF THE PROBLEM

1. What are the definitions, functions and benefits of strategic management in companies?
2. What is the role of SWOT analysis, especially Strong and Weakness at PT. Unilever Tbk?

#### B. WRITING PURPOSE

1. To know the definition, function and benefits of strategic management
2. To know the role of SWOT analysis, especially Strong and Weakness at PT. Unilever Tbk

#### WRITING METHOD

The writing method used by the author in writing this paper is the method of literature by browsing the internet and other sources to obtain data for the preparation of this scientific article.

#### RESULTS AND DISCUSSION

According to Michael A. Hitt & R. Duane Ireland & Robert E. Hoslisson (2006, XV) Strategic management is a process to assist organizations in identifying what they want to achieve, and how they should achieve valuable results. The magnitude of the role of strategic management is being recognized more and more in these times than in previous times. In a global economy that allows the movement of goods and services freely among various countries, companies are constantly being challenged to be more competitive. Many of these companies that have increased their level of competition offer products to consumers with higher value, and this often results in above-average profits.

In order to achieve all the goals or objectives desired by an organization or company, the application of strategic management is precisely what is needed so that what is desired together can be achieved as well as possible. When the role of strategic management is implemented in an organization, every unit or part in the organization can carry out its duties and responsibilities as well as possible. Especially considering today's developments, where every corporate organization has expanded its market in order to get a lot of profit. All of this requires strategic steps and the right tactics so that the processes or steps taken by the leadership can be carried out as effectively and efficiently as possible.

By using strategic management as a framework to solve every strategic problem within the organization, especially related to competition, the role of managers is invited to think more creatively or think strategically. Solving problems by generating and considering more alternatives that are built from a more thorough

analysis will promise more profitable results. There are several benefits that organizations will get if they implement strategic management, namely:

1. Provides a long term direction to aim for.
2. Helping organizations adapt to the changes that occur.
3. Making an organization more effective
4. Identify an organization's comparative advantage in an increasingly risky environment.
5. Strategy-making activities enhance a firm's ability to prevent future problems from arising.
6. The involvement of organizational members in making the strategy will further motivate them at the implementation stage.

### SWOT ANALYSIS THEORY

1. **SWOTA** analysis is a systematic identification of various factors to decide on a company's strategy. This analysis is based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats. The strategic decision-making process is always related to the development of the company's mission, goals, strategies and policies. Thus strategic planning must analyze the company's strategic factors (strengths, opportunities, weaknesses and threats) in the current conditions, this is called situation analysis. The most popular model for situation analysis is the SWOT analysis.
2. **How to Make a SWOT Analysis**, SWOT stands for the Strengths and Weaknesses internal environment and the Opportunities and Threats external environment faced by the business world. SWOT analysis compares the external factors of opportunities and threats with the internal factors of strengths and weaknesses.

### A. PT. UNILEVER INDONESIA Tbk

#### 1. **History of PT. Unilever Indonesia Tbk**

PT. Unilever Indonesia Tbk (company) was established on 5 December 1933 as Zeepfabrieken NV Lever by deed no. 33 made by Mr. AH van Ophuijsen, notary in Batavia. This deed was approved by Governor General van Negerlandsch-Indie with letter no. 14 on December 16, 1933, registered at the Raad van Justitie in Batavia with no. 302 on 22 December 1933 and announced in the Javasche Courant on 9 January 1934 Supplement No. 3. By deed No. 171 made by the notary Ny. Kartini Mulyadi dated July 22, 1980, the company name was changed to PT Unilever Indonesia.

By deed no. 92 made by the notary Mr. Mudofir Hadi, SH dated June 30, 1997, the company name was changed to PT Unilever Indonesia Tbk. This deed was approved by the Minister of Justice by decree no. C2- 1.049HT.01.04TH.98 dated 23 February 1998 and published in State Gazette No. 2620 dated 15 May 1998 Supplement No. 39. The company registered 15% of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange after obtaining approval from the

Chairman of the Capital Market Executing Agency (Bapepam) No. SI-009/PM/E/1981 on 16 November 1981.

At the company's Annual General Meeting on June 24, 2003, the shareholders agreed to a stock split, reducing the nominal value of the shares from Rp 100 per share to Rp 10 per share. This change was made before a notary by deed no. 46 made by notary Singgih

Susilo, SH dated 10 July 2003 and approved by the Minister of Justice and Human Rights of the Republic of Indonesia with decision No. C-17533 HT.01.04-TH.2003. The company is engaged in the production of soaps, detergents, margarine, vegetable oils and foods made from milk, ice cream, food and beverages from tea and cosmetic products.

As approved at the Company's Annual General Meeting on June 13, 2000, as stated in notarial deed No. 82 made by notary Singgih Susilo, SH dated 14 June 2000, the company also acts as the main distributor and provides marketing research services. This deed was approved by the Minister of Law and Legislation (formerly the Minister of Justice) of the Republic of Indonesia by decision No. C-18482HT.01.04-TH.2000.

## 2. Expansion of Unilever Indonesia

On November 22, 2000, the company entered into an agreement with PT Anugrah Indah Pelangi, to establish a new company, namely PT Anugrah Lever (PT AL) which is engaged in the manufacture, development, marketing and sale of soy sauce, chili sauce and other sauces with trademarks Bango, Parkiet and Sakura and other brands based on company license to PT AL. On July 3, 2002, the company entered into an agreement with Texchem Resources Berhad, to establish a new company, namely PT Technopia Lever which is engaged in the distribution, export and import of goods using the trademark Domestos Nomos. On November 7, 2003, Texchem Resources Berhad entered into a share sale and purchase agreement with Technopia Singapore Pte. Ltd, in this agreement Texchem Resources Berhad agreed to sell its shares in PT Technopia Lever to Technopia Singapore Pte. Ltd.

In the company's Extraordinary General Meeting on December 8, 2003, the company received approval from its minority shareholders to acquire the shares of PT Knorr Indonesia (PT KI) from Unilever Overseas Holdings Limited (a related party). This acquisition took effect on the signing date of the share sale and purchase agreement between the company and Unilever Overseas Holdings Limited on January 21, 2004. On July 30, 2004, the company was merged with PT KI. The merger was carried out using the same method as the pooling of interest method. The company is a company that received the merger and after the merger PT KI is no longer a separate legal entity. This merger is in accordance with the approval of the Investment Coordinating Board (BKPM) in its letter No.

In 2007, PT Unilever Indonesia Tbk. (Unilever) has entered into a conditional agreement with PT Ultrajaya Milk Industry & Trading Company Tbk (Ultra) in connection with the takeover of the beverage industry by transferring the "Buavita" and "Gogo" brands from Ultra to Unilever. The agreement was fulfilled

and Unilever and Ultra completed the transaction in January 2008.

### **3. MARKETING STRATEGY OF ALL PRODUCTS PT.**

#### **UNILEVER INDONESIA Tbk**

##### **1. Data Set**

As we know, Unilever is a multinational corporation that manufactures consumer goods that meet the needs for nutrition, health and daily personal care with products that make users feel good, look good and get more out of life.

##### **2. Marketing Purpose**

1. Be the first and best in-class in meeting consumer needs and aspirations
2. Become the main partner for customers, consumers and communities.
3. Eliminate non-value added activities from all processes.
4. To be the company of choice for people with high performance.
5. Aims to increase profitable growth targets and provide rewards above the average for employees and shareholders.
6. Received honor because of high integrity, care for society and the environment.

##### **3. Strategy of PT. Unilever Indonesia Tbk in marketing the product**

In facing competition between companies, PT. Unilever Indonesia Tbk has strategies in dealing with inter-company competitions, these strategies include:

###### **A. LOW PRICE LEADERSHIP**

By keeping prices low and shelves well stocked using a legendary inventory replenishment system, Wal-Mart became the leading retail business in the United States. The Wal-Mart Milli system sends orders for new merchandise directly to suppliers when customers pay for their purchases at the checkout. The point-of-sale terminal records the item code for each item that passes through the checkout and sends purchase transactions directly to Wal-Mart's central computer. Computers collect orders from all Wal-Mart stores and send them to suppliers. Suppliers can also access Wal-Mart sales and inventory data using web technologies. This system allowed Wal-Mart to keep costs low while adjusting its inventory to meet customer demands.

###### **B. PRODUCT DIFFERENCE**

Unilever products continue to introduce the latest packaging, but Unilever continues to maintain the quality of its products. Be it glass bottles, sachets, small bottles and many more packages.

###### **C. FOCUS ON MARKET OPPORTUNITIES**

Unilever products use a customer information system that is different from the others, products enter the market by promoting their goods by going directly to the community with real evidence of quality, for example by holding competitions to the public by comparing Unilever products with other products. other competitors.



#### D. STRENGTHENING CUSTOMER AND SUPPLIER Friendliness

Use information systems to facilitate suppliers' direct access to production schedules, and even allow suppliers to decide how and when to deliver supplies to suppliers. In addition, Unilever also conducts questions and answers to consumers and creates a consumer voice where consumers complain. In PT. Unilever Indonesia, most promotions are carried out through electronic media. However, in daily life the promotions carried out by PT. Unilever Indonesia not only through electronic media also through print media, sponsorships, holding events that include products from PT. Unilever such as Kecap Bango, Pepsodent, Pantene Shampoo, etc. Because if the promotion is done only through electronic media, then PT. Unilever Indonesia did not get optimal benefits.

If the company can not touch the hearts of all walks of life the company cannot grow rapidly. The meaning of the advertisements offered by the company must also be understood by various groups, because advertising is one way of promotion that can be carried out by companies in order to obtain optimal profits. Apart from electronic advertising, the marketing process carried out by Unilever also uses various methods, including various marketing programs that can attract the attention of customers. Unilever product free shopping coupons are one of the promotional methods carried out by Unilever, besides that the discounts given also attract the attention of many customers from the lower middle class.

The advertisement itself is the main content of promotion management use paid media space to convey messages, while clients and advertising practitioners see it only as a means to communicate with consumers.

This advertisement is part of the promotion mix, which consists of direct marketing, PR (Public Relations), sales promotion, and personal selling. Role Product branding also plays a very important role, because a brand is a symbol of a product being marketed. Even within one company there are many different brands. Large-scale marketing like this is only one of the various promotional programs carried out by Unilever, direct interpersonal promotion to customers. also carried out by Unilever by providing special benefits given to customers of every Unilever product user.

With this marketing program, Unilever is expected to be able to cover wide market share in the Indonesian consumer market. In global marketing, the existence of a company is needed in developing ideas, both nationally and internationally. In this case, especially Unilever companies must be able to make a grand design masterpiece, especially global marketing which demands a miracle in developing a company's career, especially Unilever, apart from monitoring the course of the process. globalization of competitors.

It is absolute that there is always what is called an innovation treatment in every session of the company's steps.


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with its competitors both from the foreign world and top domestic competitors.

Unilever also continues learn consumer needs and desires, innovate and activate products, and continue to build product image. This is part of the company's strategy to be able to maintain and increase consumer confidence in Unilever brands. Communication delivered through advertisements in various print and electronic media is very effective and directly on target, for future evaluation of PT. Unilever Indonesia, Tbk will do 4 things in order to maintain a good image with its consumers, including: branding, design, technical printing and merchandising. So that quickly this can influence consumers to buy and consume the products issued by PT. Unilever Indonesia Tbk.

#### **B. WEAKNESS PT. UNILEVER INDONESIA Tbk**

1. PT Unilever has a matrix structure in which there are several challenges that must be faced by the company, namely first, the difficulty of coordinating departments that have their own agendas and schedules. Second, communication to employees who can receive different messages. And third, conflict resolution between initiatives from support departments (HR, Finance, etc.) and product departments which are usually highly commercially oriented.
2. Low market response to certain products.
3. Number of fat employees.
4. The lengthy bureaucracy due to the centralization policy has prevented PT Unilever from making decisions on a whim.
5. Slow internal consolidation in decision making.
6. Unclear halal certificate for certain products.
7. The majority of Unilever products have a low entry barrier.
8. Sales turnover growth is below the industry average.

#### **C. STRENGTH OF PT. UNILEVER INDONESIA Tbk**

1. PT Unilever's product promotion strategy is effective by featuring young, white-skinned, long-haired models that encourage consumers (specifically women) to buy the product so they can experience the results that the advertising model receives for the product.
2. PT Unilever is active in social missions so that closeness with consumers can be maintained. This can be seen from spending on advertising and promotion which has boosted sales growth amidst a competitive market. PT Unilever as one of the companies with the largest advertising spending according to marketing magazine (top brand survey, 2007 special edition).
3. The leader in the consumer goods market in Indonesia.
4. Having a team of dedicated, skilled and motivated people from all levels.
5. Good planning and close cooperation with suppliers, consumers and distributors to deliver products from factories to points of sale.
6. PT Unilever already has its own distribution network so that the distribution of its products to the regions can be served.
7. PT Unilever has the motto "Operational Excellent with No Compromise on



Quality", Unilever in its operations is carried out well without neglecting product quality.

### CONCLUSION

The sales and sales promotion approach will be effective and efficient if it is designed by applying a regionalization pattern or applied in certain areas or regions. Unilever has implemented a regionalization pattern because Unilever already has factories or also branch companies in each country. The strategies pursued by PT. Unilever is very good in the business world so that the obstacles and problems encountered are very few and are not a big problem in this large company.

Promotion strategies that can be carried out by PT. Unilever namely:1.

Advertising, Sales promotion, Public Relations and Publicity, Private Selling, Direct Marketing.

Very good in the business world so other companies should emulate in addition to good quality.

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PAGE 1

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**P/V** You have used the passive voice in this sentence. Depending upon what you wish to emphasize in the sentence, you may want to revise it using the active voice.



**Missing ","** You may need to place a comma after this word.

PAGE 2

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**Proofread** This part of the sentence contains a grammatical error or misspelled word that makes your meaning unclear.



**Missing ","** You may need to place a comma after this word.



**Sp.** This word is misspelled. Use a dictionary or spellchecker when you proofread your work.

PAGE 3

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**Sp.** This word is misspelled. Use a dictionary or spellchecker when you proofread your work.



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**Article Error** You may need to remove this article.



**Article Error** You may need to use an article before this word. Consider using the article **the**.



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**Proper Noun** If this word is a proper noun, you need to capitalize it.



**Frag.** This sentence may be a fragment or may have incorrect punctuation. Proofread the sentence to be sure that it has correct punctuation and that it has an independent clause with a complete subject and predicate.



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**P/V** You have used the passive voice in this sentence. Depending upon what you wish to emphasize in the sentence, you may want to revise it using the active voice.



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**P/V** You have used the passive voice in this sentence. Depending upon what you wish to emphasize in the sentence, you may want to revise it using the active voice.



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PAGE 5

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**Prep.** You may be using the wrong preposition.



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PAGE 6

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**Sp.** This word is misspelled. Use a dictionary or spellchecker when you proofread your work.



**Missing ","** You may need to place a comma after this word.



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**Sentence Cap.** Remember to capitalize the first word of each sentence.



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**Sentence Cap.** Remember to capitalize the first word of each sentence.



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**Run-on** This sentence may be a run-on sentence. Proofread it to see if it contains too many independent clauses or contains independent clauses that have been combined without conjunctions or punctuation. Look at the "Writer's Handbook" for advice about correcting run-on sentences.



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**Sentence Cap.** Remember to capitalize the first word of each sentence.



**Article Error** You may need to use an article before this word.



**Proofread** This part of the sentence contains a grammatical error or misspelled word that makes your meaning unclear.



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