

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

## IMPROVEMENT STRATEGY OF EXPORT PERFORMANCE IN SOUTH SULAWESI

**Haris Maupa<sup>1</sup>, Syarifuddin Sulaiman<sup>2</sup>, Hardinasta Perdana<sup>3</sup>**

<sup>1</sup>Management, Economics and Business Faculty, Universitas Hasanuddin  
Makassar 90245, South Sulawesi  
[hmaupa@yahoo.co.id](mailto:hmaupa@yahoo.co.id)

<sup>2</sup>Makassar 90233, South Sulawesi  
[durianxxy@yahoo.co.id](mailto:durianxxy@yahoo.co.id)

<sup>3</sup>Makassar 90245, South Sulawesi  
[hardperdana@gmail.com](mailto:hardperdana@gmail.com)

### ABSTRACT

The development of new commodities or products that are in line with market needs is a challenge for exporters. The company's export performance reflects the specific behavior of the company in utilizing and managing resources and capabilities effectively in the context of international competition. This study aims to identify what factors influence the increase in export performance of products in South Sulawesi. This study uses a quantitative approach. The method used is indepth interview (in-depth interview), observation and questionnaire. Researchers are required to risk their ability to study more deeply about strategies for improving export performance. Research location in South Sulawesi. The data collected includes primary data and secondary data. The analysis technique in this study is qualitative descriptive, IFAS (Internal Factors Analysis Summary) and EFAS (External Factors Analysis Summary) analysis and SWOT (Strengths Weaknesses Opportunities Threats) analysis to design an ideal export performance strategy. The results show that strong internal and external environmental conditions can support the development and improvement of export performance for companies. This finding can contribute to exporters to determine strategic planning in improving their performance.

**Keywords:** Export Performance; SWOT; IFAS; EFAS; Commodities.

### I. INTRODUCTION

All countries cannot ignore their economic interactions with other countries. This is due to the increasingly complex needs of society that cannot be met by domestic production (Mohsenzadeh & Ahmadian, 2016). Limited production capacity of various domestic commodities so that encourages foreign trade activities in the form of goods and services between countries. The rapid development of the international economy today has led to increased relations between countries and increased flows of trade in goods and money and capital between countries (Leonidou et al. 2015).

Based on data released by the Badan Pusat Statistik in 2014 and 2015 there was a decline in the value of national export commodities caused by the weakening of the global economy, especially for commodity export destination countries. Indonesia's

## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

biggest export destination country for national commodities is China at 28 percent of the total value of coal exports while the main objective of palm oil commodities is India which contributes 27 percent. These countries are not only Indonesia's largest export destination but also the largest global commodity consumption.

Coal commodities as the most imported commodity from China, currently China only consumes 50 percent of global coal consumption. The decline in coal consumption by China was due to declining economic growth and the adoption of clean energy policies to reduce global pollution. The decline in demand from China resulted in a significant 18 percent decline in coal prices in the second quarter of 2015.

The other Asian region that experienced an economic slowdown was China which took place due to the economic rebalancing process adopted by the country. The development of China's economic slowdown has caused global commodity prices, especially mineral commodities and agriculture to decline more than expected. The price of coal commodities continues to decline, driven by the increasingly rapid coal supply and weakening world oil demand. World oil prices plummeted as oil supplies increased from the United States.

The trend of world economic growth and the decline in commodity prices has affected Indonesia's export structure with increasing manufacturing exports and low quantity of primary commodity exports. Based on data from the Badan Pusat Statistik, that trade statistics show the role of exports of goods and services experienced a significant decline since 2012 followed by a declining growth rate. Similarly, the export performance experienced by all provinces in Indonesia which experienced a decline in exports, the province of South Sulawesi also experienced a decline in export activity.

Statistical data shows that exports in South Sulawesi decreased from US \$ 1,154.6 million compared to 2015 amounting to US \$ 1,409.1 million, resulting in a decrease of 18.06 percent. South Sulawesi exports still rely on primary products (oil and gas, commodities and primary industries). Data on export developments, especially in South Sulawesi, which generally explain the decline in exports in terms of value and volume. The total value of South Sulawesi's exports was USD 811.2 million for the January-September 2016 period. Compared to the January-September 2015 period, South Sulawesi's export value reached USD1,085.92 million, then a decline of 6.53 percent in 2016.

For several years the nickel commodity still outperformed the export development in South Sulawesi with the biggest export destination to Japan, but this did not change the export development of South Sulawesi which continued to decline every year. Nickel as the largest export value commodity and South Sulawesi in September 2016 with a value of USD57.34 million or 51.91 percent of the total export value of South Sulawesi. Other commodities that only 19 percent such as coffee, tea, salt, wood and industrial waste are still experiencing demand sluggishness.

In 2018 South Sulawesi's export data increased in February to US \$ 90.58 million, compared to the previous year which only reached US \$ 86.29 million. South Sulawesi has superior commodities namely nickel, oily grains and medicinal plants, salt, sulfur, lime, fish, shrimp, other aquatic animals, latex, and resin. The phenomenon of decreasing and increasing exports has become a concern for academics, so efforts are

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

needed to improve export strategies. The following data presents the export value in South Sulawesi.

**Table 1 Progress of South Sulawesi Export Value**

Commodity Group	FOB value (Million US \$)			
	2015	2016	2017	Jan-Jul 2018
Nickel	789,75	584,14	629,33	453,96
Oily Grains, medicinal plants	106,09	85,23	98,16	67,36
Salt, sulfur and lime	15,07	17,65	32,16	28,45
Fish and Shrimp	82,13	108,91	68,52	20,10
Wheat	0,88	1,28	0,01	16,16
Lak, Gum and Damar	11,47	10,21	7,86	14,52
Wood and wood goods	36,70	20,36	31,83	13,23
Cocoa	199,18	159,56	53,41	12,38
Dregs/Remaining Food	17,14	19,27	15,71	10,62
Industry				
Coffee, Tea and Spices	20,69	17,58	5,17	4,50
<b>Total Exports of South Sulawesi</b>	<b>1.409,10</b>	<b>1.154,63</b>	<b>1.020,80</b>	<b>661,07</b>
<b>Total Indonesian Exports</b>	<b>150.366,29</b>	<b>145.186,21</b>	<b>168.728,6</b>	<b>104.236,5</b>

Source : Badan Pusat Statistik, South Sulawesi Province, 2018

The development of export values in table 1 shows fluctuations in export values in recent years. In 2018, the export value of South Sulawesi experienced a better increase compared to the previous year. Most of South Sulawesi's exports are still dominated by primary products, while the world market has created a trend of manufacturing exports by 67 percent. The BPS of South Sulawesi recorded a decrease in export value in September 2018 which was recorded at US \$ 93.80 million, while in August 2018 it reached US \$ 99.55 million, which decreased 5.78 percent. The trade balance of South Sulawesi shows that the import value is higher than the export value in 2018. The development of the export value of South Sulawesi can be observed based on the following data.

**Table 2 South Sulawesi Export Destination Country**

Destination Country	FOB value (Million US \$)			
	2015	2016	2017	Jan-Jul 2018
Japan	844,83	629,65	665,77	471,24
China	124,37	108,13	123,10	95,27
Philippines	29,81	8,81	8,73	20,62
Australia	8,15	9,89	10,64	15,74
Vietnam	16,85	29,43	24,82	13,5
United States of America	105,91	118,98	71,72	12,93
South Korea	23,10	19,87	16,56	10,24

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

Bangladesh	0,41	2,91	1,58	5,96
Malaysia	122,68	101,56	44,55	5,64

---

Source : Badan Pusat Statistik, South Sulawesi Province (2018)

The biggest export destination country of South Sulawesi, namely Japan and China, the two countries have long established trade cooperation with South Sulawesi. Malaysia is an export destination for South Sulawesi which has experienced a very significant decline every year. Similar conditions were also experienced by various other developing countries such as India, India's export performance fluctuated for several years. Although the volume and value of exports has increased doubly, India's share in world exports has increased (Sahni, 2014).

Vannoorenberghe, Wang, & Yu (2016) study states that the application of Firm-Level Trade theory has been effectively used in improving export performance, with the assumption that a strategy of export diversification is also applied. Aghdaie & Zardeini (2012) and Shi (2016) explain that export performance will experience success if applying a SWOT analysis that is able to provide alternative export strategies. Thus, this study aims to identify alternative export strategies that can be applied to export companies in South Sulawesi.

## II. THEORETICAL STUDY

### Export Performance

Study of Cieřlik, Kaciak, & Thongpapani (2015) revealed that export experience and company performance have an inverse S-shaped relationship, that is, performance increases at low and high levels, but that performance can decrease at a moderate level of company experience. The relationship between the growth of the number of export countries and export performance was initially positive, but it became negative over time. Over time the growth of the company's share from the main export market found a negative relationship with export performance. Sharma, Nguyen, & Crick (2018) explained that the exploration strategy has a significant relationship to export performance; and marketing capabilities have a significant effect on exploration strategies and export performance.

The instrumental role of external forces and internal factors in developing an environmentally friendly export business strategy. Such a strategy is more common among large companies and more experienced exporters, and among those companies there are those that produce industrial goods, have high technology intensity, and export to developed countries. In addition, the strategy effectively influences the superiority of the company's export product differentiation but does not affect the superiority of the export cost leadership. The advantages of export product differentiation are positively related to export market performance and export performance (Leonidou et al. 2015).

Dikova et al. (2016) states that a diversified export strategy in terms of products, markets and intensity has an impact on export performance despite declining performance. Market deployment strategies are more beneficial for companies to export than at certain market concentrations because the concentration approach actually exacerbates the company's long-term export performance. However, the market

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

deployment strategy approach did not immediately experience export success in the short term (Cieślak, Kaciak, & Thongpapani, 2015). Export performance has become an important issue for academics, this is due to the increasing trend towards economic globalization, increasing market liberalization, economic and monetary unions, and because a large number of countries depend on their export performance to achieve economic growth.

Mohsenzadeh & Ahmadian (2016) explained that competing strategies mediate the influence of production capabilities and export performance. But the competitive strategy does not mediate the influence of marketing competencies and export performance. Export performance is supported by contingency and institutional theory, a greater variety of export entry modes is useful for improving export performance (Oliveira et al. 2018). The strategy adopted by manufacturing companies is able to encourage growth in export performance. Singh & Mahmood (2014) emphasize the importance of adopting a manufacturing strategy among manufacturing managers for success, these companies will also gain competitive advantage compared to their competitors, and have the opportunity to produce higher export performance.

Assessment of export performance according to Roxo (2014) can be viewed from internal and external factors. Internal factors include: (a) managerial characteristics - regarding decision makers, personality, level of education, behavior, attitudes, experience, innovation, export commitments of international experience, and support, and other traits; (b) characteristics of the organization - regarding the resources, capabilities, competencies, operations and objectives of the company; (c) targeting - which involves identifying, selecting and segmenting international markets; (d) company characteristics - company size, ownership structure, company capability and resources; (e) marketing mix strategy - which is product, price, promotion and distribution; and (f) market orientation. Roxo (2014) also mentions several external factors, namely: (a) characteristics of foreign markets - including legal regulations, culture, local business conventions, channel accessibility and market competitiveness; (b) foreign environmental characteristics - such as cultural similarities and political and legal aspects; and characteristics of the domestic market - such as export assistance and environmental characteristics.

## **Strengths, Weaknesses Opportunities, and Threats**

SWOT analysis is used to evaluate the internal and external environment involved in an organization, plan, project, person, or business activity (Gurel & Tat, 2017). SWOT analysis is a tool commonly used for strategic planning, generally in the form of brainstorming (Phadermrod, Crowder, & Wills, 2016). SWOT analysis as a classic tool to classify key elements into a design or development of solutions to problems in various fields of activity and at various levels of importance such as in the field of strategy, production processes, marketing, product development, distribution, business models, operational management, and others.

The main advantage of the SWOT analysis is its simplicity capable of producing sustainable use in both leading companies and academia (Brad & Brad, 2015). Although SWOT has a variety of advantages, there are also drawbacks because it produces a list of superficial and inaccurate factors, depending on subjective perceptions of staff /



## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

employees of the organization who attend brainstorming sessions and do not have a priority factor regarding the importance of each of the SWOT factors (Phadermrod, Crowder, & Wills, 2016). This analysis is based on logic that can maximize strengths and opportunities, but simultaneously can minimize weaknesses and threats. The strategic decision-making process is always related to the development of the company's mission, goals, strategies and policies.

Strategic planning must be able to analyze the company's strategic factors (strengths, weaknesses, opportunities and threats) under existing conditions. This is called situation analysis and the most popular model for situation analysis is the SWOT analysis (Guel & Tat, 2017). Strength is an attribute or characteristic in an organization that is considered important for the execution and final success of the business. Weaknesses are all things that prevent or hinder the organization from achieving its vision, mission and goals. This weakness has a bad influence on organizational success and growth. Weaknesses are factors that do not meet the standards set by the organization (Osita, Onyebuchi, & Justina, 2014).

Opportunities are sourced from the external environment in which the organization operates. When an organization can take advantage of the conditions in its environment to plan and implement a strategy so that it will gain benefits and competitive advantages by taking advantage of opportunities. Threats arise when conditions in the external environment endanger the reliability and profitability of the organization's business. Threats will increase organizational vulnerability when they are linked to internal weaknesses. Threats are factors that cannot be controlled. Thus, SWOT analysis is not only to develop their competitiveness but also to ensure growth and success (Budiman et al. 2018).

SWOT analysis is needed to match the fit between internal resources and the external situation of the company. This will maximize the company's strengths and opportunities and minimize their weaknesses and threats. This simple assumption has strong implications for successful design. Company performance can be determined by a combination of internal and external factors. Both of these factors must be considered in the SWOT analysis. SWOT stands for the internal strengths and weaknesses environment and the external opportunities and threats environment faced by the business world.

SWOT analysis seems simple but can also cause problems, for example in determining the size of the presence or absence of a strength of the company. Likewise, weaknesses, opportunities and threats to obtain agreement on the use of uniform size are not easy because the level of subjectivity of each company is different (Shi, 2016). Porter introduced the paradigm of the industrial organization with its diamond model that gives courage to the company's external environment and adds SWOT popularity. At the beginning of the twenty-first century, SWOT still existed and was considered effective as a recommended framework for case analysis in many leading strategic management (Aghdaie & Zardeini, 2012).

The stages in the SWOT analysis are (a) step 1 of the SWOT analysis involves collecting and evaluating key data, depends on the organization. After the data is collected and analyzed, the ability of the organization in this field is assessed; (b) step 2 of the SWOT analysis, data in the organization is collected and divided into four

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

categories: strengths, weaknesses, opportunities and threats. Strengths and weaknesses generally come from factors in the organization, while opportunities and threats usually arise from external factors; (c) step 3 involves developing a SWOT matrix for each business alternative being considered; and (d) step 4 involves the incorporation of SWOT analysis into the decision-making process to determine which business alternatives are best suited to the overall organizational strategic plan.

Use of SWOT analysis continues to increase among academics in the world. Various studies are supported by SWOT analysis as a tool for organizational planning purposes. Over the past decade, SWOT research has focused on organizational analysis for the most effective strategic actions. SWOT as a methodology for strategic positioning, the SWOT analysis has been expanded to the country and industry level and is used by almost every published business case (Helms & Nixon, 2010). SWOT analysis can help organizations get information into the past and think of the best solutions to existing problems, both for existing businesses or for new businesses pioneered. SWOT is a basic tool and can form a model that assesses what can be done and vice versa, as well as potential opportunities and threats (Ommani, 2011).

## Strategic Management

Management functions to coordinate individual efforts to achieve goals and objectives through efficient and effective use of resources. Management involves planning, organizing, staffing, leading and controlling to achieve the desired goals. Resources include manipulation of human resources, financial resources, technological resources and natural resources. The available resources are limited, so a strategy is needed to overcome these limited resources (Athapaththu, 2016).

Management as an efficient process to solve problems related to achieving goals through the application of effective scarce resources in a changing environment. Management is also defined as the science and art of building, coordinating, leading, and controlling group activities to achieve goals with group members. In addition, management is seen as the art of finding and employing the most qualified personnel, combining their physical and intellectual assistance, and aligning their assistance with company goals. Management is referred to as a process for planning, organizing, leading, and controlling all members of the organization and also the process of using all organizational resources to achieve the predicted goals (Esmaili, 2015).

Companies must be able to identify goals, objectives and strategies that have the opportunity to achieve success in a tight competition environment. This process must be realized with a prudential and long-term perspective. This includes the preparation of long-term goals, and the priority of strategic management operating budgets, making the allocation of resources in accordance with priorities and accountability. Strategic management is an effort of corporate prudence, with the vision and efforts of prudence that are objectified by the company's mission. In addition to being aware of opportunities and threats that can come from outside, businesses must also be aware of their potential or their weaknesses (Durmaz & Düşün, 2016).

Strategic planning is a road map that gives direction to the organization where to go or where to be in five or ten years. Strategic planning involves multi-year projections that are not as specific as operational planning. This is a collection of well-organized

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

activities that help the organization to regulate at present based on projections of future targets. The strategic plan is very important for the organization to develop a comprehensive plan that includes long-term and strategic elements (Athapaththu, 2016).

### III. RESEARCH METHODOLOGY

This research is a type of explorative research by identifying and developing export performance strategies. This research was designed to direct managerial strategy decisions for export companies in South Sulawesi based on scientific analysis and argumentation. The data collected includes primary data and secondary data. Primary data was collected through in-depth interviews and distributing questionnaires to managers of export companies. Secondary data are reports from the Badan Pusat Statistik of South Sulawesi Province, and various publications related to export performance.

**Table 3 Research Sample**

No	Commodity Based Company	Manager (sample unit)
1	Animal Products	4
2	Vegetable Products	12
4	Plastic, Rubber and similar items	1
5	Wood and wood goods	4
3	Animal Oil and Fat	1
6	Minerals and similar items	9
	<b>Total Respondents</b>	<b>32</b>

Source : PT Pelabuhan Indonesia IV (Persero), 2017

Methods and data analysis in this study use descriptive analysis, Internal Factors Analysis Summary and External Factors Analysis Summary as well as SWOT (Strengths Weaknesses Opportunities Threats) analysis to design a profitable export performance strategy. The results of the SWOT analysis will be obtained by selected policy alternatives in making strategic decisions. In conducting SWOT analysis, the stages of the activities carried out are as follows (1) identification of internal and external factors, (2) preparation of questionnaires, and (3) data analysis. The process of strategic decision making is always related to the vision, mission and goals, current conditions, future conditions, strategies and policies. Stages in making a SWOT analysis so that decisions are obtained more effectively must follow the following stages.

a) Stage data collection

This stage includes data collection activities, classification and pre-analysis. At this stage the data is divided into two, namely external and internal data. Internal data is obtained within exporters, while external data can be obtained from the environment outside the company. The model used at this stage is the External Strategic Factor Matrix (External Strategic Factors Analysis Summary or EFAS) and the Internal



# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

Strategic Factor Matrix (IFAS). Both matrices are processed using the following steps:

i) Identification of internal and external factors. The initial step of identifying internal factors is to register all weaknesses and strengths of the exporting company. First, register strengths and weaknesses in terms of human resources, organization, infrastructure and income. Lists are made specific by using comparison figures. Furthermore, identification of external factors of the company is carried out, by registering all opportunities and threats.

ii) Determination of the weight of each variable. Determination of the weight is done by proposing identification of the external and internal strategic factors to the management.

To determine the weight of each variable used a scale of 1, 2, and 3. The scale used to fill in the columns is:

1 = If the horizontal indicator is less important than the vertical indicator

2 = If the horizontal indicator is as important as the vertical indicator

3 = If the horizontal indicator is more important than the vertical indicator

iii) Rating. The management rating deemed as the decision maker is made against the variables from the situation analysis of the exporting company. To measure the effect of each variable on the condition of the exporter company, the ranking values are used with a scale of 1, 2, 3, and 4 against each strategic factor that indicates how effective the company's strategy is now. IFE scores are grouped in High (3.0 - 4.0), Medium (2.0 - 2.99) and Low (1.0 - 1.99). While the values of EFE are grouped strongly (3.0 - 4.0), Normal (2.0 - 2.99), and Weak (1.0 - 1.99).

b) SWOT matrix

The tool used to compile the strategic factors of the company is the SWOT matrix. This matrix can clearly illustrate how the external opportunities and threats faced by exporters are adjusted to their strengths and weaknesses. This matrix can produce four possible alternative strategies.

- SO strategy, made based on the company's mindset, namely by utilizing all the power to seize and take advantage of opportunities as much as possible.
- ST strategy, based on the company's strengths to overcome threats.
- WO strategy, applied based on the utilization of existing opportunities by minimizing existing weaknesses.
- WT strategy, made based on activities that are defensive and try to minimize existing weaknesses, and avoid threats.

## IV. RESULTS

### Identification of Opportunities and Threats

Based on the results of the analysis, there were several business opportunities that could be developed by the company in an effort to improve export performance. The opportunities include:

1. Become a company with a broader market potential
2. Stable regional economic growth
3. Progress and development of technology

## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

4. Government policy supports increasing exports
5. Prospects for commodity businesses are still brilliant
6. The ASEAN Economic Community opens up great opportunities for exporters
7. Potential big profits

Further analysis is carried out regarding the threats / challenges that the company will face in the business process and business development in the future. Some descriptions of threats / challenges faced, including:

1. The global economic crisis has an unfavorable impact on primary commodity export companies, such as commodity prices which have dropped significantly and demand has declined.
2. The contraction of national economic growth will have a direct impact on declining export performance, as well as fluctuations in currency exchange rates that affect the value of exports.
3. The requirements of export destination countries are increasingly high, among others relating to product quality, social environment quality, work environment quality, competitive prices, environmentally friendly aspects
4. Low access of exporters to the market, including product demand, product quality standards, on time delivery, and price competition
5. Low access of exporters to financing sources, including information, credit schemes and high interest rates
6. The additional costs related to transportation, customs, and security are increasingly increasing the burden on export companies

### Identification of Strengths and Weaknesses

After analyzing opportunities and threats faced by exporters, further analysis of the strengths is presented as follows:

1. Quality of quality commodities
2. Timeliness in distribution
3. Has experience in export
4. Competitive commodity prices
5. A clear export destination and has become a regular customer
6. Stable production and availability of commodities
7. Building a partnership pattern with suppliers

In addition to strength, the company also has weaknesses that must be able to be repaired. The following are the results of identification of weaknesses:

1. Low commitment of exporters in meeting customer expectations
2. The lack of a management system applied by exporters, especially in the aspects of production, administration and finance
3. Limitations of facilities and infrastructure owned by exporters in order to fulfill orders
4. The low quality of human resources, so that in managing its business is not based on very rational considerations
5. Limited capital owned by exporters, especially working capital

## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

6. Weak communication and information network with related parties, such as in the procurement of raw materials, sometimes exporters only have limited resources, so that the goods obtained are high in price
7. Low capacity of exporters in research and development, so as not to fulfill the wishes of buyers

### Assessment of Internal Factor Analysis System and External Factor Analysis System

After internal factors are grouped into strengths and weaknesses, and external factors are grouped into opportunities and threats, the next step is to weight IFAS and EFAS. Assessment of IFAS and EFAS weights is important in the SWOT analysis process with the results of IFAS matrix recapitulation as follows.

**Table 4 IFAS Matrix**

IFAS	Weight	Rating	Total
<b>Strength</b>			
Quality of quality commodities	0,09	3,53	0,30
Timeliness in distribution	0,09	3,53	0,30
Has experience in export	0,08	3,41	0,28
Competitive commodity prices	0,08	3,44	0,29
A clear export destination	0,08	3,34	0,27
Commodity availability	0,09	3,59	0,31
Partnership pattern	0,08	3,34	0,27
<b>Weakness</b>			
Low exporters' commitment	0,05	2,13	0,11
Management system constraints	0,06	2,25	0,13
Limitations of facilities and infrastructure	0,06	2,28	0,13
Low quality of human resources	0,06	2,31	0,13
Limited capital	0,06	2,25	0,13
Communication network constraints	0,06	2,41	0,14
Constraints in conducting research and development	0,05	2,19	0,12
Total	<b>1.00</b>		<b>2,99</b>

Source : Primary Data, 2017

The results of the IFAS matrix indicate that commodity availability, quality commodity quality, and timeliness in distribution are the main strengths of export companies in South Sulawesi. Export companies pay special attention to the availability of superior commodities in South Sulawesi, besides support from the local government to help the industry in improving its commodity quality regularly. With the support of adequate infrastructure, the distribution of export commodities will also be the strength of export companies in competing with other regions.

In Table 4 shows that the biggest weakness of export companies in South Sulawesi is the weak communication network in this case the less maximized business network.

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

One of the factors that spur innovation and the company's competitive advantage is the business network. Various alternatives so that companies can compete, one of them is by having a very wide business network or partnership. The success of the company is influenced by various things, including the quality and quantity of the network owned, so that they can share knowledge, information, and others. After identifying various company opportunities and threats, the following are the results of the EFAS matrix recapitulation.

**Table 5 EFAS Matrix**

EFAS	Weight	Rating	Total
<b>Opportunity</b>			
Broader market potential	0,09	3,22	0,27
Stable regional economic growth	0,09	3,50	0,32
Technological progress and development	0,09	3,41	0,31
Government policy support	0,09	3,47	0,32
The prospect of commodity business is still profitable	0,09	3,56	0,34
ASEAN Economic Community	0,09	3,25	0,28
Potential profit	0,09	3,41	0,31
<b>Threat</b>			
Global economic crisis	0,06	2,41	0,15
Contraction of national economic growth	0,06	2,22	0,13
The requirements of the buyer are getting higher	0,06	2,34	0,15
Low market access and high level of competition	0,06	2,34	0,15
Low access to financing sources	0,06	2,38	0,15
Additional costs	0,06	2,28	0,14
<b>Total</b>	<b>1,00</b>		<b>3,01</b>

Source : Primary Data, 2017

The results of the EFAS matrix show that the commodity business prospects are still brilliant, this is supported by Bank Indonesia statistical data that the export value of commodities such as nickel, seaweed, and cocoa beans experience a growth in export value. The biggest threat of export business is the global economic crisis because it has an impact on the decline in world commodity prices and a sluggish demand.

## TOWS Analysis Strategy

This section is made a strategy based on the results of descriptive-qualitative analysis of internal and external conditions. This analysis consists of a matrix of SO, WO, ST, and WT where the meaning of each strategy is as follows:

- a) SO (Strength-Opportunity): Using internal power to take advantage of external opportunities.
- b) WO (Weakness-Opportunity): Improves internal weaknesses by using external opportunities.

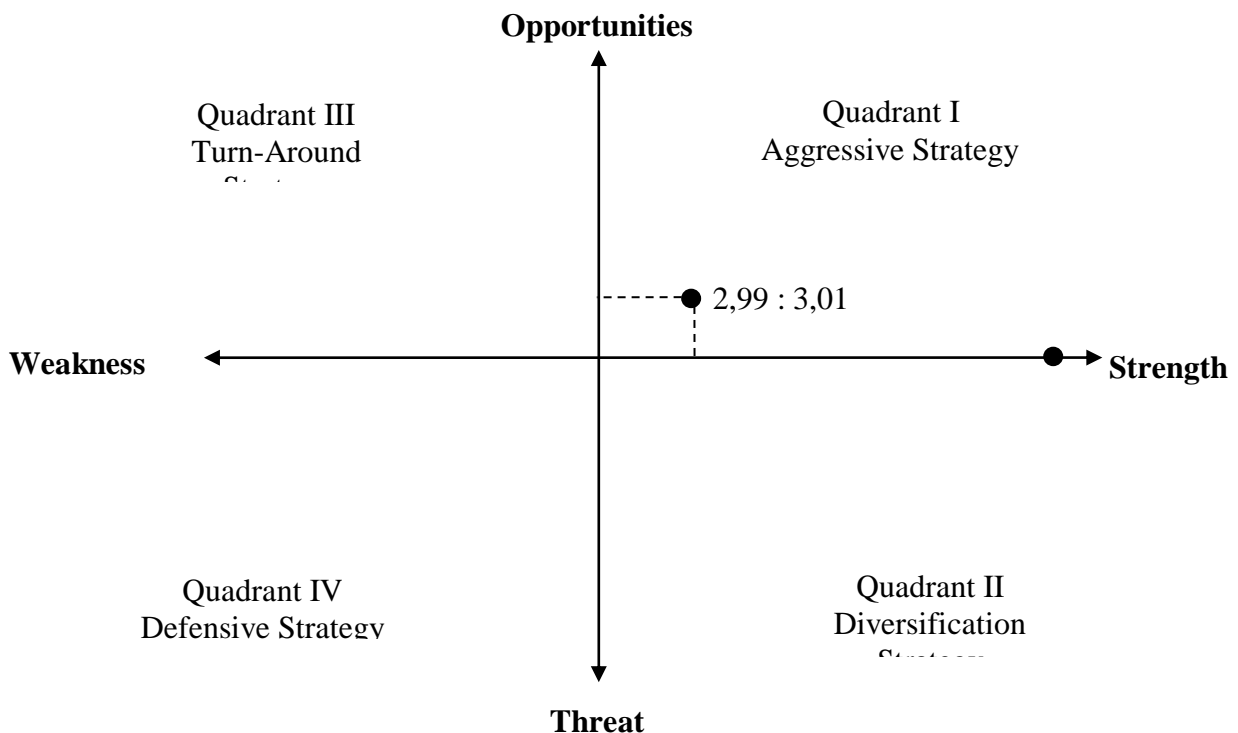
# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

- c) ST (Strength-Threat): Using internal strength to avoid external threats.
- d) WT (Weaknesses-Threat): The most defensive strategy, avoiding threats and minimizing weaknesses.

From the IFAS and EFAS analysis table, the next step is to determine the coordinates of internal factor analysis by 2.99 as the X axis, while for the coordinates of the external factor analysis is 3.01 as the Y axis. Weakness and coordinates of Opportunities-Threats items. In the Cartesian diagram, the axis of the matrix is (X; Y) = (2.99; 3.01).



**Figure 1 Cartesius Diagram of TOWS Analysis Results**

Based on the results of the Cartesian diagram analysis, the position of the export company is in quadrant I, which means that it is in a position of growth, which shows strong internal conditions and external conditions that support export performance. Based on the relative strength of the relation, the synthesis relation is described as follows:

**Table 6 IFAS – EFAS Interaction Matrix**

	Internal			Strength				Weakness					
	S1	S2	S3	S4	S5	S6	S7	W1	W2	W3	W4	W5	W6
<b>Eksternal</b>													
<b>Opportunity</b>													
O1	Alternative Strategy (aggressive strategy) Export Company in South Sulawesi												



## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

	O2	
	O3	1. Identify the balancing market for certain commodities to
	O4	maintain price stability
	O5	2. Improve efficiency in order to achieve superior
	O6	competitiveness
	O7	3. Increase development and partnership in the upstream
<b>Threat</b>	T1	sector so that production and productivity of
	T2	commodities increases
	T3	4. Anticipating the risk of lethargy in the national and
	T4	global economy
	T5	
	T6	
	T7	

---

Source : IFAS – EFAS Interaction, 2017

The result of IFAS - EFAS interaction that produces alternative strategies that get the highest weight is Strength - Opportunity (SO) which can be translated as a strategy to use power to take advantage of opportunities. Identifying balancing markets for certain commodities to maintain price stability, improve efficiency in order to achieve superior competitiveness, increase development and partnerships in the upstream sector so that production and productivity of commodities increases, and anticipate the risk of sluggish national and global economies. Aghdaie & Zardeini (2012) and Shi (2016) explain that all alternative performance improvement strategies are the findings of the SWOT analysis.

Alternative strategies for identifying balancing markets for certain commodities to maintain price stability have in common with the findings of Sharma, Nguyen, & Crick (2018), and Cieřlik, Kaciak, & Thongpapani (2015). Furthermore Dikova et al. (2016) recommends that export companies to be active in expanding export markets in various potential countries; this is aimed at avoiding saturation of demand from customer countries. Efficiency as part of the application of the theory of comparative advantage and supported by the research of Mohsenzadeh & Ahmadian (2016), on the other hand companies must implement manufacturing strategies to produce derivative products from primary commodities, as has been applied to West Java, Indonesia. This strategy can be a form of company anticipation against the threat of economic sluggishness.

### V. CONCLUSION

The purpose of this study is to identify alternative export strategies that can be applied to export companies in South Sulawesi. The results of IFAS and EFAS analysis, and SWOT show several alternative strategies, namely identifying the balancing market in certain commodities to maintain price stability, improve efficiency in order to achieve superior competitiveness, increase development and partnerships in the upstream sector so that production and productivity of commodities increases, and anticipate risk of lethargy in the national and global economy. The alternative strategies

# Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

are research findings that address the problems that have been faced by export companies. The results of this study provide a practical contribution for the exporting company to minimize internal weaknesses in the company, anticipate various risks or threats by maximizing the existing export opportunities. All alternative export performance strategies can be applied and applied by export companies because they are supported by various previous studies that have been empirically tested in various countries. The results of this study also contributed to the development of literature studies in the field of export performance.

## VI. REFERENCES

- Aghdaie, S.Fathollah Amiri., dan Hosein Zare Zardeini. (2012). A SWOT Analysis of Persian Handmade Carpet Exports. *International Journal of Business and Management*, 7(2).
- Athapatthu, H.K.S. Hanasini. (2016). An Overview of Strategic Management: An Analysis of the Concepts and the Importance of Strategic Management. *International Journal of Scientific and Research Publications*, 6(2), 124-127. Retrieved from [www.ijsrp.org/research-paper-0216/ijsrp-p5019.pdf](http://www.ijsrp.org/research-paper-0216/ijsrp-p5019.pdf)
- Brad, S., & Emilia Brad. (2015). Enhancing SWOT Analysis with TRIZ-based Tools to Integrate Systematic Innovation in Early Task Design. *Procedia Engineering*, 131, 616-625. Retrieved from <https://www.sciencedirect.com/science/article/pii/S1877705815043477>
- Budiman, I., U. P. P. Tarigan., A. Mardhatillah., A. C. Sembiring., & W. Teddy. (2018). Developing business strategies using SWOT analysis in a color crackers industry. *Journal of Physics: Conference Series*, 1007, 1-7. Retrieved from <http://iopscience.iop.org/article/10.1088/1742-6596/1007/1/012023>
- Cieślak, J., E. Kaciak, & N. (Tek) Thongpapani (2015). Effect of export experience and market scope strategy on export performance: Evidence from Poland. *International Business Review*, 24(5), 772-780. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0969593115000293>
- Dikova, D., Andreja J., A. Burger., A. Kunčič. (2016). What is beneficial for first-time SME-exporters from a transition economy: A diversified or a focused export-strategy?. *Journal of World Business*, 51(2), 185-199. Retrieved from <https://www.sciencedirect.com/science/article/pii/S1090951615000358>
- Durmaz, Y., & Z. D. Düşün. (2016). Importance of Strategic Management in Business. *Expert Journal of Business and Management*, 4(1), 38-45. Retrieved from <http://business.expertjournals.com/23446781-405/>
- Epaphra, M. (2016). Determinants of Export Performance in Tanzania. *Journal of Economics Library*, 3(3). Retrieved from <http://www.kspjournals.org/index.php/JEL/article/view/1015>
- Esmaeili, Neda. (2015). Strategic management and its application in modern organizations. *International Journal of Organizational Leadership*, 4, 118-126. Retrieved from <http://aimijournal.com/Pages/DownloadHandler.ashx?DownloadObject=Article&Id=2944bbee-dcab-407f-8d6f-1e6aa43f8547>

## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

- 
- Gürel, E., & Merba Tat. (2017). SWOT Analysis: A Theoretical Review. *The Journal of International Social Research*, 10(51), 994-1006. Retrieved from [https://www.researchgate.net/publication/319367788\\_SWOT\\_ANALYSIS\\_A\\_THEORETICAL\\_REVIEW](https://www.researchgate.net/publication/319367788_SWOT_ANALYSIS_A_THEORETICAL_REVIEW)
- Helms, M.M., & J. Nixon. (2010). Exploring SWOT analysis – where are we now?: A review of academic research from the last decade. *Journal of Strategy and Management*, 3(3), 215-251. Retrieved from <https://doi.org/10.1108/17554251011064837>
- Leonidou, C.L., Thomas A. Fotiadis., P. Christodoulides., S. Spyropoulou., & C.S. Katsikeas. (2015). Environmentally friendly export business strategy: Its determinants and effects on competitive advantage and performance. *International Business Review*, 24(5), 798-811. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0969593115000268>
- Mohsenzadeh, M., & S. Ahmadian. (2016). The Mediating Role of Competitive Strategies in the Effect of Firm Competencies and Export Performance. *Procedia Economics and Finance*, 36, 356-466. Retrieved from <https://www.sciencedirect.com/science/article/pii/S2212567116300697>
- Obinwata, Bede., Joel Owuru., & Adesoji Farayibi. (2016). Exchange Rate Trends and Export Performance in Nigeria: A Descriptive Approach. *MPRA Paper No. 75526*. Retrieved from [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2883548](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2883548)
- Oliveira, J.S., N. Yazdani., John W. Cadogan., Ian R. Hodgkinson., E. Tsoungkou., Ruey-Jer Bryan Jean., V.M. Story., & N. Boso. (2018). The empirical link between export entry mode diversity and export performance: A contingency- and institutional-based examination. *Journal of Business Research*, 88, 505-512.
- Ommani, Ahmad Reza. (2011). Strengths, weaknesses, opportunities and threats (SWOT) analysis for farming system businesses management: Case of wheat farmers of Shadervan District, Shoushtar Township, Iran. *African Journal of Business Management*, 5(22), 9448-9454. Retrieved from [http://www.academicjournals.org/app/webroot/article/article1380639652\\_Ommani.pdf](http://www.academicjournals.org/app/webroot/article/article1380639652_Ommani.pdf)
- Osita, I.C., Idoko Onyebuchi R., & N. Justina. (2014). Organization's stability and productivity: the role of SWOT analysis an acronym for strength, weakness, opportunities and threat. *International Journal of Innovative and Applied Research*, 2(9), 23-32. Retrieved from <http://www.journalijiar.com/article/176/organization%E2%80%99s-stability-and-productivity--the-role-of-swot-analysis-an-acronym-for-strength,-weakness,-opportunities-and-threat/>
- Phadernrod, B., R.M. Crowder., & G.B. Wills. (2016). Importance-Performance Analysis based SWOT analysis. *International Journal of Information Management*.
- Roxo, Mafalda. (2014). *Export Performance The case of the exports of cork stoppers from Portugal to emergent economies*. Dissertation. Universidade Católica Portuguesa. Retrieved from [https://repositorio.ucp.pt/bitstream/10400.14/16988/1/TFM\\_mafalda\\_roxo.pdf](https://repositorio.ucp.pt/bitstream/10400.14/16988/1/TFM_mafalda_roxo.pdf)
- Sahni, P. (2014). Trends In India's Exports: A Comparative Study Of Pre And Post Reform Period. *IOSR Journal of Economics and Finance (IOSR-JEF)*, 3(2), 08-18.

## Mega Aktiva: Jurnal Ekonomi dan Manajemen

Email : [megaaktiva@febi.umkendari.ac.id](mailto:megaaktiva@febi.umkendari.ac.id)

Website : <https://megaaktiva.umkendari.ac.id/index.php/Jurnal>

---

Retrieved from <http://www.iosrjournals.org/iosr-jef/papers/vol3-issue2/Version-1/B03210818.pdf>

- Sharma, R.R., Thao Kim Nguyen., & Dave Crick. (2018). Exploitation Strategy and Performance of Contract Manufacturing Exporters: The Mediating Roles of Exploration Strategy and Marketing Capability. *Journal of International Management*, 24(3), 271-283. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S1075425317301898>
- Shi, Yangyan. (2016). SWOT Analysis of Purchasing Markets in the Region of Asia. *Business and Economic Research*, 6(1), 403-430. Retrieved from <http://www.macrothink.org/journal/index.php/ber/article/view/9494>
- Singh, H., & Rosli Mahmood. (2014). Aligning Manufacturing Strategy to Export Performance of Manufacturing Small and Medium Enterprises in Malaysia. *Procedia – Social and Behavioral Sciences*, 130, 85-95. Retrieved from <https://www.sciencedirect.com/science/article/pii/S187704281402921>
- Vannoorenberghe, G., Zheng Wang., & Z. Yu (2016). Volatility and diversification of exports: Firm-level theory and evidence. *European Economic Review*, 89, 216-247. Retrieved from <https://www.sciencedirect.com/science/article/pii/S0014292116301210>