

# Strategy Formulation in A Microenterprise: Case Study SEHATEA Ice Tea

Mutqi Sopiawadi<sup>1\*</sup>, Tigin Lugiani<sup>2</sup>

<sup>1,2</sup>Sekolah Tinggi Ilmu Ekonomi Sutaatmadja, Subang, Jawa Barat, Indonesia.  
Department of Manajemen, Indonesia

\*Corresponding Author:

Email: [mutqi@sties.ac.id](mailto:mutqi@sties.ac.id)

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## Abstract.

*This research aims to examine and analyze the environmental conditions, conduct a SWOT analysis, and design a strategy formulation and implementation through the EFAS IFAS method. One of the scopes is within the Micro, Small, and Medium Enterprises (MSMEs) of SEHATEA Iced Tea, which has become a new business that is highly sought after by both young people and adults and has high business potential. The qualitative study conducted at Sehatea Iced Tea resulted in a SWOT analysis and matrix that outlines the vision, mission, and strategy. After conducting a SWOT analysis on Sehatea MSMEs in the Subang district, it was found how the external and internal conditions of these Sehatea MSMEs are. Sehatea will face greater opportunities compared to threats, while from the external conditions and the internal conditions of MSMEs, they have more strengths than weaknesses. From the results of the SWOT matrix analysis, the Vision, Mission, strategic objectives, and strategies of Sehatea MSMEs in the Subang district were born, based on the SWOT matrix analysis, the vision is to make Sehatea Iced Tea the No. 1 Iced Tea Brand in Subang at an affordable price. To achieve this vision, Sehatea MSMEs strive to provide products with good quality and affordable prices. To realize the existing vision, a mission is designed, namely, standardized product quality with a halal label, maintaining financial performance, creating product innovation, competent human resources in work, and expanding the network of potential consumer markets and businesses.*

**Keywords:** Strategy Formulation, SWOT Analysis, IFAS – EFAS Method and MSMEs.

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## I. INTRODUCTION

In today's globalized era, many are establishing businesses, from small to large, to meet their needs [1]. The beverage business in Indonesia is thriving due to high demand. One such business is SEHATEA Iced Tea, a Micro, Small, and Medium Enterprise (MSME) that offers a variety of flavors and has seen increasing daily turnover across its three branches. Despite various factors affecting income, sales remain stable even in rainy weather [21]. The Sehatea Tea business was inspired by the owner's mother who sold affordable iced tea at home. It targets consumers up to 50 years old and has seen increasing turnover across its branches. Despite market competition, it has seen stable sales and repeat customers, particularly for its original iced tea. The research data shows that Sehatea Tea Outlet in Sompi saw an increase in turnover to Rp. 86,661,000 in November. However, the Gg Tongkeng branch saw a slight decrease in November, while the Dolog branch, which opened in October 2023, saw an increase to Rp. 31,100,000 in November. Consumer demographic segmentation consists of age, gender, income, religion, marital status, education, ethnicity, and nationality[5]. The demographic segmentation of Sehatea Tea is the community up to the age of 50, both men and women. Male consumers usually come more during the day. Psychographic segmentation includes social class, lifestyle, personality, perception, and attitude[4].

Sehatea Tea products are aimed at all social classes, both lower-middle and upper-middle classes because the prices are also very affordable. Sehatea Tea is also aimed at the Subang community who want to consume iced tea with a suitable price and taste. Geographic segmentation includes region, area size, city size, and climate density. The geographic segmentation is that Sehatea Tea is located in the centre of Subang City and has good road access. With a taste that is easily accepted by the surrounding community and also has a price range that is in line with the income of the Subang city community itself and with a suitable climate condition[6]. The consumer behaviour segmentation is that consumers are seen making repeat purchases with a good attitude and are considered to like the existing menu [8]. The menu most often ordered and repurchased by consumers is original iced tea because it is considered to have an affordable price range and fits in the pocket[10]. SEHATEA Iced Tea aspires to become the number one iced tea brand in Subang at affordable prices. Sehatea will face many challenges, including ever-evolving competition. Over time, a mature business strategy planning is needed to realize the business aspirations. Strategic

planning has transformed from a unidirectional approach to a bidirectional one[2]. The initial focus was on formulating and executing strategies, while the current emphasis is on fostering a culture of ongoing enhancement.

[18] Strategic management involves observing business conditions, conducting a SWOT analysis, and formulating a vision, mission, and strategic objectives[19]. It has evolved from a one-way to a two-way process, focusing not only on strategy development and implementation but also on fostering a culture of continuous improvement.[12] In the intricate landscape of contemporary competition, only firms possessing the capability to fulfil consumer requirements, manufacture superior products, and maintain cost-effectiveness can thrive. Aspiring competitors must be proactive and adapt to evolving circumstances[15]. The cornerstone of contemporary business competition is total quality, encompassing facets such as optimal human resource quality, product excellence, cost-effectiveness, efficient service processes, punctual delivery, and other growing satisfactions that contribute to sustained customer contentment.[3] Based on the background above, the author concludes to title the research "Exploring Business Strategies in A Microenterprise: Case Study SEHATEA". This research focuses on the design of comprehensive business strategy planning, with several main issues to be discussed in this thesis: design of business strategy formulation, based on business environment analysis with the approach of SWOT and EFAS & IFAS methods at SEHATEA Ice Tea in Subang City.

## II. METHODS

This research approach involves design as it involves data excavation through interviews and discussions, as well as information search through various websites. According to Saryono, qualitative research is used to investigate, discover, describe, and explain the quality or uniqueness of social influence that cannot be explained, measured, or described through a quantitative approach[8]. Data collection techniques include participant observation and in-depth interviews. This research aims to understand the internal and external environmental conditions of Sehatea Iced Tea[19]. Currently, the outlet does not yet have a comprehensive business strategy planning formulation that can guide in carrying out business planning. This research is expected to provide direction for organizations and individuals to undergo the process of learning, development, and improvement when implementing business strategy planning at the outlet [17].The researcher will conduct intensive observations and interviews with related parties who will act as respondents. This includes restaurant employees, branch heads, and founders who will be the subjects of research. Conducting in-depth interviews and observations with the owner of Sehatea Tea is a step in conducting an environmental analysis. The purpose of this process is to collect data and information related to the external environmental conditions of the outlet, as well as the macro conditions and competitors to be faced.

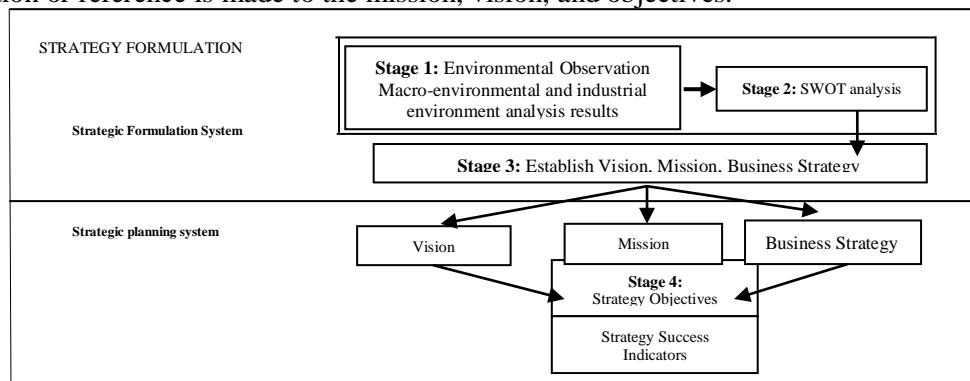
In carrying out the stages of designing comprehensive business planning for Sehatea Tea in Subang City, the researcher will collect data through in-depth interviews and observations. In addition, secondary data and external information from sources such as websites, and government data, will be the basis used in designing comprehensive business planning for the outlet.[17] Internal environmental analysis is carried out to look for HR, facilities, and organizations. HR will be analyzed from the structure and composition of positions within the organization. Facility resources will be identified through an inventory of facilities and infrastructure. Organizational resources, including strengths and weaknesses, as well as financial factors, will be identified through in-depth observations and interviews with the branch head and founder of Sehatea Tea in Subang City.After conducting observations and collecting information about the external and internal business environment of the outlet, the next step is to run a SWOT analysis.

The purpose of this analysis is to place strengths and weaknesses internally and identify threats and opportunities in the external environment. The results of the SWOT analysis are used as a basis for designing a business plan, including the selection of the company's mission as a wealth creator, the company's vision for the expected future conditions, as well as basic values and beliefs. In addition, the results of the SWOT analysis also form the basis for choosing a strategy, which is a pattern of use and direction of all company resources to achieve the vision through the chosen mission[2].Using the results of the SWOT analysis, the

envisioning process is carried out to determine the business and direction that the company will pursue in the future. In the envisioning stage, reconfirmation or reference is made to the mission, vision, strategic objectives, and success indicators of the Sehatea Iced Tea Outlet. After going through the SWOT analysis stage and the envisioning process that sets the vision and mission, the next step is to design a strategy plan that is integrated within the functional management structure. This involves setting strategies in each function and setting strategic objectives. Strategic planning, as a result of the translation of the company's mission, vision, objectives, and strategies, is a result created by the strategy formulation system.

### III. RESULT AND DISCUSSION

In the formulation stage, the initial process involves observing the macro environment and the Sehatea Tea industry, observing trends in changes in the macro environment, industry environment, and competitive environment. After the observation has been conducted and information about the external and internal business environment of Sehatea Tea has been collected, the next step is to conduct a SWOT analysis, to position strengths and weaknesses internally and position which and how much external conditions become threats and opportunities. Based on the SWOT analysis, envisioning is then carried out to determine the business and direction that the company will pursue in the future. In this envisioning, reconfirmation or reference is made to the mission, vision, and objectives.



**Fig 1.**Strategy Formulation Design Process

#### Business Environment Analysis of SEHATEA Iced Tea in Subang City

**Table 1.** Matrix Internal Factor Analysis Summary (IFAS)

NO	Internal Factors	Weight	Rating	Score
<b>Strength</b>				
1	Low Price	10	4	40
2	Many Contents	10	3	30
3	Many flavour variants	10	2	20
4	Good taste quality	10	4	40
5	Strategic place beside the main road	5	3	15
6	Active on social media	10	4	40
Subtotal		70		145
<b>Weakness</b>				
1.	Easily copied products	10	3	30
2.	Market place	5	3	15
3.	Still using manual data	5	3	15
4.	There are no chairs to wait on	10	3	30
5.	There is no agenda for employees such as attendance data.	10	3	30
6.	Promotion only on social media	5	2	10
Subtotal				100
Total Internal Factor Score		100		245

**Table 2.**Matrix External Factor Analysis Summary (EFAS)

NO	External Factors	Weight	Rating	Score
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Opportunities				
1.	Following the income level in the city of Subang.	15	3	45
2.	Many consumers like tea drinks.	15	3	45
3.	The weather and temperature in the city of Subang are relatively hot.	15	3	45
4.	The flavour that is easily accepted by the people of Subang	10	2	20
Subtotal		55		155
Threat				
1	Raw Materials are Scarce	15	2	30
2	Price Increase	20	3	60
3	Many competitors with similar products	10	3	30
Subtotal		45		120
Total External Factor Score		100		275

**Table 3.** IE Analysis Results at SEHATEA Ice Tea in Subang City

EFAS	IFAS			
		300	200	100
	300	I	II	III
	200	IV	V	VI
	100	VII	VII	IX

**Table 4.** Matrix SWOT analysis of SEHATEA Iced Tea in Subang City

Strengths (S)	Weight	Weaknesses (W)	Weight
1. Low Price	145	1. Easily copied products	100
2. Many Contents		2. Marketplace	
3. Many flavour variants		3. Still using manual data	
4. Good taste quality		4. There are no chairs to wait on	
5. Strategic place beside the main road.		5. There is no agenda for employees such as attendance data.	
6. Active on social media		6. Promotion only on social media	
Opportunities (O)	Weight	Threats (T)	Weight
1. Following the income level in the city of Subang.	155	1. Raw Materials are Scarce	120
2. Many consumers like tea drinks.		2. Price Increase	
3. The weather and temperature in the city of Subang are relatively hot.		3. Many competitors copy the concept	
4. The flavour that is easily accepted by the people of Subang			
Strength - Opportunities (SO)			Weight
SO 1. Improve flavour quality with new variants.			300
SO 2. Increase sales through regular social media promotions.			
Weaknesses - Opportunities (WO)			Weight
WO 1. Improve tools for a digital recap of sales data.			255
WO 2. Create a distinctive feature that differentiates from other similar competitors.			
Strength - Treaths (ST)			Weight
ST 1. Establishing cooperation with suppliers will result in lower sales prices.			265
ST 2. Consistency in flavour quality with more cup contents.			
ST 3. Don't be driven by one supplier			
Weaknesses – Treaths ( WT)			Weight
WT 1. Consistent with the taste of this sehatea iced tea, namely by maintaining the confidentiality of the raw materials owned by sehatea tea.			220
WT 2. There is a differentiator between the sehatea ice tea business with other competitors with its building innovations.			

**Table 6.** Sequence of SWOT Strategy Alternatives

PRIORITY	STRATEGY	Weight
I	Strength - Opportunities (SO)	300
II	Strength - Treaths (ST)	265
III	Weaknesses - Opportunities (WO)	255
IV	Weaknesses – Treaths ( WT)	220

**Table 7.** Design of business strategy formulation for SEHATEA Iced Tea

<b>VISION:</b> Making Sehatea Ice Tea the No. 1 Ice Tea Brand in Subang with Affordable Prices			
<b>MISSIONS:</b> 1. Maintain Product Quality 2. Provide Satisfaction to customers at affordable prices 3. Opening new branches 4. Opening partnerships with various regions			
NO	Company Strategy	Strategic Objectives	Indicators of strategy success
1	<b>Human Resources Management</b> Improve the quality of human resources	Employee knowledge level	Knowledge of product flavouring and packaging
		Upskilling employees to become entrepreneurs	Skill makes for a strong mentality
		Improved employee attitudes	motivational level of employee morale
2	<b>Production and Service Operations</b> Developed a new menu that has never existed in the city of Subang,	number of drinks that have been developed for new menus.	The number of new beverage menus can be generated as many as 3 new menus each year.
		Time to order until ready to serve.	The time required to carry out the process of ordering a drink until it is ready is no more than 5 minutes.
3	<b>Marketing</b>  Increase sales through regular social media promotions.	To be recognized by many people	By utilising social media in part, by obtaining interesting content
		Attract as many customers as possible	By providing good quality
		Customer loyalty	Turn buyers into customers.
4	<b>Finance</b> Increase business profit and save funds for renovation infrastructure Building.	Financial cash flow management	<i>cash flow in dan chas flow out</i>
		financial performance that can show business growth and knowledge of the amount of costs for future infrastructure.	- Profit margin - Operating profit - Net profit - ROA - Liquidity

#### IV. CONCLUSION

The following conclusions have been derived from the research conducted on Sehatea MSMEs in Subang Regency and the subsequent discussions: The SWOT analysis of Sehatea MSMEs in Subang Regency reveals the internal and external conditions of the enterprise. It is evident that Sehatea is poised to encounter more opportunities than threats in the external environment. However, the internal analysis indicates an equal number of strengths and weaknesses. The SWOT and IFAS-EFAS matrix analysis have led to the formulation of the vision, mission, strategic objectives, and strategies of Sehatea MSMEs in Subang Regency. The vision, as per the SWOT matrix analysis, is to establish Sehatea Ice Tea as the leading Ice Tea Brand in Subang, offering it at an affordable price. To realize this vision, Sehatea MSMEs are committed to delivering products of high quality at reasonable prices.

#### V. ACKNOWLEDGMENTS

The authors express their gratitude to the Sutaatmadja Subang College of Economics for their support in the composition of this article, providing various facilities that have facilitated the seamless execution of this writing process. We also extend our appreciation to the owner of SEHATEA Ice Tea for their assistance in data collection and their willingness to participate in interviews, ensuring the smooth and efficient processing of data.

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