



External Environmental Analysis in Facing Competition Business at PT. Telkom Indonesia Tbk

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Abstract: PT. Telkom Indonesia Tbk is one of the companies affected by the COVID-19 pandemic. To adapt in the midst of the COVID-19 pandemic, the company has transformed into a digital telecommunications company (digital telco) that focuses on digital services, digital platforms, and digital connectivity. This analysis aims to determine the company's external environment and strategies that can be taken in the face of competition at PT. Telkom Indonesia Tbk. This study uses a descriptive qualitative analysis research model for using tables and graphs to explain the results of the study and analyzed using external environmental analysis. The results of the study indicate that the company's position towards the external environment has a strong position by getting the highest percentage of net profit each year compared to similar telecommunication companies. Based on the analysis of the external environment, the company applies the Build, Borrow, and Buy concept strategies in dealing with competitors.

Keywords: Analysis, Threat, Opportunity, External Environment

INTRODUCTION

Companies operating in the telecommunications sector have a great influence on during a pandemic like this. Telecommunications companies are a tertiary need for employees, students and students due to government regulations, namely work from home requires doing work from home. Apart from that, lifestyle developments society makes telecommunications companies compete for attention consumers to use the products and services they provide. In Facing this competition, companies must carry out ecosystem development and completely digital. However, the number of cheaper products is a worry can reduce the quality of the company's services. Intense competition makes the company have to carry out an analysis of the external environment. External environment are components that come from outside the company. Components or variables outside the company make the company unable to perform intervention on these variables.

These components are everything that must be accepted by company without exception. Therefore, companies must take strategies so that can get around these components. The company's external environment is very challenging and influence company performance. This makes companies have to develop the ability to identify threats originating from the environment external. There are three areas in the external environment, namely: 1) competitor environment, 2) industrial environment, and 3) general environment. There are 6 factors in the external environment companies that compile factors that have a broad scope, namely: 1) factors economic, 2) social factors, 3) political and legal factors, 4) technological factors, 5) factors government, 6) demographic factors (Lestari, 2013:31). Factors that exist in the environment This general will have a long-term effect on the company get opportunities and anticipate business competition.

The era of global competition requires management to be able to choose appropriate strategies right for the company. The company does not just focus on products, but on the performance of a company which is an important aspect of the company. A performance The company depends on how management is able to manage and implement it activities in order to compete with similar companies. PT. Telkom Indonesia Tbk is one of the companies operating in the field of information technology services and communication in Indonesia. This company, which has been established since 1965, has been able to survive during the Covid-19 pandemic and was able to maintain the company's performance by earned a net profit of IDR 20.80 trillion in 2019. This shows an increase in net profit of 11.5% from the previous year, namely IDR 18.66 trillion. Meanwhile, consolidated revenue edged up 0.7% to IDR 136.46 trillion compared previous year. And Earning Before Interest, Taxes, Depreciation, and Amortization (EBITDA) grew by 11.2% from 2019 of IDR 72.08 trillion (Ririek, 2019).

This proves that the company is able to survive during the Covid-19 pandemic. 19 and can restore the national economy. Good company performance can be achieved creating positive growth in revenue and net profit during 2020. According to (Rais, 2009:4), the main goal of strategic planning is to obtain competitive advantage and having products that suit consumer desires and optimal support from existing resources. However, the most important thing is Companies must analyze the external environment in order to identify threats and opportunities facing the company. After knowing the threats and opportunities then Companies can take advantage of opportunities and avoid threats the. External environmental analysis is a scan of the external environment companies that aim to identify threats and opportunities affect company performance. Opportunities and threats are present at any time and always beyond available resources.

This means that the organization always has the power are in a weaker position in dealing with threats, even in pursuit and take advantage of even opportunities (David, 1989). According to Herry Achmad Buchory and Djaslim Saladin (2010: 48-49), there are 4 steps to the external environmental analysis process, namely: 1) scanning is identifying changes that occur in the environment and trends, 2) monitoring is continuous observation of environmental changes and trends, 3) forecasting is to make projection plans based on environmental changes and trends, 4) Assessing is determining company strategy based on environmental changes and trend. A company can be said to have a competitive advantage if it has designing the right strategy for the company. Implementing the strategy can carried out with proper organization by starting identification, strengthening the organization, as well as increasing the company's capabilities. In building competitive advantage, a company must carry out the role of strategic management and understanding strategy. Competitive advantage can only be maintained if competitors do not carry out the same strategy. In this case, PT. Telkom Indonesia Tbk implements 3 concepts, namely: 1) Build is the process of developing internal competencies, 2) Borrow is a partnership, 3) Buy is an acquisition with consideration of the company's value proposition. This concept aims to develop company capabilities (Heri, 2020).

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In the context of External Environmental Analysis, some literature may have discussed how external factors such as political, economic, social, technological, environmental, and legal (PESTEL) can influence business. For PT. Telkom Indonesia Tbk, you can consider how these factors influence the telecommunications industry in Indonesia. For example, how can changes in government regulations affect a company's operations? How can new

technological developments create opportunities or threats for companies?

METHODS

This research uses descriptive qualitative research because it uses tables and graphs in describing external environmental analysis and strategy used, PT. Telkom Indonesia Tbk in facing competitors during the current pandemic. The population in this study was PT. Telkom Indonesia and which is the sample in This research is the annual report of PT. Telkom Indonesia for the 2019-2020 period. Technique used in this research was Purposive Sampling by selecting subjects considered representative of a population. Data collection techniques used in this research is a secondary data source. This data source is obtained from data PT annual report. Telkom Indonesia Tbk which is listed on the Indonesia Stock Exchange and Official Site of PT. Telkom Indonesia Tbk. The data analysis technique used by researchers is the analysis method and uses descriptive analysis, where the research results are depicted using graphs and table. Descriptive analysis is a type of research by describing data has been collected using a correlation approach to analyze the data. This research approach uses a qualitative approach starting from data collection, data interpretation, and displaying research results. This approach too focuses on problems that occur within the company with research results in the form of numbers that have meaning. This research describes qualitative data regarding subjects from a population. There are 5 stages in descriptive research, namely:

1. Formulate the problem being faced by the company by asking questions questions that must be sought using the available data. That question submitted must contain variables related to this research.
2. Determine the information needed to answer the problem that has been formulated. This research uses qualitative information because the information needed is in the form of data in numbers.
3. Determine data collection procedures using qualitative methods. Problem Research must be formulated clearly in order to provide definite direction to the data source.
4. Determine information processing procedures for preliminary purposes or exploration. Information processing usually uses descriptive statistics or statistics inferential. Inferential statistics is a statistical technique used for analysis sample data and the results are applied to the population. These statistics will be suitable to use if the sample is taken from a clear population, and the sampling technique is from the population it was done randomly (Sugiyono, 2010:209)
5. Draw conclusions from research based on research results from existing data done. Researchers will conclude by answering the questions research and collect all the answers in one conclusion regarding the problem as a whole.

RESULT AND DISCUSSION

External environmental analysis is the identification of factors in formulating strategy in facing threats and opportunities at PT. Telkom Indonesia Tbk. Analysis This is intended to be able to take advantage of opportunities and avoid threats. The following are opportunities and threats originating from the external environment companies, including:

1. Company opportunities include:
 - a. High public demand for internet access is a market that potential for the company.
 - b. The telecommunications and information industry will continue to develop along with growth national.
 - c. Indonesia's large population can be a good market opportunity for company business growth.
2. Company threats include:
 - a. Government policy in maintaining economic growth at any time can have a direct impact on the company.
 - b. The global financial crisis will have a negative impact on company materials.

- c. Society demands mobility and flexibility so traditional landlines unable to meet these needs.
- d. Companies continue to fight to get customers in a competitive environment strict.



Figure 1. Net profit of PT. Telkom Indonesia Tbk for the 2019-2020 period

Based on graph 1 above, you can see the net profit of PT. Telkom Indonesia Tbk reached an increase of 2.14% from 2019-2020. Increase in net profit at in 2020 amounting to IDR 20.80 illustrates that the pandemic has accelerated digital transformation has become several years faster and this is an acceleration space for Telkom. In line with the company's steps to transform into a company digital telecommunications, Telkom actively continues to support the government's efforts in Handling Covid-19 and National Economic Recovery through connectivity support, digital platforms and applications, as well as social assistance. We are committed to continuing to be present provide convenience to the community due to the pandemic carry out various activities digitally from home, including work and learning (Ririek, 2020).

Based on the table above, the calculation of PT's external environmental analysis. Telkom Indonesia Tbk, the company's opportunities for excellence are greater than the threats who are outside the company environment. Implemented build, borrow and buy strategy The company is able to make the company superior compared to similar companies even during the Covid-19 pandemic. Apart from that, it is to support the economy Nationally, the company recorded a Domestic Content Level value of approx 41.6% of Capex spending and 92% of Opex spending in 2020 (Heri, 2020). The 3B strategy (build, borrow, buy) implemented by PT. Telkom Indonesia aims to improve the company's digital capabilities and business development. Company also developing digital ecosystems such as Amoeba and Indigo. In the buy concept, the company will utilize external resources carried out by start-ups, unicorn, or decacorn. In the build concept, the company will carry out developing existing resources such as holding training for employees to be more productive at work. Meanwhile, in the borrow concept, the company will carry out a partnership scheme. The company will invest in Gojek which it already has a fairly good digital ecosystem that will strengthen the company's business (Erick, 2020). According to Ketchen (2009) defines

strategic management analysis, decisions and actions by companies to create and maintain advantages competitive. This definition describes the two main elements of strategic management. First, strategic management of the company related to ongoing processes (process sustainable): analysis, decision and action. The benefits of strategic management can be enabling more effective resources for identified opportunities. After the company implemented the build, borrow and buy concept in 2020, the company pocketed industry data traffic growth of 76% so resulting in a market share of 53% compared to last year's only 51%. Telkomsel consolidated three prepaid brands, namely Kartu AS, Simpati and Loop to become a "Telkomsel Prepaid" brand that is commercializing 5G. Telkomsel too partners with Gojek and has several projects such as the integration of Telkomsel with goBiz, onboarding Gojek MSME partners to become Tsel resellers, and joint marketing for gaming services. By collaborating with partners and several projects, companies posted revenue of up to IDR 141.70 trillion with a net profit of IDR 22.13 trillion in in 2021 (Setyanto, 2020).

CONCLUSIONS

Based on the results of research that has been carried out, threats originate from factors External includes government policies in maintaining economic growth which has a direct impact on companies, the global financial crisis, mobility demands and the flexibility of society, and competition for customers. Meanwhile, the company's strengths include having a network and extensive infrastructure, strategic advantages such as a choice of products and services offered, has strong cash flow and a healthy debt to equity ratio. The strategy implemented during this pandemic is the proven concept of build, borrow and buy succeed. After the company implemented this concept the revenue growth became increased by 76%. This strategy is one of the causes of PT. Telkom Indonesia Tbk is still surviving during the Covid-19 pandemic. Good management and performance in Operating the company makes this company able to increase revenue and net profit for the last two years despite the impact of Covid-19. Success company performance because the company was successful in conducting environmental analysis external.

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Facing business competition, recognition of the company's internal strengths and weaknesses, as well as opportunities and threats in the external environment is important. This is known as a SWOT analysis. For PT. Telkom Indonesia Tbk, this recognition may include:

1. Strengths: As one of the largest telecommunications companies in Indonesia, PT. Telkom has extensive infrastructure, a large customer network and a strong reputation in the market.
2. Weaknesses: Like other telecommunications companies, PT. Telkom may face challenges in terms of adapting to new technologies and rapid changes in consumer preferences.
3. Opportunities: With the development of digital technology and increasing internet penetration, there are many opportunities for HEIs. Telkom to expand their services and products.
4. Threats: Competition from other telecommunications companies, both local and international, as well as changes in government regulations could pose a threat to PT. Telkom. Recognition of these factors can help PT. Telkom formulates effective strategies to face business competition.

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