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Management Strategy in Improving Company Performance

Syamsuddin[1], Sitti Aisyah[2*], Uswatun Hasanah[3], Sri Sundari[4]
Hasanuddin University, Indonesia
Corresponding Author: Sitti Aisyah sittiaisyahofficial24@gmail.com

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ABSTRACT

Strategic management plays an important role in improving company performance by setting clear goals, conducting environmental analysis with SWOT analysis, making proper decisions, implementing plans effectively, evaluating and measuring performance, developing competitive advantages, and creating an organizational culture that is result-oriented. This study focuses on strategic management in improving company performance through literature study from previous research references that are relevant to the topic of study. The results obtained by integrating aspects of management accounting and strategic management can significantly improve company performance for the short, medium, or long term.

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INTRODUCTION

Given the increasingly tight competition between businesses and increasingly dynamic market conditions, a company in order to survive and grow must be able to optimize its resources through the right strategy, in order to achieve business success which is a benchmark for positive and optimal business development. In general, this study is related to how much impact the implementation of strategic management has on achieving company performance. Company performance is the result of real activities that can be measured where the resources used to carry out business processes in order to develop and maintain the company's survival are in accordance with the direction of strategic decisions regarding future business development. Therefore, company performance evaluation can be used to measure the success of a company. Business performance is divided into a company's economic performance which is based on its financial performance (liquidity ratio, profitability ratio, activity ratio, etc.) and non-financial performance (market share, revenue growth, new product sales, etc.). Management strategy is the key to a company's performance. The more sophisticated the strategy, the better the management performance and the greater the impact on the results obtained by the company. The success of a company depends on its performance, especially in an increasingly competitive environment with rapid changes in technology, customer needs, and product life cycles can pose major challenges for the company (Selaras, 2018). So, implementing a high-level business strategy brings many benefits to the company. The strategic level refers to the level of strategy in an organization consisting of corporate strategy, business unit strategy, functional strategy, and operational strategy. While the level of strategic management refers to the strategy used by a company. Generally, there are 5 levels of strategic management including strategic formulation, strategic implementation, strategic evaluation, strategic control and strategic review.

One of the applications of strategic management as an effort to improve company performance is market orientation. Market orientation is a business philosophy. This market orientation is about understanding and meeting the needs of customers, competitors, and other stakeholders in order to create added value for them. Market orientation is the collection and analysis of market information to understand the market in depth and make the right business decisions. Through market orientation, companies can increase competitiveness, innovation, and customer satisfaction. Market orientation is often compared to other business philosophies such as production orientation and sales orientation. Production orientation focuses on producing high-quality products, sales orientation focuses on selling products to customers, while market orientation focuses on understanding and meeting customer needs. Implementing market orientation well is likely to improve company performance. Another application of strategic management is technology orientation. Technology orientation is a business philosophy that focuses on using technology to drive innovation, increase efficiency, and create value for customers. This focus includes implementing technological advances and integrating them into business operations to remain competitive in the market.

By adopting a technology orientation, companies can improve operational efficiency, reduce costs, and improve customer experience. Technology orientation also enables companies to make better decisions through the use of data analysis and business intelligence, customer loyalty increases through the use of digital channels to interact with customers and provide personalized experiences, and agility in responding to changing market conditions and customer needs also increases. Several studies show the relationship between strategy and company performance, including studies from (Guo, 2002), (Agrawal, 2003), (Raju, 2011), (Kajalo & Lindblom, 2015), and (Naid0, 2010) saying that the application of strategic management for the strategies used by each business leads to positive business performance. The success of a company is not only influenced by the strategy it chooses, a study conducted by on the other hand, a study conducted by (Siswaji, Nuryartono, Arifin, & Didu, 2013) shows that strategy does not have a significant influence on company performance. Departing from the phenomena and thoughts above, the author is interested in conducting a study on "Strategic Management in Improving Company Performance".

LITERATURE REVIEW

Strategy is the analysis and selection of the right response to threats and opportunities from the external environment and the internal strengths and weaknesses of the organization. Strategy is a framework used by organizations to find their goals and allocate resources to achieve those goals (Maciariello & Kirby, 1994:188). According to (Shank & Govindarajan, 1993:94) strategy is a periodization or period of 3 to 5 years in which managers assess opportunities in the external environment and the strengths and internal resources of the organization and set goals and actions to achieve goals. According to (Anthony and Govindarajan, 1998:10) strategy as a general guideline that guides the organization's plan to achieve its goals. In an increasingly competitive business environment, an appropriate competitive strategy is also needed to achieve the company's goals in achieving the desired level of profit. Competitive strategy is the search for a competitive position in an industry. Another opinion from (Porter, 1998a:1) says that competitive strategy aims to develop a sustainable advantageous position compared to other factors that determine industry competition and to improve the ability of business unit strategies to generate profits. So, it is concluded that the strategy is developed to achieve organizational goals. The more often a strategy is used, the better the management performance and ultimately the organization's performance. The strategy formula can be seen in the following image:

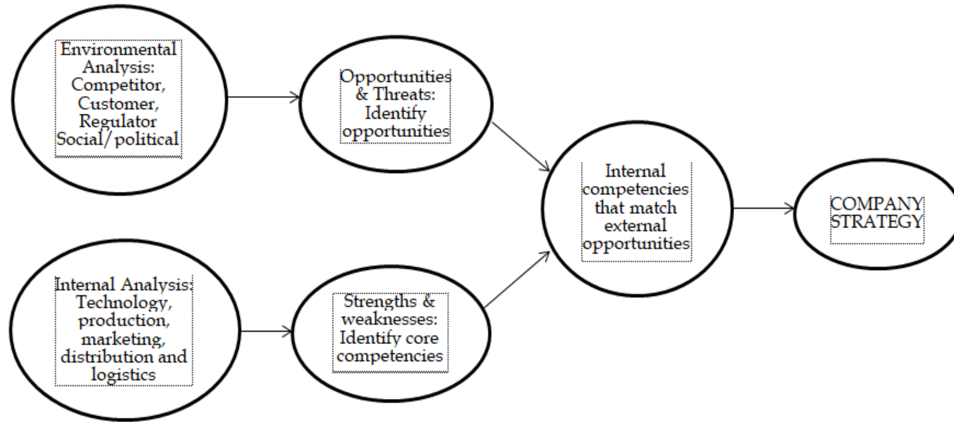

Figure 1. Strategy Formulation

According to (A Robert N. Anthony & Vijay Govindarajan. 1998: 55) the strategy levels are divided into two, namely corporate strategy and business unit strategy or business strategy as in the table below.

Table 1. Strategy Levels

Strategy Levels	Key Strategic Issues	Generic strategy options	The main organizational levels involved
Corporate Level	Are we in the wrong industry? What industry or sub-industry should we be in?	Single industry Related diversification Unrelated diversification	Parent company
Business Unit Level	What should the mission of the business unit be?	Building Holding Harvesting Cashing	General manager of corporate office and business unit
	How should the business unit compete to achieve its mission?	Cost leadership Differentiation	General manager of business unit

Source: A Robert N. Anthony & Vijay Govindarajan. 1998: 55. Management Control Systems. 9th edition. Boston: McGraw-Hill Co

Corporate Strategy is the act of gaining competitive advantage by selecting and managing several companies from within a group of companies competing in various industries and product markets (Hitt, et. Al., 1999:206). According to (Porter, 1998a:117; Anthony & Govindarajan, 1998:55; Collin & Montgomey, 1995) This strategy focuses on 2 things, namely 1) what business the company is in, and 2) how the parent company should manage the various companies in the corporate group. The main approach to corporate strategy is diversification (Hitt, et al., 1999-208). In theory, a company diversifies if it has excess assets, skills, and core competencies that are useful for various purposes

(Collin & Montgomery, 1995). Diversification carried out by a company has various models, depending on the level of diversification and the relationship between business units in the company. Business Strategy according to (Robbins, 1990:123) reveals that the most important aspect in business strategy is how to compete in every business field. Then added by (Anthony & Govindarajan, 1998:55) with the statement that business strategy has 2 things that need to be answered: 1) what should be the mission of the business unit? and 2) what should the business unit do in the competition to achieve its mission? As time goes by, the level of strategy has increased by 2 levels including Functional Strategy is the level of strategy set by the company for each business function such as marketing, finance, production and human resources. The existence of a functional strategy to determine how each business function supports business strategy. Functional strategy focuses on supporting business strategy, efficiency and effectiveness, and decision making. The final level of strategy is operational strategy. This strategy is set by the company for each business activity. This strategy determines how operational activities will be carried out to support functional strategy. The focus of this strategy is on the implementation of operational activities, quality and productivity, and decision making. Strategy typology according to (Miles & Snow, 1978:48) is divided into 4 strategies, namely defender, prospector, analyzer, and reactor. These four strategies then (Robbin, 1990:133) adjust the relationship between the types of strategies according to (Miles & Snow, 1978:48) with objectives, environment, and structural characteristics such as the table below:

Table 2. Strategy Typology

Strategy	Objectives	Environment	Characteristics of Structure
Defender	Stability and efficiency	Stable	Tight control; extensive division of labor; high degree of formalization; centralized.
Analyzer	Stability and flexibility	Changing	Fairly centralized control; Tight control over current activities; Looser control for new ventures.
Prospector	Flexibility	Dynamic	Loose structure; Low division of labor; Low level of formalization; Decentralization.

Source: Robbins. 1990: 133

Strategy is needed by an organization in achieving the goals and targets that have been set by using the right performance indicators. Management accounting plays a role in the realm of financial and non-financial information to help managers in making strategic decisions within the company. The external environmental conditions that continue to change will force organizations to adapt and utilize analysis of data that is not only quantitative but also qualitative. The emergence of strategic management accounting to bridge the science of management accounting and strategic management.

Conventional management accounting that focuses on calculating costs and profits is often considered less able to support managers in making decisions to compete in the market. A broad perspective in the form of information related to competitors and customers is considered necessary to create a competitive advantage, so that the company can win the competition. The following matrix provides examples of some information related to the manager's attitude in making decisions (Hoque, 2003):

Table 3: Information in the Management Accounting System

	Internal		External	
	Financial	**Non-Financial**	**Financial**	**Non-Financial**
Past oriented	Product cost to produce an item	Sales volume of the company during a period for a particular product	Selling price of a product offered by a competitor for an item	Sales volume in a period for a particular product
Future oriented	The estimated cost to produce an item	Estimated sales volume of the company	Estimated selling price offered by a competitor for an item	Estimate of sales volume in an industry

Source: Hoque, 2003

According to (Juras, 2014) in his literature study on the development of the strategic management accounting (AMS) discipline, AMS techniques are categorized as follows:

Table 4: Strategic Management Accounting Techniques

Category	Technique
Costing	*Standard costing, Budgeting, Activity based, Costing/management, Life cycle costing, Target costing, Quality costing, Value chain costing*
Planning, controlling and measuring performance	*Benchmarking, Balanced scorecard*
Strategic decision making	*Strategic costing, Strategic pricing, Brand valuation*
Accounting for customers	Customer profitability analysis, Valuation of customers as assets
Accounting for competitors	Assessment of competitor performance, Monitoring of competitor positions, Assessment of competitor costs.

Source: Juras (2014)

A company in implementing a strategy, one of its goals is to obtain maximum profit. Usually, one of the measurement indicators in the implementation of financial strategies uses financial ratios. According to

(Sunyoto, 2013: 114) in his book Financial Report Analysis for Business, the types of financial ratios include:

1. Liquidity Ratio

According to (J. Fred Weston & Eugene, 2004) the liquidity ratio is a ratio that describes the company's ability to meet short-term debt obligations. This means that if the company is billed, the company will be able to meet the debt, especially debt that has matured. The following are types of liquidity ratios:

a. Current ratio (CR): This ratio is said to be good if its value is 200% which means that every current debt of Rp. 1 will be guaranteed by current assets of Rp. 2. If a company's CR is only 90% then every current debt of Rp. 1 will be guaranteed by current assets of Rp. 0.9, then the company is in an illiquid state.

$$\text{Current ratio (CR)} = \frac{\text{Current asset}}{\text{Current debt}} \times 100\%$$

b. Quick ratio (QR): This ratio is also called the Acid test ratio (liquid test ratio). If the QR is 100%, it means that the short-term financial condition of a company is good.

$$\text{Quick ratio (QR)} = \frac{\text{Cash + quick assets}}{\text{Current debt}} \times 100\%$$

c. Cash ratio: This ratio shows the company's ability to meet its short-term obligations with cash and easily traded securities available within the company.

$$\text{Cash ratio} = \frac{\text{Cash + securities}}{\text{Current debt}} \times 100\%$$

d. Receivable’s turnover: This ratio is used to measure how long it takes to collect receivables during one period or how many times the funds invested in receivables turn over in one period.

Receivable’s turnover = Net credit sales / Average accounts receivable

Average length of time for collecting receivables per receivables turnover:

Average length of receivables turnover = 365 / Accounts receivable turnover

e. Inventory turnover: a ratio that describes how many times inventory is sold and restocked each accounting period.

Inventory turnover = Net sales / Average inventory

Average length of time inventory is stored = 365 / Inventory turnover

Inventory turnover = Cost of goods sold / Average inventory

f. Working capital turnover: This ratio shows the number of rupiah of net sales obtained for every rupiah of working capital. Through this ratio we can find out whether the company is working with high working capital or low working capital.

Working capital turnover = Sales / Working capital

g. Current assets turnover: This ratio describes how many times the average current assets are used to pay costs and expenses, which include cost of goods sold, business costs, other costs, depreciation and corporate taxes.

Current asset turnover = cost / Average current assets

$$\text{Rate of return on average current assets} = \frac{\text{Net profit}}{\text{Average current assets}} \times 100\%$$

$$\text{Profit level/turnover of CA} = \frac{\text{Average return on current assets}}{\text{Current asset turnover rate}} \times 100\%$$

2. Solvency Ratio

According to (Kasmir, 2010) this ratio is used for the company's ability to pay all its obligations, both short-term and long-term, both companies that are still running or in liquidation. The goal of this ratio is to determine and assess the company's ability to meet its obligations, to determine how much of its assets are financed by debt, to determine how much loan funds will be recovered soon, and to determine how much the company's debt influences asset management.

The types of solvency ratios include:

a. Equity to total assets ratio: this ratio shows the importance of the source of loan capital and the level of security owned by creditors. The higher this ratio means the smaller the amount of loans used to finance the company's assets.
   Ratio = Equity / Total assets
b. Equity to fixed assets ratio: this ratio is to measure the proportion of the amount of equity to meet the fixed assets of a company. If this ratio is > 100%, it means that equity exceeds total fixed assets and shows that fixed assets are entirely financed by the company owner and part of current assets are also financed by the company. Conversely, if this ratio is < 100%, it means that part of fixed assets is financed by short-term or long-term loan capital, while current assets are entirely financed by loan capital.
   Ratio = Equity / Fixed assets
c. Fixed assets to long-term debt ratio: this ratio measures the level of security owned by creditors in the long term. In addition, this ratio also shows the company's ability to obtain new loans with fixed assets as collateral. The higher this ratio, the greater the collateral and long-term creditors are safer or more secure and the greater the company's ability to seek loans.
   Ratio = Fixed assets / Long term debt
d. Debt to Equity Ratio (DER): This ratio identifies the amount of own capital utilized as collateral for debt. For banks (creditors), the higher this ratio, the less profitable it is because the chance of collapse in the company increases. However, for businesses, a larger percentage is

preferable. In contrast, a low ratio increases the level of funding given by the owner and the safety cushion for borrowers in the case of an asset loss or depreciation in value.

DER = Total debt / equity

e. Debt to Asset Ratio (DAR): This ratio is used to measure how much of a company's assets are financed by debt or how much the company's debt affects asset management. The higher this ratio, the more debt funding there is, the more difficult it is for the company to obtain additional loans because it is feared that the company will not be able to cover its debts with the assets it owns. Conversely, the lower this ratio, the smaller the company is financed by debt.

DAR = Total Debt / Total Assets

f. The Long-Term Debt to Equity Ratio (LTDtER) assesses how much of a company's own capital is used as security for long-term debt. It compares long-term debt to own capital.

LTDtER = Long term debt / Equity

3. Profitability Ratio

According to (Sunyoto, 2013:113) the profitability ratio is the ability of a company to gain profit from its business activities. This ratio also provides a measure of the level of effectiveness of a company's management. Another opinion from (Brigham and Houston, 2006:107) states that the profitability ratio shows the effect of liquidity, asset management and debt on operating results. The types of profitability ratios are:

a. Profit Margin Ratio: This ratio reflects the effectiveness of managing operating costs from company activities, and to generate a lot of sales to cover fixed costs and leave a lot of profit.

$$\text{Net Profit Margin (NPM)} = \frac{\text{Earning after tax}}{\text{Sales}} \times 100\%$$

b. Return on Total Assets Ratio: This ratio is a measure of the effectiveness of a company's management in generating net profit when measured by the value of its assets. The greater the ROA value of a company, the better the company's performance and the better the company's position in terms of asset utilization.

$$\text{Retrun On Asset (ROA)} = \frac{\text{Net profit after tax}}{\text{Total asset}} \times 100\%$$

c. Return on Investment Ratio: This ratio shows the effectiveness of the company's overall operations. The lower this ratio, the worse it is, and vice versa.

$$\text{Return On Investment (ROI)} = \frac{\text{Earning after tax}}{\text{Total asset}} \times 100\%$$

d. Total asset turnover ratio: this ratio shows the efficiency of using equity. The higher this ratio, the better. It means that the company owner is

getting stronger, and vice versa.

$$\text{Return On Equity (ROE)} = \frac{\text{Earning after tax}}{\text{Equity}} \times 100\%$$

Strategic management is the art and science of developing, implementing, and evaluating cross-functional decisions that help achieve organizational goals. Similar to management, strategic management has evolved through 4 phases of evolution, namely: 1) basic financial planning (financial budgeting & controlling, no specific strategy, 1900s), 2) forecast-based/long-term planning (capital budgeting, emphasizing payback period techniques & discounted cash flow, 1950s), 3) externally-oriented planning (1960s - 1970s), and 4) strategic management (Porter's strategic thinking, 1970s - 1980s). Whatever the plan, whether long-term, medium-term, or short-term, the end of the activity is an evaluation of the plan. To what extent can all plans, mission implementation, goal and target setting, and designed strategies be realized? Likewise with the strategic planning of an organization/company. Referring to the opinions of experts, after step 1) environmental scanning in strategic management, other important processes in strategic management include: 2) strategy formulation, 3) strategy implementation, and 4) evaluation & control. In short, as in the following picture:

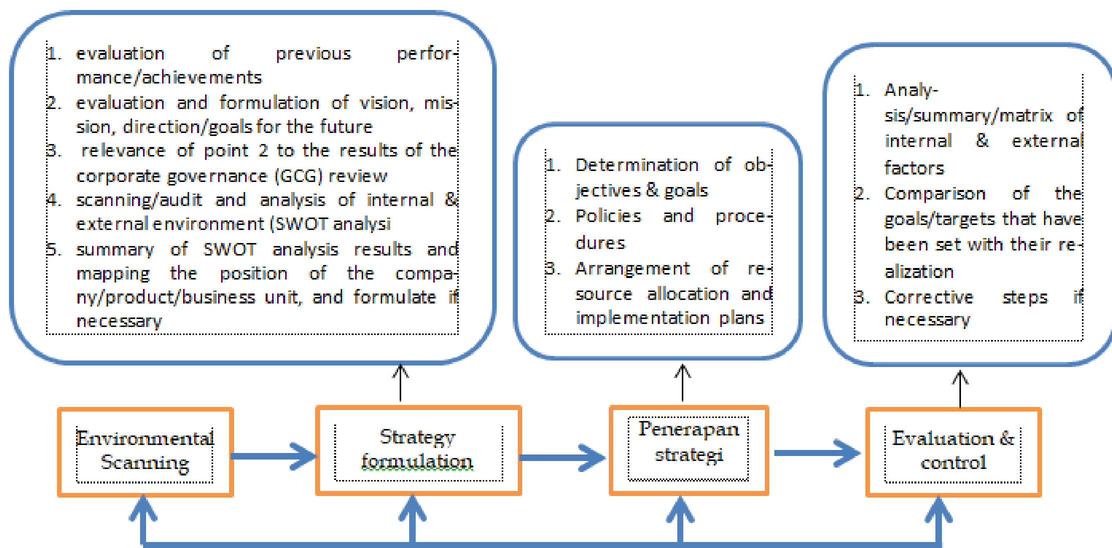

Figure 2. Decision Making Process

With good strategic management, it creates a good relationship with company performance. A company's performance is very important to maximize its profits. If the company can achieve these goals, then the company's performance is considered good. However, if the company's goals fail to be achieved, the company's performance should be re-analyzed and the right steps should be taken to improve the company's performance. The increasingly dynamic business competition environment in the current industrial revolution era, performance measurement based only on financial

aspects is no longer adequate. Traditional performance measurement that relies on financial aspects (only accounting data) has received a lot of criticism because this measurement does not capture the added value generated by a company (Raguz & Jelenc, 2010). Therefore, researchers, academics, and consultants propose a new performance measurement system that considers financial and non-financial aspects. Based on this description, the relationship between strategy and company performance is shown in the following figure:

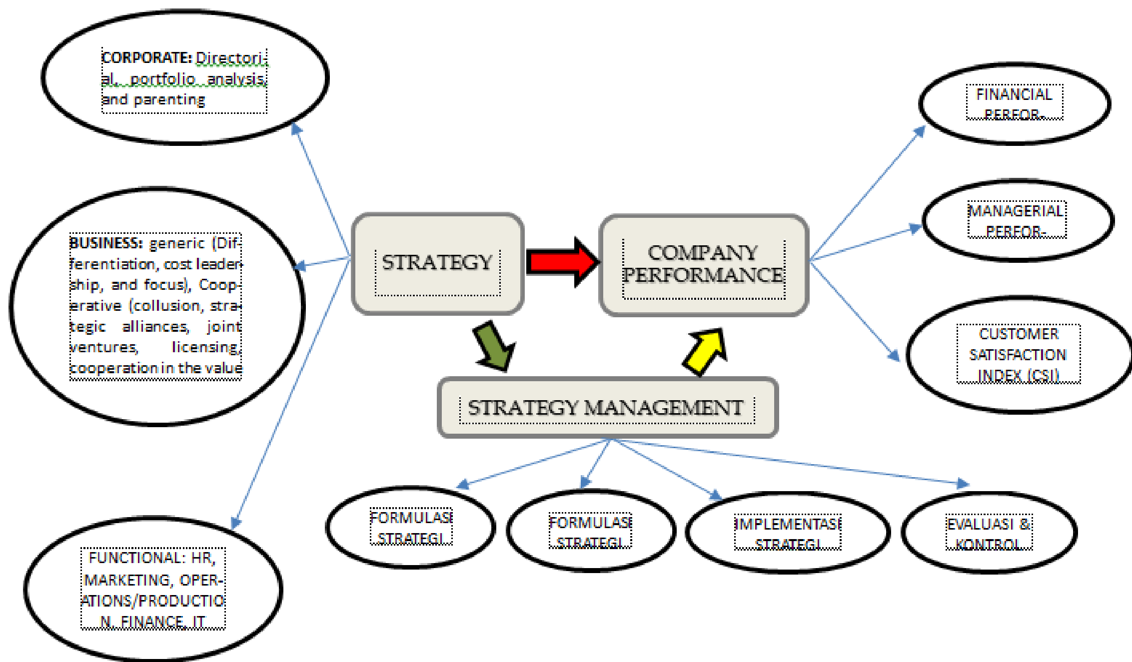

Figure 3. Study Model

METHODOLOGY

This study used the Systematic Literature Review (SLR) approach, often known as a systematic literature review, to investigate the role of strategic management in increasing firm performance. A number of samples from a predetermined population were used in the review. This study's population consists of strategic management-related research papers from diverse sources. While sampling, many strategic management-related publications were selected at random.

RESEARCH RESULT

This section will present the results of the implementation of strategic management in improving performance in several companies or organizations. The author managed to obtain 50 articles related to the implementation of strategic management in various companies / organizations. Here is the description:

Tabel 5. Empirical Analysis Results of Implementation of Strategic Management

AUTHOR	TITLE	RESULT
Halim & Aspirandi,	entitled the role of strategic	As a result of the first review, strategic management accountants are no longer just

2023	management accounting in business decision making through big data analysis and artificial intelligence: a literature review study.	information providers. Instead, you can participate as an integral part of the strategic decision-making team. Second, the use of strategic management accounting information can improve performance through data comparison and monitoring. Third, the use of big data allows companies to apply benchmarking and performance measurement techniques that are integrated at the planning, control, and performance measurement stages. The fourth is the use of big data for strategic decision making, long-term and sustainable business performance. Fifth, the use of big data can help companies obtain information about their competitors, such as: market position, technology used, price information and their reactions to market changes. Sixth, the use of big data allows companies to obtain financial information from customers, thereby increasing the value of the company. Finally, artificial intelligence (AI) can provide a competitive advantage and transform accounting data into corporate business information for decision making.
Darmawan, Sari, Jamil, and Mardikaningsih, 2023	Implementation of strategic management: contribution of market orientation and technology orientation to MSME business performance.	The results obtained indicate that market orientation and technology orientation play a strategic role in improving MSME performance. In this case, both directions have proven effective in developing business operations. MSMEs that focus on the market and technology tend to perform better than those that do not focus on the market and technology. This finding strengthens and confirms previous findings that market orientation and technology orientation play an important role in developing the performance of MSMEs that want to improve their performance to consider and integrate both directions into their business strategy.
Damarjati & Sutianingsi, 2023	the role of business strategy mediates learning orientation, management skills and the impact of work from home on company performance (study on MSMEs in	learning orientation has a negligible negative impact on business strategy. Management skills have a small positive impact on business strategy. Working from home has a very large positive impact on business strategy. Learning orientation has a significant positive impact on company performance. Management skills have a negligible negative impact on company performance. Working from home has a small positive impact on company performance. Business strategy has a small but positive impact on company performance. The entire R2 score is 0.993, indicating that MSMEs' performance in Sragen Regency is described by learning orientation,

	Sragen Regency).	managerial skills, telecommunications, and business strategy, with the remaining 0.7% explained by variables outside the research model. For example, environmental dynamics and innovation orientation. Other results show that the direct influence of learning orientation on performance has the most dominant influence on the performance of MSME businesses in Sragen Regency. While the business strategy variable was not found to be an effective mediator.
Aji, Anggraini, Mhfudhoh, & Khasanah, 2023	the influence of operational strategy, marketing strategy, and financial strategy on company performance.	The results of the study indicate that the implementation of operational, marketing, and financial strategies carried out by the company has an impact.
Suwatri, Rahman, & Rahman, 2022	the influence of understanding business strategy, managerial skills, and management knowledge on the performance of coffee shop companies	The results of this study indicate that there is a significant positive influence on business performance between understanding business strategy, managerial skills, and managerial knowledge. Business strategy allows companies to improve their business performance and optimize their performance by improving management skills. This is important for business growth, because improving knowledge management improves company performance.
Kausar, Bakri, Sudirman, Fajriansyah, & Agusta, 2022	the impact of implementing strategic management on the development of micro businesses in South Sulawesi.	The study's findings show that strategic planning has a negative and significant effect on microbusiness sales volume, strategic planning has a positive and insignificant effect on microbusiness BEP, strategic planning has a negative and significant effect on microbusiness profit, and strategic implementation has a negative and insignificant effect. significant influence on the sales volume of micro businesses; implementation strategy has a positive and insignificant influence on the BEP of micro businesses; implementation strategy has a negative and insignificant influence on micro businesses' profits; Strategy evaluation has a positive and significant influence on the sales volume of micro businesses; strategy evaluation has a positive and significant influence on the BEP of micro businesses; strategy evaluation, technology utilization has a negative and insignificant influence on the BEP of micro businesses; and technology utilization has a

		positive and significant influence on micro businesses' profit.
Junaid, Arsyad, & Astari, 2022	entitled the influence of supply chain management and business strategy with social environmental uncertainty as a moderating variable on company performance	The findings indicate that supply chain management, business strategy, and business strategy with environmental uncertainty as a moderator all have a positive and significant impact on business performance. However, in the case of supply chain management with environmental uncertainty as a moderating variable, it does not affect company performance.
Sukarya & Nurleli, 2021	entitled the influence of business strategy on company performance.	the search results, the business strategy of the Cibaduyut Shoe Center MSME was considered appropriate and the performance of the Cibaduyut Shoe Center MSME was considered good. Business strategy has a significant influence on the performance of the Cibaduyut Shoe Center MSME.
Santoso, Animah, Mariadi, & Hmadani, 2021	analysis of financial performance and business management strategy at the big bubble dive company in Gili Trawangan. PT. Big Bubble Dive is a company engaged in diving services in Gili Trawangan, West Nusa Tenggara.	The results of the study indicate that the financial ratio of PT. Big Bubble Dive period 2015-2018 on Current Ratio, namely 1,443% in 2015, 921% in 2016, 1,344% in 2017, and 1,770% in 2018, ROA of 7.51% in 2015, 3.29% in 2016, 9.61% in 2017, and 12.74% in 2018, ROE of 34.81% in 2015, 3.96% in 2016, 13.14% in 2017 and 24.53% in 2018, Debt-Equity Ratio of 402.21% in 2015, 41.97% in 2016, 40.01 in 2017 and 94.23% in 2018. The strategy set by business management is an intensive strategy, and market penetration includes increasing market share through marketing and advertising, as well as developing products and services to avoid boredom.
Fakhrudin, Derriawan, & Tabroni, 2021	entitled Business Strategy to Improve Company Performance through HR Capabilities, Innovation and Change Management Mediated by Competitivenes	The results of the study indicate that company capabilities, innovation and change management are variables that affect competitiveness. This finding also shows that the variables of company capabilities and change management affect company performance but the innovation variable does not. Therefore, the variables brought by competitive strength, human resource capabilities, innovation and change management threaten organizational performance. The formulation of business strategy in this study is limited to the formulation of company strategy through the analysis of IFE and EFE, TOWS, and QSPM of the

	s in Wahana Prakarsa Utama Consulting Services	Company.
Ernawati, Rahayu, & Wibowo, 2021	entitled differentiation strategy and banking characteristics on banking performance.	The findings show that the differentiation strategy represented by SG&A expenses/sales has a negative and significant impact on bank performance represented by return on assets (ROA). Bank characteristics are represented by bank size (Ln total assets). This also has a negative and significant impact on bank performance. This means that management requires significant resources to manage differentiation strategies effectively, especially in volatile economic conditions such as during the Covid-19 pandemic, the performance of each bank in implementing product differentiation strategies has declined. Large funding and worsening bank performance.
Amna, Aminah, Indrayenti, Khairudin, & Filistea, 2021	the influence of business strategy and financial performance on income smoothing in manufacturing companies on the IDX for the 2017-2019 period.	The results show that business strategy has a positive influence on income smoothing and financial variables. Performance has a positive influence on income smoothing variables.
Desfitrina, Zulfadhli, & Agustini, 2021	business strategy on company performance in the Covid-19 era.	The results of the study produced propositions regarding increasing competitiveness not only at the local, national and regional levels, but also at the global competitiveness, so that micro, small and medium enterprises in the Covid-19 Era can survive and enjoy the benefits of online trading.
Natapermana, Yadiati, & Nurhayati, 2020	the influence of the implementation of Good Corporate Governance and Business Strategy on company performance: a case study of BUMN in Indonesia in 2013-2018	The implementation of good corporate governance (GCG) and the correct business strategy is expected to improve BUMN's financial and non-financial performance. The goal of this study is to see how the deployment of GCG and business strategy affects firm performance. In this study, financial success is measured using Return on Equity (ROE), while non-financial performance is measured using the Customer Satisfaction Index. The study's findings reveal that GCG implementation has a considerable effect on ROE and CSI. The results of the study also found that there was an insignificant effect of business strategy implementation on ROE, but significant on CSI.

Izzudin & Dahtiah, 2020	The Influence of Business Strategy and Management Control System on Financial Performance in Companies Listed on the Indonesia Stock Exchange	The results found that business strategy affects financial performance by 99.04%. The remaining 0.96% is impacted by several factors. While the business control system influences financial performance by 90.4%, other variables influence the remaining 9.6%.
Fatchuroji, Sabihaini, & Sutiono, 2020	the influence of business strategy planning on the performance of small and medium enterprises mediated by competitive advantage strategies.	The study's findings show that SMEs use formal business strategy planning, and that implementing increasingly formal business strategy planning can improve SME performance and create competitive advantages. SMEs should conduct gradual evaluations and communicate their thoughts to members so that SME performance meets expectations. SMEs need to be more mature in developing their company strategy, figuring out what advantages competitors have and don't have, and how this will bring value to SMEs. The adequacy of the plan and chosen strategy can result in higher performance than before.
Daud, Askandar, & Junaidi, 2020	the influence of business strategy on earnings management with company performance as an intervening variable.	From the results of testing using Path Analysis, it was found that Business Strategy does not directly affect Company Performance, Company Performance has a direct effect on Earnings Management, Business Strategy does not directly affect Earnings Management and Business Strategy does not affect Earnings Management through Company Performance
Sugiharto, Sulistyowati, & Nofiyanti, 2016	the influence of strategic management, knowledge and level of internet/iCT usage, on the managerial performance of micro & small businesses	The results of the study indicate that the comprehensiveness of business strategy, the comprehensiveness of ICT strategy, and strategic alignment between business strategy and ICT strategy simultaneously affect business performance, in this case micro and small businesses. Meanwhile, the three variables are influenced in various ways and degrees by the level of general knowledge about ICT, the intensity of ICT facility consumption, the perception of the value of business information, and the intensity of scanning the business environment. It can be concluded that the level of general knowledge about ICT, the intensity of ICT facility utilization, the perception of the level of importance of business information, and the

		intensity of scanning the business environment have an indirect effect, through business strategy, ICT strategy, and the alignment between the two, on business performance.

Sumber: Data diolah, 2024

DISCUSSION

Business strategy is a method and effort carried out by a company to be able to compete and maintain its superiority (Chen & Keung, 2019). At the beginning of company planning is the right time to determine the strategy to be used. The existence of a business strategy can have an impact on the company in creating business ideas that are in accordance with the determination of business strategy in a company. With ideas that come from the needs of the community, it provides opportunities for change in a business. The formulation and implementation of strategies appropriately in business units will have a good influence on company performance. Strategic management itself is a combination of executive decisions and behavior with the intention of supporting an organization in achieving targets and obtaining long-term performance. Strategic management design is a decision-making procedure to use existing resources in the company effectively and efficiently in uncertain company conditions. Management strategy in a business always leads to the expansion of macro strategies, including: product improvement strategies, pricing strategies, market expansion strategies, financial strategies and other strategies. Strategic management actions include internal and external scanning, strategy formulation, implementation, functions and evaluation.

CONCLUSION AND RECOMMENDATIONS

Strategic management is a large-scale planning that is oriented towards a vision, and is determined as a decision of the highest leadership that is of a principal nature, so that the organization interacts according to the mission in producing operational goals. Corporate strategy, business strategy, and functional strategy are derivatives of the main strategy that are more specific and detailed. A company in determining what strategy to implement, whether it is a long-term, medium-term, or short-term plan, must first go through an internal environmental scanning stage by identifying opportunities/threats and identifying core competencies through the strengths and weaknesses it has, so that it is known that internal competencies match external opportunities. When the environmental scanning stage is complete, then step into the main stage of strategic management which begins with strategy formulation, strategy implementation, and ends with the evaluation & control stage. After going through a long process stage, it can be concluded that corporate strategy has a significant influence on company performance. Corporate strategy can affect performance by 1) determining the company's vision and mission, as a benchmark for all team members in working so that their goals are the same, 2) efficient resource allocation to increase productivity and operational efficiency, 3) competitive advantage can improve the company's market position and its attractiveness to customers, 4) flexible response to market changes allows the

company to easily adapt and respond quickly to change. Business strategies specifically operational strategies have a significant influence on company performance. With the implementation of operational strategies, 1) process efficiency can contribute directly to profitability, 2) good and high product quality can reduce the rate of product returns, so that it automatically builds the company's reputation in the market better, 3) increasingly efficient supply chain management, helps companies accelerate distribution. An effective operational strategy not only has an impact on efficiency and productivity, but also has an impact on customer satisfaction and long-term profits. Functional strategy plays a role in improving company performance by 1) focusing on specific expertise, 2) helping coordination between departments working towards the same goal, 3) with the development of certain functions can encourage product and service innovation to increase competitiveness, 4) optimal resource management in each function can reduce waste and increase productivity, 5) financial management through planning, budgeting and financial reporting at the end of the period is more transparent and measurable. Overall, an integrated and effective functional strategy contributes to the overall performance of the company.

ADVANCED RESEARCH

For further studies, it would be better to combine qualitative and quantitative studies regarding strategic management in achieving effective and efficient company performance in depth and clearly.

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