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Analyzing Contractor Business Strategies Using Environmental Factors Analysis Summary (EFAS) and Internal Factors Analysis Summary (IFAS): A Case Study of Citacipta Project

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Abstract: This study aims to analyze contractor business strategies using the Environmental Factors Analysis Summary (EFAS) and Internal Factors Analysis Summary (IFAS) approaches. A case study was conducted on Citacipta Project, a construction sector contractor. Data were collected through surveys and in-depth interviews with the company's management to understand the external and internal factors influencing organizational performance. The analysis results indicate that the EFAS and IFAS approaches effectively identify strategic factors impacting the company's performance. EFAS facilitates the categorization and evaluation of opportunities and threats from the external environment, while IFAS enables the company to analyze its internal strengths and weaknesses. By leveraging both analyses, Citacipta Project can formulate adaptive strategies to address the challenges of a dynamic market. Overall, this research provides insights into how an integrated approach can be applied by contractors to enhance competitiveness amidst the increasingly complex construction industry. These findings contribute to the development of more adaptive business strategies within the construction sector.

Keywords: Business strategies, competitiveness, contractor, EFAS, IFAS.

INTRODUCTION

The construction industry plays a significant role in supporting economic growth, particularly in developing countries such as Indonesia. As a continuously expanding sector, it not only contributes substantially to the gross domestic product (GDP) but also generates extensive employment opportunities (World Bank Group, 2020). In Indonesia, the construction industry has become one of the key drivers of national economic development. Along with the increasing demand for infrastructure—such as toll roads, bridges, buildings, and housing—the sector has shown consistent growth over the years. According to Statistics Indonesia (Badan Pusat Statistik, 2020), the construction sector contributed approximately 10.4% to Indonesia's GDP in 2020, making it one of the main engines of economic growth. This growth has been largely supported by government investments in strategic infrastructure projects under the

National Strategic Projects (PSN) program, which includes the development of toll roads, ports, and airports across the country.

In addition to government initiatives, rising private sector demand, particularly in the development of residential and commercial areas, has further stimulated the construction industry. As highlighted by the Ministry of Public Works and Housing (PUPR), "Infrastructure development is not only a catalyst for economic growth but also creates employment and promotes equitable development across regions" (Kementerian Pekerjaan Umum dan Perumahan Rakyat Republik Indonesia, 2023). With positive economic prospects and an increasing need for quality infrastructure, the construction industry in Indonesia holds great potential for further expansion in the coming decades.

Micro, Small, and Medium Enterprises (MSMEs) operating in the construction industry have increasingly demonstrated their role as one of the key drivers of the national economy. In recent years, construction-related MSMEs have made significant contributions by providing services for small- to medium-scale projects, including housing, public facilities, and local infrastructure. According to the Ministry of Cooperatives and SMEs (Kemenkop UKM), the MSME sector contributed around 61% to Indonesia's GDP in 2023, with construction serving as one of its critical subsectors.

The involvement of MSMEs in the construction sector brings various benefits, such as creating local employment, strengthening regional economies, and enhancing access to more affordable construction services. As emphasized by the Minister of Public Works and Housing, "Construction MSMEs play a strategic role in supporting inclusive infrastructure development, which not only encompasses large-scale projects but also addresses community needs at the local level" (Kementerian Pekerjaan Umum dan Perumahan Rakyat Republik Indonesia, 2023).

Nevertheless, the industry faces several challenges, including operational efficiency, technology adoption, and stakeholder relationship management among contractors, subcontractors, and suppliers. Effective collaboration among stakeholders is therefore crucial to maintaining competitiveness amid intensifying global competition. The increasingly competitive construction market requires contractors to develop innovative and adaptive business strategies to remain relevant and competitive. In this regard, understanding internal and external factors that influence organizational performance becomes essential. As (Porter, 1980) noted, strategic environmental analysis is a vital step in formulating effective business strategies.

External factors such as changes in government regulations, global market fluctuations, and technological advancements in the construction sector have significant impacts on company operations. For instance, stricter regulations regarding environmental sustainability and workplace safety create both challenges and opportunities for firms to enhance their operational standards (Gann & Salter, 2000). At the same time, technological innovations, such as the adoption of Building Information Modeling (BIM), provide opportunities to improve project efficiency and quality. On the other hand, internal factors—including human resource capabilities, managerial capacity, and operational efficiency—largely determine how effectively firms can respond to these market dynamics (Barney, 1991a). Well-managed resources thus serve as a source of competitive advantage that is difficult for competitors to replicate.

In this context, an integrated analytical approach is required to help firms identify and evaluate the strategic factors influencing their performance. The Environmental Factors Analysis Summary (EFAS) and Internal Factors Analysis Summary (IFAS) are two widely used approaches to map organizational opportunities, threats, strengths, and weaknesses (Hill et al., 2019). EFAS focuses on external environment analysis, such as market trends and regulatory frameworks, while IFAS emphasizes internal evaluations, including organizational strengths and weaknesses. Combining these two approaches enables firms to design strategies that are both relevant and responsive to the dynamic business environment.

This study aims to analyze business strategies using the EFAS and IFAS frameworks at Citacipta Project, a contracting company operating in the construction sector. The study employs data collected through surveys and in-depth interviews with the company's management to identify the strategic factors influencing organizational performance. By integrating the EFAS and IFAS results, this research seeks to provide adaptive and sustainable recommendations to address challenges in the construction industry. The findings are expected to contribute theoretically to the development of strategic approaches in the sector while also offering practical guidance for construction firms in enhancing their competitiveness (Creswell, 2013).

Theoretical Review

Business strategy is a long-term plan designed to achieve organizational objectives through the effective utilization of resources. In the construction industry, business strategy plays a pivotal role in determining project success, particularly amid intense market competition and a dynamic business environment. According to (F. David, 2017), business strategies can be formulated through the analysis of internal and external factors to identify a company's opportunities, threats, strengths, and weaknesses.

In the context of the construction industry, external factors such as government regulations, economic shifts, and technological advancements significantly influence organizational operations. Conversely, internal factors such as workforce expertise, project management, and operational efficiency determine the success of strategic implementation. Therefore, integrating both internal and external analyses is essential for creating strategies that are relevant and competitive.

The External Factors Analysis Summary (EFAS) is an analytical framework used to evaluate the opportunities and threats within a company's external environment. As noted by (F. r. David, 2017), EFAS helps management identify external factors that may significantly impact business sustainability, such as market conditions, technological developments, government policies, and competition. In EFAS, each external factor is weighted based on its level of importance and then assessed for its influence on the company. By understanding external dynamics, firms can anticipate risks and capitalize on opportunities to support strategic decision-making. EFAS thus enables firms to assess the impact of external elements such as government regulations, economic fluctuations, and technological adoption. For example, technological advancements such as the implementation of Building Information Modeling (BIM) have created opportunities for construction companies to enhance efficiency and accuracy in project planning and execution (Azhar, 2011). On the other hand, regulatory changes particularly those related to environmental sustainability can present challenges that require strategic adjustments (Gann & Salter, 2000).

Meanwhile, the Internal Factors Analysis Summary (IFAS) is used to assess a company's internal strengths and weaknesses. Key factors include human resources, organizational structure, operational efficiency, technological capabilities, and corporate culture (Pearce, 2000). IFAS helps firms understand their internal capacity to respond to external pressures. The results of this analysis guide the development of strategies aligned with the company's internal conditions, such as optimizing resources and strengthening operational capabilities. IFAS enables companies to evaluate internal factors that affect their competitiveness. Competent human resources, efficient organizational structures, and effective management systems are critical elements that often determine organizational success in responding to external challenges (Barney, 1991b). Conversely, weaknesses such as poor project team coordination or limited investment in new technologies may hinder optimal performance.

The combined use of EFAS and IFAS provides firms with a comprehensive view of the internal and external conditions influencing organizational performance. This integration is

often associated with the SWOT (Strengths, Weaknesses, Opportunities, Threats) framework, a widely used strategic tool for formulating policies based on key strategic factors.

According to (Hill et al., 2019), EFAS and IFAS analyses provide a foundation for organizations to design adaptive strategies capable of effectively navigating market changes. In the construction industry where market uncertainty and project complexity are common this approach helps contractors develop flexible and sustainable strategies.

The construction industry possesses unique characteristics that distinguish it from other sectors, such as its dependence on project-specific operations, the involvement of multiple stakeholders, and the constant need for innovation in time, cost, and quality management. Construction projects are often complex, requiring coordination among various stakeholders including main contractors, subcontractors, suppliers, consultants, and clients—all of whom must collaborate to achieve project goals (Winch, 2010). Within this context, contractors face the dual challenge of meeting technical and regulatory requirements while also improving operational efficiency, maintaining strong stakeholder relationships, and adapting to dynamic market conditions.

For Citacipta Project, the application of EFAS and IFAS serves as the foundation for understanding external challenges such as intense competition and evolving regulations, as well as assessing internal strengths such as managerial experience and workforce competence. This approach enables the company to improve operational efficiency, strengthen competitiveness, and deliver added value to clients and stakeholders. This study thus provides a solid theoretical basis for exploring the implementation of EFAS and IFAS in formulating adaptive business strategies, while also offering practical insights relevant to Indonesia's construction sector (Kankam, 2020).

The Internal–External (IE) Matrix is a strategic management tool that integrates internal factor analysis (IFAS) and external factor analysis (EFAS) to determine an organization's strategic position. IFAS evaluates internal strengths and weaknesses, while EFAS assesses opportunities and threats from the external environment. Both analyses assign weights and ratings to factors, producing total scores that are then mapped onto a matrix with the X-axis (IFAS) and Y-axis (EFAS). The IE Matrix consists of nine cells grouped into three main categories: Grow and Build (Cells I, II, IV), which suggest intensive or integrative growth strategies; Hold and Maintain (Cells III, V, VII), which recommend maintaining market position; and Harvest or Divest (Cells VI, VIII, IX), which propose diversification or liquidation. As (F. R. David, 2011), explained, "The IE Matrix is an analytical tool widely used to evaluate an organization's strategic position based on internal and external factors." Similarly, (Rangkuti, 2018) emphasized that the IE Matrix assists firms in understanding their strategic position and formulating appropriate decisions based on the combination of internal and external factors. For instance, if a company's IFAS and EFAS scores are 4.0 and 3.5 respectively, the firm's position falls into Cell I (Grow and Build), indicating strong potential for growth and expansion.

METHOD

This study adopts a qualitative approach with a case study design focusing on Citacipta Project, a construction contractor operating in the construction sector. A qualitative approach was chosen because it provides deeper insights into the factors influencing organizational performance and how the company formulates its business strategies in response to the complexities of the market (Creswell, 2013). Through this approach, the researcher can explore the experiences and perspectives of the management regarding the challenges faced and their responses to internal and external factors affecting the business.

The data used in this study consist of two types: primary and secondary data. Primary data were collected through interviews with the company's management, including the director, project manager, and strategic management team, who are considered to have the most

comprehensive understanding of the strategic factors affecting the firm (Kvale, 1996). Semi-structured interviews were employed to allow respondents to freely express their views while ensuring the discussion remained focused on relevant topics, particularly concerning EFAS and IFAS analysis. Secondary data were collected from company documents, such as annual reports, project evaluations, and internal policies, which provide a broader context of the company's situation, as well as challenges and opportunities within the construction industry (Hollweck, 2015).

Data analysis was conducted using thematic analysis, which enables the identification of key themes from interview transcripts and company documents that relate to internal and external factors (Braun & Clarke, 2006). After transcription, the data were coded and categorized into strengths, weaknesses, opportunities, and threats in line with the EFAS and IFAS frameworks. The results of this process were then synthesized into a SWOT profile, illustrating the strategic position of Citacipta Project, and subsequently used to formulate adaptive business strategy recommendations (Hill et al., 2019).

To ensure validity and reliability, triangulation was applied by comparing interview results, secondary data, and respondent feedback to confirm the accuracy of the findings (Flick, 2009). The analytical process was conducted systematically and transparently to minimize potential bias in data interpretation. A limitation of this study lies in its scope, which focuses solely on Citacipta Project; therefore, the results are more relevant for contractors with similar conditions and cannot be fully generalized to the entire construction industry.

Once the data were collected, they were further analyzed using the Internal Factor Analysis Summary (IFAS) for internal strengths and weaknesses, and the External Factor Analysis Summary (EFAS) for external opportunities and threats. Each factor was assigned a weight based on its level of importance (scale 0.0–1.0) and rated according to the company's performance (internal factors) or the degree of external influence (scale 1–5). The overall scores from IFAS and EFAS were then mapped into the IE Matrix to determine the company's strategic position. Finally, strategy recommendations were developed based on the company's position within one of the nine cells of the matrix.

This method is supported by (David, 2011), who stated, "The IE Matrix is a strategic management tool that integrates quantitative and qualitative analyses of internal and external factors to identify an organization's strategic position." Likewise, (Rangkuti, 2018) emphasized that the use of IFAS and EFAS facilitates the formulation of appropriate strategies through a structured and measurable evaluation process. With this approach, the IE Matrix provides a strong foundation for strategic decision-making that is grounded in data and the organization's real conditions. Consequently, this study aims to provide deeper insights into the application of EFAS and IFAS in formulating adaptive and sustainable business strategies within the construction sector.

RESULTS AND DISCUSSION

Based on interviews conducted with the management of Citacipta Project, as well as an analysis of the company's internal documents and information obtained from various media reports and articles, several external and internal factors influencing the company's performance were identified and subsequently classified using the EFAS and IFAS approaches.

External Factors (EFAS)

In the EFAS analysis, the external factors considered significant by the management of Citacipta Project are presented in the EFAS table to provide an overview of how effectively the company responds to opportunities and threats in its environment. This matrix consists of 12 identified opportunities and threats, with weights assigned according to their level of importance. The detailed table is presented below:

Table 1. EFAS EFAS Matrix – Opportunities

No	External Strategic Factors	Weight	Rating	Score	Remarks
	Opportunity	0,5	(1-5)		
1	Growth of the property and construction sector	0.055	5	0.275	Stimulates the residential construction industry
2	Availability of national public facilities (High-Speed Railway)	0.035	4	0.140	Increases investment interest in residential housing in West Bandung Regency
3	West Bandung as a prospective area	0.050	5	0.250	Attractive for potential homebuyers
4	Low quality of subsidized housing	0.050	5	0.250	Creates demand for renovation and remodeling services
5	Expansion of digital marketing and online trading	0.035	3	0.105	Opens new market segments and enables wider sales reach
6	Provision of eco-friendly housing designs	0.030	3	0.090	Increases product variety
7	West Java Province has a large population	0.035	5	0.175	Expands the potential market size
8	Strengthening the brand with distinctive architectural styles	0.040	4	0.160	Enhances consumer appeal in housing development
9	Offering discount programs on special occasions	0.045	5	0.225	Attracts customers to decide on using the company's services
10	Introduction of recycled and environmentally friendly products	0.025	3	0.075	Expands product variety
11	Office location close to natural resources and material factories	0.045	4	0.180	Enables lower cost of goods
12	Direct procurement from first-hand suppliers	0.055	5	0.275	Reduces procurement costs and ensures price competitiveness
	Total Score	**0,5**		**2,2**	

Table 2. EFAS Matrix – Threats

No	External Strategic Factors	Weight	Rating	Score	Remarks
	Threat	0,5	(1-5)		
1	Decline in consumer purchasing power	0.055	1	0.055	Triggered by the proposed VAT increase to 12 percent, government regulations, and the impact of the 2024 presidential election
2	Negative impact of the industry on natural habitats	0.025	3	0.075	Leads to environmental degradation
3	Unfavorable cultural timing for housing construction	0.045	2	0.090	Causes consumers to postpone building projects
4	Increasing number of new contractors	0.050	2	0.100	Intensifies competition
5	Scarcity of raw materials and supplier differentiation	0.050	1	0.050	Causes price escalation and reduces profit margins
6	New entrants with strong capital	0.040	2	0.080	Increases market rivalry
7	Competitors offering comprehensive service packages	0.030	2	0.060	Supported by having their own suppliers
8	Growth of online marketplaces for construction materials	0.035	2	0.070	Reduces market share in both equipment rental and materials sales
9	Price wars and aggressive spending strategies	0.040	1	0.040	Leads to intense competition and lower margins

No	External Strategic Factors	Weight	Rating	Score	Remarks
10	New entrants introducing attractive innovations	0.030	2	0.060	Shifts consumer preference toward competitors
11	Suppliers selling directly to consumers	0.045	1	0.045	Reduces the company's market share
12	Rising inflation	0.055	1	0.055	Causes soaring prices and shrinking profit margins
	Total Score	**0,5**		**0,78**	

Table 3. Overall EFAS Score

Opportunities Score	2,2
Threats Score	0,78
Total EFE Score	2,98

The EFAS analysis highlights that government regulations, technological trends, and rising competition are the most critical external factors shaping Citacipta Project's environment. Regulatory changes—particularly in environmental and safety compliance—pose challenges that require strategic adjustment, while advances in BIM and eco-friendly materials create new opportunities for efficiency and added client value (Azhar, 2011; Gann & Salter, 2000). Economic instability, such as raw material price fluctuations and global market uncertainty, also remains a significant threat..

The overall EFAS score of 2.98 indicates that the company demonstrates a fairly effective response to its external environment, though with room for improvement. This score positions Citacipta Project in the Hold and Maintain quadrant of the IE Matrix, suggesting the need to sustain market presence while improving its ability to adapt to external changes. As David (2011) emphasizes, "The EFAS score indicates how well a company is responding to external opportunities and threats, with higher scores reflecting better strategic alignment and execution." Thus, while the company shows a positive external response, continuous monitoring and proactive adaptation to regulatory and technological shifts are necessary to maintain competitiveness.

According to (David, 2011), The EFAS score indicates how well a company is responding to external opportunities and threats, with higher scores reflecting better strategic alignment and execution." With a score of 2.98, the company demonstrates a strong ability to respond to external conditions. However, it remains essential to continuously monitor and evaluate external factors to ensure long-term competitiveness and sustainability. In this regard, the company may need to enhance its adaptability to market and technological changes in order to further strengthen its strategic position.

Faktor Internal (IFAS)

In the IFAS analysis, Citacipta Project identified several internal strengths that play a crucial role in supporting the company's competitiveness. The internal factors considered significant by the management are presented in the IFAS table, which provides an overview of how effectively the company responds to its internal conditions. The matrix includes 12 identified strengths and weaknesses, with weights assigned according to their level of importance. The detailed tables are presented as follows:

Table 4. IFAS Matrix – Strengths

No	Internal Strategic Factors	Weight	Rating	Score	Remarks
	Strengths	0,5	(1-5)		

No	Internal Strategic Factors	Weight	Rating	Score	Remarks
1	Good service with trained staff	0.055	5	0.275	Consultation and customized housing development services available
2	Provision of exclusive service products	0.035	4	0.140	Not offered by competitors
3	Strong access to large suppliers	0.060	5	0.300	Enables competitive pricing for customers
4	Ample and diverse stock availability	0.050	5	0.250	Rare among other contractors
5	Large warehouse capacity	0.040	4	0.160	Allows storage of large stock volumes
6	Office located in a high-construction residential area	0.050	5	0.250	—
7	Semi-modern office appearance	0.035	4	0.140	Differentiates from competitors
8	Alignment with primary activities in the value chain	0.035	4	0.140	Largely in place
9	Procurement processes aligned with value chain	0.035	4	0.140	Covers inbound, outbound, etc.
10	Collaboration with local villages and developers	0.025	3	0.075	Synergistic partnerships
11	Loyalty gifts provided during special occasions	0.045	4	0.180	Customer reward system
12	Online reporting via WhatsApp without on-site visits	0.035	4	0.140	Expands market reach
	Total Score	**0,5**		**2,19**	

Table 5. IFAS Matrix – Weaknesses

No	Internal Strategic Factors	Weight	Rating	Score	Remarks
	Weakness	0,5	(1-5)		
1	Limited financial analysis	0.040	1	0.040	Absence of liquidity, activity, profitability, and growth ratios
2	Weak financial structure and capitalization	0.035	2	0.070	Low current assets, with majority tied in fixed assets (land/buildings)
3	Lack of organizational structure	0.040	2	0.080	No formal structure in place
4	Weak market positioning compared to large contractors	0.030	1	0.030	Still far behind national firms
5	Underdeveloped online and digital marketing	0.045	1	0.045	Not fully optimized
6	Office located on a district road	0.050	3	0.150	Limited market visibility
7	Minimal promotional activities	0.045	3	0.135	Relies mostly on word of mouth
8	Manual inventory and stock opname processes	0.040	3	0.120	No automated system
9	HRM (Spiritual Company) not yet implemented	0.040	2	0.080	Lack of structured human resources development
10	Technology development not initiated	0.040	1	0.040	No implementation yet
11	Incomplete Instagram performance metrics	0.040	1	0.040	Impression, reach, engagement, and follower growth not achieved

No	Internal Strategic Factors	Weight	Rating	Score	Remarks
12	Limited capital base	0.055	2	0.110	Relies on sales turnover for funding
	Total Score	**0,5**		**0,94**	

Table 6. Overall IFAS Score

IFAS Matrix (Strength)	2,19
IFAS Matrix (Weaknesses)	0,94
Total IFAS Score	3,13

Several strengths highlighted in the IFAS analysis include the company's ability to manage its human resources effectively, supported by skilled workers and integration with large suppliers, which allows access to competitive prices and diverse product offerings. However, some weaknesses remain, particularly the limited investment in advanced technologies. While opportunities exist for adopting tools such as Building Information Modeling (BIM) and digital project management systems, budget constraints restrict the company's ability to pursue such innovations. Furthermore, weak departmental coordination and the absence of an integrated information management system have been identified as challenges to achieving higher operational efficiency.

The IFAS score of 3.13 indicates that the company possesses strong internal capabilities and demonstrates an effective response to internal factors influencing its operations. Nevertheless, there remains room for improvement. Within the IFAS framework, this score suggests that the company is in a stable position, with sufficient internal strengths, but has yet to fully optimize its resources or overcome its weaknesses. This implies the need for reinforcing internal performance to better support strategic decision-making.

According to (Rangkuti, 2018), "The IFAS score reflects the internal capability of the organization to utilize its strengths and address weaknesses, where a higher score represents a more effective internal strategy and execution." With a score of 3.13, Citacipta Project demonstrates strong internal management capacity. However, it is essential for the company to focus on enhancing operational efficiency, developing its human resources, and implementing new technologies to further optimize performance. By addressing these areas, the company can strengthen its competitiveness, maximize internal potential, and achieve greater long-term benefits.

Discussion of EFAS and IFAS

The results of the EFAS and IFAS analyses indicate that Citacipta Project faces considerable challenges amid intensifying competition and evolving regulatory requirements. One of the main weaknesses identified is the company's limited investment in advanced technologies, particularly the adoption of Building Information Modeling (BIM) and digital project management systems. As emphasized by (Gann & Salter, 2000), the adoption of advanced technologies in the construction industry can significantly enhance efficiency, reduce costs, and improve project quality. To remain competitive, Citacipta Project should consider allocating greater resources to technological innovation in order to increase operational efficiency and fully leverage emerging market opportunities.

Furthermore, increasingly stringent regulations—particularly those related to environmental sustainability and occupational safety—require rapid organizational adaptation. This challenge is compounded by economic instability and fluctuations in the price of raw

materials, which directly affect the company's profit margins. (Hill et al., 2019), argue that firms must develop strategies to anticipate such external risks, which may include diversifying suppliers and adopting more comprehensive risk-mitigation plans.

IE Matrix

The Internal-External (IE) Matrix is a strategic management tool designed to assess a company's strategic position by integrating internal and external factors. This framework combines the Internal Factor Analysis Summary (IFAS) and the External Factor Analysis Summary (EFAS) to place a company within one of nine cells that guide appropriate strategic choices. As (David, 2011) notes, "The IE Matrix is a tool that combines internal and external factors into a framework that helps organizations identify strategic positions and select appropriate strategies for growth, maintenance, or divestiture.".

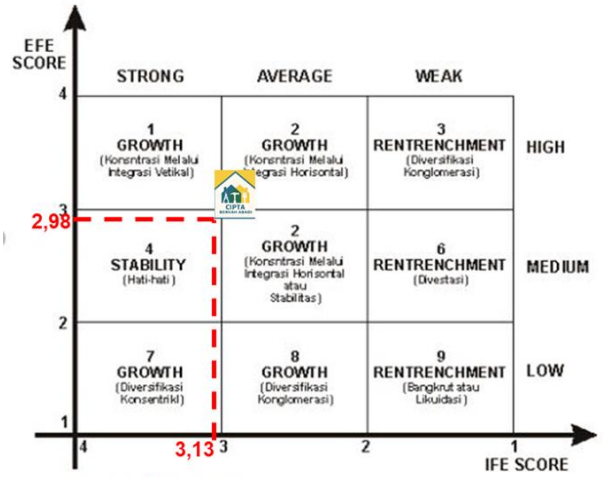

Figure 1. IE Matrix of Citacipta Project

Based on the calculated EFAS and IFAS scores, Citacipta Project is positioned in Cell IV, which corresponds to the Stability quadrant. This indicates that the company has achieved a relatively stable position both internally and externally, requiring strategies focused on consolidation and gradual growth. Recommended strategies in this quadrant include market penetration—expanding the company's share within existing markets—and product development—introducing new or improved services for current or adjacent market segments. As (David, 2011), suggests, strategies in the stability category emphasize maintaining the firm's current business position while seeking incremental improvements and efficiency gains.

To strengthen this position, the company should enhance its internal capabilities through human resource development, operational efficiency improvements, and process optimization. These initiatives can maximize organizational potential in a structured and systematic manner, thereby improving productivity and quality. In turn, this would reinforce the company's long-term competitiveness and sustainability.

At the same time, the stable external environment presents opportunities for the company to expand its market presence or explore adjacent industries. Stability allows for calculated exploration of new revenue streams, such as geographic expansion or partnerships with other industry players. (Rangkuti, 2018) highlights that "A stable external environment allows companies to consolidate their position and leverage growth opportunities in a measured, low-risk manner." Thus, Citacipta Project can capitalize on external stability to pursue sustainable growth while reinforcing its existing market position.

CONCLUSION

With an EFAS score of 2.98 and an IFAS score of 3.13, Citacipta Project is positioned in the Stability quadrant of the IE Matrix. This placement indicates that the company is relatively balanced in responding to external challenges and managing internal strengths. The recommended strategic direction is to maintain and defend its current market position while focusing on operational efficiency, product development, and market penetration. The firm may also leverage external stability to cautiously expand into new markets or related industries, provided that core stability is preserved.

Based on these findings, several strategic recommendations can be proposed. First, the company should optimize its internal strengths by improving operational efficiency, enhancing human resource capabilities, and adopting new technologies to support sustainable long-term growth. Second, it is important to capitalize on external opportunities through market penetration and product development, while also exploring adjacent markets to create incremental revenue streams. Third, the company should prioritize defensive strategies consistent with its position in the Stability quadrant, maintaining operational resilience while cautiously pursuing market expansion. Finally, addressing internal weaknesses and mitigating external threats is essential, which can be achieved by strengthening financial management, diversifying suppliers, and ensuring flexibility in responding to regulatory or market changes.

By implementing strategies derived from the EFAS, IFAS, and IE Matrix analyses, the company can reinforce its competitive advantage and secure long-term sustainability.

This study is subject to limitations, particularly regarding the accuracy and availability of data used in the EFAS, IFAS, and IE Matrix analyses. Moreover, the IE Matrix does not account for broader sociocultural or geopolitical variables that may also influence corporate strategy. Future research could extend the analysis by incorporating factors such as technological innovation or global market trends, as well as evaluating the long-term effectiveness of strategies derived from the IE Matrix on organizational performance and competitiveness.

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