



SWOT Analysis as a Basis for Identifying Risks to the Going Concern of the “Waring Jaya” Palembang Catfish Farm

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Abstract. This study aims to identify risks using the SWOT analysis technique. This technique provides information about the potential strengths, weaknesses, opportunities and threats in the “Waring Jaya” catfish farm in the Ilir Barat I sub-district of Palembang. This research was conducted in June 2022 in the “Waring Jaya” business group which has 10 members. Data was collected through observation and interviews with group members as the informan. Furthermore, the data was compiled and analyzed using the SWOT analysis technique. Based on the results of the research, information was obtained that the strength aspect value was 3.6, the business weakness aspect value was 3.9, the business opportunity analysis aspect value was 3.6 and the business threat aspect value was 3.6. This shows that the Waring Jaya Business has potential strengths that are slightly smaller than weaknesses and opportunities that are greater than threats. Furthermore, according to the results of the business quadrant calculation, information is obtained that the x-axis value is -0.3 and the y-axis is 0.9, so it can be concluded that the Waring Jaya Business is in quadrant III. From the results of the SWOT analysis, a number of strategic issues were identified that could threaten the sustainability of the business in the future. These issues are limited business capital, regeneration of human resources in the livestock business, increasingly expensive PUR seed and feed prices which have the potential to pose a risk to business continuity in the future.

Keywords: SWOT Analysis · Risk · Going Concern

1 Introduction

Currently the world economy is still moving slowly. The Covid-19 pandemic has paralyzed the world’s economy, causing widespread social restrictions around the world. The company closed office activities, and carried out work at home activities through Work From Home. Including community business activities are also limited. Restaurants, retail centers are closed during the Covid-19 pandemic. Efforts to limit and provide mass vaccinations in the world in the span of 2020–2022 are starting to give positive results. The number of Covid-19 sufferers is decreasing and can be controlled. Economic activity is slowly starting to grow and develop, this is in line with the loosening of a number of

social restrictions rules for the community so that offices and business centers begin to actively operate again while prioritizing health protocols.

Not yet after the Covid-19 pandemic, the world was again shaken by an energy crisis. The increase in global oil prices was caused by the lack of world oil supply which was triggered by the war in Ukraine. This has an impact on global inflation. World oil prices skyrocketed, and there was a massive energy crisis around the world. The impact of rising world oil prices has also affected the Indonesian economy. The 2022 State Revenue and Expenditure Budget (APBN) is burdened by the swelling fuel subsidy spending. The government then raised the price of fuel and had an impact on inflation. According to Financial Analysis, the general inflation rate at the end of 2022 could reach 6.1% (www.nasional.kontan.co.id). This has become an additional burden for companies and the public, including small and medium-sized businesses, which triggers an increase in the price of raw materials for production and operational costs. The catfish farm business, which has just restarted fish farming activities, was also affected by the increase in fuel prices.

The Waring Jaya business is one of the catfish farmer groups that are still surviving during the pandemic. This business sells its fish products to markets and catfish pecel traders around Palembang. The rapid growth of the catfish pecel culinary industry in Palembang has helped to revive the business continuity of catfish farmers. According to Siregar et al. (2020), adaptation in the Covid-19 period is a very valuable lesson for people involved in the organizational environment.

For this reason, in the midst of an unstable economy, entrepreneurs need to make a strategic plan based on an analysis of market potential, opportunities and threats. SWOT analysis helps organizations identify appropriate business strategies and risks that can threaten the economic resilience of business actors. Economic resilience is a dynamic condition of the nation's economic life that contains tenacity and resilience that contains the ability to develop strength in the face of all threats, obstacles, disturbances and challenges directly or indirectly to ensure the survival of a nation's economy (Marlinah, 2017, p. 258).

2 Literature Review

According to (Hanafi, 2006) Risk is a danger, consequence or consequence that can occur as a result of an ongoing process or future events. Risk can be interpreted as a state of uncertainty, where if an undesirable situation occurs, it can cause a loss. This analysis is a form of assessment of the results of situation identification in order to categorize conditions as strengths, weaknesses, opportunities or threats (Syaeful Bakhri, et al., 2019, p. 71).

According to Rangkuti (2013), the SWOT analysis is divided into four main quadrants which have different strategies for each quadrant. The following is an explanation of the 4 (four) quadrants in the SWOT analysis:

- Quadrant 1. It is a very favorable situation. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy (Growth oriented strategy).

- Quadrant 2. Despite facing various threats, the company still has strength internally. The strategy that must be applied is to use strength to take advantage of long-term opportunities by means of a diversification strategy (product/market).
- Quadrant 3. The company faces a huge market opportunity, but on the other hand, it faces several internal constraints/weaknesses. The focus of this company's strategy is to minimize the company's internal problems so that it can seize good market opportunities.
- Quadrant 4. It is a very unfavorable situation, the company faces various internal threats and weaknesses

There are several things that can disrupt the company's sustainability, including (McKeown et al., 1991):

1. The company experiences negative trends, such as repeated operating losses, less working capital, negative cash flow, and significant poor financial ratios.
2. Other indications are related to the possibility of financial difficulties, for example failure to fulfill debt agreements/obligations, dividends in arrears, suppliers refusing to purchase on ordinary credit, debt restructuring, the need for alternative financing/funding methods, or assets that are mostly sold.
3. Internal problems, for example employees who go on strike or poor labor relations, the company depends on the success of the project, the existence of long-term commitments that do not provide economic value added, and there is a significant need for operational improvements.
4. External problems that are being faced by the company, such as lawsuits against the company, difficult rules or regulations, loss of patents, licenses or franchises, missing major customers and suppliers, and major disasters resulting in losses.

According to Ni Luh (2021) company bankruptcy can be studied both from internal factors and external factors. These internal factors include:

1. Management inefficiency, which has implications for repeated losses until the company has difficulty paying off its obligations (Fauzia, 2017; Putri et al., 2018).
2. Capital that is not balanced with the amount of debts. If the amount of debt is high, then this will be followed by a high amount of interest expense that must be paid by the company, resulting in the erosion of company profits, and even losses. If the receivables are too large, then it is also not good because there are too many assets that are idle and not generated into cash.
3. Moral hazard committed by management, which is included in the form of fraud. The fraud in question can be in terms of corruption, misinformation that misleads users of financial statements.

Furthermore, according to Ni Luh (2021), when viewed from the side of external factors, business bankruptcy can come from the following factors:

1. Customers experience changes in needs or desires that have not been previously predicted by the company, so buyers look for other companies that are able to fulfill their desires, and this has an impact on decreasing revenues.
2. Suppliers cannot provide raw materials needed by the company for production activities.
3. Debtor's failure to make payments, or taking too long to make repayments so that many assets are idle for too long and the company does not get cash flow.
4. Does not have a harmonious relationship with creditors.
5. Strict business competition with other companies.
6. Global economic conditions, for example the COVID-19 pandemic, are conditions that affect the global economy

According to (Tuanakota, 2015) there are several factors that cause auditors to issue a going concern opinion including:

1. Negative trends, such as recurring operating losses, working capital deficiency, negative cash flow and poor key financial ratios.
2. External problems, such as new laws that threaten the existence of the company, pending litigation, loss of major franchises or patents, loss of major customers and suppliers and uninsured losses.
3. Miscellaneous problems, such as default on loans, inability to pay dividends, debt restructuring, violations of laws and regulations and inability to purchase from suppliers on credit.
4. Court cases, lawsuits or similar issues that have occurred that could jeopardize the company's ability to operate.

3 Research Methods

This study is a descriptive study with a qualitative approach, namely through data analysis obtained through direct field observations regarding the strengths, weaknesses, opportunities and threats of catfish farming. Sources of data used by researchers in this qualitative research is primary data sources obtained directly from catfish farmers. In this study, the data used in the form of interviews, observations. Interviews with informants who have been determined by researchers in the form of interviews and recordings as well as identification of SWOT analysis data. This research was conducted in June 2022 in a group of "Waring Jaya" in the Ilir Barat I sub-district of Palembang which has 10 members. Data was collected through observation and interviews with group members as the informan. Researchers also use secondary data sources that come from literature studies that are related to research problems. Supported by identity and fish farming business license, as well as documentation in the form of pictures or photos taken directly in the field.

In this study, researchers used 3 (three) types of data analysis, namely data sorting, data presentation, and drawing conclusions and verification (Susanto, 2017, p. 3):

- 1 Sorting primary and secondary data obtained during observation and selecting data that can provide a clear and relevant picture to the research topic.

- 2 Presentation of data by describing the relationship between data. Data is presented in the form of tables, graphs and text.
- 3 Drawing conclusions and verification that can answer the formulation of the problem in research.

The location of the research was carried out in the “Waring Jaya” Palembang Business group, precisely in the Sei Hitam area, Bukit Lama village, Ilir Barat I District, Palembang.

4 Results and Discussion

Based on the results of observations and interviews, researchers obtained information about the strengths, weaknesses, opportunities and threats in the “Waring Jaya” business. In the strength section, the author identifies as many as 5 potential strengths of the Waring Jaya business which consists of having experienced human resources with a value of 0.8, having regular customers with a value of 1.2, sufficient knowledge of fish farming with a value of 0.8, mastering feed processing methods alternative with a value of 0.6, and has a network with stakeholders with a value of 0.2. Of the five potential strengths obtained a total value of 3,6 (Table 1).

Based on Table 2, information is obtained that there are 2 potential weaknesses in this business, namely the lack of capital with a value of 3.6 and the regeneration of livestock human resources which is lacking with a value of 0.3. The total value of weakness is 3.9. Based on the results of interviews, the human resources in this business already have 35 years of experience in fish farming, so they have loyal customers from time to time. This shows the main strength.

Based on Table 3, information is obtained that there are 2 potential opportunities in this business, namely The increasing number of catfish pecel businesses in Palembang City with a value of 3.2 and the demand for catfish from outside Palembang with a value of 0.4. The total score on the weakness aspect is 3,6. This is supported by the results of field observations, the installed production capacity or the capacity of the pond is able to produce 5,000 kg of fish per month, but only 3,000 kg of catfish are cultivated per month or 60% of installed production. Meanwhile, in terms of demand for catfish from

Table 1. Strength Analysis

No	Description	Weight	Rating	Score
1	Experienced HR	0.20	4.00	0.80
2	Have regular customers	0.30	4.00	1.20
3	Sufficient knowledge of fish farming	0.20	4.00	0.80
4	Alternative Feed Processing Method	0.20	3.00	0.60
5	Have a network with stakeholders	0.10	2.00	0.20
	Amount	1.00	17,00	3.60

Table 2. Weakness Analysis

No	Description	Weight	Rating	Score
1	Limited capital	0.90	4.00	3.60
2	Lack of HR regeneration	0.10	3.00	0.30
	Amount	1.00	7.00	3.90

Table 3. Opportunity Analysis

No	Description	Weight	Rating	Score
1	More and more catfish pecel businesses in Palembang City	0.80	4.00	3.20
2	There is a demand for catfish from outside Palembang	0.20	2.00	0.40
	Amount	1.00	7.00	3.60

Table 4. Threat Analysis

No	Description	Weight	Rating	Score
1	Competitors for large-scale catfish farming are starting to emerge	0.10	2.00	0.20
2	The price of catfish seeds is getting more expensive	0.40	3.00	1.20
3	The price of catfish PUR feed is getting more expensive	0.30	3.00	0.90
4	Government aid is dwindling	0.20	2.00	0.40
	Amount	1.00	10.00	2.70

new customers, it reached 6,000 kg per month. There is still a potential of 33% for fish that can be cultivated in ponds.

Furthermore, based on Table 4, information is obtained that there are 4 (four) potential threats to this business, namely large-scale catfish business competitors starting to appear with a value of 0.2, the price of catfish seeds is getting more expensive with a value of 1.2, then the price of PUR feed catfish is getting more expensive with a value of 0.9 and government assistance is decreasing with a value of 0.4. The total score on the threat aspect is 2.7.

Based on Table 5, information is obtained that the “Waring Jaya” business is in quadrant III. This business faces a huge market opportunity, but on the other hand, it faces several obstacles. Opportunities to meet the demand for catfish are quite high, but the main obstacle for this business is limited working capital. Before the pandemic, the Regional Government was very concerned about breeders and provided assistance for catfish seeds, so that farmers could be helped when the price of catfish seeds was expensive.

This business needs to formulate several strategies in overcoming a number of obstacles in its business, including:

Table 5. Calculation of X and Y Axis in 4 Quadrant Analysis

No	Description	Score	Score
		X Axis	Y Axis
1	Strength	3.60	-
2	Weakness	3.90	-
3	Opportunity	-	3.60
4	Threat	-	2.70
	Amount	-0.3	0.90

- 1 Fostering cooperation with BUMN/BUMD in terms of partnerships by utilizing CSR funds.
- 2 Improving communication with relevant agencies to seek opportunities for financial assistance for fish farmers.
- 3 Utilizing ponds that are not used to breed catfish brooders for the availability of catfish seeds.
- 4 Looking for alternative feeds other than chicken intestines, such as snails and golden snails to anticipate the spike in the price of PUR and Intestines.

Furthermore, from the SWOT analysis above, the author also identifies several potential problems or risks that can disrupt business continuity in the future, including:

- 1 The regeneration of catfish farmers' human resources can be a threat to the "Waring Jaya" business, this is because the potential strength of this business will be lost and will indirectly threaten the sustainability of the business in the future.
- 2 The risk of business losses, which is triggered by the increase in the price of seeds and feed due to the increase in fuel prices. This needs to be anticipated by looking for alternative feed that is economical, or if possible, farmers can increase the selling price of catfish, although this policy cannot continue to be carried out due to limited people's income and can lead to a decrease in demand for catfish in the market.
- 3 Risks from large-scale business competitors, which have adequate capital and technological equipment. so being able to compete with more economical selling prices will also pose a threat in the long run. For this reason, joint efforts by catfish farmers are needed by forming a community of fish farmers with a wider area coverage, holding discussions or fish farmer forums to find sustainable solutions to a number of problems faced by farmers in the future.

5 Conclusion

Based on the discussion above, the author can conclude several important things related to the discussion of the SWOT analysis on the "Waring Jaya" business:

1. The “Waring Jaya” business is in quadrant 3 where this business has the opportunity to fulfill a fairly large market potential, plus pond land resources that have not been fully utilized due to limited capital and try to take several strategies to overcome business weaknesses and threats.
2. There are several potential problems or risks detected from the SWOT analysis above, which can be a disruption to business continuity in the future. For this reason, it is necessary to anticipate by handling risks with risk mitigation, risk transfer and risk sharing approaches.

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