

Risk Management and Global Strategy: Swot Analysis of Pt Abc Tbk, A Telecommunications Company

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Abstract: This study investigates the integration of risk management and global strategic planning in the context of a leading Indonesian telecommunications company, PT ABC Tbk. Using a qualitative case study approach, the research explores how SWOT analysis is applied alongside Enterprise Risk Management (ERM) to align organizational capabilities with environmental uncertainty. Data were collected through company reports, strategic documents, and secondary sources, and analyzed using thematic and pattern-matching techniques. The findings reveal that PT ABC implements a mature ERM framework based on ISO 31000:2018 and systematically links SWOT components to its corporate risk register. This integration enhances strategic agility, supports informed decision-making, and mitigates threats while capitalizing on opportunities. The study contributes to the literature by demonstrating a practical model of strategy-risk alignment in an emerging market setting. It also provides actionable insights for firms seeking to institutionalize risk-aware strategic planning amid technological and regulatory disruption.

Keywords: Enterprise Risk Management (ERM); SWOT Analysis; Strategic Planning; Risk Governance; Telecommunications; Emerging Markets; Case Study; ISO 31000

I. Introduction: In today's increasingly interconnected world, global strategy has become a vital aspect for companies striving to remain competitive in the digital economy. The telecommunications industry, in particular, plays a fundamental role in enabling digital transformation and supporting the infrastructure for data-driven global markets (Hill, Jones, & Schilling, 2014). For companies in emerging economies like Indonesia, expanding globally is not only a strategic ambition but also a necessity to capture broader market opportunities. However, this expansion is often accompanied by significant challenges, such as regulatory complexities, fast-changing technology, and competition from global players (Rugman & Verbeke, 2004).

Risk management has become an integral component of strategic decision-making in the telecommunications sector, particularly in light of digital disruptions and cybersecurity threats. Firms must navigate financial risks, operational uncertainties, geopolitical instabilities, and reputational hazards while formulating global strategies (Hopkin, 2018). PT ABC Tbk, Indonesia's largest telecommunications provider, has acknowledged the importance of embedding risk governance into its corporate strategy, especially through initiatives like integrated risk management, project risk assessment, and enterprise-wide controls (PT ABC Tbk, 2023). As such, strategic frameworks like SWOT analysis need to be complemented by robust risk management mechanisms to ensure resilience and agility.

This study aims to examine the global strategic positioning of PT ABC Tbk by employing a SWOT analysis framework, while concurrently assessing how risk management practices are integrated within its strategic planning. PT ABC operates in one of the most dynamic sectors in Southeast Asia, with extensive domestic and international networks, serving over 150 million mobile customers and managing assets including satellites, data centers, and international subsidiaries (PT ABC Tbk, 2023). By focusing on this telecommunications giant, the research provides insight into how large state-owned enterprises from developing nations approach global strategy under uncertainty.

Although extensive research has explored either global strategy or risk management independently, there is a notable lack of integrative studies that combine both within the context of the telecommunications industry in emerging markets. For instance, Hill et al. (2014) discuss strategic competitiveness but omit risk analysis; Verbano and Venturini (2013) explore risk management frameworks without aligning them with global strategy. Prior studies also tend to overlook the practical implementation of risk management within the strategic planning of telecommunications firms (Aven, 2015; Yazid, Hussin, & Daud, 2018; Aziz, Isa, & Yusof, 2018). Specifically, there is limited empirical evidence analyzing Indonesian telecommunications firms operating globally (Fadun, 2013; Suttipun, 2020). This research bridges these gaps by examining a real-world case of an Indonesian telecom company and integrating both SWOT and risk management perspectives.

This study offers a novel contribution by integrating risk management perspectives directly into a strategic SWOT analysis, providing a more holistic view of global strategic formulation. Unlike previous studies that treat risk as a separate or supporting function, this paper positions risk governance as a central driver in strategic planning. Furthermore, the research uses a real-time, corporate-based case study of an Indonesian telecommunications enterprise with global ambitions, offering insights that are both contextually relevant and practically applicable. This dual focus—on strategy and risk—presents a valuable framework for firms navigating competitive international environments.

The remainder of this article is structured as follows. Section 2 reviews the relevant literature on global strategy, SWOT analysis, and risk management integration. Section 3 describes the methodology used in conducting the case study. Section 4 presents the

analysis of PT ABC Tbk's SWOT profile and corresponding risk management practices. Finally, Section 5 offers conclusions and strategic recommendations for practitioners and policymakers.

Literature Review

Global Strategy in the Telecommunications Industry

Global strategy has become a central concern for companies operating in the telecommunications industry due to increased market liberalization, cross-border competition, and the rapid evolution of digital technologies. Jamison (1998) argued that global strategic behavior in telecommunications focuses on leveraging multi-product and multi-geography positions to gain competitive advantage. Strategic partnerships, joint ventures, and cross-border mergers have been widely adopted to enhance operational scale and technological synergy (Li & Whalley, 2002). In emerging economies, firms are motivated to expand globally to offset domestic saturation and tap into higher-margin markets (Khanna & Palepu, 2010). However, this pursuit also introduces risks such as political instability, regulatory barriers, and cultural misalignment, all of which require strategic foresight and adaptability (Sumner, 2023).

SWOT Analysis as a Strategic Tool

SWOT analysis is a widely used framework for strategic planning, offering a structured method to assess organizational strengths, weaknesses, opportunities, and threats. It enables firms to align internal capabilities with external environmental conditions, thus facilitating better-informed decision-making (Gürel & Tat, 2017). In the telecommunications sector, SWOT analysis is particularly useful for evaluating digital capabilities, customer reach, and regulatory compliance issues (Ahmed, 2023). However, critics note that SWOT is inherently qualitative and often lacks prioritization or quantification, which can lead to subjective conclusions (Phadermrod et al., 2019). To overcome these limitations, researchers advocate for integrating SWOT with other tools such as risk matrices, scenario analysis, or cost-benefit analysis for a more robust evaluation.

Enterprise Risk Management (ERM) and Strategic Integration

Enterprise Risk Management (ERM) provides a holistic approach to identifying, analyzing, and managing risks that could affect an organization's objectives. Fraser and Simkins (2016) emphasized that ERM helps embed risk awareness across departments, linking it directly to strategy execution. In the high-risk telecommunications environment, ERM plays a vital role in mitigating technological, operational, and compliance-related risks (Arena et al., 2010). Organizations that integrate ERM into strategic planning tend to display higher resilience and performance, particularly during periods of disruption. This strategic alignment enables firms to act proactively rather than reactively, ensuring risk-informed decisions that contribute to long-term value creation (Chaves, 2016).

Risk Management in the Telecommunications Sector

The telecommunications industry faces a wide spectrum of risks, including network failures, cyber threats, regulatory shifts, and price wars. Effective risk management in this context entails not only technical safeguards but also strategic governance mechanisms (Empowered Systems, 2021). As data becomes a key asset, telecom firms are increasingly investing in cyber-resilience and data protection infrastructures (Irth Solutions, 2023). Regulatory compliance presents another challenge, as firms often operate in multiple jurisdictions with varying legal frameworks (Economist Impact, 2023). Leading companies are now adopting integrated compliance and risk intelligence platforms to monitor and respond to emerging threats in real time, highlighting the evolution of risk management from operational support to strategic leadership.

Integrating SWOT Analysis and Risk Management in Strategic Planning

The integration of SWOT analysis with risk management frameworks enhances the reliability of strategic decision-making. Chaves (2016) proposed a model where risks are assessed alongside each SWOT component, allowing for better prioritization and scenario planning. Maia and Chaves (2016) also developed a quantitative approach that assigns probability and impact metrics to SWOT elements, thus combining qualitative and quantitative reasoning. This fusion is particularly relevant in industries like telecommunications, where rapid changes demand not just reactive strategies but proactive, risk-aware planning. Such integrated models allow firms to align their risk appetite with their growth ambitions, optimizing resource allocation under uncertainty.

Prior Research on Risk and Strategy in Emerging Market Firms

Emerging market firms face distinct strategic and risk-related challenges due to institutional voids, volatile macroeconomic environments, and weaker regulatory enforcement. Ernst & Young (2007) identified emerging markets as a top-tier strategic risk for multinational firms, calling for localized yet globally coherent risk strategies. Andersen (2008) demonstrated that organizations with strong risk management practices in volatile environments achieved better capital efficiency and return on investment. Khanna and Palepu (2010) argued that bridging institutional gaps requires customized strategies that integrate market understanding with governance reforms. These findings are particularly relevant for telecommunications companies in Southeast Asia, where strategic success hinges on the firm's ability to manage uncertainty while maintaining operational agility.

II. Research Method

This study employs a qualitative research design to explore the strategic risk management practices of PT ABC Tbk. Qualitative research is appropriate for understanding complex phenomena within their real-life contexts, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2014). Among qualitative approaches, the case study method is particularly suitable for in-depth exploration of contemporary events within their real-world settings (Yin, 2014). Therefore, a single-case study approach is adopted to gain a comprehensive understanding of PT ABC Tbk's strategic initiatives and risk management processes.

Data Collection Methods

Data for this study are collected through multiple sources to ensure triangulation and enhance the validity of the findings (Creswell, 2013): Document Analysis Internal documents such as strategic plans, risk management reports, and performance reviews are examined to corroborate information obtained from interviews and provide additional context.

Data Analysis Procedures

The data analysis process involves several steps:

Data Organization: Interview transcripts, documents, and observation notes are organized systematically.

Coding and Thematic Analysis: Data are coded to identify recurring themes and patterns related to strategic planning, SWOT analysis, and risk management practices (Creswell, 2013).

Pattern Matching: Emerging themes are compared with theoretical propositions from existing literature to identify consistencies or discrepancies (Yin, 2014).

Explanation Building: An explanatory narrative is developed to elucidate how PT ABC Tbk integrates SWOT analysis with risk management in its strategic planning.

Integration of SWOT Analysis and Risk Management

This study examines the integration of SWOT analysis and risk management within PT ABC Tbk's strategic planning process. SWOT analysis is a strategic tool used to identify internal strengths and weaknesses, as well as external opportunities and threats (Gürel & Tat, 2017). Risk management involves identifying, assessing, and mitigating risks that could impede the achievement of organizational objectives (Fraser & Simkins, 2016). Integrating these two frameworks allows organizations to align their strategic initiatives with their risk appetite, enhancing decision-making processes (Chaves, 2016).

The integration process involves mapping SWOT components to corresponding risk factors:

Strengths: Leveraging internal capabilities to capitalize on opportunities and mitigate potential threats.

Weaknesses: Identifying internal limitations that could exacerbate risks and developing strategies to address them.

Opportunities: Recognizing external factors that the organization can exploit for strategic advantage while assessing associated risks.

Threats: Identifying external challenges that pose risks to the organization and formulating mitigation strategies.

By systematically integrating SWOT analysis with risk management, PT ABC Tbk aims to enhance its strategic resilience and adaptability in the dynamic telecommunications industry.

III. Results

Overview of Strategic and Risk Context

PT ABC Tbk operates in a highly dynamic telecommunications environment marked by rapid digital transformation, evolving consumer expectations, and intense market competition. As a state-owned enterprise, the company's strategic direction is influenced not only by business considerations but also by government policy and socio-economic mandates. In response, PT ABC has structured its strategic planning process around a multi-level governance and performance framework, including Corporate Strategic Scenario (CSS), Corporate Risk Profiles, and alignment with national digital transformation agendas.

In 2023, PT ABC implemented a set of strategic priorities focused on digital platform development, social value creation (CSV), and international competitiveness. The company adopted ESG frameworks and pursued business transformation through technological innovation, business diversification, and ecosystem integration. Parallel to this, risk management was positioned as a strategic enabler, embedded through risk registers, ERM online systems, and project-specific risk assessments at both enterprise and operational levels.

SWOT Analysis of PT ABC Tbk

Strengths

- a. Nationwide infrastructure: PT ABC possesses extensive physical and digital infrastructure, including fiber optics, data centers, satellites, and 5G networks.
- b. Strong market position: As the dominant player in Indonesia, PT ABC has the largest customer base and brand recognition in the telecommunications sector.
- c. Government support: Its state-owned status offers political and financial stability, particularly in public-private projects such as smart city development.

Weaknesses

- a. Complex bureaucracy: Organizational complexity and multiple layers of decision-making may slow down innovation and responsiveness.
- b. Legacy systems: Certain operational units still rely on outdated infrastructure and software platforms, affecting service agility.
- c. Talent gaps: Despite training efforts, gaps remain in specialized areas such as data science, AI, and cloud computing.

Opportunities

- a. Digital economy growth: Indonesia's expanding digital economy presents significant opportunities in broadband, fintech, and e-commerce infrastructure.
- b. International expansion: Regional expansion to Southeast Asia and global submarine cable partnerships offer cross-border growth potential.
- c. ESG and SDGs: Increasing demand for sustainability-driven governance opens avenues for green technology and ESG-compliant investments.

Threats

- a. Cybersecurity risks: Rising threats of cyberattacks and data breaches jeopardize both operational continuity and customer trust.
- b. Regulatory uncertainty: Frequent regulatory shifts and complex licensing regimes may pose compliance challenges.
- c. Technological disruption: Rapid innovation from global tech players and over-the-top (OTT) services threatens traditional revenue streams.

Risk Management Practices at PT ABC

PT ABC implements Enterprise Risk Management (ERM) using ISO 31000:2018 as its foundational framework. The company has institutionalized the identification, assessment, and mitigation of risks through formal systems such as:

- a. ERM Online for risk register updates and documentation,
- b. FRAMES for fraud risk detection,
- c. BCP Coordination for business continuity planning,
- d. Quarterly KPI-based Risk Reporting, which evaluates units based on completeness, timeliness, and mitigation quality.

The organization also aligns risk registers with strategic planning via CSS and RKAP (Annual Corporate Work Plan and Budget), allowing for enterprise-wide visibility and control. Each unit, including subsidiaries, is required to maintain and update its own risk register, ensuring consistency and scalability across the group.

Integrating SWOT with Risk Management

To bridge strategy with governance, PT ABC integrates SWOT analysis into its risk management ecosystem. The process involves mapping each SWOT element to risk factors and mitigation strategies:

- a. Strengths are leveraged as controls to reduce exposure to external threats (e.g., robust infrastructure mitigates service disruption risk).
- b. Weaknesses are translated into risk indicators for internal monitoring (e.g., legacy systems are tagged in IT risk reports).
- c. Opportunities are assessed through risk-reward scenarios before investment decisions (e.g., market expansion initiatives undergo transformation risk review).
- d. Threats are captured in the enterprise risk register, with mitigation plans coordinated via ERM tools and project dashboards.

This integration enhances the company's ability to respond to uncertainty by combining qualitative strategic insights with structured risk assessments. It supports better alignment of strategic initiatives with the organization's risk appetite and tolerance, fostering long-term value creation.

Evaluation of Risk Governance Effectiveness

In 2023, the company undertook a formal Risk Maturity Index (RMI) assessment using external consultants. This evaluation focused on six dimensions: risk awareness, risk architecture, stakeholder commitment, technology integration, continuous improvement, and alignment with corporate goals. The results showed significant progress in decentralized risk ownership, especially through digital training, performance-linked risk KPIs, and the appointment of risk officers at all BOD-1 units. The quarterly risk monitoring process culminates in consolidated reports reviewed by the Board of Directors and the Audit Committee. These reports highlight emerging risks, mitigation outcomes, and risk appetite breaches, ensuring top-level accountability and adaptive learning across the enterprise.

Summary

This study has examined how PT ABC Tbk integrates SWOT analysis and risk management into its global strategic planning. The company operates in a complex telecommunications landscape shaped by technological innovation, regulatory dynamics, and competitive pressure. Through a case study approach, the research identified key strategic strengths, weaknesses, opportunities, and threats faced by the firm, while also mapping them to the company's Enterprise Risk Management (ERM) practices.

Findings indicate that PT ABC has established a mature ERM framework based on ISO 31000:2018, which is deeply embedded in its organizational structure. The integration of SWOT and risk management enables the company to align strategic initiatives with its risk appetite, promoting resilience and strategic coherence. This dual-framework approach enhances decision-making by providing a balanced view of potential opportunities and threats, informed by both qualitative insights and risk assessments.

Limitations

While this study provides valuable insights, several limitations should be acknowledged:

The research is based on a single-case study of one company, which may limit the generalizability of the findings to other firms or industries.

Data collection relies primarily on public documents and reports, with limited access to confidential internal processes or decision-making forums.

The study does not incorporate quantitative performance metrics or financial ratios to measure the impact of risk management on firm value.

The integration of SWOT and ERM is analyzed conceptually rather than through a formal modeling or simulation approach.

These limitations suggest caution in interpreting the findings beyond the context of PT ABC and call for further empirical validation.

Recommendations

Based on the findings and in response to reviewer suggestions, the following recommendations are proposed for both academic and managerial audiences:

Future research should adopt multi-case studies across various industries and geographic regions to strengthen comparative insights on the integration of strategic planning and risk management frameworks.

PT ABC and similar organizations are encouraged to institutionalize the link between SWOT analysis and ERM by leveraging automated dashboards, scenario-based forecasting tools, and real-time data analytics. Incorporating measurable indicators—such as cost reductions, incident response times, or compliance rates—can also help demonstrate the tangible benefits of integrated frameworks.

Policy-makers and regulators should support the adoption of strategic risk management by offering clear industry guidelines, capacity-building programs, and incentives for ESG-aligned governance models, particularly in fast-evolving sectors like telecommunications.

Scholars are invited to develop formalized models or simulations that quantify the relationship between SWOT factors and risk mitigation outcomes. Visual representations—such as risk-strategy mapping charts or integration flow diagrams—can further improve the accessibility and interpretability of such models for broader audiences.

Finally, future iterations of similar studies should consider streamlining complex sections and simplifying technical language where appropriate, without compromising analytical depth, in order to make the insights more accessible to a wider range of readers including practitioners and policy stakeholders.

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