

## ABSTRACT

*The emergence of competition in the business world is something that cannot be avoided. With competition, industrial companies are faced with various opportunities and threats, both from within and from outside. Companies also have to be able to minimize weaknesses and maximize their strengths. Business competition is not only felt by large industries but also experienced by small and medium industries (SMI) in Indonesia. As is the case with Tanaga Racing Innovation which is one of the SMIs in Purbalingga Regency which produces one of the automotive components, namely racing exhaust. The growing exhaust industry has caused the competition level of the exhaust industry to be even higher. This requires Tanaga Racing Innovation to have the right competitive strategy, so that it can outperform its competitors in the industry.*

*The purpose of this study is to determine the condition of the external environment, internal environment, and find out the competing alternative strategies that are suitable for Tanaga Racing Innovation in running their business.*

*The method used is descriptive qualitative with a studicasus approach. The data source used is primary data through observation and interviews, secondary data is done through literature studies, books, and journals. Sampling was done by purposive sampling method with as many as four people, the credibility of the data using source triangulation techniques. The data analysis technique uses the IFE, EFE, IE, SWOT and QSPM matrices based on the results of the company's internal and external environment analysis.*

*The results showed the EFE Matrix score of 2.86 and the IFE Matrix score of 2.88, so that the Tanaga Racing Innovation position in the IE Matrix is in cell V, namely the strategy of maintaining and maintaining. From the results of the Matiks SWOT the company has 5 alternative strategies, consisting of 4 market penetration strategies and 1 product development strategy. The alternative strategy which is the top priority based on the evaluation of the QSPM matrix is the market penetration strategy.*

*The recommendation strategy for Tanaga Racing Innovation to deal with competition is by consistently participating in exhibitions held by the government to get new potential consumers.*

*Keywords: Competitive Strategy, EFE, IFE, SWOT, QSPM*