NOWADAYS CORPORATE STRATEGY: BUSINESS MODEL CANVAS AND SWOT AS A FOUNDATION

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ABSTRACT

The purpose of this study is to determine the development of business strategy with a business model canvas approach and to determine SWOT analysis at company X. This study uses a qualitative research method using the Business Model Canvas (BMC) as a guide to identify business models and then uses SWOT for each metrics. Based on the SWOT analysis that has been produced, there are several business strategies that need to be carried out by PT. X, including producing high enough products, developing target markets, carrying out product development, selling outlet products, e-commerce, and various social media, conducting development of new innovations for products and many more.

Keywords: business model canvas; SWOT analysis; business strategy; sustainable

INTRODUCTION

According to Subagyo et al. (2022), "a business model can best be described in terms of nine basic building blocks that define how companies think about how to make money". The nine building blocks are placed in an arrangement known as the Business Model Canvas. The Business Model Canvas is divided into nine major sections, namely: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. This section is then further divided into two areas, left (logic) and right (creative) (Warnaningtyas, 2020). Business Model Canvas or BMC is a tool for analyzing and proposing new business models. It was made by Euis et al. in 2014 and has nine important elements. This includes consumer segments, value channels, revenue streams, vital assets, customer relationships and partnerships. It also includes the cost structure of the business model. By framing important aspects of the company in a simple and comprehensive manner, BMC has many advantages over other business analysis methods (Herawati, Lindriati and Suryaningrat, 2019).

Using SWOT analysis theory to determine characteristics, the four words are Strengths, Weaknesses, Opportunities, Threats. SWOT analysis is used in business ventures to explain whether this information can help MSMEs in achieving their goals or indicate obstacles that must be overcome or eliminated to achieve the desired variable (Sholahuddin et al., 2024). Candi Salted Egg Center conducts a SWOT analysis to determine the best course of action for growing the company. The purpose of this research is to develop alternative strategies that can be used by the Candi Salted Egg UKM Center in their marketing strategy. This is done to be able to see market potential and determine the company's current position relative to the internal and external environment which is often referred to as a SWOT analysis (Kistari and Marlena, 2022).

The growth of PT. X was still constrained by PPKM in 1Q22. PT. X's revenue and net profit fell in the first three months of the year. President Director of PT.X, said the decline was due to delays in the implementation of the PPKM marketing plan. Even though the company designs offline marketing to drive sales growth. In the first quarter of this year, revenue from customer contracts fell 19.98% year-on-year to Rp 212.67 billion (Putra et al., 2023). As for last year, production sharing contracts with PT. X customers reached IDR 265.79 billion in the same period. Specifically, the body care and antiseptic segments contributed 57.02% with a total of IDR 121.27 billion. Revenue from the hair care segment reached Rp 100.54 billion and other business revenues amounted to Rp 178.76 million. Judging from sales by geography, regions other than Java and exports experienced a significant decline. As of 31 March 2022, sales outside Java fell 34.66% year-on-year to IDR 81.39 billion (Giourka et al., 2019; Wibowo & Putra, 2023).

Export sales then fell 77.63 per cent year-on-year to Rs 450.13 crore from Rs 201 crore in the first quarter last year. Meanwhile, sales in Java fell 13.67% to Rp 209.97 billion. VICI's profit for the year reached IDR 9.41 billion. This realization fell sharply by 74.58% year-on-year from IDR 37.05 billion in the same period the previous year. Going forward, Billy said that with the rise of Covid-19, VICI will maximize sales and marketing strategies to boost sales and launch new products more aggressively according to market trends (Carter & Carter, 2020). The purpose of this study is to determine the development of a business strategy with a business model canvas approach and to determine the SWOT analysis of PT.X. The contribution of this research can provide readers with knowledge about the results of research that has been carried out to understand the strengths, weaknesses, threats and opportunities owned by company X using the SWOT analysis approach and business model canvas analysis.

METHODS

This research uses qualitative research methods. Qualitative research is deductive in nature and tends to use data analysis (Ojasalo & Ojasalo, 2018; Ismal & Sanrego, 2022). This research can explain clearly and completely the business model that is run by Company X. Therefore the research methodology in this study will use the Business Model Canvas (BMC) as a guide to identify business models and then use SWOT for each metric. This research was conducted at Company X. The types and sources of data used were: primary data and secondary data. The data sources used are: people, places, and paper. Data collection techniques used by researchers include observation and interviews by observing or asking about aspects related to SWOT, then researchers identify them based on the variables of the Business Model Canvas.

Primary data is data obtained directly from the source, then observed and recorded for the first time. When collecting the main data for this study, we use the interview technique. Secondary data is data that has been published or used by other parties. Secondary data is data obtained or collected from documents, in this study researchers obtained information from documents, in this study the secondary data needed was in the form of company information,

such as product menus, location photos, and the atmosphere at the company (Mičieta et al., 2020). From the primary and secondary data that has been collected, a SWOT analysis is then processed which has been given to Company X, which later results from the interview can be used to design the best business model strategy for Company X. The stages of data processing in this study are:

1. Observing and analyzing the business model run by the company PT. X by using the nine elements of BMC.
2. Conduct a detailed assessment of each BMC element using a SWOT analysis to identify what internal and external factors influence the business model environment run by PT. X.
3. Based on the results of the SWOT identification of the 9 BMC components from PT. X, a better business model strategy was developed for PT. X.

RESULT AND DISCUSSION
PT. X CURRENT BUSINESS MODEL

Examining PT.X's current business structure by identifying nine BMC elements is the first step in developing PT.X's business strategy. The current management description of PT.X is obtained by grouping the results of interviews with internal parties and field studies so that nine elements of BMC are obtained (Figure 1).

Keys Partner	Key Activities	Value Propositions	Customer Relationship	Customer Segments
1. Distributor 2. Supplier 3. E-commerce	1. Turning raw material extract into finished material 2. Product marketing 3. Testing raw materials to comply with standards that have been set in the laboratory	1. More variety of products 2. It uses natural and good raw materials for various skin types	1. Reseller 2. Admin fast response 3. Quality of service to customers	1. beauty entrepreneur 2. Skincare users
	Key Resources 1. Physical: Factory, Machinery, Raw Materials, Packaging, Laboratorium, sales store 2. HR: Employees, laboratories, marketing, administration 3. Intellectual ; Trademarks, Product Recipes		**Channels** 1. Instagram 2. Sociolla 3. Shopee 4. Tiktok 5. Website 6. Influencer 7. Outlet	
Cost Structure 1. Fix cost 2. Variable cost		**Revenue Streams** 1. Direct product sales 2. Sales through resellers 3. Stocks		

Figure 1. Current Business Model

Business Model Identification Canvas PT. X

Customer Segment is an individual or party who uses the organization's products or services and those who contribute to the organization's revenue. Parties who pay for goods or services are called customers (Fitriani & Sultan, 2019; Eisape, 2019). PT customers X is dominated by skin care users and beauty entrepreneurs, because the products produced by PT. X since 1988 is a cosmetic and fragrance product. In reaching the customer, good communication is needed between the company and the customer, the channel to the customer is called the Channel. The channel used by PT. X is social media and e-commerce. This

method can be used to reach customers by promoting products using various social media platforms such as Instagram, Sociolla, Shopee, Tiktok, Websites, outlets and Influencers, using social media as a forum for promoting products with the aim of making it easier for customers to see product reviews the. In addition, the existence of e-commerce can help customers more easily buy these products and do not need to come to the store. In order to maintain relationships with customers (Customer Relationship) or foster relationships with customers aiming to get new customers (acquisition), retain old customers (retention), and offer old and new products or services to old customers (Austin, 2020; Razabillah et al., 2023), PT. X always strives to provide the best quality service to customers.

Various sources of income for PT. This X is obtained from selling products directly or from resellers and shares which are called revenue streams or representations of the path of receiving money that will be received from each customer segment. By using natural raw materials PT. X is suitable for all skin types, PT. X has a very wide variety of products ranging from cosmetics, body care, skin care, hair care, and perfume. The main resource or key resource in this company explains the most important asset for making this business model, the key resource company PT. X consists of several main things, namely factories, machines, raw materials, packaging, laboratories and sales stores, then labor, laboratories and raw materials. PT. X has activities in his business, namely converting extracts of raw materials into finished materials, marketing products, and testing raw materials so that they comply with established standards in the laboratory. partnership keys or commonly called key partners is an explanation regarding the network of suppliers and partners, key partners of PT. X with distributors spread across 30 cities in Indonesia, suppliers and E-Commerce to expand sales.

SWOT Analysis on Business Model Canvas PT. X
After identifying the business model canvas, the next step is conducting a SWOT analysis. SWOT analysis is an analysis that identifies the strengths, weaknesses, opportunities and threats faced by the company (Permadi, 2016; Das et al., 2021).

Elements	Strength	Weakness	Opportunities	Threats
Customer Segments	The majority of customers repurchase the product	Loyal customers are still few compared to competitors	Availability of demand in the market	The number of competitors and new competitors
Value Proposition	Wide variety of products and good quality	There are still changes to the product formula	Opportunity to develop market share	Many products outside that have a similar function
Channels	promote products using various social media platforms and e-commerce	Product promotion is still not aggressive	There are still opportunities to promote products through certain events so that the market reach is wider	Many competitors promote their products more aggressively
Customer Relationships	Providing the best service for customers and expanding reach to customers with a reseller system	Communication to customers is not maximized	Utilization of information technology to the maximum has the opportunity to retain old customers and	here is a potential for the transfer of customers to competitors

Elements	Strength	Weakness	Opportunities	Threats
			new customers	
Revenue Streams	Revenue streams are sourced from the sale of products and shares	The stock is still relatively new	has a great opportunity to increase its revenue streams, both from product sales and shares	There is potential difficulty in reaching new customers when the strategy is not accurate
Key Resources	Quality human resources, high standardization of manufacturing and laboratory machines, received GMP (Good Manufacturing Process) certification from BPOM to ensure that every product produced and processed meets local and international quality standards.	High standardization makes product prices quite expensive	High product standardization provides a separate attraction for customers	Competitors produce products with similar functions, but at lower prices
Key Activities	Dynamic and ready to accept new changes	Product production is determined by a schedule (not every day producing the same	Minimizing production costs due to the use of the same machine and materials	Damage to one production machine can hamper the production of various products
Key Partnership	Partnerships with suppliers and distributors are going well. Partnerships with e-commerce help in expanding the market. There are 30 distributors spread throughout Indonesia	Raw materials from suppliers are in the form of extracts, so they are quite expensive	Opportunity in developing markets throughout Indonesia	cooperation with partners is contractual in nature and allows contracts with partners not to continue, even though the existence of partners is felt to be very important to support production activities
Cost Structure	Able to streamline costs	The price of raw materials from partners is quite high	Opportunity to increase income and establish cooperation with partners in	The emergence of higher costs in the future

Elements	Strength	Weakness	Opportunities	Threats
			order to reduce costs	

Source: Author's Elaboration, 2024.

Strategy Recommendations

Based on the SWOT analysis above, there are several business strategies that need to be carried out by PT. X, including:

STRATEGY	Strength	Weakness
Opportunities	• Produce high quality products • Develop target market • Doing product development	• Product sales in outlets, e-commerce and social media • Diversify products so they can be reached by all groups
Threats	• Maintain product quality • Maintain customer loyalty • Provide the best service to customers	• Doing product innovation • Doing a pricing strategy • Doing market expansion • Do aggressive promotions

Source: Author's Elaboration, 2024.

By using the right strategy, PT. X is expected to be able to excel in competing with its competitors. Moreover, currently PT. X is expanding its market overseas, these products have been exported to Japan, China, Korea, Malaysia, Brunei Darussalam and Hong Kong. With attention to changes in people's habits and lifestyles in the 'New Normal' era as a major global impact of Covid-19, PT. X has thought further ahead and developed various body care products with the concept of 'clean and hygienic lifestyle'. With this concept, PT. X can spread its wings all over the world, where African and Middle Eastern countries will be the next potential market destinations. This company is embarking on a new journey through the listing of its initial shares (IPO) on the Indonesia Stock Exchange (IDX) with the VICI stock code.

CONCLUSIONS

PT. X is dominated by skin care users and beauty business actors, because the products produced by PT. This X is obtained from selling products directly or from resellers and shares which are called revenue streams or representations of the path of receiving money that will be received from each customer segment. By using natural raw materials PT. By using the right strategy, PT. X is expected to be able to excel in competing with its competitors. Using the SWOT analysis of the canvas business model as a means to find out the strengths, weaknesses, opportunities and threats that exist at PT. X. Based on the SWOT analysis that has been produced, there are several business strategies that need to be carried out by PT. X, including producing sufficient products high, developing target markets, developing products, selling outlet products, e-commerce, various social media, and developing new product innovations.

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