

SWOT ANALYSIS AND DESIGNING BUSINESS MODEL CANVAS (BMC) AT PT NORDIC SOLUSI INDONESIA BATAM

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Abstract

This research aims to determine how the SWOT Analysis and Business Model Canvas results at PT Nordic Solusi Indonesia are designed to design the right strategy. The research approach uses qualitative descriptive methods. The informants from the study used the snowball sampling technique by conducting interviews with three informants. The results of this study are that from the SWOT analysis results, PT Nordic Solusi Indonesia has an advantage in the Value Proposition and Key Partnership elements. Meanwhile, the weakness lies in Customer Segments, Channels, Key Resources, and Key Activities. Opportunities owned by PT Nordic Solusi Indonesia are in the Revenue Streams element. At the same time, the threats are in the Cost structure element. The applied strategy concept broadens the scope of the Customer Segment. Adding new value to the Value Proposition, such as a member system for customers, expanding sales on PT Nordic Solusi Indonesia channels by opening or creating a particular website separate from the headquarter website, developing existing value in Customer Relationship by providing discounts on certain purchases, holding gatherings or seminars and free training, add website creation services, design, and other traffic to increase Revenue Stream, maximize all existing values in Key Activities and Key Resources, add new partners to Key Partnerships and add to the current Cost Structure with additional capital from existing capital and carry out more explicit and more detailed planning regarding the use of funds at PT Nordic Solusi Indonesia to avoid uncontrolled use of funds.

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1. Introduction

The development and improvement of the current economy and technology affect almost all fields, especially business. The emergence of new businesses and businesses shows that competition in the industry is getting tougher and tighter. Companies are competing to create innovations that can improve the existence of each Company's business for the sake of the Company's sustainability. To face this competition, companies must be observant in paying attention to market conditions and determine competitive and most appropriate strategies.

In determining a competitive strategy through innovations, companies need to know the factors in the Company's environment, including internal and external factors. Systematically SWOT analysis is necessary to analyze these factors, which can assist companies in formulating their strategy. This analysis is used to determine the position of a business company among other companies. The points of the SWOT analysis are strengths, weaknesses, opportunities, and threats. Its application in companies aims to help companies focus more and can be used as a comparison with different perspectives based on these four points.

In addition to determining the strategy through SWOT analysis, the Company must evaluate, revise and deepen the essential components within the Company so that later it can improve the function of the business model, which results in developing the value of the Company's competitive advantage. A business model is how a company runs its business to survive through innovation that can impact company profits (Oktapriandi, 2017).

Tools that can be used to analyze business models are the Business Model Canvas. By simply visualizing the nine elements built, they are arranged into a single unit. These elements include customer segments, value propositions, customer relationships, channels, revenue streams, key partners, essential resources, key activities, and cost structures (Osterwalder, 2014). This Business Model Canvas describes in detail the operations of the Company. Therefore, this process is a necessary process that must be considered by companies, especially companies that are just running.

In this study, the purpose of the research is to solve the problem of identifying the current

position of PT Nordic Solusi Indonesia Batam and determining a competitive strategy for the company to survive. The SWOT analysis is used to identify the strengths, weaknesses, opportunities, and threats of the company, while the Business Model Canvas is used to provide an overview of the company's operational activities. By combining the results of the SWOT analysis and the Business Model Canvas, the researchers aim to design a competitive strategy that will enable PT Nordic Solusi Indonesia Batam to overcome any challenges and remain successful in IT industry.

This research newest from previous studies by its focus on an IT company as the research subject. Through a comparison of the company's previous business models and the strategies developed from SWOT and BMC analyses, this research sheds light on how the IT industry can leverage these tools to improve business performance. By analyzing the company's experience, this research offers valuable insights into the effectiveness of BMC and SWOT analyses in helping IT companies refine their business strategies and differentiate themselves in a highly competitive market.

Based on the description above, the research title is: "Swot Analysis And Design Of Business Model Canvas (Bmc) PT Nordic Solusi Indonesia Batam".

Study Literature

The definition of a business model is divided into three groups; namely, the business model is seen as a method, component/element, and business strategy. The business model as a method is defined as a company's way of making money or profits. The business model as a component is defined as products, benefits, and income, or consumers, assets, and knowledge. A business model has meaning as a related description of the resources and activities carried out by a company to earn profits (PPM Team, 2012).

A business model comprises of five essential components that determine how a company operates and generates revenue. The first component is the target customer or market, which identifies the individuals or groups the business serves. The second component is the product or service offered, which should solve the customers' problems or

fulfill their needs. The third component is the process of delivering the product or service, which should be efficient and effective. The fourth component is the revenue model, which outlines how the company will make money or profit from its products or services. Finally, the fifth component is the company's unique selling proposition or competitive advantage, which sets it apart from its competitors in the market. By addressing each of these components, businesses can create a comprehensive and effective business model that allows them to succeed and thrive in their industry.

The reasons why companies need a business model in the running their business and business are: (1) to Facilitate planning and consideration by decision-makers; (2) to Test the consistency of the relationship between components; (3) to test the market and assumptions used to develop the business and (4) Determine how significant a transformation is and its consequences.

In determining and analyzing the business model that will or has been implemented, the Company certainly has methods and elements of assessment. One of the modes companies can use to analyze business models is the Business Model Canvas.

Business Model Canvas covers The 9 (nine) elements used as the basis for the assessment and is considered to have covered essential parts of a business (Osterwalder, 2014), as shown in figure 1.

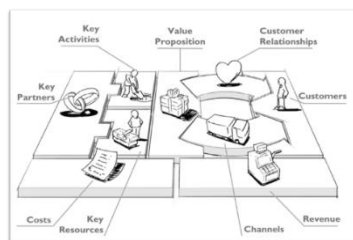


Figure 1 Business Model Canvas
(Source: KajianPustaka.com, 2022)

The first element is customer segments, which identifies the specific groups of customers the company serves. The second element is the value proposition, which outlines the unique benefits the company offers to its customers. The third element is channels, which describes the ways the company reaches its customers and delivers its products or services. The fourth element is customer relations, which explains how the company interacts with its customers

and builds relationships with them. The fifth element is revenue streams, which identifies the different ways the company earns revenue from its products or services. The sixth element is key resources, which are the essential assets the company needs to operate and deliver its value proposition. The seventh element is key activities, which are the crucial actions the company takes to create value for its customers. The eighth element is key partnerships, which describes the collaborations or relationships the company has with other businesses or organizations. The final element is cost structure, which identifies the expenses and costs associated with operating the business model. By considering each of these nine elements, companies can create a clear and effective business model that meets the needs of its customers while generating revenue and maintaining profitability.

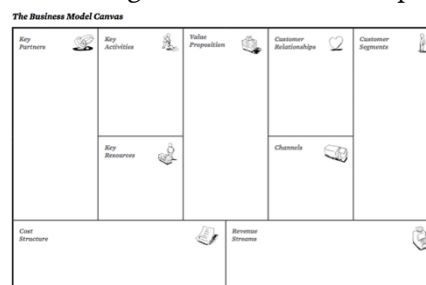


Figure 1 Template Business Model Canvas
(Source: Osterwalder & Pigneur, 2010)

SWOT analysis thoroughly evaluates a company's strengths, weaknesses, opportunities, and threats (Armstrong, 2015). In contrast to the opinion expressed (Rangkuti, 2015), namely the identification of factors systematically to create a company strategy.

	Strengths	Weakness
Threats	ST Memanfaatkan potensi untuk menghadapi ancaman	WT Meminimalkan kelemahan untuk menghadapi ancaman
Opportunities	SO Memanfaatkan potensi untuk meraih peluang	WO Mengatasi kelemahan untuk meraih peluang

Figure 2 SWOT Analysis
(Source: ResearchGate.net, 2022)

2. Methods

2.1 Population and Sample

The researcher used a qualitative method of studying the case, using the snowball

sampling technique, where the director, the key informant, recommended two staff to become further informants. There are three informants, they are the director, inside sales, and digital marketing staff. This research started on February 2022 – August 2022 which conducted at PT Nordic Solusi Indonesia, Batam Center, Riau Islands, Indonesia.

Researchers collect data through Systematic observation (using guidelines as an instrument), interviews by conducting in-depth interviews, and documentation. Data processing techniques are carried out using inductive techniques, namely from facts that are known concretely, then generated into a general conclusion based on empirical facts about the research location.

The data analysis technique uses the Miles and Huberman Interactive Analysis Model (Sugiyono, 2020), which consists of four stages, the first of which collects data through observation, interviews, and documentation; then, the data that has been collected is summarized to obtain important main points related to research; then do the data presentation in shape tables, graphs, pictures or a description describing the results of the research; and finally interesting a research conclusion.

3. Results and Discussion

3.1 Analysis SWOT Results

The SWOT diagram provides a visual representation of the key findings of the analysis and highlights the most significant factors that need to be addressed in order to ensure the success of the organization.



Figure 4 SWOT Diagram

(Source: ResearchGate.net, 2022)

After identifying the SWOT analysis, each point will be entered into the SWOT template table. Following are the results of the identification SWOT table obtained from interviews and observation interviews and

observation.

Table 1 SWOT Analysis

Strength	Weaknesses
Is the only Microsoft Silver Partner in the Riau Archipelago	Do not have a special website for PT Nordic Solusi Indonesia yet
The products provided are hardware and software	Does not have a catalog of Products and Services
Customers can make service requests as needed	Promotions that have not been maximized
Good after-sales service	
Opportunities	Threats
Technological developments in Indonesia are increasing	A competitor that has been around for a long time and is widely known
Batam as an industrial city	Price play from competitors
Customer loyalty to the company	Unstable price increases

Source: (Processed data, 2022)

The table above shows that PT Nordic Solusi Indonesia has 4 points of strength: a Microsoft Silver Partner in the Riau Archipelago and the only official reseller from Microsoft. Of course, the price will be much more affordable than the others; the second is PT Nordic Solusi Indonesia sells not only products but also IT services, even customers can make custom requests according to the Company's needs and budget, as well as good after-sales service which is the strength of PT Nordic Solusi Indonesia. The weakness is that it does not have a particular website. PT Nordic Solusi Indonesia still uses a website the headquarter in Singapore, namely nordic-solutions. Asia, potential customers need help to obtain information related to PT Nordic Solusi Indonesia. Besides, PT Nordic Solusi Indonesia still needs a catalog for its products and services, and promotions that have been on the run still need to be maximal and reach many companies in Batam. The opportunities that PT Nordic Solusi Indonesia can utilize are the times that are accompanied by technological developments, the demand for IT needs will also increase, plus Batam City is an industrial city which, of course, also has IT needs, as well as customer loyalty in using the products and services offered—provided by PT Nordic Solusi Indonesia. PT Nordic Solusi Indonesia needs to consider several threats: competitors with similar businesses that have long been known by many companies and even the Batam government. There is price competition between competitors and unstable prices and stock from vendors.

Table 2 SWOT Matrix

SWOT MATRIX	Strength	Weaknesses
	<ol style="list-style-type: none"> 1. Is the only Microsoft Silver Partner in the Riau Archipelago 2. The products provided are hardware and software 3. Customers can make service requests as needed 4. Good after-sales service 	<ol style="list-style-type: none"> 1. Do not have a special website for PT Nordic Solusi Indonesia yet 2. Does not have a catalog of Products and Services 3. Promotions that have not been maximized
Opportunities	SO strategy	WO strategy
<ol style="list-style-type: none"> 1. Technological developments in Indonesia are increasing 2. Batam as an industrial city 3. Customer loyalty to the company 	<ol style="list-style-type: none"> 1. Build brand awareness 2. Expanding market share, not focusing only on certain industries 3. Provide the best service to customers so that it will create customer satisfaction and ultimately recommend the services offered by PT Nordic Solusi Indonesia 	<ol style="list-style-type: none"> 1. Creating a special website for PT Nordic Solusi Indonesia as a means to promote and make it easier for prospective customers to obtain information regarding PT Nordic Solusi Indonesia 2. Make use of SEO 3. Create a catalog of products and services 4. Improve promotion and marketing
Threats	ST Strategy	WT Strategy
<ol style="list-style-type: none"> 1. A competitor that has been around for a long time and is widely known 2. Price play from competitors 3. Unstable price increases 	<ol style="list-style-type: none"> 1. Increase the company's portfolio so as to increase the trust of prospective customers 2. Adding vendors/suppliers to serve as price comparison references 	<ol style="list-style-type: none"> 1. Making competitors' strategies as a reference in carrying out the company's business processes

Source: (Processed data, 2022)

The results of the analysis of the elements of the Business Model Canvas At stage this that is he did an analysis based on nine elements in the Business Model Canvas

1. Customer Segments

PT Nordic Solusi Indonesia is a B2B (Business to Business) with customer segments: Small and Medium Businesses (SMB), Enterprise, and Batam City Government.

2. Value Proposition

In running its business, PT Nordic Solusi Indonesia has a valuable pr o position, namely good after-sales service; after customers use IT products and services, PT Nordic Solusi Indonesia will remain ready to help and serve requests from customers to create customer satisfaction, and PT Nordic Indonesian Solutions has a good reputation in the eyes of customers.

3. Channels

Channels or channels used by PT Nordic Solusi Indonesia in promoting IT products and services, namely through direct and indirect media, directly, namely by making visits to prospective customers to hold meetings, and indirectly, namely by using the social media platforms LinkedIn and Instagram and Take advantage of digital marketing and ads.

4. Customer Relations

For the customer relationship strategy implemented at PT Nordic Solusi Indonesia, namely carrying out a personal assistance strategy to keep in touch with customers,

sending greeting emails every holiday such as Eid al-Fitr, Christmas, and others.

5. Revenue Streams

The income currently obtained by PT Nordic Solusi Indonesia is from the sale of hardware and software products and IT services, such as IT Managed Services, IT Monitoring, and monitoring services.

6. Key Activities

The main activities currently being carried out by PT Nordic Solusi Indonesia are offering IT services and products to customers, such as technical services, monitoring, and procurement of IT hardware and software devices.

7. Key Resources

Included in the Key Resources at PT Nordic Solusi Indonesia are buildings, IT equipment, and mobile phones/phones, which support operational activities at PT Nordic Solusi Indonesia, other assets such as intellectual assets owned by PT Nordic Solusi Indonesia are in the form of partnerships, namely suppliers and the essential asset is HR.

8. Key Partnerships

In carrying out its business, PT Nordic Solusi Indonesia works closely with its partners, both vendors/ suppliers. Currently, the PT Nordic Solusi Indonesia vendors are Metrodata, Denindo, and Ingram.

9. Cost Structure

The cost structure of PT Nordic Solusi Indonesia consists of fixed costs in the form of employee salary payments, building rental payments, electricity, water, and internet, as well as variable costs in the form of maintenance costs, transportation, advertising, promotion costs, and sales fees. In carrying out its business, PT Nordic Solusi Indonesia is included in the value-driven category.

Table 3 Design of Business Model Canvas

Key Partnerships	Key Activities	Value Proposition	Customer Relations	Customer Segments
1. Add partners or partner suppliers / vendors to avoid out of stock and as a reference for price comparisons.	1. Selling products and services 2. Promotion	1. For certain projects provide free consultation with the customer 2. requests can be made for making software / applications according to customer needs 3. Good after-sales service	1. Gives a discount on certain purchases 2. Organize gatherings and seminars with customers	1. Business to Business (B2B), its market segments start from MSME, SMB, Enterprise, and Government.
	Key Resources		Channels	
	1. HR 2. IT Devices 3. Capital		1. Direct Way 2. social media 3. Word of Mouth	
Cost Structure :		Revenue Streams		
1. Value driven 2. Make a cost structure plan to better control the expenditure and income of funds at PT Nordic Solusi Indonesia		1. Sales of IT products and services		

Source: (Processed data, 2022)

From the table above, the strategic concept of PT Nordic Solusi Indonesia's Business Model Canvas design is obtained by assessing all strengths, weaknesses, opportunities, and threats. The following are the points generated in the strategy concept in PT Nordic Solusi Indonesia's Business Model Canvas.

1. Customer Segments

Expand target customers segment but is explicitly set to be more focused and know the most appropriate strategy in approaching potential customers and how to discover and explore IT-related needs or problems experienced by prospective customers.

2. Value Proposition

Adding new things to the value proposition points, not only relying on after-sales service, but innovations that can add superior value offered by PT Nordic Solusi Indonesia, such as making specific programs, discounts, distribution of souvenirs, free training, and others.

3. Channels

It is creating new ways to introduce and promote products and services owned by PT Nordic Solusi Indonesia, such as utilizing ad services to enhance the brand awareness and sales of products and services that will affect the Revenue Streams of PT Nordic Solusi Indonesia.

4. Customer Relations

Conduct regular gatherings and seminars to maintain good relations with customers and can be used to inform regarding products and services owned by PT Nordic Solusi Indonesia. The

excellent relationship that the seller has with the customer will create a loyal customer who will later make repeat orders and even recommend the Company to colleagues or other relations, thereby expanding the customer's reach.

5. Revenue Streams

The income currently obtained by PT Nordic Solusi Indonesia is through the sale of IT products and services.

6. Key Activities

The main activities carried out by PT Nordic Solusi Indonesia are selling IT products and services. The strategy that can be applied at this point is to add to the main activities of PT Nordic Solusi Indonesia in the field of promotion and marketing so that it does not focus only on making sales but also on marketing activities which are very important to do, mainly because this Company is still relatively new so that it can survive. Furthermore, even known by the general public, promotional and marketing activities are significant activities that will generate new customer leads for the Company.

7. Key Resources

HR is an essential key resource in a company; for this reason, the strategy that needs to be addressed at this point is to increase the capabilities of existing human resources at PT Nordic Solusi Indonesia both through certification and training to create professional and quality human resources to maintain and increase customer trust, and as an essential value that prospective customers will notice.

8. Key Partnerships

Looking for and adding relationships with new vendors so that the products and services offered are more varied and avoid stockouts and price references that may vary from each vendor.

9. Cost Structure

Make plans related to cost structures that are more detailed, clear, and periodic so that control over expenditure and income is more controlled to minimize unexpected expenses or even significant losses.

4. Conclusion

The conclusion of this research found: (1) According to the SWOT and BMC analysis

results, the strength of PT Nordic Solusi Indonesia lies in the value proposition element seen from service total satisfied sale customers, and Key Partnerships showed that PT Nordic Solusi Indonesia has several partners and own good relationship with partners. Meanwhile, the Customer Segment element needs to be improved because it needs to own target customer focus. Channel is still limited to social media, Instagram, and by direct. Essential Resources owned are still limited. This scene from the total still shows employees needing more than 20 people, and Key Activities seen from activity sales still need to be maximum. Opportunity lies in the Revenue Streams element. PT Nordic Solusi Indonesia could add income by adding products and services. While the owned threats are in the Cost structure element, this is seen from the lack of governance and control system finance at PT Nordic Solusi Indonesia.; (2)The concept of the strategy applied is by focus scope on Customers Segment from the previous one free Becomes targeting B2B (Business to Business), namely MSME (Micro, Small and Medium Enterprises), SMB (Small Medium Business), Enterprise, and Government. Adding new values to the Value Proposition by making system membership for customers, expanding sales on channels with add and more enable social media platforms as well as making the website unique for coverage cost Structure that is with the addition of all capital with follow activities organized by the Government as well as create governance system related to the use of funds at PT Nordic Solusi Indonesia to avoid uncontrolled use of funds. In Indonesia, developing existing values in Customer Relationships by organizing.

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