



**FINAL PROJECT – TI184833**

**DESIGNING BUSINESS MODEL CANVAS AND FORMULATING  
COMPETITIVE STRATEGICAL APPROACH ON ITS PRESS UNIT**

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Surabaya

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TUGAS AKHIR – TI184833

**PERANCANGAN MODEL BISNIS KANVAS DAN PERUMUSAN  
STRATEGI KOMPETITIF PADA UNIT ITS PRESS**

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2019

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**APPROVAL SHEET**

**DESIGNING BUSINESS MODEL CANVAS AND FORMULATING  
COMPETITIVE STRATEGICAL APPROACH ON ITS PRESS UNIT**

**FINAL PROJECT**

Proposed as the requirement to obtain bachelor degree  
For undergraduate Program of Industrial Engineering Department  
Faculty of Industrial Technology  
Institut Teknologi Sepuluh Nopember  
Surabaya

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**SURABAYA, JULY 2019**



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# **DESIGNING BUSINESS MODEL CANVAS AND FORMULATING COMPETITIVE STRATEGICAL APPROACH ON ITS PRESS UNIT**

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## **ABSTRACT**

The change of ITS status into *Perguruan Tinggi Negeri Badan Hukum (PTNBH)* enables ITS for full authority of autonomy in managing its finances. This status empowers the development of business unit to generate profitable revenue and achieve financial security. Currently, ITS business unit are not getting enough market share including ITS Press who is responsible to support internal needs for printing and publishing fields. ITS Press generated 1.1 billion rupiah in 2017 in which only half of the forecasted revenue from the whole printing activity in internal ITS. This condition urges ITS Press to make improvement on its business and become primary press services provider and a revenue generator for ITS. This research is aim to analyze ITS Press existing business process and recommends the design of business model canvas to help ITS Press achieving those mission. This research will provide the formulation of strategy to increase ITS Press sales and revenue by conducting internal and external audit, mapping of Strategic Position and Action Evaluation (SPACE) Matrix, selecting the best strategy with Quantitative Strategic Planning Matrix (QSPM), and alignment into operational level strategy to ease implementation process. The output of the research will be a recommendation of business model canvas and strategy to achieve ITS Press mission becoming primary press services provider and a revenue generator for ITS.

*Keyword: Business model canvas, Internal and External Audit, Strategic Position and Action Evaluation (SPACE) Matrix, Quantitative Strategic Planning Matrix (QSPM), Operational Strategy*

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# **PERANCANGAN MODEL BISNIS KANVAS DAN PERUMUSAN STRATEGI KOMPETITIF PADA UNIT ITS PRESS**

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## **ABSTRAK**

Perubahan status ITS menjadi Perguruan Tinggi Negeri Badan Hukum (PTNBH) membuat ITS memiliki otoritas otonomi penuh dalam mengelola keuangan. Status ini dioptimalkan dengan megembangkan unit bisnis untuk menghasilkan pendapatan yang menguntungkan dan mencapai keamanan finansial. Saat ini, unit bisnis di ITS tidak mendapatkan pangsa pasar yang cukup termasuk ITS Press yang bertanggung jawab untuk mendukung kebutuhan internal dalam percetakan dan penerbitan. ITS Press menghasilkan 1,1 miliar rupiah pada tahun 2017 di mana hanya setengah dari pendapatan yang diperkirakan dari seluruh kegiatan percetakan di internal ITS. Penelitian ini bertujuan untuk menganalisis proses bisnis ITS Press yang ada dan merekomendasikan model bisnis kanvas untuk membantu ITS Press mencapai misi tersebut. Penelitian ini merumuskan strategi untuk meningkatkan penjualan dan pendapatan ITS Press dengan melakukan audit internal dan eksternal, pemetaan Matriks Posisi Strategis dan Evaluasi Tindakan (SPACE), memilih strategi terbaik dengan Matriks Perencanaan Strategis Kuantitatif (QSPM), dan menyelaraskan ke dalam strategi tingkat operasional untuk memudahkan proses implementasi. Hasil dari penelitian ini akan menjadi rekomendasi model bisnis yang sesuai dan strategi yang kompetitif untuk mencapai misi ITS Press menjadi penyedia layanan percetakan dan penerbitan utama dan memberikan kontribusi finansial untuk ITS.

*Kata kunci: Model bisnis kanvas, Audit Internal dan Eksternal, Matriks Posisi Strategis dan Evaluasi Tindakan (SPACE), Matriks Perencanaan Strategi Kuantitatif (QSPM), Strategi Operasional*

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## PREFACE

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Surabaya , July 2019

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## **CHAPTER I INTRODUCTION**

This chapter will explain the background of the project, problem formulation, purposes, benefits, and the outline of the report.

### **1.1 Background**

Based on *Peraturan Pemerintah Nomor 54 Tahun 2015*, Institut Teknologi Sepuluh Nopember (ITS) was designated to change its status from PTN-BLU to PTNBH. PTNBH is a *Perguruan Tinggi Negeri Badan Hukum* which has full authority of autonomy in managing its finances. PTNBH's status should be used to improve the ability of revenue generation which can later be used to strengthen support for academic and non-academic programs. Current effort made by empowering the development of business unit to generate profitable revenue that will lead to financial security.

ITS business unit is categorized into two, which are supporting business unit and commercial business unit. Both business unit are managed by BPPU (*Badan Pengembangan & Pengelola Usaha*) in which responsible to provides services for the ITS academic community and public. Supportive business unit consist of *UPT Bahasa, UPT Pusat Pelatihan dan Sertifikasi Profesi, UPT Asrama, UPT Fasilitas Olahraga, UPT ITS Press, UPT DRKN, and UPT Fasor* in which responsible to support the learning process activities in ITS. While commercial unit mostly dedicated as revenue generator. The shifted status to PTNBH makes ITS plan to utilize all its business unit to be able to generate profitable business operation to achieve financial stability.

Currently, ITS business unit are not getting enough market share including its own captive market. One of the prospective support unit is ITS Press who is responsible to support internal needs for printing and publishing fields in which closely related to the creation and publication of scientific journals, ITS news, textbooks, general printing, academic reports, the provision of printed media for education and research. The status as ITS printing and publishing unit did not make ITS Press as primary printing and publishing vendor for most administration

program and academic needs in the university. ITS Press generated 1.1 billion rupiah in 2017 in which only half of the forecasted income from the whole printing activity in its captive market, ITS.

In past few years, ITS Press mainly dedicated to supports the printing for educational process. ITS should optimize PTNBH status by making ITS Press not only as educational support unit but also to become a revenue generator. The existing business model is not compatible to make the mission as supporting unit and revenue generator. The ability of ITS Press to generate revenue as well as supporting educational process should be taken a closer approach. The new business model yet a competitive strategy is urgently needed to be designed in order to give a clear business view and conduct in achieving both missions.

Taking on a comparative look on how other university press like National University of Singapore (NUS) press is running the business, they have successfully made academic work affordable for individual buyers by setting retail prices accordingly as well as keeping books in print longer than most commercial publishers. Furthermore, in order to generate profitable revenue, NUS press books are stocked by the leading English-language bookshops in Southeast Asia and reach global markets through a network of distributors working with online booksellers and library suppliers. NUS Press also partnered with the University of Chicago Press to represents them in North America, Eurospan in Europe, the Middle East and Africa, B.K. Norton and Everest International Publishing Services in Greater China, and Hotaka Books in Japan. NUS Press legally operate as a private limited company under Singapore law and 100% owned by the National University of Singapore to operate on a not-for-profit basis. Comparing with NUS Press legally, ITS Press now has been given an authority to be able to generate revenue as ITS owned its PTNBH's status. Its shows that ITS could be able to give better approach on how to conduct business and having a competitive strategy especially on how to win the internal market and partnered with prospective distribution channel especially in Indonesia.

On the other hand, the same status also given to Airlangga University Press, a university press owned by Airlangga University in which also hold the PTNBH's



status. They have succeeded in bringing the mission to be an academic support unit and profitable revenue generator. It was proven by their annual income almost six times higher than ITS Press annual revenue. Their strategy to win the internal market by giving easier access to stakeholder gave them full control of internal market (captive market) as well as having external customers from banking, oil and Gas Company and other university. They have successfully built a competitive business model to balance and keep on track for their mission. The way how Airlangga University Press doing business shows that a press owned by a university with PTNBH's status is feasible to support the academic process and generating profitable revenue.

This research will emphasize on how to prepare ITS Press to bring the mission of educational support unit as well as revenue generator by designing the new business model to give a clear view on how to conduct the business under circumstances of this missions. Furthermore, this research aimed to formulate competitive strategy to prepare ITS Press to be more proactive in shaping its own future. The selected strategy will be converted into operational level strategy to bring an easier implementation process. This approach is designed to help ITS Press to have a strategy with systematic, logical, and rational approach as it is fundamental to develop ITS press as educational support unit and profitable revenue generator.

## **1.2 Problem Formulation**

This research formulates the strategy for ITS Press to increase their revenue and expand their market.

## **1.3 Research Objectives**

The objectives of this research are as follows:

1. Analyzing existing business process of ITS Press
2. Recommends modified business plan for ITS Press modelled with Business Model Canvas

3. Formulating ITS Press strategy and converting into operational strategy

#### **1.4 Research Benefits**

The benefit of this final project are as follows:

1. Formulated strategy could be used by ITS Press to increase their sales and revenue.
2. The formulated strategy as the references for ITS Press employee to understand the unit business process.
3. Improving the information for academic stakeholder in conducting research for business strategy development.

#### **1.5 Limitation and Assumption**

Limitations and assumptions of the final project are listed as follows.

##### **1.5.1 Limitation**

1. The output of the research is alternative strategy recommended for ITS Press and does not provide the discussion on strategy implementation and evaluation.
2. The research excludes leadership factor and influence towards ITS Press performance.
3. The data used in the research are from ITS Press on year of 2017 and 2018.

##### **1.5.2 Assumption**

The assumption uses during the research is ITS Press product variance remains the same.

#### **1.6 Outline of Research**

This subchapter will explain about the research outline used in this research report, which is explained as follows

#### **CHAPTER 1 INTRODUCTION**

This subchapter will explain about the background of the research, the problem formulation of the research that will be solved in the research, the objective

of the research that wants to be accomplished, the benefits of the research that are expected to be obtained, the limitation and assumption used in the research, and the research outline which explains the brief content of the research.

## CHAPTER II LITERATURE REVIEW

This subchapter will explain about the theory used in doing the research. This theory will be used as a basis for the author to solve the research topic, and to give a detail explanation to the reader about the concept used in the research. A supporting argument or opinion of the author regarding to the literature used is also needed, whether it is supporting the theory or defending the theory. The theory used is usually taken from books, previous researches, research paper, journal, and other qualified sources. The method or approach used by the author in the research also must be explained in this chapter.

## CHAPTER III RESEARCH METHODOLOGY

This subchapter will explain about the steps used in doing the research, from the beginning to the end. The steps will give a comprehensive understanding to the reader about the research procedure.

## CHAPTER IV DATA COLLECTING & PROCESSING

This subchapter will explain about data collected regarding to the research that is done. The data can be gathered in the form of primary data from observation or secondary data. All the data then will become the input of the research, which will be proceed by using the research method or approach, in order to solve the problem and find the right solution for it.

## CHAPTER V ANALYSIS & EVALUATION

This subchapter will explain about the analysis and further explanation about the result of data processing that has been done before.

## CHAPTER VI CONCLUSION & SUGGESTION

This subchapter will explain about the conclusion that can be obtained from the result of the data processing, and the proposed suggestion for the research object and the next research.



## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter will explain about the theories, concepts, and knowledge obtained from the literature source that have been elaborated and used to support the research work.

#### **2.1 Business Process**

A business process refers to a wide range of structured, often chained, activities or tasks conducted by people or equipment to produce a specific service or product for a user or consumer. Business processes are implemented to accomplish a predetermined organizational goal. Business processes occur at all organizational levels; some are visible to customers, while others are not. There are three types of business processes are which are;

1. Management Processes: The processes that govern the operation of a system.
2. Operational Processes: The processes that constitute the core business of the organization and create the primary value stream.
3. Supporting Processes: The processes that support the core processes. Examples include accounting and technical support.

Business process mapping is a way to visualize what a business does by considering roles, responsibilities and standards. There are several reasons why organizations map their processes.

1. ISO 9001 compliance. This set of standards is geared toward ensuring organizations meet the needs of customers while complying with government regulations pertaining to a product.
2. Compliance with Sarbanes-Oxley Act of 2002. This is also known as the Public Company Accounting Reform and Investor Protection Act of 2002, Sarbox, or SOX. It's a federal law that requires visibility and proper

disclosure of compliance issues for all publicly traded companies to ensure that proper controls are in place.

3. Onboarding new employees. Having a set of documented processes for new employees to follow can shorten training time, put less strain on other staff members, and help to ensure consistency and continuity of output.
4. Communicating processes to others. At times it is necessary to be able to show a process to others. The visual structure of a business process map makes it easier to understand the process without having to read (and try to comprehend) a long, narrative description.
5. Internal audits. Make sure work is done in line with the company's standards and policies.
6. Process improvement and re-engineering. Once a process is documented and understood, it can be analyzed to improve efficiency.

## 2.2 Business Model Canvas

The Business Model Canvas (BMC) is a strategic management tool to quickly and easily define and communicate a business idea or concept. It is a one-page document which works through the fundamental elements of a business or product, structuring an idea in a coherent way.

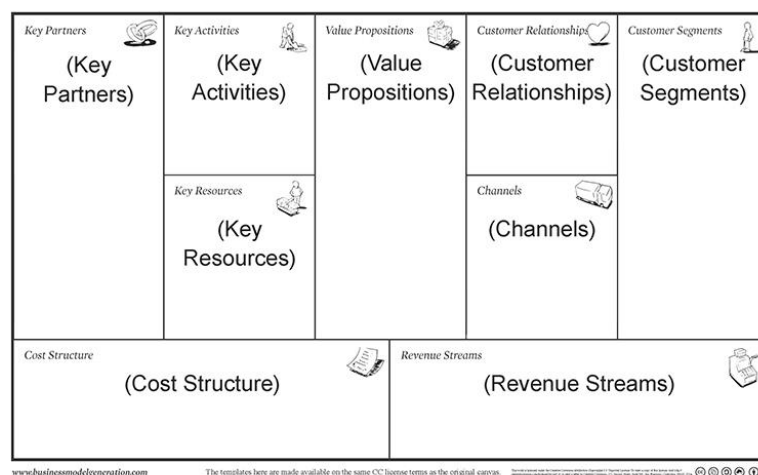


Figure 2. 1 Business Model Canvas

Source: (Alexander Cowan, 2014)

Table 2. 1 Business Model Canvas Element

| No | Element           | Explanation   |
|----|-------------------|---|
| 1. | Customer segment  | <p>Customers comprise the heart of any business model. Without (profitable) customers, no company can survive for long. In order to better satisfy customers, a company may group them into distinct segments with common needs, common behaviors, or other attributes. A business model may define one or several large or small Customer Segments. An organization must make a conscious decision about which segments to serve and which segments to ignore. Once this decision is made, a business model can be carefully designed around a strong understanding of specific customer needs.</p>  |
| 2. | Value Proposition | <p>The Value Proposition is the reason why customers turn to one company over another. It solves a customer problem or satisfies a customer need. Each Value Proposition consists of a selected bundle of products and/or services that caters to the requirements of a specific Customer Segment. In this sense, the Value Proposition is an aggregation, or bundle, of benefits that a company offers customers. Some Value Propositions may be innovative and represent a new or disruptive offer. Others may be like existing market offers, but with added features and attributes.</p>  |
| 3. | Channel           | <p>Communication, distribution, and sales Channels comprise a company's interface with customers. Channels are customer touch points that play an important role in the customer experience.</p> <p>Channels serve several functions, including:</p> <ol style="list-style-type: none"> <li>1. Raising awareness among customers about a company's products and services</li> <li>2. Helping customers evaluate a company's Value Proposition</li> <li>3. Allowing customers to purchase specific products and services</li> <li>4. Delivering a Value Proposition to customers</li> <li>5. Providing post-purchase customer support</li> </ol> |

Table 2.1 Business Model Canvas Element (Con't)

| No | Element               | Explanation   |
|----|-----------------------|---|
| 4. | Customer Relationship | A company should clarify the type of relationship it wants to establish with each Customer Segment. Relationships can range from personal to automated. Customer relationships may be driven by the customer acquisition and customer retention.  |
| 5. | Key Resources         | Every business model requires Key Resources. These resources allow an enterprise to create and offer a Value Proposition, reach markets, maintain relationships with Customer Segments, and earn revenues. Different Key Resources are needed depending on the type of business model. A microchip manufacturer requires capital-intensive production facilities, whereas a microchip designer focuses more on human resources. Key resources can be physical, financial, intellectual, or human. Key resources can be owned or leased by the company or acquired from key partners.                  |
| 6. | Key Activities        | Every business model calls for a number of Key Activities. These are the most important actions a company must take to operate successfully. Like Key Resources, they are required to create and offer a Value Proposition, reach markets, maintain Customer Relationships, and earn revenues. And like Key Resources, Key Activities differ depending on business model type. For software maker Microsoft, Key Activities include software development. For PC manufacturer Dell, Key Activities include supply chain management. For consultancy McKinsey, Key Activities include problem solving. |
| 7. | Key Partnership       | Companies forge partnerships for many reasons, and partnerships are becoming a cornerstone of many business models. Companies create alliances to optimize their business models, reduce risk, or acquire resources. This building block describes the most important costs incurred while operating under a particular business model.   |



Table 2.1 Business Model Canvas Element (Con't)

| No | Element        | Explanation   |
|----|----------------|---|
| 8. | Revenue Stream | If customers comprise the heart of a business model, Revenue Streams are its arteries. A company must ask itself, For what value is each Customer Segment truly willing to pay? Successfully answering that question allows the firm to generate one or more Revenue Streams from each Customer Segment. Each Revenue Stream may have different pricing mechanisms, such as fixed list prices, bargaining, auctioning, market dependent, volume dependent, or yield management. |

Source: (Alex Osterwalder & Yves Pigneur, 2010)

## 2.3 Strategic Management

### 2.3.1 Strategic Management Concept

A sequence process of identification and description of the strategies that enable managers to carry and achieve better performance as well as competitive advantage for their organization is defined as strategic management. An organization is categorized to have competitive advantage if their profitability is higher than the average profitability for all companies in its industry scoop. Strategic management be defined as a bundle of decisions and acts which a manager undertakes that will decides the result of the firm's performance. The manager must have adequate knowledge and analysis of the general and competitive organizational environment to be able to take right decisions. A SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) is necessary, they should make best possible utilization of strengths, minimize the organizational weaknesses, make use of arising opportunities from the business environment and shouldn't ignore the threats of the business.

Strategic Management will give broader perspective to the employees to better understand how their job fits into the entire organizational plan and how it is related to other organizational members. It is nothing but the art of managing employees in a manner which maximizes the ability of achieving business objectives. Becoming more trustworthy, committed, and satisfied employee can co-relate

themselves very well with each organizational task. They can understand the reaction of environmental changes on the organization and the probable response of the organization with the help of strategic management. Thus, the employees can judge the impact of such changes on their own job and can effectively face the changes. The managers and employees must do appropriate things in appropriate manner. They need to be both effective as well as efficient. One of the major roles of strategic management is to incorporate various functional areas of the organization completely, as well as, to ensure these functional areas harmonize and get together well. Another role of strategic management is to keep a continuous eye on the goals and objectives of the organization. Source: (Prachi Juneja, Management Study Guide)

Some firms do no strategic planning, and some firms do strategic planning but receive no support from managers and employees. Ten reasons (excuses) often given for poor or no strategic planning in a firm are as follows: Source: (Fred David and Forest David 2017)

1. No formal training in strategic management
2. No understanding of or appreciation for the benefits of planning
3. No monetary rewards for doing planning
4. No punishment for not planning
5. Too busy “firefighting” (resolving internal crises) to plan ahead
6. View planning as a waste of time, since no product/service is made
7. Laziness; effective planning takes time and effort; time is money
8. Content with current success; failure to realize that success today is no guarantee for success tomorrow; even Apple Inc. is an example.
9. Overconfident
10. Prior bad experience with strategic planning done sometime/somewhere.

### 2.3.2 *Strategic Management Benefits*

Strategic management has various benefit for any organization who truly implement it. Employee involvement in terms of dialogue and participation will

enhanced overall firm communication level. The situation will trigger the improvement of understanding and will give an impact towards greater commitment to achieve objectives, implement strategy and to work harder. The process of strategic management will make all managers and employees to help the firm succeed.

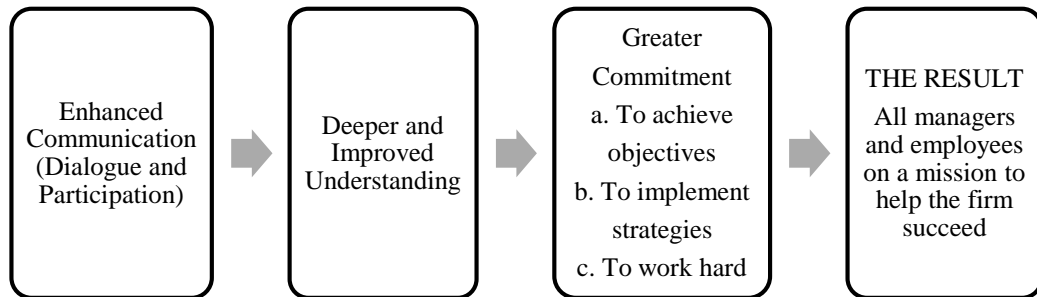


Figure 2. 2 Benefit of Strategic Management

Sources: (Fred David and Forest David 2017)

a. Financial benefit

A firm who implement strategic management concepts show significant improvement in sales, profitability, and productivity compared to firms without systematic planning activities. High-performing firms tend to do systematic planning to prepare for future fluctuations in their external and internal environments. Firms with management systems that utilize strategic-planning concepts, tools, and techniques generally exhibit superior long-term financial performance relative to their industry.

High-performing firms able to make informed decisions with good anticipation of both short- and long-term consequences. In contrast, firms that perform poorly do not reflect good forecasting of future conditions. Strategists of low-performing organizations are often preoccupied with solving internal problems and meeting paperwork deadlines. They typically underestimate their competitors' strengths and overestimate their own firm's strengths. They often attribute weak performance to uncontrollable factors such as a poor economy, technological change, or foreign competition.

## b. Non-Financial benefit

Besides helping firms avoid bad financial condition, strategic management offers other tangible benefits, such as enhanced awareness of external threats, improved understanding of competitor's strategies, increased employee productivity, reduced resistance to change, and a clearer understanding of performance–reward relationships. Strategic management enhances the problem-prevention capabilities of organizations because it promotes interaction among manager's at all divisional and functional levels. Firms that have nurtured their managers and employees, shared organizational objectives with them, empowered them to help improve the product or service, and recognized their contributions can turn to them for help in a pinch because of this interaction. Source: (Fred David and Forest David 2017)

### 2.3.3 *Types of Strategy*

Alternative strategies that an enterprise could pursue can be categorized into 11 actions which are forward integration, backward integration, horizontal integration, market penetration, market development, product development, related diversification, unrelated diversification, retrenchment, divestiture, and liquidation. Each alternative strategy has countless variations. For example, market penetration can include adding salespersons, increasing advertising expenditures, couponing, and using similar actions to increase market share in a given geographic area.

Most organizations usually pursue a combination of two or more strategies, but a combination strategy can be exceptionally risky if carried too far. No organization can afford to pursue all the strategies that might benefit the firm. Difficult decisions must be made. Priorities must be established. Organizations also like individuals, have limited resources. Both organizations and individuals must choose among alternative strategies and avoid excessive indebtedness.

Table 2. 2 Type of Strategy

| No  | Strategy                  | Definition  | Example   |
|-----|---------------------------|---|---|
| 1.  | Forward Integration       | Gaining ownership or increased control over distributors or retailers   | Amazon began rapid delivery services in some U.S. cities.                                 |
| 2.  | Backward Integration      | Seeking ownership or increased control of a firm's suppliers.   | Starbucks purchased a coffee farm   |
| 3.  | Horizontal Integration    | Seeking ownership or increased control over competitors   | BB&T acquired Susquehanna Bancshares.   |
| 4.  | Market Penetration        | Seeking increased market share for present products or services in present markets through greater marketing efforts. | Under Armour signed tennis champion Andy Murray to a 4-year, \$23 million marketing deal. |
| 5.  | Market Development        | Introducing present products or services into new geographic area   | Gap opened its first five stores in China.  |
| 6.  | Product Development       | Seeking increased sales by improving present products or services or developing new ones.                             | Amazon just began offering its own line of baby diapers and wipes.                        |
| 7.  | Related Diversification   | Adding new but related products or services.  | Facebook acquired the text-messaging firm WhatsApp for \$19 billion                       |
| 8.  | Unrelated Diversification | Adding new, unrelated products or services.   | Kroger and Whole Foods Market are cooking meals, becoming restaurants                     |
| 9.  | Retrenchment              | Regrouping through cost and asset reduction to reverse declining sales and profit.                                    | Staples closed 250 stores and reduced by 50% the size of other stores                     |
| 10. | Divestiture               | Selling a division or part of an organization   | Sears Holdings divested its Land's End division to Sears' shareholders                    |

Sources: (Fred David and Forest David 2017)

### 2.3.4 Level of Strategy

The process of strategy making responsibility is not just a task for top executives. Middle and lower level managers also must be involved in the strategic-planning process. In large firms, there are four levels of strategies which are corporate, divisional, functional, and operational. However, in small firms, there are three levels of strategies: company, functional, and operational.

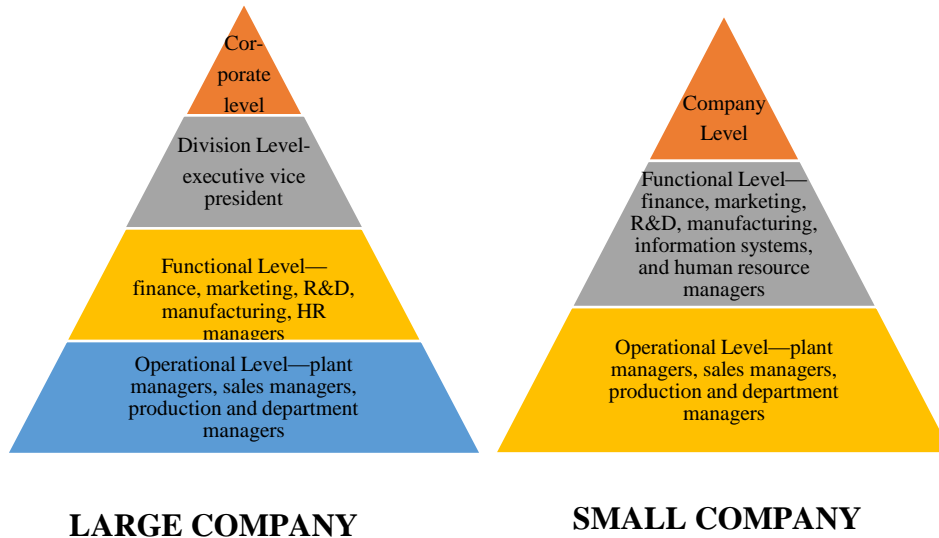


Figure 2. 3 Levels of Strategies with Persons Most Responsible  
Sources: (Fred David and Forest David 2017)

### 2.3.5 Strategic Management Process

Strategic management is a continuous process that appraises the business and industries in which the organization is involved; appraises its competitors; and fixes goals to meet all the present and future competitor's and then reassesses each strategy.

Table 2. 3 Strategic Management Process

| No | Process                | Explanation   |
|----|------------------------|---|
| 1  | Environmental Scanning | Process of collecting, examining and providing information for strategic purposes. It helps in analyzing the internal and external factors influencing an organization. |
| 2  | Strategy Formulation   | Process of deciding best course of action for accomplishing organizational objectives and, hence achieving organizational purpose.                                      |

Table 2.3 Strategic Management Process (Con't)

| No | Process                 | Explanation  |
|----|-------------------------|--|
| 3  | Strategy Implementation | Making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources. |
| 4  | Strategy Evaluation     | The final step of strategy management process. The key strategy evaluation activities are appraising internal and external factors that are the root of present strategies, measuring performance, and taking remedial / corrective actions.                       |

Source: (Prachi Juneja, 2017)

## 2.4 Vision and Mission Statement

Vision and mission statements provide consensus of purpose to organizations and inspire the employees with a sense of belonging and identity. Indeed, vision and mission statements are embodiments of organizational identity and carry the organizations creed and motto. Vision and mission statements spell out the context in which the organization operates and provides the employees with a tone that is to be followed in the organizational climate. Since they define the reason for existence of the organization, they are indicators of the direction in which the organization must move to actualize the goals in the vision and mission statements. The vision and mission statements serve as focal points for individuals to identify themselves with the organizational processes and to give them a sense of direction while at the same time deterring those who do not wish to follow them from participating in the organization's activities.

Mission statements can and do vary in length, content, format, and specificity. Most practitioners and academicians of strategic management feel that an effective statement should include the nine mission statement components given here. Because a mission statement is often the most visible and public part of the strategic-management process, it is important that it includes following nine components: Sources: (Fred David and Forest David 2017)

1. Customers: Who are the firm's customers?
2. Products or services: What are the firm's major products or services?
3. Markets: Geographically, where does the firm compete?
4. Technology: Is the firm technologically current?
5. Survival, growth, and profitability: Is the firm committed to growth and financial Soundness?
6. Philosophy: What are the basic beliefs, values, aspirations, and ethical priorities?
7. Self-concept: What is the firm's major competitive advantage?
8. Public image: Is the firm responsive to social, community, and environmental concerns?
9. Employees: Are employees an asset of the firm?

## **2.5 Environmental Scanning**

### *2.5.1 Internal Audit*

**Key Internal Forces** It is impossible in a strategic-management text to review in depth all the material presented in courses such as marketing, finance, accounting, management, management information systems, and production and operations; there are many subareas within these functions, such as customer service, warranties, advertising, packaging, and pricing under marketing. However, strategic planning must include a detailed assessment of how the firm is doing in all internal areas. A complete internal assessment is vital to help a firm formulate, implement, and evaluate strategies to enable it to gain and sustain competitive advantages.

The process of performing an internal audit closely parallels the process of performing an external audit. Representative managers and employees from throughout the firm need to be involved in determining a firm's strengths and weaknesses. The internal audit requires gathering, assimilating, and prioritizing information about the firm's management, marketing, finance and accounting, production and operations, R&D, and MIS operations to reveal the firm's most important strengths and most severe weaknesses. Compared to the external audit,



the process of performing an internal audit provides more opportunity for participants to understand how their jobs, departments, and divisions fit into the whole organization. This is a great benefit because managers and employees perform better when they understand how their work affects other areas and activities of the firm. For example, when marketing and manufacturing managers jointly discuss issues related to internal strengths and weaknesses, they gain a better appreciation of the issues, problems, concerns, and needs of all the functional areas. Thus, performing an internal audit is an excellent vehicle or forum for improving the process of communication in an organization.

A summary step in conducting an internal strategic-management audit is to construct an Internal Factor Evaluation (IFE) Matrix. This strategy-formulation tool summarizes and evaluates the major strengths and weaknesses in the functional areas of a business, and it also provides a basis for identifying and evaluating relationships among those areas. Intuitive judgments are required in developing an IFE Matrix, so the appearance of a scientific approach should not be interpreted to mean this is an all-powerful technique. A thorough understanding of the factors included is more important than the actual numbers. Like the EFE Matrix and the Competitive Profile Matrix (CPM) described in Chapter 7, an IFE Matrix can be developed in five steps:

1. List key internal factors as identified in the internal-audit process. Use a total of 20 internal factors, including both strengths and weaknesses. List strengths first and then weaknesses. Be as specific as possible, using percentages, ratios, and comparative numbers. Recall that Edward Deming said, "In God we trust. Everyone else bring data." Include actionable factors that can provide insight regarding strategies to pursue. For example, the factor "Our Quick Ratio is 2.1 versus industry average of 1.8" is not actionable, whereas the factor "Our chocolate division's ROI increased from 8 to 15 percent in South America" is actionable. Also, be as divisional as possible, because consolidated data oftentimes is not as revealing or useful in deciding among strategies as the underlying by-segment or division data.

2. Assign a weight that ranges from 0.0 (not important) to 1.0 (all-important) to each factor. The weight assigned to a given factor indicates the relative importance of the factor to being successful in the firm's industry. Regardless of whether a key factor is an internal strength or weakness, factors considered to have the greatest effect on organizational performance should be assigned the highest weights. The sum of all weights must equal 1.0.
3. Assign a 1 to 4 rating to each factor to indicate whether that factor represents a major weakness (rating = 1), a minor weakness (rating = 2), a minor strength (rating = 3), or a major strength (rating = 4). Note that strengths must receive a 3 or 4 rating and weaknesses must receive a 1 or 2 rating. Ratings are thus company-based, whereas the weights in step 2 are industry-based.
4. Multiply each factor's weight by its rating to determine a weighted score for each variable.
5. Sum the weighted scores for each variable to determine the total weighted score for the organization.

### 2.5.2 *External Audit*

The purpose of an external audit is to develop a finite list of opportunities that could benefit a firm as well as threats that should be avoided. As the term finite suggests, the external audit is not aimed at developing an exhaustive list of every possible factor that could influence the business; rather, it is aimed at identifying key variables that offer actionable responses. Firms should be able to respond either offensively or defensively to the factors by formulating strategies that take advantage of external opportunities or that minimize the impact of potential threats.

External forces can be divided into five broad categories: (1) economic forces; (2) social, cultural, demographic, and natural environment forces; (3) political, governmental, and legal forces; (4) technological forces; and (5) competitive forces.

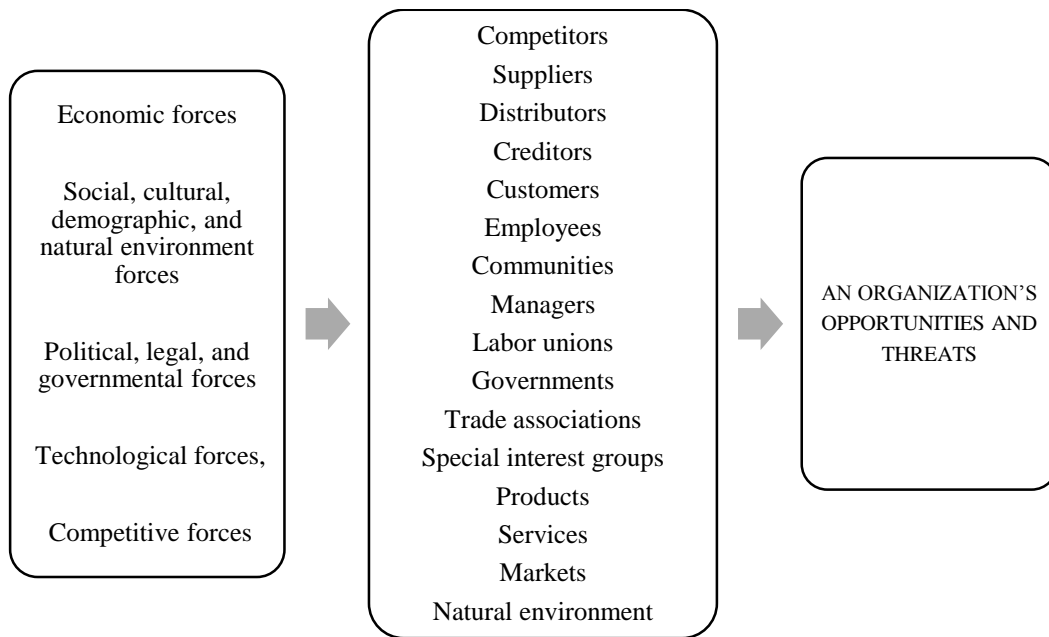


Figure 2. 4 Relationships Between Key External Forces and an Organization

Sources: (Fred David and Forest David 2017)

The process of performing an external audit must involve as many managers and employees as possible. As emphasized in previous chapters, involvement in the strategic-management process can lead to understanding and commitment from organizational members. Individuals appreciate having the opportunity to contribute ideas and to gain a better understanding of their firm’s industry, competitors, and markets. Key external factors can vary over time and by industry.

An External Factor Evaluation (EFE) Matrix allows strategists to summarize and evaluate economic, social, cultural, demographic, environmental, political, governmental, legal, technological, and competitive information. The EFE Matrix can be developed in five steps:

1. List 20 key external factors as identified in the external-audit process, including both opportunities and threats that affect the firm and its industry. List the opportunities first and then the threats. Be as specific as possible, using percentages, ratios, and comparative numbers whenever possible. Recall that Edward Deming said, “In God we trust. Everyone else bring data.” In addition, utilize “actionable” factors as defined earlier in this chapter.

2. Assign to each factor a weight that ranges from 0.0 (not important) to 1.0 (very important). The weight indicates the relative importance of that factor to being successful in the firm's industry. Opportunities often receive higher weights than threats, but threats can receive high weights if they are especially severe or threatening. Appropriate weights can be determined by comparing successful with unsuccessful competitors or by discussing the factor and reaching a group consensus. The sum of all weights assigned to the factors must equal 1.0.
3. Assign a rating between 1 and 4 to each key external factor to indicate how effectively the firm's current strategies respond to the factor, where 4 = the response is superior, 3 = the response is above average, 2 = the response is average, and 1 = the response is poor. Ratings are based on effectiveness of the firm's strategies. Ratings are thus company-based, whereas the weights in Step 2 are industry-based. It is important to note that both threats and opportunities can receive a 1, 2, 3, or 4.
4. Multiply each factor's weight by its rating to determine a weighted score.
5. Sum the weighted scores for each variable to determine the total weighted score for the organization.

## **2.6 Strategic Formulation**

Strategists never consider all feasible alternatives that could benefit the firm because there are an infinite number of possible actions and an infinite number of ways to implement those actions. Therefore, a manageable set of the most attractive alternative strategies must be developed, examined, prioritized, and selected. The advantages, disadvantages, trade-offs, costs, and benefits of these strategies should be determined. This section discusses the process that many firms use to determine an appropriate set of alternative strategies. Recommendations (strategies selected to pursue) come from alternative strategies formulated.

Identifying and evaluating alternative strategies should involve many of the managers and employees who previously assembled the organizational vision and

mission statements, performed the external audit, and conducted the internal audit. Representatives from each department and division of the firm should be included in this process, as was the case in previous strategy-formulation activities. Involvement provides the best opportunity for managers and employees to gain an understanding of what the firm is doing and why and to become committed to helping the firm accomplish its objectives.

Table 2. 4 The Strategy-Formulation Analytical Framework

| <b>Stage 1<br/>INPUT<br/>STAGE</b>      | <b>Stage 2<br/>THE MATCHING<br/>STAGE</b>                | <b>Stage 3<br/>THE DECISION STAGE</b>         |
|---|--|---|
| Competitive Profile Matrix (CPM)        | Strategic Position and Action Evaluation (SPACE) Matrix  | Quantitative Strategic Planning Matrix (QSPM) |
| External Factor Evaluation (EFE) Matrix | Matrix Boston Consulting Group (BCG)                     |   |
| Internal Factor Evaluation (IFE) Matrix | Matrix Internal-External (IE) Matrix                     |   |
|   | Strengths-Weaknesses-Opportunities-Threats (SWOT) Matrix |   |
|   | Grand Strategy Matrix                                    |   |

Source: (Fred David and Forest David 2017)

### 2.6.1 *Input Stage of Strategy*

Information derived from the EFE Matrix, IFE Matrix, and CPM provides basic input information for the matching and decision stage matrices described in this chapter. The input tools require strategists to quantify subjectivity during early stages of the strategy formulation process. Making small decisions in the input matrices regarding the relative importance of external and internal factors allows strategists to more effectively generate, prioritize, evaluate, and select among alternative strategies. Good intuitive judgment is always needed in determining appropriate weights and ratings, but keep in mind that a rating of 3, for example, is mathematically 50 percent more important than with a rating of 2, so small differences matter.

### 2.6.2 *Matching Stage of Strategy*

Strategy is sometimes defined as the match an organization makes between its internal resources and skills and the opportunities and risks created by its external factors.<sup>2</sup> The matching stage of the strategy-formulation framework consists of five techniques that can be used in any sequence: the SWOT Matrix, the SPACE Matrix, the BCG Matrix, the IE Matrix, and the Grand Strategy Matrix. These tools rely on information derived from the input stage to match external opportunities and threats with internal strengths and weaknesses. Matching external and internal key factors is the essential for effectively generating feasible alternative strategies. For example, a firm with excess working capital (an internal strength) could take advantage of the cell phone industry's 20 percent annual growth rate (an external opportunity) by acquiring Cellfone, Inc. This example portrays simple one-to-one matching. In most situations, external and internal relationships are more complex, and the matching requires multiple alignments for each strategy generated. Successful matching of key external and internal factors depends on those underlying key factors being specific, actionable, and divisional to the extent possible.

### 2.6.3 *The Strategic Position and Action Evaluation (SPACE) Matrix*

The Strategic Position and Action Evaluation (SPACE) Matrix is four-quadrant framework indicates whether aggressive, conservative, defensive, or competitive strategies are most appropriate for a given organization. The axes of the SPACE Matrix represent two internal dimensions (financial position [FP] and competitive position [CP]) and two external dimensions (stability position [SP] and industry position [IP]). These four factors are perhaps the most important determinants of an organization's overall strategic position. It is helpful here to elaborate on the difference between the SP and IP axes. The term SP refers to the volatility of profits and revenues for firms in a given industry. Thus, SP volatility (stability) is based on the expected impact of changes in core external factors such as technology, economy, demographic, seasonality, and so on. The higher the frequency and magnitude of changes in a given industry, the more unstable the SP becomes. An industry can be stable or unstable on SP, yet high or low on IP.

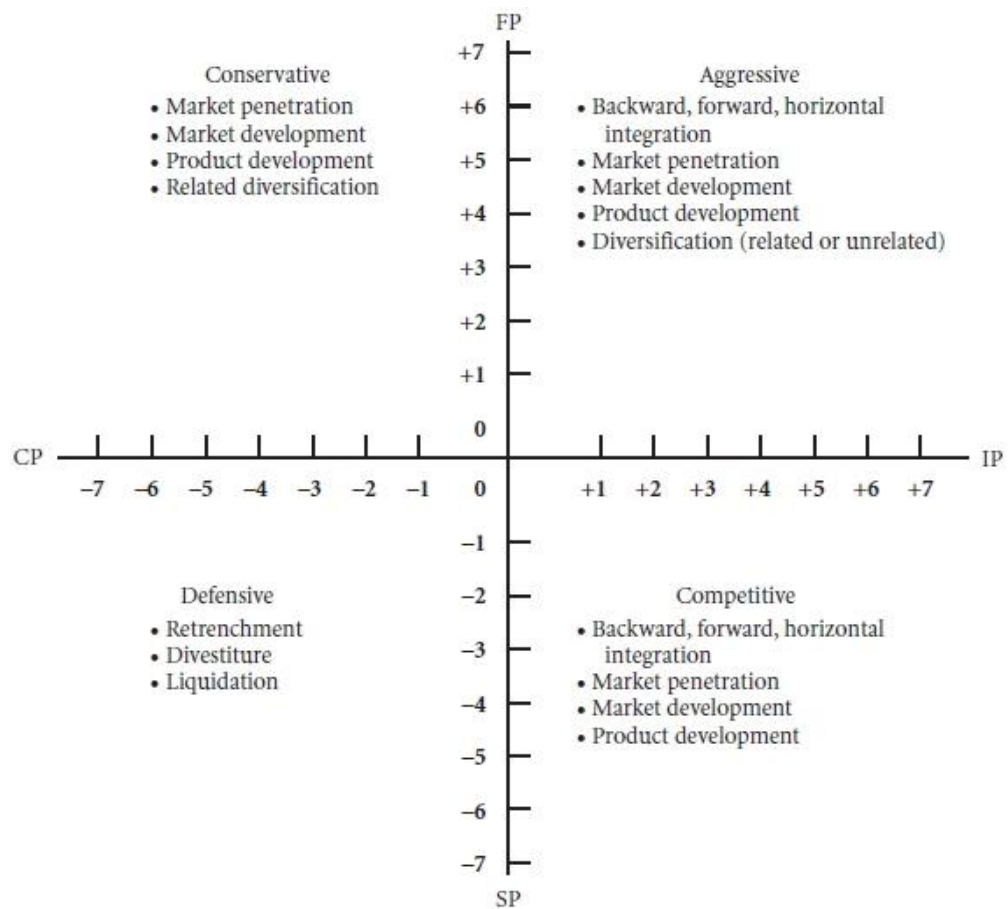


Figure 2. 5 The SPACE Matrix

Source: (Fred David and Forest David 2017)

The process of developing a SPACE Matrix can be summarized in six steps, as follows:

1. Select a set of variables to define financial position (FP), competitive position (CP), stability position (SP), and industry position (IP).
2. Assign a numerical value ranging from +1 (worst) to +7 (best) to each of the variables that make up the FP and IP dimensions. Assign a numerical value ranging from -1 (best) to -7 (worst) to each of the variables that make up the SP and CP dimensions.

On the FP and CP axes, make comparisons to competitors. On the IP and SP axes, make comparisons to other industries. On the SP axis, know that a -7 denotes highly unstable industry conditions, whereas -1 denotes highly stable.

3. Compute an average score for FP, CP, IP, and SP by summing the values given to the variables of each dimension and then by dividing by the number of variables included in the respective dimension.
4. Plot the average scores for FP, IP, SP, and CP on the appropriate axis in the SPACE Matrix.
5. Add the two scores on the x-axis and plot the resultant point on X. Add the two scores on the y-axis and plot the resultant point on Y. Plot the intersection of the new (x, y) coordinate.
6. Draw a directional vector from the origin of the SPACE Matrix (0,0) through the new (x, y) coordinate. That vector, being in a quadrant, reveals particular strategies the organization should consider.

#### 2.6.4 *Quantitative Strategic Planning Matrix (QSPM) for Decision Stage of Strategy*

The Quantitative Strategic Planning Matrix (QSPM), which comprises Stage 3 of the strategy-formulation analytical framework, objectively indicates which alternative strategies are best. The QSPM uses input from Stage 1 analyses and matching results from Stage 2 analyses to decide objectively among alternative strategies. That is, the EFE Matrix, IFE Matrix, and CPM that comprise Stage 1, coupled with the SWOT Matrix, SPACE Matrix, BCG Matrix, IE Matrix, and Grand Strategy Matrix that comprise Stage 2, provide the needed information for setting up the QSPM (Stage 3). The QSPM is a tool that allows strategists to evaluate alternative strategies objectively, based on previously identified external and internal key success factors.

Conceptually, the QSPM determines the relative attractiveness of various strategies based on the extent that key external and internal factors are capitalized on or improved. The relative attractiveness of each strategy within a set of alternatives is computed by determining the cumulative impact of each external and internal factor. Any number of sets of alternative strategies can be included in the QSPM, and any number of strategies can make up a given set, but only strategies within a given set are evaluated relative to each other. For example, one set of strategies may include diversification, whereas another set may include issuing



stock and selling a division to raise needed capital. These two sets of strategies are totally different, and the QSPM evaluates strategies only within sets. Below are the steps to conduct QSPM;

1. Make a list of the firm's key external opportunities and threats and internal strengths and weaknesses in the left column of the QSPM.
2. Assign weights to each key external and internal factor.
3. Examine the Stage 2 (matching) matrices and identify alternative strategies that the organization should consider implementing.
4. Determine the Attractiveness Scores (AS), defined as numerical values that indicate the relative attractiveness of each strategy considering a single external or internal factor.
5. Compute the Total Attractiveness Scores. Total Attractiveness Scores (TAS) are defined as the product of multiplying the weights (Step 2) by the AS (Step 4) in each row.
6. Compute the Sum Total Attractiveness Score. Add TAS in each strategy column of the QSPM. The Sum Total Attractiveness Scores (STAS) reveal which strategy is most attractive in each set of alternatives.

## **2.7 Marketing Strategy**

A marketing strategy is a business's overall game plan for reaching people and turning them into customers of the product or service that the business provides. The marketing strategy of a company contains the company's value proposition, key marketing messages, information on the target customer and other high-level elements. The marketing strategy informs the marketing plan, which is a document that lays out the types and timing of marketing activities. A company's marketing strategy should have a longer lifespan than any individual marketing plan as the strategy is where the value proposition and the key elements of a company's brand reside. These things ideally do not shift very much over time.

Marketing strategies are often confused with marketing plans. Because they do feed off one another, it is not unusual to find the marketing strategy and the marketing plan baked together into a single document. Although the transition

between the two is blurry, a marketing strategy covers the big picture of what the business offers: the value proposition and related brand messaging. The marketing plan is how the business will get across the key message: the platforms, the creative, the timing and so on. The marketing strategy may also be absorbed upwards into the corporate value statements and other strategy documents. Marketing plans are operational documents that get more attention because they are the day-to-day work that a company does to sell itself to the world.

## CHAPTER 3 RESEARCH METHODOLOGY

This chapter will give an overview of how the research process stages will be conducted.

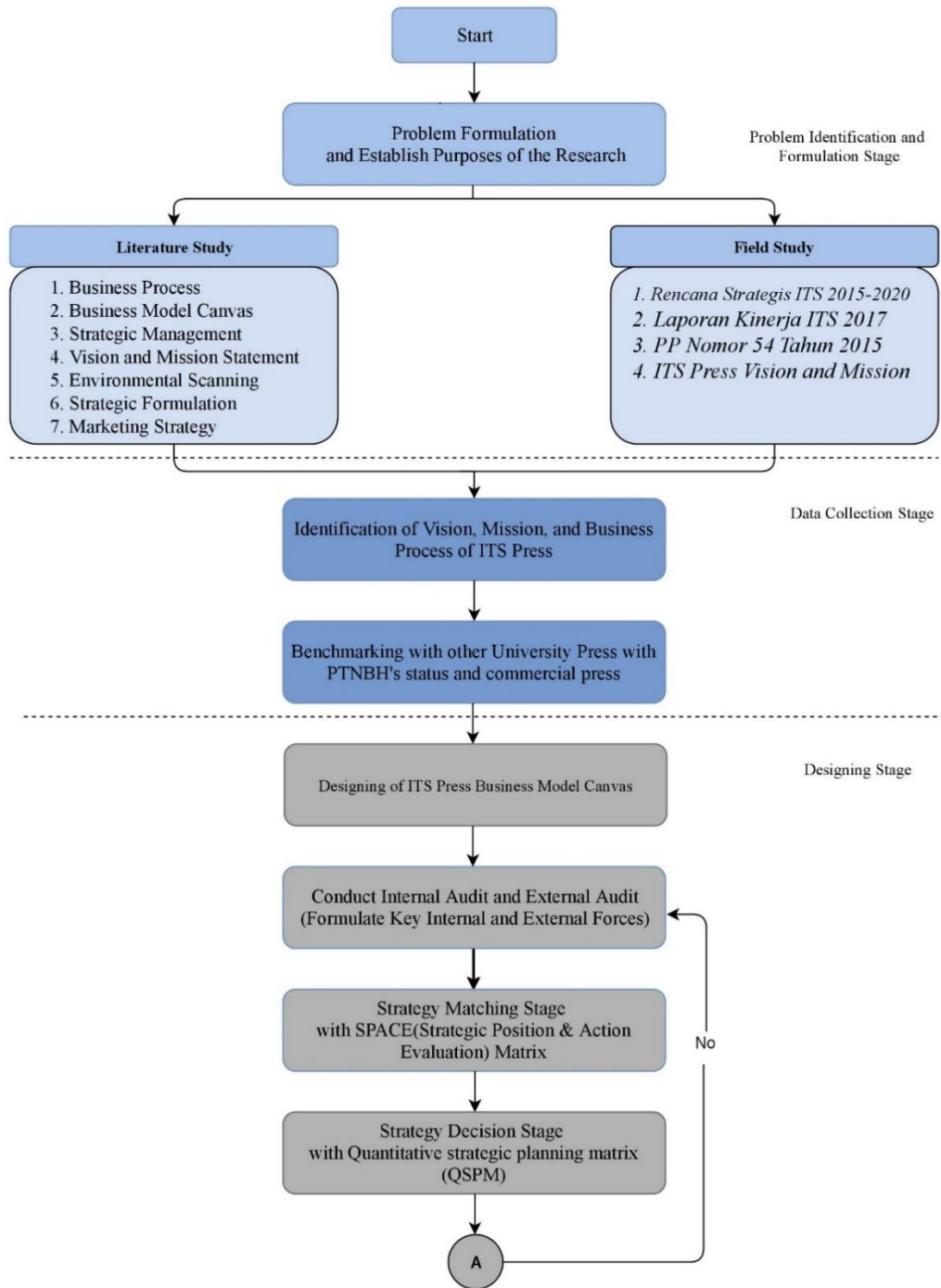


Figure 3. 1 Flowchart of the Research

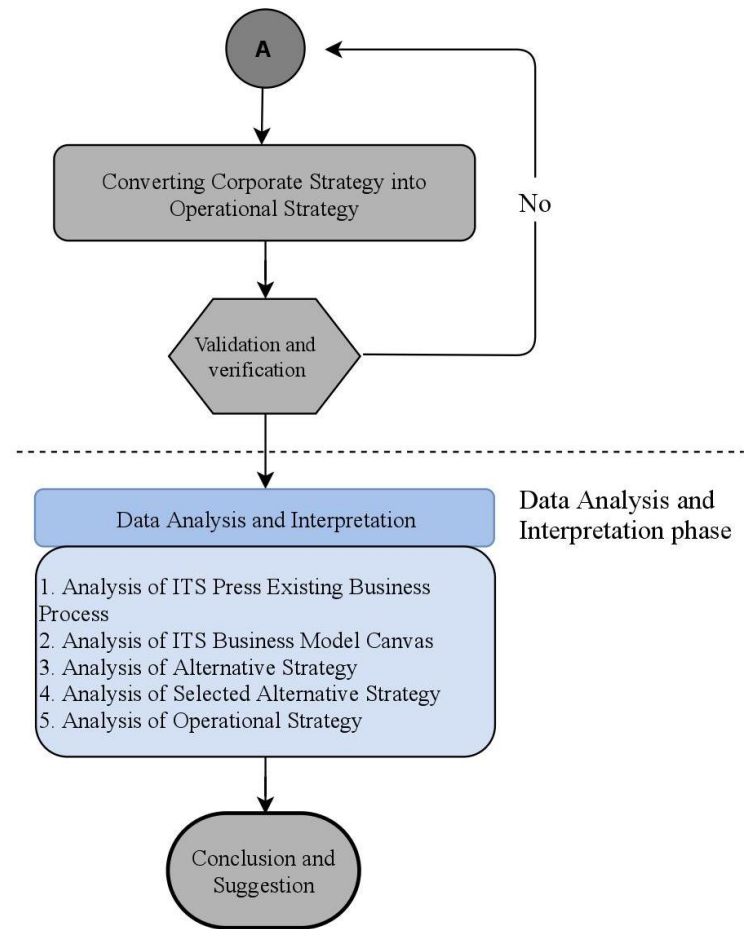


Figure 3.1 Flowchart of the Research (Con't)

### 3.1 Stage of Problem Identification and Formulation

At this phase, the problem identification, purpose of the research and literature review and the field study of the research will be conducted.

#### 3.1.1 Problem Identification

At this phase, the discussion and brainstorming with ITS Press Unit stakeholder as well as direct observation will be conducted. The problem identification is generated from the information gathering.

#### 3.1.2 Establishment of Research Objective

The research objective is established as a solution towards the given and formulated problem in order to be able to provide a clear problem-solving guideline.

### *3.1.3 Literature Review and Field Study*

The literature review in this research is used to support the conduct of the research in order to give accountable solution based on the science and knowledge applied. The literature review is generated from a credible source which are books, scientific journal and articles. The literature review used in this research are business process, business model canvas, strategic management, vision and mission statement, environmental scanning, strategic formulation, and marketing strategy. Meanwhile, the field study is conducted by observing the condition of ITS and ITS Press Unit.

## **3.2 Data Collection**

This stage of process will be dedicated to collect the data needed to accomplish this research. Existing business process of ITS Press as well as its vision and mission will be used as the data to support the designing of new business model canvas as well as data collected from expert which is ITS Press stakeholder. The benchmark to similar business will be conducted to gather the credible data and give an important reference in performing this research. Airlangga University Press will be used as the primary benchmark object in conducting this research. The selected benchmark object is referring as its similar position with ITS Press who responsible to support educational process and generating profitable revenue. The benchmark will be conducted in form of literature study and interview.

## **3.3 Designing Phase**

The designing phase consist of stages of process to design ITS Press business model canvas and formulation of competitive strategy as well as converting them into the operational strategy to prepare ITS Press to be able to achieve its objectives.

### *3.3.1 Design of ITS Press Business Model Canvas*

The business model canvas will be designed based on existing business model, ITS Press Mission, and relevant literature study. The data will be used to design a business model canvas of ITS Press aim to provide a clear business model and

conduct that will bring better understanding for internal staff on how to run ITS Press as educational support and profitable revenue generator.

Several study on press business such as Indonesia printing and publishing business articles and appropriate business model canvas visualization will be involved. Furthermore, the business model canvas designing will be by expert views and insight for an ideal university press business. The benchmark analysis on Airlangga University Press business model will be involved to be the supporting and valid reference on the canvas generation.

### *3.3.2 Internal and External Audit*

This stage of process consists of the internal and external evaluation of ITS Press resulting on key internal factors and key external factors as the main factors that will help to determine the generation of alternative strategy. Those factors are generated from the expert interview and literature study and will be validated by the stakeholder of ITS Press. The internal audit is conducted by evaluating its culture and system, management, marketing, finance, production, and research and development. While, the external audit is conducted by evaluating ITS Press external aspect consist of social, demographic, economic, policy of ITS, and press industry development. Both audit will result on evaluation matrix which are internal factor evaluation (IFE) and external factor evaluation (EFE) Matrix.

IFE and EFE matrix will be weighted with Analytical Hierarchy Process (AHP) by expert choice software and involving head of ITS Press to be the expert to judge in the weighting process on internal and external factors. The head of ITS Press also will assign one to four rating to each factor to indicate whether that factor represents a major weakness (rating one), a minor weakness (rating two), a minor strength (rating three), or a major strength (rating four) . Furthermore, the strengths receive a three or four rating and weaknesses receive a one or two rating.

### *3.3.3 Strategy Matching Stage with SPACE (Strategic Position & Action Evaluation) Matrix*

Alternative strategy will be generated and match with SPACE (Strategic Position & Action Evaluation) Matrix method involves financial position [FP] and

competitive position [CP]) and two external dimensions (stability position [SP] and industry position [IP]). The SPACE matrix is adequate and compatible to be used as ITS Press Financial position will be evaluated as well as its competitive position that is strongly related with its both missions to be educational support unit and revenue generator. Furthermore, the external dimension suits ITS Press position under ITS as PTNBH's as the internal regulation and industry position will determine its future growth and development.

#### *3.3.4 Strategy Decision Stage with Quantitative strategic planning matrix (QSPM)*

This stage of process is the quantitative decision stage for selected strategy. QSPM determines the relative attractiveness of various strategies based on the extent that key external and internal factor. The last step is to perform Quantitative Strategic Planning Matrix (QSPM) aim to decide which alternative strategy will be chosen. The QSPM uses input from step one analyses and matching results from step two analyses to decide objectively among alternative strategies. The EFE Matrix and IFE Matrix comprise step one, coupled with SPACE Matrix comprise step two, provide the needed information for setting up the QSPM.

The relative attractiveness of each strategy within a set of alternatives is computed by determining the cumulative impact of each external and internal factor. Any number of sets of alternative strategies can be included in the QSPM, and any number of strategies can make up a given set, but only strategies within a given set are evaluated relative to each other. The first step is to make a list of the firm's key external opportunities and threats and internal strengths and weaknesses in the left column of the QSPM. Continue with assigning weights to each key external and internal factor. And then determine the Attractiveness Scores (AS), defined as numerical values that indicate the relative attractiveness of each strategy considering a single external or internal factor followed by computing the Total Attractiveness Scores. The Sum Total Attractiveness Scores (STAS) reveal which strategy is most attractive in each set of alternatives. The chosen strategy will be verifying to ITS Press before converting into operational level strategy.

### *3.3.5 Converting of Corporate Strategy into Operational Level Strategy*

The conversion of the strategy will be conducted after selected strategy is verified. The conversion of the strategy into operational strategy will empower the use of literature study, field study and expert view and knowledge along with alignment method.

## **3.4 Data Analysis and Evaluation Stage**

This final stage will discuss about the analysis and Evaluation as well as the conclusion and suggestion of the research.

### *3.4.1 Data Analysis and Evaluation*

The data analysis will cover the designing phase result which are designing of its press business model canvas, conduct internal audit and external audit, strategy matching stage, strategy decision stage, converting of corporate strategy into operational strategy.

### *3.4.2 Conclusion and Suggestion*

This stage will provide conclusions and suggestions in which will be prepared based on the results of analysis and Evaluation of data. The conclusions formulated to answer the objectives of the research, and the recommendations formulated are recommendations for the further and possible research.



## **CHAPTER IV**

### **DATA COLLECTION AND PROCESSING**

This chapter will discuss the data that supports research which consists of collected data and information and designing business model canvas as well as formulating strategical approach of ITS Press business unit.

#### **4.1 Data Collection**

This chapter consist of data collection process that will be used in designing business model canvas and formulating strategical approach for ITS Press. The method used in the data collection of this research mainly consist of expert interview and literature study. The expert interview will be participated by stakeholder of ITS Press and representative of BPPU. The data collection also includes benchmarking with Airlangga University Press (AUP).

The expert interview will address the element of business model canvas consisting of purpose of the business, customer and value proposition, channels and customer relationship, key resources, key activities, key partner, cost structure and revenue stream. The interview also will address the internal and external audit of ITS Press to map the internal strength and weakness and its external strength and opportunity. The benchmarking will collect data of how AUP is running their business, ability to generate revenue and analyzing the perspective about external aspect of press business.

The designing of business model canvas will utilize deep analysis of literature study and data collected from expert interview. The business model canvas will be designed to accommodate the need of ITS Press to be a support unit and revenue generator. The formulation strategy will utilize the vision and mission of ITS Press, internal and external audit conducted during the expert interview. This designing stage also will convert the formulated strategy into operational strategy for an easier implementation.

##### *4.1.1 ITS Press Vision and Mission*

Below are the vision and mission of ITS Press after ITS changing its status to PTNBH.

Vision: *Menjadi perusahaan percetakan dan penerbitan yang unggul dan professional serta Menjadi penerbit perguruan tinggi yang terkemuka di tingkat nasional dan internasional”*

Mission:

- a. *Menjadi pusat segala kegiatan cetak mencetak yang mampu memenuhi keperluan institusi, direktorat, fakultas, departemen, badan dan unit pelaksana lainnya dengan hasil yang baik dan harga bersaing.*
- b. *Menjadi penerbit buku ber-ISBN kalangan internal kampus, seperti; buku ajar, buku teks, buku monografi, buku praktikum, buku pedoman dan sebagainya.*
- c. *Menerbitkan serial berkala, seperti; majalah, jurnal, bulletin, warta, dan lain sebagainya, yang berkualitas dan menunjang perkembangan ilmu pengetahuan, teknologi, dan humaniora.*
- d. *Memenuhi tuntutan pasar dalam dan luar ITS serta senantiasa meningkatkan mutu dan pelayanan.*

#### 4.1.2 ITS Press Services

As the printing and publishing unit, ITS Press has several services for its customer. Below are the services provided by ITS Press.

Table 4. 1 ITS Press Services

(Source: ITS Press 2019)

| No | Service                | Detail  |
|----|------------------------|---|
| 1  | Printing Service       | General Book, Textbooks, Report Book, Book Profile, Notebook, Magazine, Seminar Proceedings, Journal, Answer sheet, Letterhead, Exam questions, Envelope, Folder, Certificate, Brochure, Greeting cards, Coupon, Calendar |
| 2  | Laser Printing Service | Final Project Book, Name card, Print Size A3 + (Portfolio, book cover, poster, etc.), and Print A3 Size Tracing   |
| 3  | Publishing             | Issuance of ISBN books and Issuance of ISBN seminar proceedings   |

#### 4.1.3 ITS Press Certification

The data below consist of ITS Press certification to proof credibility as printing and publishing organization.

1. ISO 9001; 2008; Quality Management System
2. Member of IKAPI ((Ikatan Penerbit Indonesia)
3. APPTI Member (Asosiasi Penerbit Perguruan Tinggi Indonesia)

#### 4.1.4 ITS Press Organization

ITS Press is part of BPPU who responsible to manage and develop the business unit in ITS. Currently, in the organization structure of BPPU, ITS Press is categorized as the supporting unit along with other unit such as *UPT Bahasa*, *UPT Pusat Pelatihan dan Sertifikasi Profesi*, *UPT Asrama*, *UPT Fasilitas Olahraga*, *UPT ITS Press*, *UPT DRKN*, dan *UPT Fasor*. ITS Press is directly manage by the chairman of BPPU as shown in the figure 4.1.

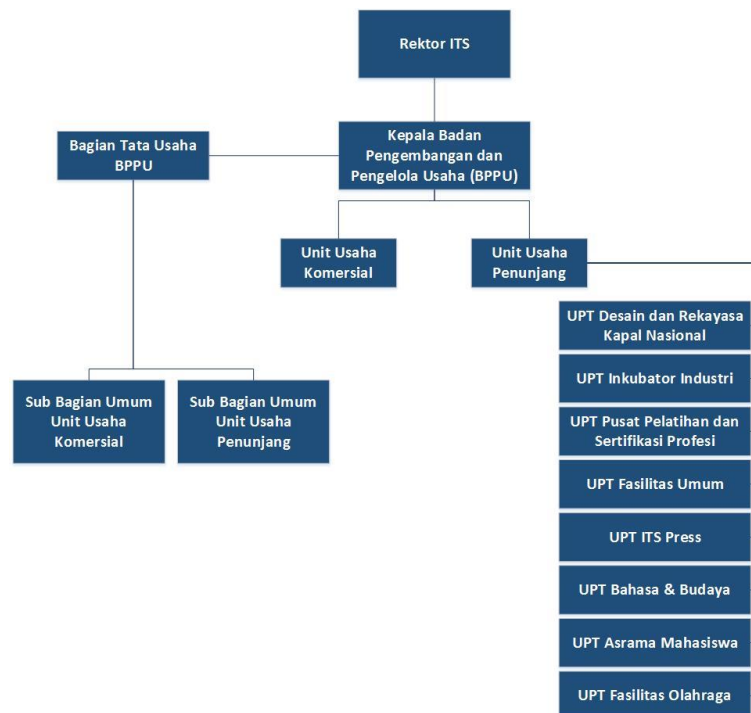


Figure 4. 1 BPPU Organization Structure

Source: (BPPU ITS, 2019)

ITS Press organization structure is led by the head of ITS Press who responsible to control business function which are section of administration and

finance, section of printing, section of publishing and section of procurement and inventory. ITS Press has the total of 13 employees with 5 *Pegawai Negeri Sipil* and 8 *Tenaga Harian Lepas* with the structure as available below.

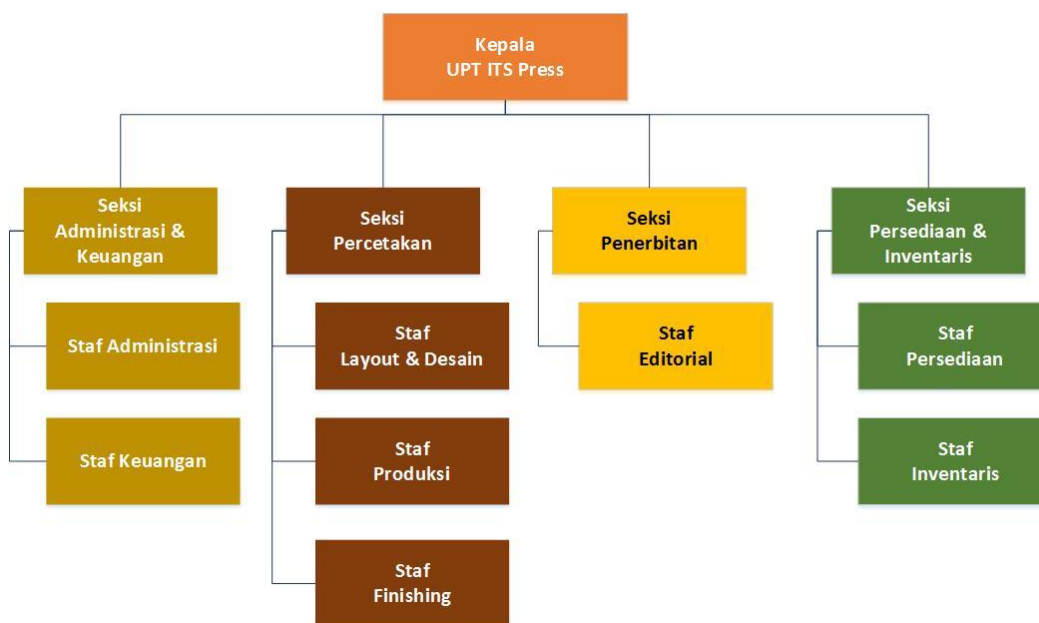


Figure 4. 2 Organization Structure of ITS Press

Source: (ITS Press, 2019)

The section of finance and administration consist of staff for administration and staff for finance. These section responsible to handle customer order and dealing with administration needs for the unit. On printing section, there are three teams involve which are layout and design team, production team, and finishing team. The publishing section only consist of 1 staff for editorial. The section of procurement and inventory has its own staff for each.

#### 4.1.5 Existing Business Process of ITS Press

ITS Press business process was mapped to give a clear explanation of how the business is currently executed. The existing business process only dedicated for delivering standard service towards its customer without covering the complete aspect on how they can generate profitable revenue. The existing business process also mapped as the main referenced for business model improvement that will be designed in a canvas model. Below is the existing business process of ITS Press.

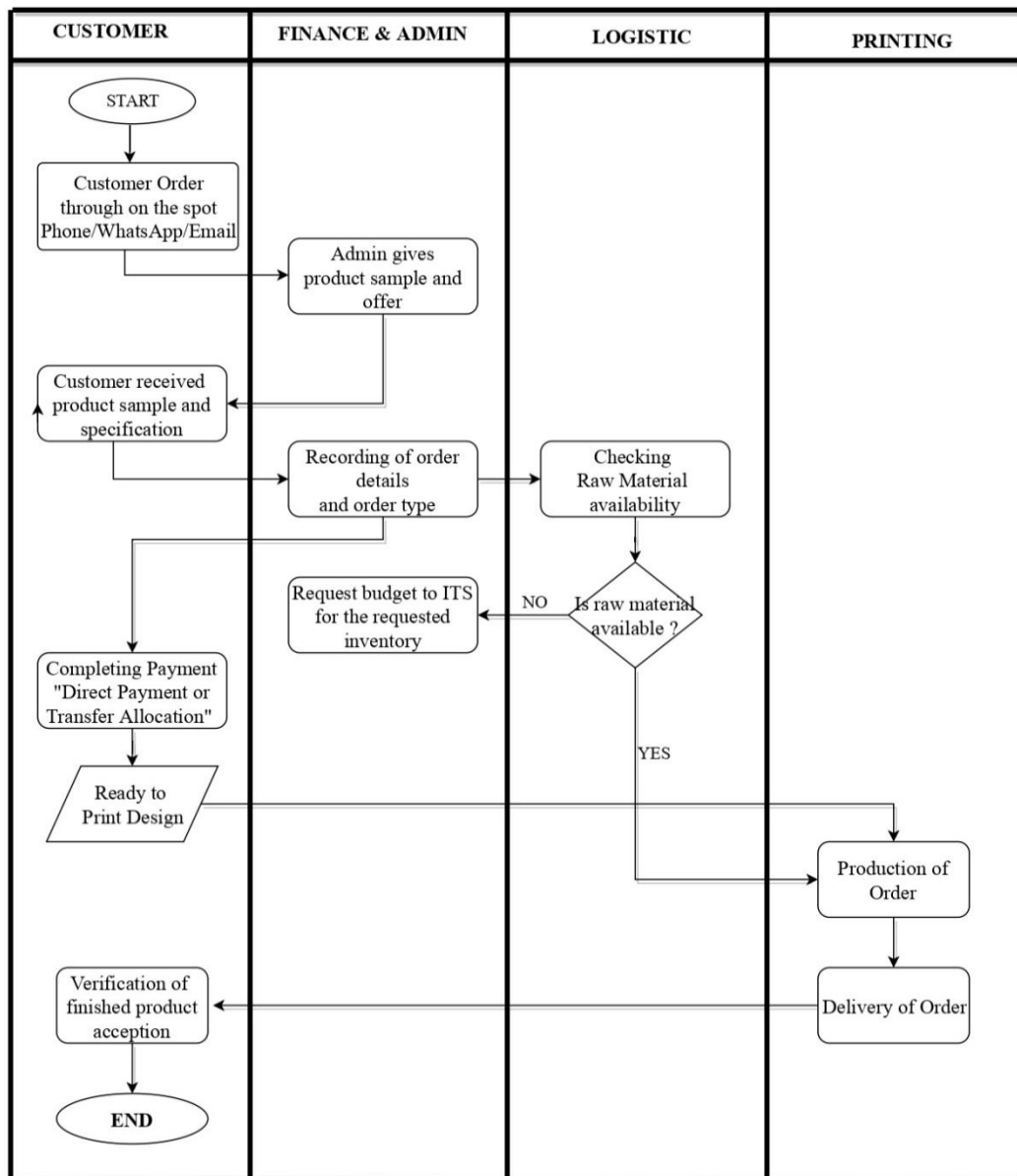


Figure 4. 3 Existing Business Process of ITS Press

The existing business process was beginning directly with how ITS Press getting its order. The customer of ITS Press is mainly consisting of internal unit and department in ITS, ITS stakeholder and very small proportion of individual customer outside of ITS. The order could be made directly through on the spot (directly at ITS Press office), phone call, email and Whatsapp. The customer service in ITS Press will help the customer with sample of product as well as pricing offer. After reaching consensus, ITS Press customer could proceed to payment, for

internal unit and department, the payment could be made with transfer budget allocation process while external customer could proceed with cash or wire transfer payment. Cash and transfer payment will be collected in ITS main banking account. After order is received, ITS Press will check its raw material availability, if its available then the process will continue to its production process, if not then ITS Press will request budget of raw material purchase to ITS Financial and contacting supplier for order request. Usually, the order request to supplier will be paid with the debt requested to ITS financial unit and paid after the request of raw material purchased is accepted. The production process will be conducted as soon as the raw material is ready. ITS Press will deliver the order after the production is finished without early notification to the customer.

#### *4.1.5 Result of Benchmark (Airlangga University Press)*

Benchmark is conducted in similar business in university that holds PTNBH status. The purpose of the benchmark is to understand and compare the existing condition of ITS Press in running the business as well as its ability to be educational support unit and revenue generator. The benchmark object on this research is Airlangga University Press (AUP). The selected benchmark object was chosen because its outstanding performance in implementing the business process proven by successfully supporting the educational process and generating profitable revenue with annual revenue in 2017 and 2018 of 10 billion rupiah and 10.5 billion rupiah accordingly. The method used in this benchmark is expert interview with the outline of questionnaire is available on this research attachment.

Airlangga University Press is a press business unit owned by Airlangga University in order to support its educational process. Along the way, Airlangga University Press was able to generate profitable revenue and successfully managed clients from various institutions. AUP has vision and mission to help them directing the business and keep on track for further development as explain below.

*Vision: Menjadi pusat penerbitan dan percetakan universitas yang terkemuka di tingkat nasional dan internasional, mandiri, dan inovatif dalam rangka pengembangan ilmu pengetahuan, teknologi, dan humaniora.*

Mission:

- a. *Memperkuat kinerja dan kualitas penerbitan agar bisa menjadi pusat penerbitan buku ilmiah semua cabang ilmu dan buku umum, baik dalam bentuk cetakan maupun digital dengan standar penerbitan scientific publishing house*
- b. *Memperkuat kualitas dan kuantitas penerbitan dan percetakan agar bisa menjadi pusat penerbitan dan percetakan Universitas Airlangga yang unggul, berkualitas, profesional, dan modern di tingkat nasional dan internasional*
- c. *Mengembangkan AUP/P3UA agar menjadi bagian dari pembangunan University Holding dengan target mencapai keuntungan yang maksimal dan memberi kontribusi akademik kepada Universitas Airangga*
- d. *Melayani penerbitan, percetakan, dan pembelian alat tulis bagi semua Fakultas, Direktorat, Universitas, Badan, Lembaga, dan seluruh sivitas akademika dan dari luar Universitas Airlangga dengan standar layanan prima*
- e. *Memperkuat jaringan pasar penerbitan dan percetakan P3UA/AUP baik di tingkat nasional dan internasional*
- f. *Mengembangkan P3UA/AUP njadi pusat penerbitan dan percetakan Universitas yang inovatif dengan jaringan kerja sama nasional dan internasional*
- g. *Mengembangkan P3UA/AUP menadi Pusat Data perbukuan perguruan tinggi dan umum nasional*

Airlangga University has incredible performances in term of executing their strategy. As a university Press, AUP was able to formulate a strong business model approach and competitive strategy that is being implemented in the business. This approach has given them a clear business objective and model to strive in achieving its objective. Their strategy also converted into operational level where they have a specific for most of the business function. The result of an interview with AUP that represented by the secretary, Mr. Punari is explain in the following details.

Table 4. 2 The result of benchmarking

| No | Question Item         | Details   |
|----|-----------------------|---|
| 1. | Business Introduction | <p>Airlangga University Press (AUP) was established in 1981 in order to support the educational process. Currently, AUP has 42 employees in total with 11 temporary employees, 15 <i>Pegawai Negeri Sipil</i>, and 16 permanent workers. AUP is led by a chief and helped by a secretary with 4 main different business function which are;</p> <ol style="list-style-type: none"> <li>1. <i>Bidang Keuangan, Perencanaan dan Pengembangan</i></li> <li>2. <i>Bidang Desain, Estetika dan Produksi</i></li> <li>3. <i>Bidang Sumber Daya Manusia dan Kontrol Produksi</i></li> <li>4. <i>Bidang Pemasaran, Kerjasama dan Publikasi.</i></li> </ol> <p>AUP has 2 main product line which are categorized into two main products;</p> <ol style="list-style-type: none"> <li>1. Printing: Book, Journal, calendar, invitation letter, brochure, etc.</li> <li>2. Book Publishing</li> </ol> |
| 2. | Goal and Objective    | <p>Airlangga University Press goal to help UNAIR in achieving academic excellence was break down from <i>Rencana Strategis Universitas Ailangga</i>. During the annual meeting conducted on November in every year, goals and objective are socialized. This meeting also takes place to evaluates the past year performance and planning for the next year strategy. Usually AUP were evaluating the annual revenue targeted by UNAIR's management and plan for strategy to plan for next year budget and approach to achieve the given target.</p>  |
| 3. | Customer Satisfaction | <p>Customer satisfaction is measured through questionnaire twice a year and the data collected will be used to construct report of performance that has to be submitted every 3 months to UNAIR's unit management. The report is a routine monitoring to help the unit to keep on track in achieving its target.</p>  |
| 4. | Operations            | <p>Every production process has its own operating procedure and standard. The standard operating procedure was design</p>   |



Table 4. 2 The result of benchmarking (Con't)

| No | Question Item                           | Details  |
|----|---|--|
|    |   | by the research and development team and validate by the chief of production. The production schedule is managed properly to be able to finish the customer order on time. Overtime rarely occurs, but once it does the employee will receive additional overload payment of IDR 15,000/hour.  |
| 5. | Leadership and teamwork                 | AUP organization culture is under the bond and value of togetherness. The gap between structures is low in which enable for cross functional collaboration. The respect is promoted by every employee, and the sense of belonging for the unit is high that is proven by their slogan of “ <i>AUP adalah kita, kita adalah AUP</i> ”.  |
| 6. | Sales and Revenue                       | Every year AUP was given an annual working capital of 8 billion Rupiah. In 2017 they have successfully generated 10 billion Rupiah (2 billion Rupiah of profit) and 10,5 Billion in 2018 (2, 5 billion Rupiah of profit).  |
| 7. | External Aspect of Business Perspective | As one of the role model of University Press business, AUP sees that the need of printing is high, their ability to partner with institution just like hospitals, banking, and offices proven that the opportunity is wide open. Yet, giving competitive pricing also plays important role in getting the loyal customers. AUP understands that digital printing and availability of Electronic book will sooner or later be their constraint in doing the business. They are also seeing that university press business will only able to grow if the university's management regulations are supportive. |

Source: (Airlangga University Press, 2019)

#### 4.2 Designing Stage

This section will address the designing process of the solution consist designing of business model canvas and formulation of the strategy. The designing process of business model canvas will be presented in a canvas model with the nine

element that will be designed using the collected data. The business model canvas will be a beneficial tool to help formulating appropriate strategy.

#### *4.2.1 Design of Business Model Canvas*

This stage will explain the designing of the business model canvas. The business model canvas is designed to provide recommended canvas to achieve ITS Press mission to be the educational support unit and revenue generator. The business model canvas is designed based on the existing development of press business, resources and competitors analysis with literature study and expert interview.

In order to recommend the strong canvas, several studies on press business were involved such as Indonesia printing and publishing business articles and appropriate business model canvas visualization. Furthermore, the business model canvas designing is also supported by expert views and insights for an ideal university press business. The benchmark analysis on Airlangga University Press business model was involved to be the supporting reference on the canvas generation.

On the other hand, the internal aspect of ITS Press is strongly considered and actively participated during the designing of the canvas in which is officially represented by the head that is expected to bring impactful results through understandable and easier implementation. To enrich the canvas, BPPU was involved to give its view and plan on ITS Press that will give an inline recommended canvas. Both ITS Press and BPPU were involved through a comprehensive discussion and interview. Below are the recommended business model canvas of ITS Press.

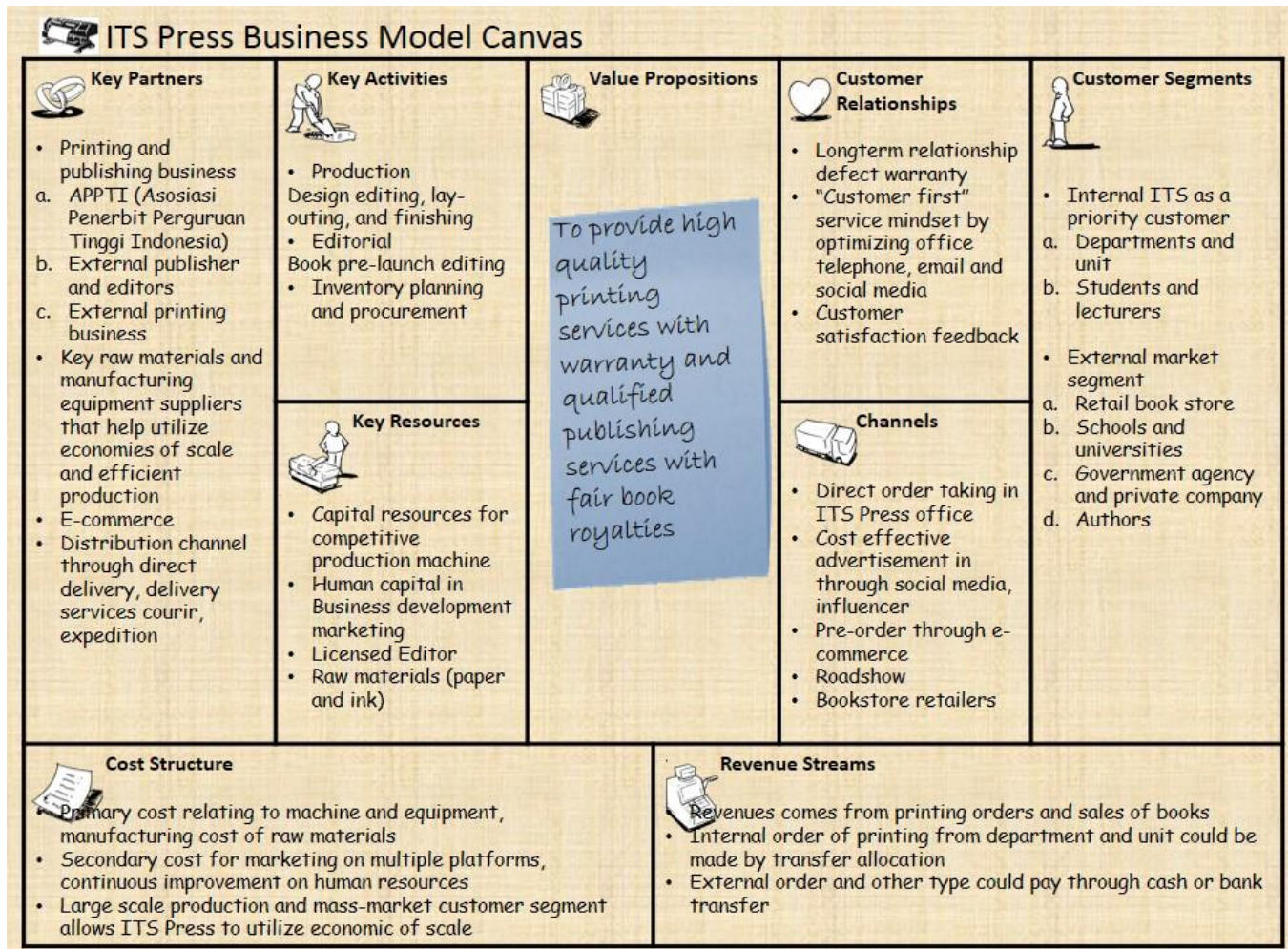


Figure 4. 4 Business Model Canvas of ITS Press

## **1. Customer Segments**

ITS Press market is segmented into two major segment. The first segment is Internal ITS as a priority customer which are departments, unit, students and lecturer. The external customer segment of ITS Press are the retail book store, schools and universities, government agency and private company, and book authors.

## **2. Value Propositions**

This becoming the fundamental need for ITS Press to fulfill for its customers. ITS Press has two primary value proposition to offer representing their two main product and services which are to provide high quality printing services with warranty and providing qualified publishing services with fair book sales royalties.

## **3. Channels**

ITS Press is recommends to have different methods uses to deliver its products and value proposition to customers. Direct customer order taking in ITS Press office is the face to face order that could be used by customer to place their orders. Front office staff will be responsible to take the orders. The cost effective advertisement channel in social media as well as influencer advertisement will be optimized to give further introduction about ITS Press product and services. The optimization of e-commerce will be in form of pre-order through e-commerce platform of Tokopedia and Bukalapak. Direct promotion will be conducted by direct visit and roadshow to department in ITS and external organizations. ITS Press also recommends to build sales channel in bookstore retailers to boost the book publishing services.

## **4. Customer Relationships**

ITS Press has several type of interactions for its customers. The first objective is to establish long-term relationship through production defect warranty. The defect product could be in ITS Press responsibility if it's happening under the production mistake of ITS Press. ITS Press should develop "customer first" service mindset by optimizing office telephone, email and social media. This relationship could gain long term trust from the customer. Furthermore, the customer satisfaction feedback should be conducted for measurable improvement action.

## **5. Revenue Streams**

The revenues of ITS Press comes from printing orders and sales of books. Printing products such as general book, textbooks, report book, book profile, notebook, magazine, seminar proceedings, journal, answer sheet, letterhead, exam questions, envelope, folder, certificate, brochure, greeting cards, coupon, calendar final project book, name card, portfolio, book cover, and poster. While the publishing are in a form of issuance of ISBN books and issuance of ISBN seminar proceedings. On the other hand, the internal customer order from department and unit in ITS could be made by transfer allocation and external order could pay through cash or bank transfer as the payment services available to complete the order.

## **6. Key Activities**

This section will explain on what are the key activities or tasks that are integral to operating ITS Press. The editorial process plays important role prior to production, especially on publishing services, it will involve expertise representing every faculty in ITS and social humanities. The next key activity is production process which consist of design editing, layouting, and finishing. Design editing and layout is conducted to make sure that it fits with the requirement of customer. ITS Press also will do inventory planning and procurement. This will include the material purchasing and inventory management for raw material and finished product.

## **7. Key Resources**

The assets that are required to operate and deliver ITS value proposition are as follows:

### **a. Capital resources for competitive production machine**

Capital resources is a huge important to be able to have a competitive production machine. Competitive production machine enables ITS Press to get more variety of orders from customer. The capital resources should be planned by ITS Press and has to be presented and requested to ITS. This investment will lead to increasing of profit.

b. Human capital in business development and marketing

The human capital investment will determine ITS Press ability to innovate on the business. The investment will be made through training, workshop and mentorship. The expert in press industry will be involved to teach and mentor ITS Press employee. Furthermore, marketing function investment will be in form of building partnership and channel as well as conducting marketing activity in ITS and external ITS.

c. Licensed Editor

This resources will be a good bargaining point for publishing services. Having licensed editor on the team will attract writers to publish their book in ITS Press.

d. Raw materials (paper and ink)

The raw materials for production are the crucial aspect for the business. The raw material of ink and paper should to be stocked in a good quantity.

## **8. Key Partner**

In order to grow the business ITS Press has to establish the strategic relationships between other companies or people. Below are the strategic partnership recommended for ITS Press.

a. Major printing and publishing business partner

This partnership aim to collaborate during fulfill order, not every detail of order can be finished by ITS Press or its partner, by having printing partner ITS Press could outsource production or being outsourced. The partnership will be beneficial for ITS Press and its partner. As a publisher, having another publishing business as a partner could open for publishing collaboration, this initiative will help ITS Press to be able to improve its publishing quality. Below are several possible business partner for ITS Press.

b. APPTI (Asosiasi Penerbit Perguruan Tinggi Indonesia)

Utilizing the existence of APPTI to create opportunity for join publishing as well as to join collaboration in quality improvement as a university press business.

c. External editors

ITS Press should involve external editors to increase the publishing quality. The partnership could be by project since different publishing project requires different editing expertise.

d. External printing business

The partnership aim to collaborate during fulfill order since not every detail of order can be finished by ITS Press or its partner, by having external printing partner ITS Press could outsource production or being outsourced.

e. Key raw materials and manufacturing equipment suppliers that help utilize economies of scale and efficient production

Having closer raw materials supply will help ITS Press to improve stocks and getting efficient price. There are several recommendation to nearby supplier such as Tjiwi kimia, Astra graphika, and Airlanga for paper material, and Mahkota Rajin Setya for Ink material. Furthermore, by having direct channel to production equipment will improve production system in ITS Press.

f. E-commerce

ITS Press should collaborate with e-commerce such as Tokopedia and Bukalapak to boost the sales. Having partnership with an e-commerce also helps ITS Press to reach wider customer. By opening up a store could increase the opportunity for external orders. The product will be in a form of pre-order services. For example pre-order for envelope, calendar and brochure.

g. Distribution channel through direct delivery, delivery services courier, expedition.

Utilizing delivery partner will help the distribution process of the product especially for external market. Direct delivery is dedicated for internal market in ITS especially department and unit. Orders from Java region could be shipped with delivery services such as JNE, J&T and Pos Indonesia. For order outside of Java could be shipped by expedition of Ninja and Wahana.

## 9. Cost Structure

ITS Press has several key costs involve in its operational. The primary cost are relating to machine and equipment as well manufacturing cost from raw materials. This because of ITS Press manufactured product through printing that requires technological machinery. The secondary cost is arise for marketing on multiple platforms as well as continuous improvement on human resources trough skill upgrading as an investment for the improvement in conducting the business including editors. Lastly, the large scale of production and mass-market customer segment allows ITS Press to utilize economic of scale. The large scale of production will help ITS Press to utilize its resources efficiently and could offer cheaper price to customers.

#### *4.2.2 Strategy Formulation*

The strategic formulation of ITS Press consist of sequence of process referring to the framework of strategic formulation. The first stage is to conduct input stage consisting of internal and external audit of ITS Press. The second stage is to conduct matching stage that will be using The Strategic Position and Action Evaluation (SPACE) matrix. The third stage will be decision stage with Quantitative Strategic Planning Matrix (QSPM).

The input stage was conducted by internal and external audit of ITS Press. The internal audit was conducted by evaluating its culture and system, management, marketing, finance, production, and research and development. While, the external audit is conducted by evaluating ITS Press external aspect consist of social, demographic, economic, policy of ITS, and press industry development. Both audit will result on evaluation matrix which are internal factor evaluation (IFE) and external factor evaluation (EFE) Matrix. IFE and EFE matrix will be weighted with Analytical Hierarchy Process (AHP) by expert choice software and involving head of ITS Press to be the expert to judge in the weighting process on internal and external factors. The head of ITS Press also will assign one to four rating to each factor to indicate whether that factor represents a major weakness (rating one), a minor weakness (rating two), a minor strength (rating three), or a major strength (rating four).



The matching stage will be conducted after the input stage. The matching stage will use The Strategic Position and Action Evaluation (SPACE) matrix that will evaluates internal dimension of financial position, competitive position and external dimension of stability position and industry position. The matching stage will resulted on the main type of strategy from four type which are conservative, aggressive, defensive, and competitive. The selected strategy type will be used for ITS Press.

The last stage is Quantitative Strategic Planning Matrix (QSPM), objectively indicates which alternative strategies are best. The QSPM uses input from stage one analyses and matching results from stage two analyses to decide objectively among alternative strategies. The EFE Matrix and IFE Matrix that comprise step one, coupled with the SPACE Matrix that comprise stage two, provide the needed information for setting up the QSPM. The QSPM allows author to evaluate alternative strategies objectively, based on previously identified external and internal key success factors. This will be done quantitatively by determining the attractiveness score of the strategy. The highest cumulative score will be chosen as the strategy.

#### *4.2.2.1 Input Stage*

The input stage was conducted by internal and external audit of ITS Press. The internal audit was conducted by evaluating its culture and system, management, marketing, finance, production, and research and development. While, the external audit is conducted by evaluating ITS Press external aspect consist of social, demographic, economic, policy of ITS, and press industry development. Both audit resulted on Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) as follows.

##### a. Internal Factor Evaluation

Internal factors evaluation is conducted through interview and direct observation in ITS Press. The internal audit was conducted to evaluate the existing condition of ITS Press financial, organization, product quality, business operation, human resources, marketing, sales, distribution, research development and business

development. The existing condition is converted into internal factor and categorized into one of internal factor type which are strength or weakness. Below are the internal factor evaluation of ITS Press.

Table 4. 3 ITS Press Internal Audit

| No                        | Existing condition   | Internal Factor   | Factor Type |
|---------------------------|--|---|-------------|
| <b>Financial Position</b> |  |   |             |
| 1.                        | Referring to ITS Press financial record on 2017 and 2018. In 2017, ITS Press revenue was 1, 1 Billion Rupiah and only around 50 million Rupiah were generated from publishing services. While in 2018, the publishing services only able to generate less than 50 million Rupiah from its total revenue of 900 million Rupiah. | Revenue from publishing service only around 5% of its total revenue   | Weakness    |
|                           | Financial system of ITS Press is the same with all support unit in ITS, in which ITS Press was not given the yearly working capital The budget was given under monthly request. The raw material needed has to be requested to central management of ITS under Planning, Finance, and Infrastructure field.                    | ITS Press does not have yearly working capital  | Weakness    |
|                           | During the internal audit, auditor was struggling to know ITS Press profitability since there was not any credible document and record on the data.  | ITS Press does not measure its profitability (no profit and loss statement)   | Weakness    |
| <b>Organizational</b>     |  |   |             |
| 2.                        | As a university press, ITS Press is actively involved in university press association named APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a form of centralized coordination and development training.   | ITS Press is part of APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a platform for beneficial coordination | Strenght    |

Table 4. 3 ITS Press Internal Audit (Con't)

| No                   | Existing condition  | Internal Factor   | Factor Type |
|----------------------|---|---|-------------|
| Production/Operation |   |   |             |
| 3.                   | ITS Press is able to request printing material without up-front payment, it means ITS Press could pay it with down payment method for most orders given. Furthermore, ITS Press suppliers located in the same city of Surabaya that ease the material order processing. | ITS Press has a good relationship with raw material supplier partner that is also located strategically | Strength    |
|                      | Operation audit was conducted with direct observation and expert judgment. It was found that several machinery are not update, and ITS Press does not have plate offset (master film) and press machine.  | Production machine are not competitive for the printing business  | Weakness    |
| Production           |   |   |             |
| 4.                   | ITS Press has certification of ISO 9001; 2008; Quality Management System that enables the standardization of product quality.   | ITS Press is a qualified university press business proven by legal certification                        | Strength    |
| Sales                |   |   |             |
| 5.                   | To reach its customer, ITS Press provide several ordering channel such as phone call, whatsapp order, email order and direct order in front office. These ordering platform ease customer to make order in ITS press conveniently.                                      | ITS Press has a multiple ordering methods for its customer  | Strength    |
| Marketing            |   |   |             |
| 6.                   | ITS Press does not have the process to map potential market and there is no promotion activity that actually vital to company.  | ITS Press does not have marketing function  | Weakness    |
| Distribution         |   |   |             |
| 7.                   | ITS Press does not have distribution channels that plays important role in spreading product into wider market.   | ITS Press does not have channel of distribution   | Weakness    |
| 8.                   | ITS Press employee consisted of <i>Pegawai Negeri Sipil</i> , <i>Pegawai Harian Lepas</i> who works multitask such as operational work with delivery and they show the good respect among others and finish the job on time.  | ITS Press employee has a good moral and willing to work multitask                                       | Strength    |

Table 4. 3 ITS Press Internal Audit (Con't)

| No                       | Existing condition   | Internal Factor  | Factor Type |
|--------------------------|--|--|-------------|
| 8.                       | On the other hand, the employees are doing routine job without trying the best to develop the business and product of ITS Press. The lack of innovation and absence mindset of competitiveness happened among the employees.   | The corporate mindset among employee have not been formed                      | Weakness    |
| Research and Development |  |  |             |
| 9.                       | There is no plan for innovation of product and business. Since the last 10 years, there is no significant changes and improvement on the product line. ITS Press did not invest in R&D that actually important investment that will lead to a superior product or service and will give them competitive advantages. | Product innovation research and development does not exist                     | Weakness    |
| Business Development     |  |  |             |
| 10.                      | ITS Press rely on ITS management for the business development. BPPU as official representative to manage and develop business unit could be a beneficial resources for ITS Press. Being part of BPPU, ITS Press could be helped in developing its business.  | ITS Press is part of BPPU ITS that ease and help the business unit development | Strength    |

The result of internal factor evaluation above has given us the internal aspect consist of strength and weakness of ITS Press. Below are the lists of strength and weakness of ITS Press.

### Strength

1. ITS Press has a good relationship with raw material supplier partner that is also located strategically.
2. ITS Press is a qualified university press business proven by legal certification.
3. ITS Press is part of APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a platform for beneficial coordination.
4. ITS Press has a multiple ordering methods for its customer.

5. ITS Press is part of BPPU ITS that ease and help the business unit development
6. ITS Press employee has a good moral and willing to work multitask

### **Weakness**

1. Revenue from publishing service only around 5% of its total revenue.
2. ITS Press does not have yearly working capital.
3. ITS Press does not measure its profitability (no profit and loss statement).
4. ITS Press have small portion over its captive market share.
5. ITS Press does not have channel of distribution.
6. ITS Press does not have marketing function.
7. Production machine are not competitive for the printing business.
8. Product innovation research and development does not exist.
9. The corporate mindset among employee have not been formed.

The next step in conducting an internal strategic-management audit is to construct an Internal Factor Evaluation (IFE) Matrix. This tool summarizes and evaluates the major strengths and weaknesses in the functional areas of a business, and it also provides a basis for identifying and evaluating relationships among those areas. Intuitive judgments are required in developing an IFE Matrix, so the appearance of a scientific approach should not be interpreted to mean this is an all-powerful technique. Furthermore, author is using expert choice software with an assessment from head of ITS Press to conduct the weighting and rating process for the internal factors. The use of expert choice is promoted to reduce the amount of inconsistency during the process of scoring.

The process of weighting will be first started with by comparing the relative importance of each factor in both strength and weakness. All the factors in strength category will be compared one to another. The scoring will be within the range of 1-9, the higher the score the more important is a factor respect to the other factor. In order to minimize the inconsistency, the inconsistency level of a category should be less than 0.1. The expert is given list of questionnaire on internal factor in which available in this research attachment. The author will be responsible to make sure

that the consistency level is met to make sure the weighting is valid. If the inconsistency tolerance level is exceeded, it will result in the refilling of the questionnaire category until the inconsistency tolerance is met.

The result of the weight will be in the ranges from 0.0 (not important) to 1.0 (all-important) to each factor. The weight given in a factor indicates the relative importance of the factor to being successful in the firm's industry. Regardless of whether a key factor is an internal strength or weakness, factors considered to have the greatest effect on organizational performance should be assigned the highest weights. The sum of all weights must equal 1.0. Below are the weight of strength and weakness category generated in expert choice software.

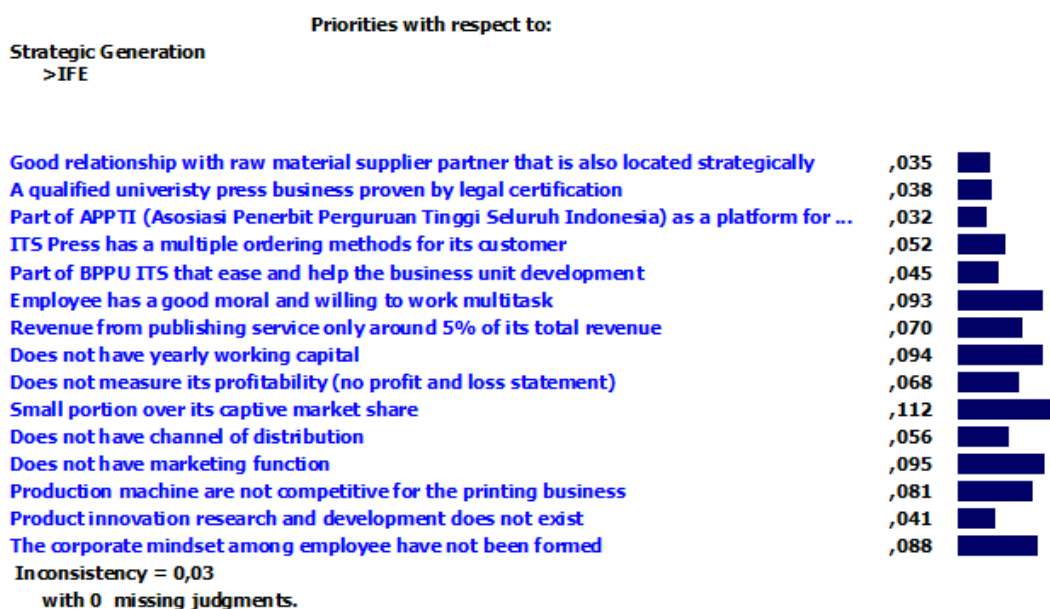


Figure 4. 5 Weight of Internal Factor

Furthermore, the next step is to assign a 1 to 4 rating to each factor to indicate whether that factor represents a major weakness (rating = 1), a minor weakness (rating = 2), a minor strength (rating = 3), or a major strength (rating = 4). Note that strengths must receive a 3 or 4 rating and weaknesses must receive a 1 or 2 rating. Ratings are thus company-based, whereas the weights in step 2 are industry-based.

Author empower the rating process through the judgment of head of ITS Press as the expert who understands the level of a factor in category. The assessment was conducted by the author through the questionnaire available in the attachment. After computing the weight and the rating, the next step is to multiply each factor's

weight by its rating to determine a weighted score for each variable and sum the weighted scores for each variable to determine the total weighted score for the organization. Below are the internal factor evaluation matrix of ITS Press.

Table 4. 4 Internal Factor Evaluation Matrix of ITS Press

| Key Internal Factor |   | Weight   | Rating | Weighted Score |
|---------------------|---|----------|--------|----------------|
| <b>Strength</b>     |   |          |        |                |
| 1                   | ITS Press has a good relationship with raw material supplier partner that is also located strategically                     | 0,035    | 3      | 0,105          |
| 2                   | ITS Press is a qualified university press business proven by legal certification  | 0,038    | 3      | 0,114          |
| 3                   | ITS Press is part of APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a platform for beneficial coordination | 0,032    | 3      | 0,096          |
| 4                   | ITS Press has a multiple ordering methods for its customer  | 0,052    | 4      | 0,208          |
| 5                   | ITS Press is part of BPPU ITS that ease and help the business unit development  | 0,045    | 3      | 0,135          |
| 6                   | ITS Press employee has a good moral and willing to work multitask   | 0,093    | 4      | 0,372          |
| <b>Weakness</b>     |   |          |        |                |
| 1                   | Revenue from publishing service only around 5% of its total revenue   | 0,07     | 1      | 0,07           |
| 2                   | ITS Press does not have yearly working capital  | 0,094    | 1      | 0,094          |
| 3                   | ITS Press does not measure its profitability (no profit and loss statement)   | 0,068    | 1      | 0,068          |
| 4                   | ITS Press have small portion over its captive market share  | 0,112    | 1      | 0,112          |
| 5                   | ITS Press does not have channel of distribution   | 0,056    | 2      | 0,112          |
|                     | ITS Press does not have marketing function  | 0,095    | 1      | 0,095          |
| 7                   | Production machine are not competitive for the printing business  | 0,081    | 1      | 0,081          |
| 8                   | Product innovation research and development does not exist  | 0,041    | 2      | 0,082          |
| 9                   | The corporate mindset among employee have not been formed   | 0,088    | 2      | 0,176          |
| <b>Total</b>        |   | <b>1</b> |        | <b>1,92</b>    |

b. External Factor Evaluation

External factors evaluation is conducted through literature study, research and direct observation. The external audit aim to evaluate external factors of ITS Press including the existing condition and potential of press business. There are several external aspect audited such as market share , market potential, market competition, customers, legal and political, press industry growth and trend. Below are the external factor evaluation for ITS Press.

Table 4. 5 ITS Press External Audit

| Aspect                 | Existing Condition  | External Factor   | Type        |
|------------------------|---|---|-------------|
| Market share potential | ITS is consist of 10 faculty and 38 departments. With that, by 2019 ITS have 20,000 students. Every faculty and departments has administration needs that requires printing and every student also needs printing services for most of the academic assignment. | Captive market size consist of 10 faculty and 38 departments with 20,000 of students                  | Opportunity |
| Market potential       | The increasing amount of programs after shifting to ITS PTNBH status has increase ITS formal events. Events of academic and non-academic held by student organization is also increasing proven by the ranking of ITS student services among other university.  | Printing needs for event is increase due to the increasing amount of academic and non-academic in ITS | Opportunity |



Table 4. 5 ITS Press External Audit (Con't)

| Aspect | Existing Condition   | External Factor  | Type               |
|--------|--|--|--------------------|
|        | <p>Every year, ITS has at least two official graduation with total of around 3000 graduates every year. In order to graduate, student requires to complete final project assignment that later need to be printed out. This could be a potential market for ITS Press to get.</p>  | <p>The existing of printing need especially for undergraduate final project, thesis and dissertation for more 3000 students yearly</p> | <p>Opportunity</p> |
|        | <p>ITS won the second highest award in Indonesia as an institution with reputable international publication productivity in 2017-2018. The award was given at the Science and Technology Index (Sinta) Award held by the Indonesian Ministry of Research, Technology and Higher Education (Kemenristekdikti). ITS successfully increase the research up to 40 percent in the last 5 years. This research could be a strong potential for future publishing that could be handled by ITS Press.</p> | <p>Top 5 university most productive research with the growth of 40 percent in the last 5 years</p>                                     | <p>Opportunity</p> |
|        | <p>ITS established ITS Publisher to work with authors, and academic communities by designing, publishing and promoting good quality of both printed and digital books &amp; publications. This initiative was confirmed by the head of BPPU as its method to bridge ITS Press with external publishing market.</p>   | <p>The present of ITS Publishing to bridge external publishing market</p>  | <p>Opportunity</p> |

Table 4. 5 ITS Press External Audit (Con't)

| Aspect               | Existing Condition   | External Factor                                       | Type        |
|----------------------|--|---|-------------|
|                      | ITS has collaboration with state and private universities, especially in East Java, such as; Ciputra University, ITATS, University of Indonesia PGRI, STIKES Widyagama Malang, Kanjuruhan University, UnMuh Surabaya, UnMuh Gresik, UnMuh Ponorogo, University Widya Kartika, etc. | ITS Partnership with university in East Java          | Opportunity |
| Market Competition   | The number of general printing provider around ITS is increasing. They're mainly located in the region of Sukolilo that offers similar services to ITS Press. Furthermore, competition was become higher by the innovative pricing offered by another printing business.           | Increasing of commercial printing business around ITS | Threat      |
| Customer Orientation | ITS stakeholders especially students are price sensitive. This aspect driven by the academic culture of budget efficiency. This also influenced by the customer culture of Indonesia who tends to prefer cheaper price.  | Customer price sensitive                              | Threat      |
| Legal and political  | After shifting to PTNBH, ITS organization has a system, process and procedure, efficient and effective of work, based on the principle of good governance.   | ITS principle of Good University Governance           | Opportunity |

Table 4. 5 ITS Press External Audit (Con't)

| Aspect              | Existing Condition  | External Factor   | Type        |
|---------------------|---|---|-------------|
| Legal and political | Based on ITS performance report, ITS plan to have 100 percent paperless administration to increase efficiency of office stationery purchasing and increase the affectivity of responds.   | ITS plan for paperless administration                     | Threat      |
|                     | Every transaction in ITS has transaction tax in it that raise the price of the product and services.  | Transaction tax policy                                    | Threat      |
|                     | The regulation of ITS plays important aspect. There are several regulations that might disadvantage ITS Press performances such as policy on the printing documents or even the absence of policy that instructed the unit and department in ITS to utilize ITS Press services. | The uncertainty of university regulations                 | Threat      |
|                     | PTNBH's status owned by ITS could be very beneficial since it enables ITS Press not only to support education process but also to generate revenue from sales.  | The status of ITS as PTNBH                                | Opportunity |
|                     | ITS bureaucracy requires ITS Press to request the capital monthly. ITS Press request capital after order is place by customer, this lead to longer production time.   | Bureaucracy system of ITS slow down ITS Press performance | Threat      |

Table 4.5 ITS Press External Audit (Con't)

| Aspect                            | Existing Condition   | External Factor   | Type               |
|-----------------------------------|--|---|--------------------|
|                                   | <p>Printing business in Indonesia is expected to double up to the previous year Publishing growth increased by 14.9% (2017), packaging industry rose 13.2% and advertising rose 12.1%. General Chairman of the Indonesian Graphic Society (PPGI) of West Java, Dedy Firmansyah, said that at the end of 2018 until the beginning of 2019 the printing business would certainly receive many election orders.</p> | <p>Indonesia printing industry growth is 14,9 %</p>                     | <p>Opportunity</p> |
| <p>Industry growth and trends</p> | <p>The Chairperson of <i>Ikatan Penerbit Indonesia</i> (IKAPI) Rosidayati Rozalina stated that general income from publishing industry decreased by 10%. Facing this new challenge, IKAPI continues to struggle and encourages publishers to begin digitizing their publications.</p>  | <p>The revenue of publishing industry is decreasing by 10% in 2017.</p> | <p>Threat</p>      |
|                                   | <p>Nielsen Indonesia stated that the number of printed media declined from 162 titles in 2012 to 96 titles in 2017. The development of digitalization enables people to access e-book and journal online..</p>   | <p>The development of digitalization era</p>                            | <p>Threat</p>      |

Table 4. 5 ITS Press External Audit (Con't)

| Aspect                     | Existing Condition   | External Factor   | Type   |
|----------------------------|--|---|--------|
| Industry growth and trends | Digital publishing has been popular lately. Authors started to publish their book online and readers starting to enjoy e-book for its flexibility and cheaper price.   | The increasing number of e-book publishing.               | Threat |
|                            | Several department in ITS has tried out to modified assignment submission into non printed documents. Most assignment is submitted through emails, Google drive, and Google classroom. Moreover, the social and humaniora unit has tried out their paperless exam. | Increasing number of paperless exam and assignment in ITS | Threat |

The result of internal factor evaluation above has given us the internal aspect consist of strength and weakness of ITS Press. Below are the lists of strength and weakness of ITS Press.

### Opportunity

1. Captive market size consist of more than 10 faculty and 38 departments with 20,000 of students
2. Printing needs for event is increase due to the increasing amount of academic and nonacademic in ITS
3. The existing of printing need especially for undergraduate final project, thesis and dissertation for more 3000 students yearly
4. Top 5 university most productive research with the growth of 40 percent in the last 5 years
5. The present of ITS Publishing to bridge external publishing market

6. ITS Partnership with university in East Java
7. ITS principle of Good University Governance
8. The status of ITS as PTNBH
9. Indonesia printing industry growth is 14,9 %

### **Threat**

1. The revenue of publishing industry is decreasing by 10% in 2017
2. Increasing of commercial printing business around ITS
3. The increasing number of e-book publishing
4. Customer price sensitive
5. ITS plan for paperless administration
6. Transaction tax policy
7. The uncertainty of university regulations
8. Bureaucracy system of ITS slow down ITS Press performance
9. The development of digitalization era
10. Increasing number of paperless exam and assignment in ITS

The next step in conducting an internal strategic-management audit is to construct an External Factor Evaluation (EFE) Matrix. It allows strategists to summarize and evaluate external forces affect the business. Similar process with IFE matrix, EFE matrix requires intuitive judgments by head of ITS Press to conduct the weighting and rating process using expert choice software. The use of expert choice is promoted to reduce the amount of inconsistency during the process of scoring. The weight will be assigned with ranges from 0.0 (not important) to 1.0 (very important). The weight indicates the relative importance of that factor to being successful in the press industry. Appropriate weights is determined by comparing successful with unsuccessful competitors and by discussing the factor with head of ITS Press. Below are ITS Press external factors evaluation weight generated from expert choice.



Figure 4. 6 Weight of External Factor

The next step is to assign rating between 1 and 4 will be assigned to each key external factor to indicate how effectively ITS Press current strategies respond to the factor, where 4 = the response is superior, 3 = the response is above average, 2 = the response is average, and 1 = the response is poor. Ratings are based on effectiveness of the ITS Press strategies. Ratings are thus company-based, whereas the weights in industry-based. Both threats and opportunities can receive a 1, 2, 3, or 4 rating. Below are ITS Press external factor evaluation matrix.

Table 4. 6 External Factor Evaluation Matrix

| Key External Factor  |   | Weight | Rating | Weighted Score |
|----------------------|---|--------|--------|----------------|
| <b>Opportunities</b> |   |        |        |                |
| 1                    | Captive market size consist of more than 10 faculty and 38 departments with 20,000 of students                                  | 0,102  | 1      | 0,102          |
| 2                    | Printing needs for event is increase due to the increasing amount of academic and non-academic in ITS                           | 0,08   | 1      | 0,08           |
| 3                    | The existing of printing need especially for undergraduate final project, thesis and dissertation for more 3000 students yearly | 0,087  | 1      | 0,087          |

Table 4.6 External Factor Evaluation Matrix (Con't)

|               | <b>Key External Factor</b>  | <b>Weight</b> | <b>Rating</b> | <b>Weighted Score</b> |
|---------------|---|---------------|---------------|-----------------------|
| 4             | Top 5 university most productive research with the growth of 40 percent in the last 5 years | 0,031         | 2             | 0,062                 |
| 5             | The present of ITS Publishing to bridge external publishing market                          | 0,077         | 1             | 0,077                 |
| 6             | ITS Partnership with university in East Java  | 0,054         | 2             | 0,108                 |
| 7             | ITS principle of Good University Governance   | 0,037         | 2             | 0,074                 |
| 8             | The status of ITS as PTNBH  | 0,031         | 2             | 0,062                 |
| 9             | Indonesia printing industry growth is 14,9 %  | 0,03          | 1             | 0,03                  |
| <b>Threat</b> |   |               |               |                       |
| 1             | The revenue of publishing industry is decreasing by 10% in 2017                             | 0,029         | 1             | 0,029                 |
| 2             | Increasing of commercial printing business around ITS                                       | 0,071         | 1             | 0,071                 |
| 3             | The increasing number of e-book publishing  | 0,031         | 1             | 0,031                 |
| 4             | Customer price sensitive  | 0,061         | 2             | 0,122                 |
| 5             | ITS plan for paperless administration   | 0,048         | 2             | 0,096                 |
| 6             | Transaction tax policy  | 0,039         | 2             | 0,078                 |
| 7             | The uncertainty of university regulations   | 0,049         | 2             | 0,098                 |
| 8             | Bureaucracy system of ITS slow down ITS Press performance                                   | 0,061         | 2             | 0,122                 |
| 9             | The development of digitalization era   | 0,032         | 2             | 0,064                 |
| 10            | Increasing number of paperless exam and assignment in ITS                                   | 0,05          | 2             | 0,1                   |
|               | <b>Total</b>  | <b>1</b>      |               | <b>1,493</b>          |

#### 4.2.2.2 The Matching Stage with SPACE Matrix

The matching stage of the strategy will be matched with Strategic Position and Action Evaluation (SPACE) Matrix. The strategy consist of four-quadrant framework that indicates whether aggressive, conservative, defensive, or competitive strategies are most appropriate for ITS Press. The axes of the SPACE Matrix represent two internal dimensions (financial position [FP] and competitive position [CP]) and two external dimensions (stability position [SP] and industry



position [IP]). These four factors are the most important determinants of ITS Press overall strategic position. Factors that were included in the firm's EFE and IFE Matrices primarily considered in developing ITS Press SPACE Matrix.

The first step in developing a SPACE Matrix for ITS Press is to select a set of variables to define financial position (FP), competitive position (CP), stability position (SP), and industry position (IP). The variables is assign with a numerical value ranging from +1 (worst) to +7 (best) to each of the variables that make up the FP and IP dimensions. While for SP and CP a numerical value will be assigned ranging from -1 (best) to -7 (worst) to each of the variables that make up the SP and CP dimensions. On the FP and CP axes the comparisons is made to competitors. On the IP and SP axes, the comparisons is made to other industries. On the SP axis, know that a -7 denotes highly unstable industry conditions, whereas -1 denotes highly stable. The next step is to compute an average score for FP, CP, IP, and SP by summing the values given to the variables of each dimension and then by dividing by the number of variables included in the respective dimension as follow.

Table 4. 7 ITS Press SPACE Matrix Rating

| <b>ITS Press SPACE Matrix Generation</b> |                                  |               |                                    |                                  |               |
|--|----------------------------------|---------------|------------------------------------|----------------------------------|---------------|
| <b>Internal Strategic Position</b>       |                                  |               | <b>External Strategic Position</b> |                                  |               |
|  | <b>Financial Position (FP)</b>   | <b>Rating</b> |                                    | <b>Stability Position (SP)</b>   | <b>Rating</b> |
| 1  | Working Capital                  | 4             | 1                                  | Technological changes            | -5            |
| 2  | Cash flow                        | 4             | 2                                  | Demand variability               | -3            |
| 3  | Budget Efficiency                | 3             | 3                                  | Price range of competing product | -4            |
|  |                                  |               | 4                                  | Barriers to entry market         | -2            |
|  |                                  |               | 5                                  | Risk involved in business        | -2            |
| <b>Total</b>                             |                                  | <b>11</b>     | <b>Total</b>                       |                                  | <b>-16</b>    |
| <b>Average</b>                           |                                  | <b>3,6667</b> | <b>Average</b>                     |                                  | <b>-3,2</b>   |
|  | <b>Competitive Position (CP)</b> | <b>Rating</b> |                                    | <b>Industry Position (IP)</b>    | <b>Rating</b> |
| 1  | Market share                     | -6            | 1                                  | Growth potential                 | 3             |
| 2  | Product quality                  | -4            | 2                                  | Profit potential                 | 4             |
| 3  | Customer loyalty                 | -5            | 3                                  | Ease to entry market             | 3             |
| 4  | Capacity utilization             | -5            | 4                                  | Productivity                     | 4             |
| 5  | Technology know-how              | -3            |                                    |                                  |               |

Table 4.7 ITS Press SPACE Matrix Rating (Con't)

| ITS Press SPACE Matrix Generation |                                       |             |                             |            |
|-----------------------------------|---------------------------------------|-------------|-----------------------------|------------|
| Internal Strategic Position       |                                       |             | External Strategic Position |            |
| 6                                 | Control over supplier and distributor | -4          |                             |            |
| <b>Total</b>                      |                                       | <b>-27</b>  | <b>Total</b>                | <b>14</b>  |
| <b>Average</b>                    |                                       | <b>-4,5</b> | <b>Average</b>              | <b>3,5</b> |

After calculating its average, the next step is to plot the average scores for FP, IP, SP, and CP on the appropriate axis in the SPACE Matrix and adding the two scores on the x-axis and plot the resultant point on X. Add the two scores on the y-axis and plot the resultant point on Y. Plot the intersection of the new (x, y) coordinate. The x-axis and y-axis can be calculated as follow.

Table 4. 8 X-axis and Y-axis calculation

|        |                               |
|--------|-------------------------------|
| X Axis | = Average of CP+Average of IP |
|        | = (-4,5)+3,5                  |
|        | = -1                          |
| Y Axis | = Average of FP+Average of SP |
|        | = 3,67+(-3,2)                 |
|        | = 0,47                        |

The last step is to draw a directional vector from the origin of the SPACE Matrix (0,0) through the new (x, y) coordinate. The vector being located in a particular quadrant below reveals particular strategies ITS Press should consider.

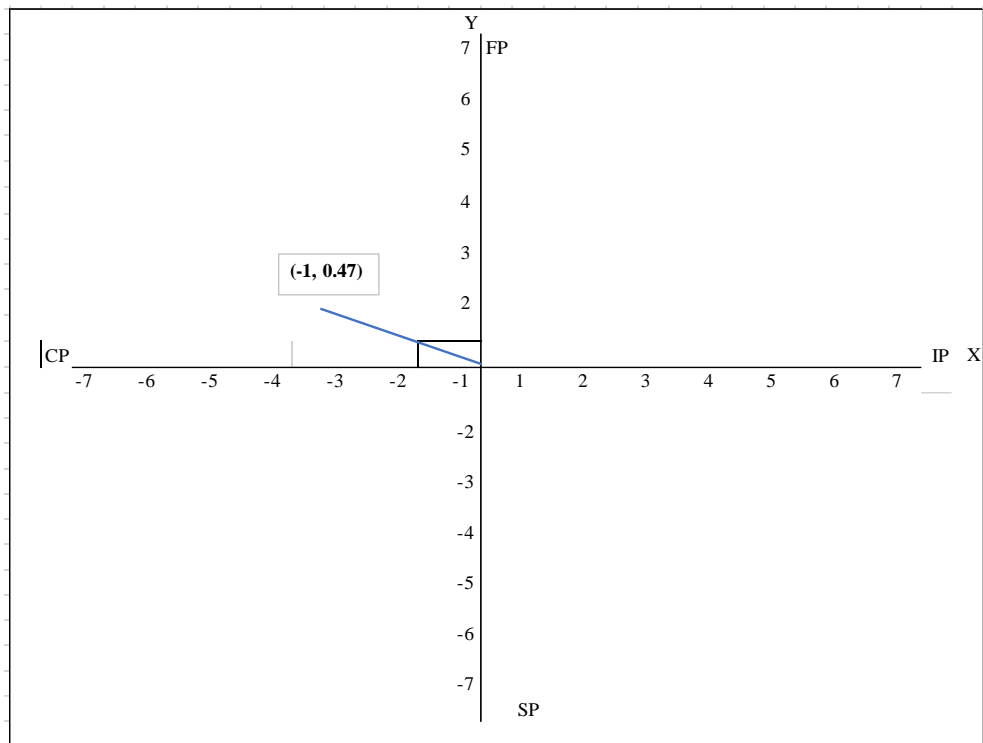


Figure 4. 7 Strategy Profile Vector

Referring to strategic management guideline, the directional vector above falls into conservative’s profile implying that ITS Press suffers from major competitive disadvantages in an industry that is technologically stable but declining in sales. Conservative strategies most often include market penetration, market development, product development, and related diversification. Supported by ITS Press resources and potential, there are various relevant conservatives strategy that could be considered. Below are the list of conservative’s strategy for ITS Press.

Table 4. 9 Alternative Strategy

| Type of Strategy          | Alternative Strategy   |
|---------------------------|--|
| <b>Market penetration</b> | Conduct intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program |
| <b>Market development</b> | Opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS market   |
|                           | Promoting ITS Press through authors and social media influencer endorsement  |

Table 4. 9 Alternative Strategy (con't)

| Type of Strategy | Alternative Strategy   |
|------------------|--|
|                  | Establish printing partnership with the government institution, education institution and hospital in East Java Province |
|                  | Creating sales partnership with 6 retail bookstore in every province of Java Island                                      |

#### 4.2.2.3 The Decision Stage with QSPM

This stage of process is the quantitative decision stage for selected strategy. QSPM determines the relative attractiveness of various strategies based on the extent that key external and internal factor. The last step is to perform Quantitative Strategic Planning Matrix (QSPM) aim to decide which alternative strategy will be chosen. The QSPM uses input from step one analyses and matching results from step two analyses to decide objectively among alternative strategies. The EFE Matrix and IFE Matrix comprise step one, coupled with SPACE Matrix comprise step two, provide the needed information for setting up the QSPM.

The relative attractiveness of each strategy within a set of alternatives is computed by determining the cumulative impact of each external and internal factor. Any number of sets of alternative strategies can be included in the QSPM, and any number of strategies can make up a given set, but only strategies within a given set are evaluated relative to each other. The first step is to make a list of the firm's key external opportunities and threats and internal strengths and weaknesses in the left column of the QSPM. Continue with assigning weights to each key external and internal factor. And then determine the Attractiveness Scores (AS), defined as numerical values that indicate the relative attractiveness of each strategy considering a single external or internal factor followed by computing the Total Attractiveness Scores. The Sum Total Attractiveness Scores (STAS) reveal which strategy is most attractive in each set of alternatives. Below is ITS Press Quantitative Strategic Planning Matrix.

Table 4. 60 Quantitative Strategic Planning Matrix

| Strategic Alternatives |   |        |     |      |     |      |     |      |     |      |     |      |
|------------------------|---|--------|-----|------|-----|------|-----|------|-----|------|-----|------|
| Key Factors            |   | Weight | S-1 |      | S-2 |      | S-3 |      | S-4 |      | S-5 |      |
|                        |   |        | AS  | TAS  | AS  | TAS  | AS  | TAS  | AS  | TAS  | AS  | TAS  |
| <b>Opportunities</b>   |   |        |     |      |     |      |     |      |     |      |     |      |
| 1                      | Captive market size consist of more than 10 faculty and 38 departments with 20,000 of students                                  | 0,102  | 4   | 0,41 | 2   | 0,2  | 2   | 0,2  | 2   | 0,2  | 1   | 0,1  |
| 2                      | Printing needs for event is increase due to the increasing amount of academic and non academic in ITS                           | 0,08   | 4   | 0,32 | 2   | 0,16 | 1   | 0,08 | 1   | 0,08 | 1   | 0,08 |
| 3                      | The existing of printing need especially for undergraduate final project, thesis and dissertation for more 3000 students yearly | 0,087  | 3   | 0,26 | 2   | 0,17 | 1   | 0,09 | 1   | 0,09 | 1   | 0,09 |
| 4                      | Top 5 university most productive research with the growth of 40 percent in the last 5 years                                     | 0,031  | 2   | 0,06 | 1   | 0,03 | 1   | 0,03 | 1   | 0,03 | 3   | 0,09 |
| 5                      | The present of ITS Publishing to bridge external publsiing market   | 0,077  | 1   | 0,08 | 2   | 0,15 | 2   | 0,15 | 3   | 0,23 | 3   | 0,23 |
| 6                      | ITS Partnership with university in East Java  | 0,054  | 1   | 0,05 | 2   | 0,11 | 2   | 0,11 | 4   | 0,22 | 3   | 0,16 |
| 7                      | ITS principle of Good University Governance   | 0,037  | 1   | 0,04 | 1   | 0,04 | 1   | 0,04 | 3   | 0,11 | 1   | 0,04 |
| 8                      | The status of ITS as PTNBH  | 0,031  |     |      |     |      |     |      |     |      |     |      |
| 9                      | Indonesia printing industry growth is 14,9 %  | 0,03   |     |      |     |      |     |      |     |      |     |      |

Table 4. 10 Quantitative Strategic Planning Matrix (Con't)

| Strategic Alternatives |   |        |     |      |     |      |     |      |     |      |     |      |
|------------------------|---|--------|-----|------|-----|------|-----|------|-----|------|-----|------|
| Key Factors            |   | Weight | S-1 |      | S-2 |      | S-3 |      | S-4 |      | S-5 |      |
|                        |   |        | AS  | TAS  | AS  | TAS  | AS  | TAS  | AS  | TAS  | AS  | TAS  |
| <b>Threat</b>          |   |        |     |      |     |      |     |      |     |      |     |      |
| 1                      | The revenue of publishing industry is decreasing by 10% in 2017 | 0,029  |     |      |     |      |     |      |     |      |     |      |
| 2                      | Increasing of commercial printing business around ITS           | 0,071  | 4   | 0,28 | 2   | 0,14 | 2   | 0,14 | 1   | 0,07 | 1   | 0,07 |
| 3                      | The increasing number of e-book publishing                      | 0,031  |     |      |     |      |     |      |     |      |     |      |
| 4                      | Customer price sensitive  | 0,061  | 3   | 0,18 | 3   | 0,18 | 2   | 0,12 | 1   | 0,06 | 1   | 0,06 |
| 5                      | ITS plan for paperless administration                           | 0,048  | 3   | 0,14 | 3   | 0,14 | 3   | 0,14 | 3   | 0,14 | 3   | 0,14 |
| 6                      | Transaction tax policy  | 0,039  |     |      |     |      |     |      |     |      |     |      |
| 7                      | The uncertainty of university regulations                       | 0,049  | 3   | 0,15 | 4   | 0,2  | 3   | 0,15 | 4   | 0,2  | 3   | 0,15 |
| 8                      | Bureaucracy system of ITS slow down ITS Press performance       | 0,061  |     |      |     |      |     |      |     |      |     |      |
| 9                      | The development of digitalization era                           | 0,032  |     |      |     |      |     |      |     |      |     |      |
| 10                     | Increasing number of paperless exam and assignment in ITS       | 0,05   | 3   | 0,15 | 3   | 0,15 | 3   | 0,15 | 4   | 0,2  | 3   | 0,15 |

Table 4. 10 Quantitative Strategic Planning Matrix (Con't)

| Strategic Alternatives |   |        |     |      |     |      |     |      |     |      |     |      |
|------------------------|---|--------|-----|------|-----|------|-----|------|-----|------|-----|------|
| Key Factors            |   | Weight | S-1 |      | S-2 |      | S-3 |      | S-4 |      | S-5 |      |
|                        |   |        | AS  | TAS  | AS  | TAS  | AS  | TAS  | AS  | TAS  | AS  | TAS  |
| <b>Strenght</b>        |   |        |     |      |     |      |     |      |     |      |     |      |
| 1                      | ITS Press has a good relationship with raw material supplier partner that is also located strategically                     | 0,035  |     |      |     |      |     |      |     |      |     |      |
| 2                      | ITS Press is a qualified univeristy press business proven by legal certification  | 0,038  |     |      |     |      |     |      |     |      |     |      |
| 3                      | ITS Press is part of APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a platform for beneficial coordination | 0,032  |     |      |     |      |     |      |     |      |     |      |
| 4                      | ITS Press has a multiple ordering methods for its customer  | 0,052  | 4   | 0,21 | 4   | 0,21 | 2   | 0,1  | 2   | 0,1  | 2   | 0,1  |
| 5                      | ITS Press is part of BPPU ITS that ease and help the business unit development  | 0,045  | 3   | 0,14 | 2   | 0,09 | 2   | 0,09 | 3   | 0,14 | 3   | 0,14 |
| 6                      | ITS Press employee has a good moral and willing to work multitask   | 0,093  | 4   | 0,37 | 3   | 0,28 | 2   | 0,19 | 3   | 0,28 | 3   | 0,28 |

Table 4. 10 Quantitative Strategic Planning Matrix (Con't)

| Strategic Alternatives |   |          |     |             |     |             |     |             |     |             |     |             |
|------------------------|---|----------|-----|-------------|-----|-------------|-----|-------------|-----|-------------|-----|-------------|
| Key Factors            |   | Weight   | S-1 |             | S-2 |             | S-3 |             | S-4 |             | S-5 |             |
|                        |   |          | AS  | TAS         | AS  | TAS         | AS  | TAS         | AS  | TAS         | AS  | TAS         |
| <b>Weakness</b>        |   |          |     |             |     |             |     |             |     |             |     |             |
| 1                      | Revenue from publishing service only around 5% of its total revenue         | 0,07     |     |             |     |             |     |             |     |             |     |             |
| 2                      | ITS Press does not have yearly working capital                              | 0,094    | 4   | 0,38        | 3   | 0,28        | 3   | 0,28        | 2   | 0,19        | 2   | 0,19        |
| 3                      | ITS Press does not measure its profitability (no profit and loss statement) | 0,068    |     |             |     |             |     |             |     |             |     |             |
| 4                      | ITS Press have small portion over its captive market share                  | 0,112    | 4   | 0,45        | 2   | 0,22        | 2   | 0,22        | 2   | 0,22        | 1   | 0,11        |
| 5                      | ITS Press does not have channel of distribution                             | 0,056    | 3   | 0,17        | 2   | 0,11        | 3   | 0,17        | 3   | 0,17        | 4   | 0,22        |
| 6                      | ITS Press does not have marketing function                                  | 0,095    | 4   | 0,38        | 3   | 0,29        | 3   | 0,29        | 4   | 0,38        | 3   | 0,29        |
| 7                      | Production machine are not competitive for the printing business            | 0,081    | 3   | 0,24        | 2   | 0,16        | 2   | 0,16        | 2   | 0,16        | 2   | 0,16        |
| 8                      | Product innovation research and development does not exist                  | 0,041    | 3   | 0,12        | 3   | 0,12        | 2   | 0,08        | 4   | 0,16        | 3   | 0,12        |
| 9                      | The corporate mindset among employee have not been formed                   | 0,088    |     |             |     |             |     |             |     |             |     |             |
| <b>Total</b>           |   | <b>1</b> |     | <b>4,58</b> |     | <b>3,45</b> |     | <b>2,99</b> |     | <b>3,44</b> |     | <b>2,98</b> |



Note:

S-1 Conduct intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program.

S-2 Opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS market.

S-3 Promoting ITS Press through authors and social media influencer endorsement.

S-4 Establish printing partnership with the government institution, education institution and hospital in East Java Province.

S-5 Creating sales partnership with 6 retail bookstore in every province of Java Island

In Table 4.15, five alternative strategies are being considered for ITS Press. The sum of attractiveness score are 4.58, 3.45, 2.98, 3.4, and 3.97 respectively. There are 7 factors from opportunities affects the choice being made, so AS has been recorded for the five strategies. On threat category, there are 5 factors affects the choice of strategy. Another 3 factors recorded in strength and 6 factors in weakness has been recorded with AS. The total of AS assign is 21 factors out of 34 factors in EFE and EFE matrix.

Based on above table, alternative strategy number 1 which is conducting intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program got the highest sum of total attractiveness score with 4,58 in total. Followed by alternative strategy 2 and 4 which are opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS market and establish printing partnership with the government institution, education institution and hospital in East Java Province get 3.4 for overall total attractiveness score. While the other two alternative strategy which is strategy number 3 and 5 has Sum Total Attractiveness Scores (STAS) less than 3.

The first strategy definitely chosen to be broken down into operational strategy since it has highest score of STAS. But, along with creating intensive marketing for internal ITS market it also suggested to penetrate and develop external market through alternative strategy number 2 and 4 which are opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS market and establish printing partnership with the government institution, education institution and hospital in East Java Province. The strategy number 2 and 4 will also be involved in operational strategy since it also could be additional operational plan for ITS Press to penetrate and develop its market.

#### *4.2.3 Operational Strategy*

This step will further process selected strategy to be broken down into operational strategy. The selected strategy is categorized as corporate strategy. The corporate strategy that consist of general strategy outline will be first converted into

functional level strategy. Functional level strategy uses corporate strategy to define tactic for each market. The last step is to convert business strategy into operational strategy. Operational strategy consist of day to day action needed to deliver corporate strategy, the relationship needed among departments and team, and how the operational goal will be met and monitor. Below are the breakdown of ITS Press operational strategy.

Table 4. 71 Alignment of Selected Strategy

| <b>Strategy Level 1<br/>(Company)</b>  | <b>Strategy Level 2<br/>(Functional)</b>                              | <b>Strategy Level 3<br/>(Operational)</b>  |
|--|---|--|
| (1) Conduct intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program | Plan, execute and monitor of product promotion to internal ITS Market | <ol style="list-style-type: none"> <li>1. Plan the product offering mechanism and proposal for departments and units in ITS.</li> <li>2. Conduct direct product offer to department in ITS by sending a personalized proposal.</li> <li>3. Conduct the proposal follow up through phone call within 2 days after proposal is received.</li> <li>4. Request and conduct roadshow on the approved date by presenting ITS Press product and services packed on eye-catching info graphic. <ul style="list-style-type: none"> <li>• The roadshow is in a form of direct presentation to head of department and unit or its representative along with purchasing staff.</li> <li>• The roadshow will also consist of small exhibition (booth) in a department to offer product directly to ITS student.</li> </ul> </li> <li>5. Evaluate promotion effectiveness through questionnaire and feedback from department and booth visitor.</li> </ol> |

Table 4. 11 Alignment of Selected Strategy (Con't)

| <b>Strategy Level 1<br/>(Company)</b>  | <b>Strategy Level 2<br/>(Functional)</b>  | <b>Strategy Level 3<br/>(Operational)</b>   |
|--|---|---|
| (1) Conduct intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program | Plan, execute and monitor internal partnership through sponsoring of student organization and department's official event | <ol style="list-style-type: none"> <li>1. Plan and create event sponsoring mechanism.</li> <li>2. Conduct active sponsorship offer for student and department event in ITS. <ul style="list-style-type: none"> <li>• The package could be a bundle of support for event administration needs such as printing of book, brochure, report, letter head and etc.</li> <li>• The bundle of sponsorship package can be vary depending on the level of event and number of participant.</li> <li>• In return, ITS Press will be directly promoted during the event and open up stand during the event.</li> <li>• ITS Press could limit the sponsorship for maximum of 2 events in a month.</li> </ul> </li> <li>3. Evaluate the impact and effectiveness of each event sponsorship.</li> </ol> |
|  | Launch ITS Press Ambassador Program   | <ol style="list-style-type: none"> <li>1. Plan and conduct recruitment process of ITS Press Ambassador Program that consists of student representative in every faculty. The program is aim to involve student in ITS Press sales and marketing through direct promotion (roadshow) and online social media promotion as well as empower student to be an authors and publish their book in ITS Press.</li> <li>2. Plan and execute training program dedicated for the awardee to increase their product knowledge.</li> <li>3. Monitor the progress of ITS Press Ambassador Program through monthly evaluation.</li> </ol>   |

Table 4. 11 Alignment of Selected Strategy (Con't)

| <b>Strategy Level 1<br/>(Company)</b>  | <b>Strategy Level 2<br/>(Functional)</b>  | <b>Strategy Level 3<br/>(Operational)</b>  |
|--|---|--|
|  | Plan, execute and maintain collaboration with ITS Publisher to increase external publishing services. | <ol style="list-style-type: none"> <li>1. Plan for the mechanism of fulfill order for external publishing order.</li> <li>2. Conduct routine meeting and coordination to synergize collaboration.</li> <li>3. Monitor and evaluate collaboration through customer feedback and order completion target evaluation.</li> </ol>  |
| (2) Opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS market | Plan, open, operate, and monitor an online store in Tokopedia and Bukalapak.                          | <ol style="list-style-type: none"> <li>1. Create official account and store of ITS Press in Tokopedia and Bukalapak</li> <li>2. Create pre-order channel and mechanism for printed product of ITS Press.</li> <li>3. Operate the online books sales.</li> <li>4. Conduct daily store check and proceeding transaction on working days. <ul style="list-style-type: none"> <li>• Actively responding to customer request and questions, always active during working hour</li> <li>• Process customer order maximum +1 day after order being made.</li> </ul> </li> </ol> |
|  | Plan, create, execute and monitor online marketing.   | <ol style="list-style-type: none"> <li>1. Plan the grand design of online marketing including method and platform.</li> <li>2. Create interactive daily ads in social media and e-commerce platform.</li> <li>3. Conduct monthly virtual offer to external organizations and company through whatsapp and email.</li> <li>4. Execute weekly promotion through Instagram and Facebook Ads.</li> <li>5. Monitor the online marketing effectiveness and efficiency every 3 months.</li> </ol>   |

Table 4. 11 Alignment of Selected Strategy (Con't)

| <b>Strategy Level 1<br/>(Company)</b>   | <b>Strategy Level 2<br/>(Functional)</b>                          | <b>Strategy Level 3<br/>(Operational)</b>   |
|---|---|---|
| (3) Plan, establish and maintain partnership with the government institution, education institution and hospital in East Java Province. | Plan, execute and monitor online and offline product offering     | <ol style="list-style-type: none"> <li>1. Plan and execute direct offer to government agency, educational institution and hospital in Surabaya especially for printing services. <ul style="list-style-type: none"> <li>• Contact prospective customer through office phone, whatsapp and email</li> <li>• Send the proposal online to through email and whatsapp.</li> <li>• Conduct follow up to the prospective customer within 3 days working days</li> </ul> </li> <li>2. Monitor the offering progress through daily records and monthly evaluation.</li> </ol> |
|   | Conduct and evaluate roadshow and participate external exhibition | <ol style="list-style-type: none"> <li>1. Request and conduct roadshow by presenting ITS Press product and services with personalized offer packed through presentation.</li> <li>2. Search and participate on book fair and educational bazaar especially in East Java.</li> </ol>   |

The first selected strategy broken down into operational level strategy is conducting intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program. This strategy is detailed into three functional level that later being detailed on the operational strategy. The operational strategy for the first selected strategy was mainly emphasize on the step by step actionable plan to be able to increase the market share of internal ITS market. The operational strategy consisting of program planning, execution and evaluation of the strategy.

The next alignment is for strategy number 2 which is creating online store in Tokopedia and Bukalapak to penetrate external ITS market. The first actionable strategy is to creating an official account and store for ITS Press in Tokopedia and Bukalapak and making pre-order channel for printed product of ITS Press and

selling ITS Press books online followed by conducting daily store check and proceeding transaction on working days. The other strategy is to actively respond to customer request and questions, always active during working hour. To give the brief overview, below are example of Press business online store in Bukalapak and Tokopedia.

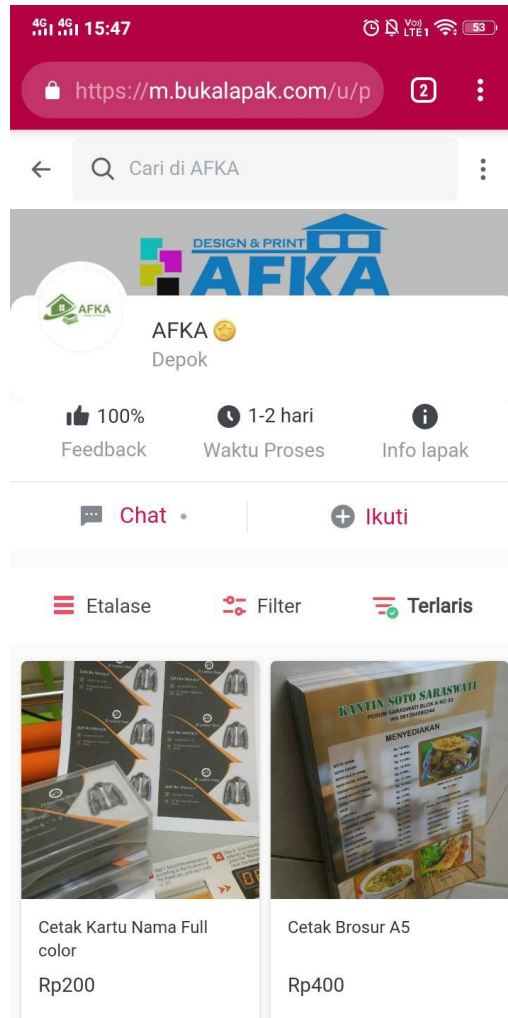


Figure 4. 8 Example of Press online store in Bukalapak  
Source: (Bukalapak, 2019)

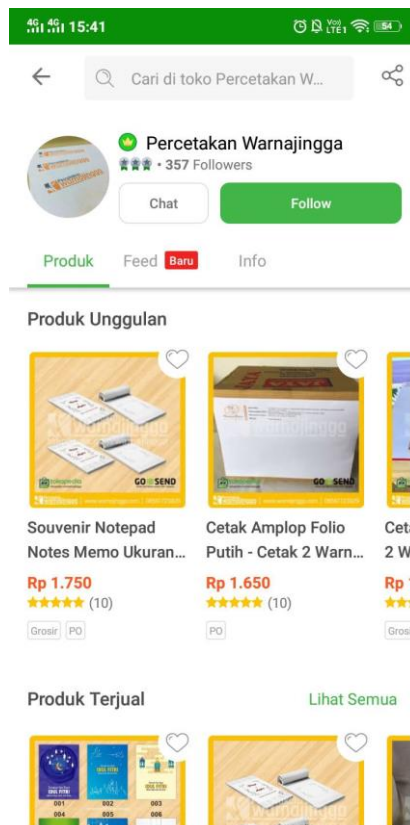


Figure 4. 9 Example of Press online store in Tokopedia

Source: (Tokopedia, 2019)

Furthermore to engage with wider audience ITS Press has to create interactive daily ads in social media and e-commerce platform, virtual offer to external organizations and company through whatsapp and email, and weekly promotion through Instagram and Facebook Ads. The weekly promotion through social media would be the opportunity to be known by external market. ITS Press could set up promotion duration from days to weeks depending on budget and targeted audience. Below are the example of Facebook and Instagram ads that can be used by ITS Press.



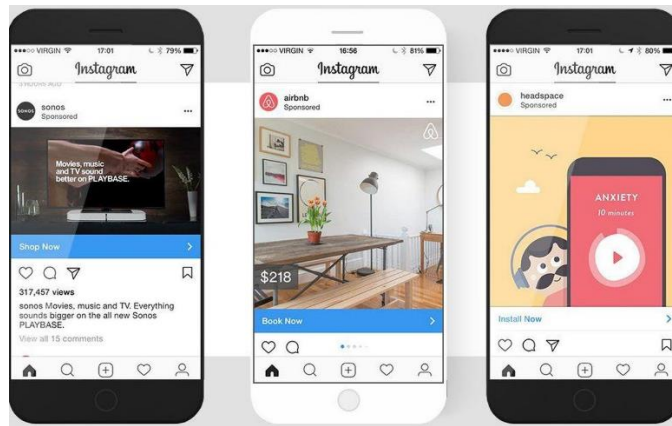


Figure 4. 10 Example of Instagram Ads

Source: (Instagram, 2019)

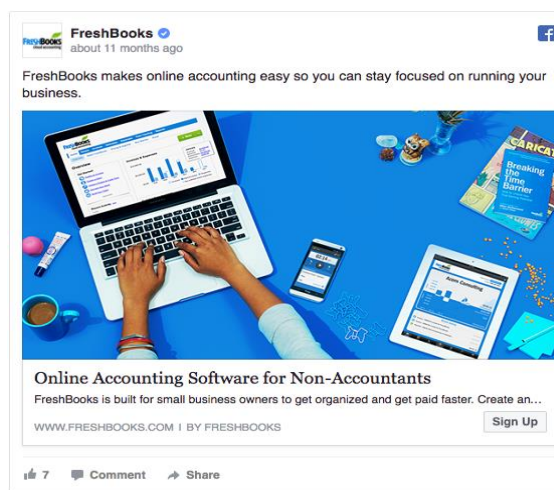


Figure 4. 11 Example of Facebook Ads

Source: (Facebook, 2019)

The operational strategy of the third company strategy in which to establish printing partnership with the government institution, education institution and hospital in East Java Province consist of contacting the prospective customer through office phone, whatsapp and email then sending an offer proposal online to through email and whatsapp as well as follow up to within 3 days working days. The actionable plan also suggested to conduct roadshow on the approved date by presenting ITS Press product and services as well as special offer packed on eye-catching info graphic and actively participate on book fair and educational bazaar especially in East Java.

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## **CHAPTER V**

### **ANALYSIS AND EVALUATION**

This chapter will explain the Evaluation and analysis of designing business model canvas and formulating strategy for ITS Press. The analysis will be based on the data and designing phase obtain from previous chapter. The analysis will emphasize on the existing business process, business model canvas, internal and external factor evaluation, matching stage of strategy, decision stage, and operational strategy breakdown. The data analysis is expected to give meaningful evaluation through scientific reasoning and elaboration.

#### **5.1 Analysis of ITS Press Existing Condition**

##### *5.1.1 Analysis of ITS Press Business Process*

ITS Press operates with standard business process. The business process only involves customers, finance and administration, logistic, and printing function. Analyzing on the whole business process, ITS Press business process did not qualify for its vision to be the primary printing and publishing business in Indonesia. The missing good organization function from manage process and support process is not existed. There are only few of management involvement in conducting the business. With that in mind, ITS Press is not managing the business appropriately. Even though the vision and mission does exist, but the continuation to be process further does not exist. The vision and mission statement was not process into business strategy, this condition affected their performance and resulted to dissatisfying annual income and control over market share. From the manage process aspect on business process, ITS Press should perform strategic approach to be able to breakdown their strategy into actionable plan.

On its core business aspect, the existing business process did not involve product development and support product. There is no relevant innovation is being made even after years of operation. The core process only consist of how to fulfill customer order with standard operation proven by the absence of marketing and promotion process in the business. ITS Press only wait for the customer to come

and order without actively promoting their product. The ideal core business process should involve various business function from product development who is responsible to attract customer with new product, marketing team who who's responsible to conduct efficient marketing process in offering product and getting order from customer and its core production team. Further improvement is recommended for ITS Press by involving marketing and product development function in their core business process.

ITS Press existing support process did not have its own human resources function due to its status as supporting unit in ITS. Under this circumstances, the human resources is not fully the responsibility of ITS management, the management of ITS Press should actively create and execute relevant program to help the skills upgrading for the employee as human capital investment to shape the future business competitiveness. Finance was performed in order to connect ITS Press with the fund sources from ITS and managing the unit income. ITS Press unit did not perform routine maintenance. The maintenance only conducted when the error and trouble is happening. It is strongly recommends for ITS Press also to focus on their human resources skills and performance also to conduct routine maintenance to manage the product quality.

### *5.2.2 Analysis of ITS Press Organization Structure*

ITS Press organization structure has been made to accommodate their needs in managing the organization. The existing organization structure is capable to perform the basic business function of production and order recording. But, the existing business process does not capable to plan and execute marketing of the product due to the absence of marketing section. It is recommended for ITS Press to recruit marketer or allocate the available staff to fulfill the position. ITS Press organization does not specify who will be responsible to take customer orders. In reality, the administration staff is the one who is responsible to take customer order. Furthermore, ITS Press organization structure does not have the quality control team who is responsible to control the product and service facility.

On the other hand, ITS Press status being part of BPPU is questionable. In reality, ITS Press system is strongly attach to central management of ITS under

Planning, Finance, and Infrastructure field proven by the condition that ITS Press has to request and make report of their monthly budget and income. Referring to the organization of BPPU, IT Press should follow the system and procedure of BPPU since organizationally it is part of BPPU. It is strongly recommended for ITS Press to consolidate their status and system and stand firmly as the unit manage and develop by BPPU. This would also in line with the research output that will recommends ITS Press on their new business model and develop the business by the strategy generated from this research. By that, ITS Press could develop and increase their revenue.

## 5.2 Analysis of Business Model Canvas

Business model canvas was designed to give the clear ITS Press recommended business overview. Business model canvas generated to accommodate ITS Press improvement to achieve its business objectives to be the primary press for ITS market and generating profitable revenue. The business model canvas analysis will emphasize on the logical reasoning on how the recommended canvas is adequate to achieve ITS Press objective.

Table 5. 1 Business Model Canvas Analysis

| Aspect           | Description  | Analysis   |
|------------------|--|--|
| Customer Segment | <ol style="list-style-type: none"> <li>Internal ITS as a priority customer which are departments and unit, students and lecturers</li> <li>External market segment including retail book store, schools and universities, government agency and</li> </ol> | <p>Making internal ITS market as the priority is inline towards ITS Press mission to be the educational support unit in ITS. Putting the internal market as the primary segment will help ITS Press to provide the most excellent services and distinguish its priority.</p> <p>The external market would be the good market development for ITS Press to able to reach wider audience and get more orders. The external market that consist of retail book store, schools and universities, government agency and private company and authors is definitely have their routine press needs during their year of operational</p> |

| Aspect | Description                  | Analysis   |
|--------|------------------------------|--|
|        | private company and authors. | that is the right customer segment for ITS Press to develop. |

Table 5. 2 Business Model Canvas Analysis (Con't)

| Aspect            | Description  | Analysis   |
|-------------------|--|--|
| Value Proposition | <ol style="list-style-type: none"> <li>To provide high quality printing services with warranty.</li> <li>To provide qualified publishing services with fair book royalties</li> </ol>  | <p>This two primary value offered by ITS Press is representing their two main product and services which are to provide high quality printing services with warranty to the customer and providing qualified publishing services with fair book sales royalties. Delivering the customer expectations through this two value offered will make ITS Press to focus more on customer satisfaction rather just providing the regular service.</p> <p>Good quality of product would benefit ITS Press image that will influence customer to be more loyal. Having a competitive book sales royalties should be offered to authors in order to increase publishing orders. Having both on the value proposition, ITS Press will be known as the best customer orientation press business.</p> |
| Channels          | <ol style="list-style-type: none"> <li>Direct customer order taking in ITS Press office</li> <li>Cost effective advertisement in social media as well as influencer advertisement</li> <li>Pre-order through e-commerce</li> <li>Roadshow</li> </ol> | <p>This five main channels of ITS Press would be a strong channel for ITS Press to able to market their product and reaching more customers. Having direct order in the office will give the comfort for the customer to discuss their order in advance. Having the cost effective advertisement will make ITS Press to be able to have an efficient promotion budget while getting wider audiences. Making an e-commerce as part of their channel will enable wider customer to order and customer who does not know ITS Press could purchase the product online with comfort. Roadshow is strongly dedicated for</p>   |

| Aspect | Description         | Analysis   |
|--------|---------------------|--|
|        | Bookstore retailers | internal ITS market, government agency, and hospitals who needs press services during their operational. The roadshow would be the valid step to create further partnership. |

Table 5. 2 Business Model Canvas Analysis (Con't)

| Aspect                | Description   | Analysis   |
|-----------------------|---|--|
| Customer Relationship | <ol style="list-style-type: none"> <li>1. Long-term relationship establishment through production defect warranty</li> <li>2. "Customer first" service mindset by optimizing office telephone, email and social media</li> <li>5. Customer satisfaction feedback for measurable improvement action</li> </ol> | <p>Having loyal customer is strongly important for ITS Press to maintain its order. ITS Press should give warranty to their customers regarding to production defect that might happen, this will give additional satisfaction to customer who would be a loyal customer in long term.</p> <p>ITS Press should have the mindset of customer first to be able to provide the excellent customer services experiences. ITS Press should be available to be contacted through several of media that will give a room of flexibility for customers to order and reach out for an inquiries.</p> <p>The measurement of customer services satisfaction could be conducted by having measureable feedback from the customer. The feedback will be a good reference for ITS Press to assess its customer relationship quality and plan on improvement.</p> |
| Revenue streams       | <ol style="list-style-type: none"> <li>1. Revenues comes from printing orders and sales of books</li> <li>2. Internal order from department and unit could be made by</li> </ol>  | <p>The revenues of ITS Press comes from printing orders and sales of books. Printing products such as general book, textbooks, report book, book profile, notebook, magazine, seminar proceedings, journal, answer sheet, letterhead, exam questions, envelope, folder, certificate, brochure, greeting cards, coupon, calendar final project book, name card, portfolio, book cover, and poster. This product have to be introduce to wider customer to get more revenues. The</p>  |

| Aspect | Description   | Analysis   |
|--------|---|--|
|        | <p>transfer allocation</p> <p>3. External order can pay through cash or bank transfer</p> | <p>higher amount of product sold, the higher revenue ITS Press could obtain.</p> |

Table 5. 2 Business Model Canvas Analysis (Con't)

| Aspect          | Description   | Analysis  |
|-----------------|---|---|
| Revenue streams | <p>1. Revenues comes from printing orders and sales of books</p> <p>2. Internal order from department and unit could be made by transfer allocation</p> <p>External order can pay through cash or bank transfer</p> | <p>While the publishing are in a form of issuance of ISBN books and issuance of ISBN seminar proceedings. ITS Press could generate more income from publishing from the amount of books being sold through various channel. The price of books will also play an important part, the higher price it is sold the higher revenue will be obtain. Furthermore, if the books is fail to be sold than the loss of revenue will become the risk.</p> <p>On the other hand, the internal customer order from department and unit in ITS could be made by transfer allocation. Transfer allocation is done through ITS financial system. But internal and external order could pay through cash or bank transfer as the payment services available to complete the order. This payment method would give the convenience service for the customers</p> |
| Key Activity    | <p>1. Editorial expertise represent every faculty in ITS and social humanities</p> <p>2. Production activity which are design</p>   | <p>The editorial process plays important role prior to production it will involve expertise representing every faculty in ITS and social humanities. The strong editor will lead to better quality of books publish by ITS Press.</p> <p>Excellent production process that consist of design editing, layouting, and finishing will give the operational benefit for ITS Press. Design editing and layouting is conducted to make sure that it fits with the requirement of</p>   |



| Aspect | Description  | Analysis   |
|--------|--|--|
|        | <p>editing, layouting, and finishing.</p> <p>3. Inventory planning and procurement</p> | <p>customer. ITS Press also will do inventory planning and procurement. This three key activity strongly important one to another as it becomes ITS Press primary operational that has to focus on. The more efficient the key activities the better resources could be saved.</p> |

Table 5. 2 Business Model Canvas Analysis (Con't)

| Aspect        | Description   | Analysis  |
|---------------|---|---|
| Key Resources | <ol style="list-style-type: none"> <li>1. Capital resources for competitive production machine</li> <li>2. Human capital in business development and marketing</li> <li>3. Licensed Editor</li> <li>4. Raw materials (paper and ink)</li> </ol> | <p>Capital resources for competitive production machine is becomes important resources to enhance productivity and increase competitiveness. The investment on production machine will enable ITS Press to be more competitive and able to receive higher customer order.</p> <p>The human capital investment will determine ITS Press ability to innovate on the business. The investment could be made through training, workshop and mentorship. Furthermore, marketing function investment will be in form of building partnership and channel as well as conducting marketing activity in ITS and external ITS. This investment on human capital will be a valuable investment for the strategy that will be implemented. The strong and skilled team would help ITS Press to achieve its vision easier.</p> <p>There is no doubt that qualified editor will be a good bargaining point for publishing services. Having licensed editor on the team will attract writers to publish their book in ITS Press. This will increase the credibility of ITS Press that will lead to customer trust.</p> |

| Aspect | Description | Analysis   |
|--------|-------------|--|
|        |             | The raw materials for production are the crucial aspect for the business. The raw material of ink and paper should to be stocked in a good quantity. Having good quality of material will lead to customer satisfaction. |

Table 5. 2 Business Model Canvas Analysis (Con't)

| Aspect      | Description   | Analysis   |
|-------------|---|--|
| Key Partner | <ol style="list-style-type: none"> <li>1. Major printing and publishing business partner with APPTI (Asosiasi Penerbit Perguruan Tinggi Indonesia), external editors, and external printing business.</li> <li>2. Key raw materials and manufacturing equipment suppliers that help utilize economies of scale and efficient production</li> <li>3. E-commerce</li> </ol> | <p>ITS Press as described was designed by evaluating current situation and potential development. Utilizing the existence of APPTI will create opportunity for join publishing as well as to join collaboration in quality improvement as a university press business. This situation has a good long-term benefit for ITS Press who is currently lacking of competitiveness level. Partnering with external editors would increase ITS Press publishing quality. It gives ITS Press chances to be known better as a publisher among authors. Additionally, the external printing business would be an outstanding production outsource or being outsourced that will enables ITS Press to receive more demands over the period of time.</p> <p>Having closer raw materials supply will help ITS Press to improve stocks and getting efficient price. It helps streamlined operations and reduce risks associated with any business model, an organization forms partnerships with its high-quality suppliers.</p> <p>Collaborating with e-commerce such as Tokopedia and Bukalapak to boost the sales..</p> <p>The product will be in a form of pre-order services. For example pre-order for envelope, calendar and brochure. This method is in line</p> |

| Aspect | Description | Analysis  |
|--------|-------------|---|
|        |             | with the current market development referring to Forbes magazine which stated that consumers spend approximately 48% more when their online shopping. By opening up a store online it could increase the opportunity for external orders. |

Table 5. 2 Business Model Canvas Analysis (Con't)

| Aspect         | Description  | Analysis  |
|----------------|--|---|
| Key Partner    | 4. Distribution channel through direct delivery, delivery services courier, expedition.  | Utilizing delivery partner will help the distribution process of the product. Direct delivery is dedicated for internal market in ITS especially department and unit. Orders from Java region could be shipped with delivery services such as JNE, J&T and Pos Indonesia. For order outside of Java could be shipped by expedition of Ninja and Wahana. Having reliable distribution partner will help ITS Press to reduce risk of distribution   |
| Cost structure | <ol style="list-style-type: none"> <li>1. Primary cost relating to machine and equipment</li> <li>2. Secondary cost arise for marketing on multiple platforms and continuous improvement on human resources trough skill upgrading</li> <li>3. Large scale production and mass-market</li> </ol> | As the press business, ITS Press requires primary cost relating to machine and equipment as well as raw materials for production. This become the primary cost since it has strong correlation towards its core process. Having marketing on multiple platform and invest on human resources is a continuous improvement and classified as the secondary cost for the business. Having this cost ready and adequate would be beneficial for ITS Press performances. Furthermore, the large scale production will give the efficient production cost since it will optimize the resources better than having small production. Furthermore, the mass-market customer segment ITS Press allows ITS Press to utilize economic of scale since it will |

| Aspect | Description  | Analysis  |
|--------|--|---|
|        | customer segment allows to utilize economic of scale | give certain benefit to purchase material in high quantity than lower quantity. |

### 5.3 Analysis of Internal and External Factor Evaluation

Internal and external factor evaluation summarizes and evaluates the major strengths with weaknesses, and opportunity with threat in the functional areas of a business, and it also provides a basis for identifying and evaluating relationships among those areas. In the previous chapter, we have formulated the weighting of each factor by expert judgment through expert choice software. The rating was given to all factors and multiply by its weight. This process made us obtain the weighted score of each factor in internal and external factor then sum all the factor in each external and internal factor as follows.

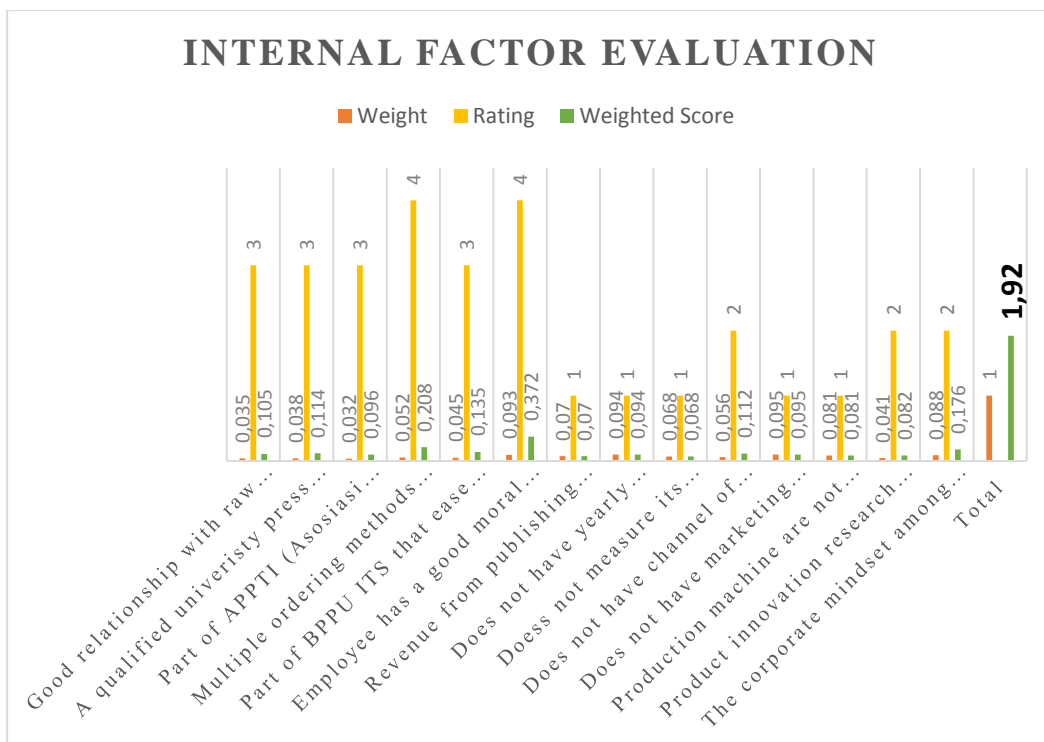


Figure 5. 1 Internal Factor Evaluation

Based on above chart, the weighted score for internal factor has the score of 1,92 out of 4,0. Based on standard most company has an average score being 2,5. Total weighted scores well below 2,5 characterize organizations that are weak internally, whereas scores significantly above 2,5 indicate a strong internal position. The score achieved by ITS Press is implying that ITS Press is internally weak. This condition indicating there is definitely need for improvement in operations, strategies, policies, and procedures.

Note, too, that the most important factor in the industry (Weight = 0.095) is marketing, and ITS Press does poor (Rating = 1) in conducting marketing for their product. It indicates that there is a need of strong marketing plan and execution that has to be done to improve the business. Strong marketing strategy is an advice for ITS Press to develop the business, without it, even though its status of an ITS unit it will still become major disadvantage if ITS Press does not start making and executing the marketing strategy.

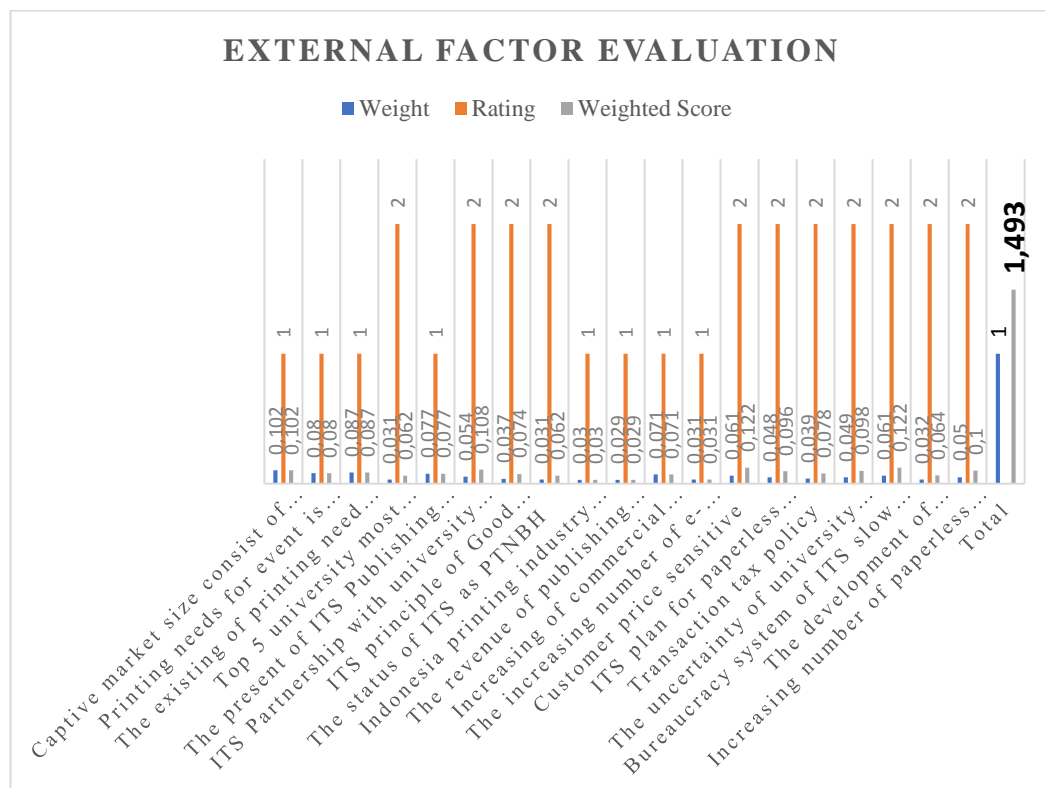


Figure 5. 2 External Factor Evaluation

The external factor evaluation allows to summarize and evaluate economic, social, cultural, demographic, environmental, political, governmental, legal, technological, and competitive information of ITS Press. Regardless of the number of key opportunities and threats included in an EFE Matrix, the highest possible total weighted score for an organization is 4.0 and the lowest possible total weighted score is 1.0. Based on above graph, total of weighted score for ITS Press is 1.49 out of 4.0. This total score is below of its average which is 2.5 and indicates that ITS Press strategies are not capitalizing on opportunities or avoiding external threats. There is definitely room for improvement, though, because the highest total weighted score would be 4,0. ITS Press needs to capitalize more on the opportunity especially on the factor with the rating of 1 and threat with rating of 1 as well.

Note that the most important external factor is captive market size consist of more than 10 faculty and 38 departments with 20000 of students with the weight of 0.102, ITS Press did not capitalize this opportunity very well proven by its rating of 1. From 19 external factors, ITS has 8 rating of 1 and the rest are with rating of 2 which indicates poor performance in making use of the opportunity and handling threat. ITS Press is strongly suggested to optimize the opportunity through various strategy and approach. ITS Press recommended to create comprehensive market to win its internal market as priority and making the external market.

### **5.3 Analysis of ITS Press Strategic Position and Action Evaluation (SPACE) Matrix**

This matrix is aim to evaluate ITS Press strategy alternative position. Involving internal strategic position which are financial position and competitive position as well as external factor strategic position which are stability position and industry position. Referring to the designing phase, the rating was given based on the analysis on internal and external audit through discussion with the head of ITS Press.

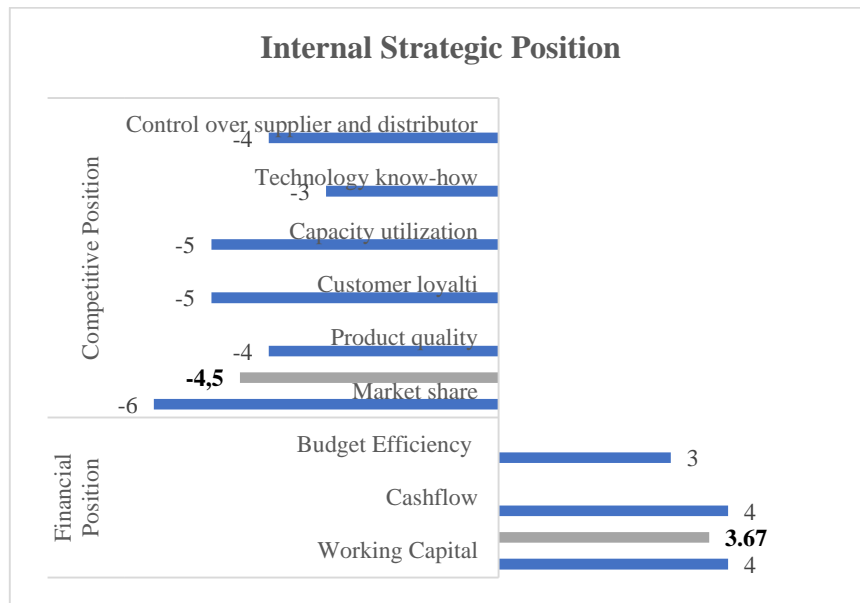


Figure 5. 3 Internal Strategic Position

The figure 5.3 indicates the rating and average rating of ITS Press internal strategic position. The competitive position (CP) rating was given with ranging from -1 (best) to -7 (worst) for competitive position and +1 (worst) to +7 (best) to each of the variables on financial position (FP). The rating of internal strategic position is conducted by comparing ITS Press to the competitor in the press industry. Evaluating from the rating of competitive position, ITS Press does its best performance on technology know-how with the rating of 3 that somehow categorized as medium score. On the same aspect of competitive position, ITS Press has the worst rating on the market share with the rating of -6 that indicates its poor performances in getting the control over its market share. The competitive position of ITS Press average is -4.5 which categorized below average that indicates its poor competitive position. On the other hand, the financial position of ITS Press has a medium score of 3 on budget efficiency and rating of 4 on its cash flow and working capital. The average of financial position is 3.67 which means that ITS Press has an average financial position.

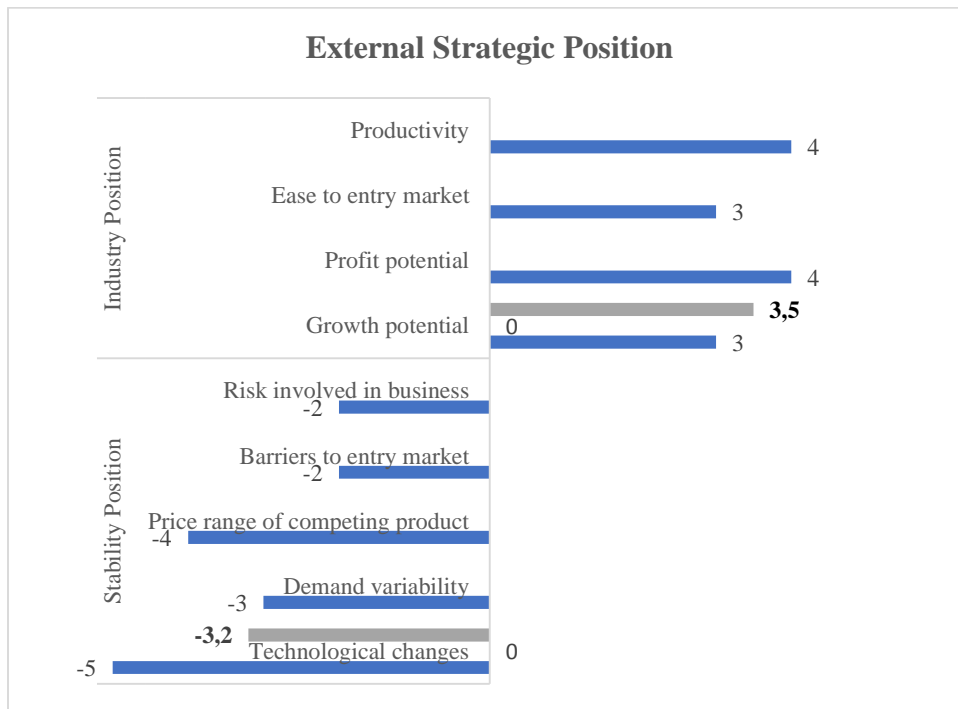


Figure 5. 4 External Strategic Position

The figure 5.4 above indicates the rating and average rating of ITS Press external strategic position. The stability position (SP) rating was given with ranging from -1 (best) to -7 (worst) for competitive position and +1 (worst) to +7 (best) to each of the variables on industry position. The rating was conducted by comparing the existing press industry towards another industry. The press industry has the poor rating on technological changes with the rating of -5 indicates the instability of technological changes. After assessing technology, demand, market and the risk, press industry has an average of 3.2 which is categorized to have good stability. On the other hand, the industry position for press industry indicates the medium score of 3.5 in average. It implies that the press industry is an interesting industry to invest with medium growth potential and productivity.



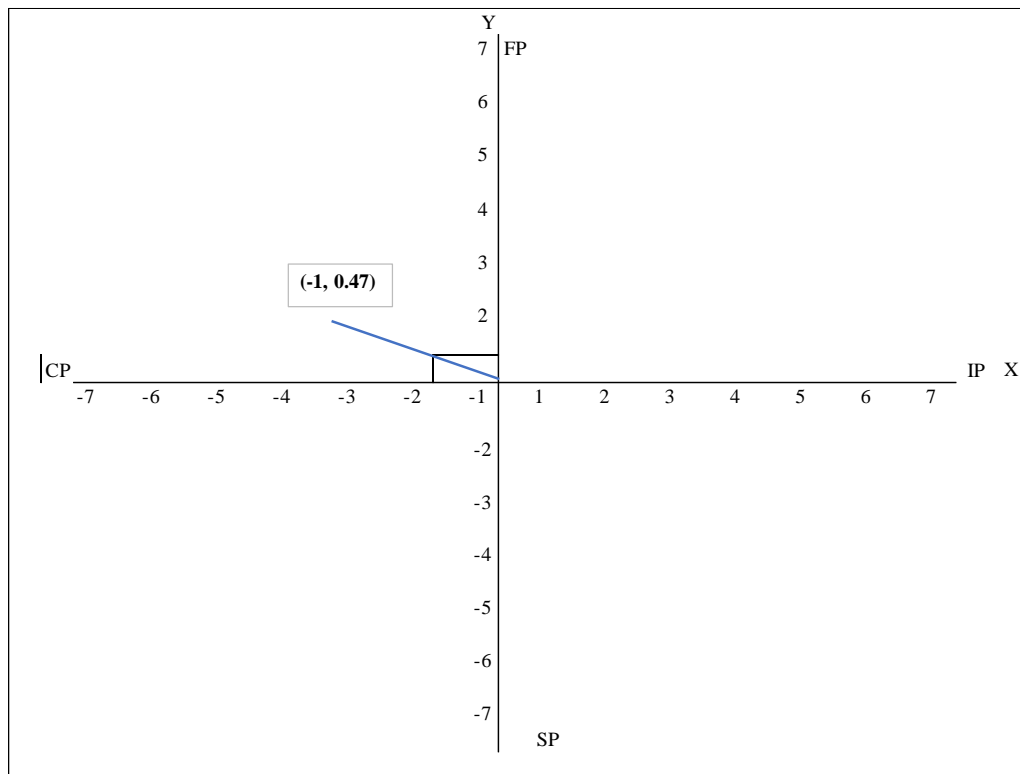


Figure 5. 5 ITS Press SPACE Matrix

ITS Press SPACE matrix is shown in figure 5.5 above with the X axis on -1 and Y axis on 0.47. Referring to strategic management book of Fred David 2016, the directional vector above implies that ITS Press has the conservative's profile that suffers from major competitive disadvantages in an industry that is stable but declining in sales. It is suggested that ITS Press to stay close to the firm's basic competencies and not taking excessive risks. Conservative strategies most often include market penetration, market development, product development, and related diversification.

Referring to the internal and external audit, there are several alternative strategy recommended for ITS Press focuses on market penetration and market development. The first strategy is on market penetration which is creating intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program. Meanwhile, on the market development there are 4 alternative strategy recommended. The first is opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS

market, second is promoting ITS Press through authors and social media influencer endorsement, the third is establishing printing partnership with the government institution, education institution and hospital in East Java Province and the last is creating sales partnership with 6 retail bookstore in every province of Java Island.

Creating intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program is chosen because ITS Press is poor in getting internal ITS market share due to lack of marketing and promotion. This alternative strategy also will increase the market knowledge on ITS Press product that will influence the customer to start considering ITS Press for their need. By sponsoring student and department event ITS Press could build the strong customer relationship while ambassador program will help more on the product sales and promotion.

The strategy to open 2 online store enables ITS Press to reach its secondary market (external ITS) wider and cost effective. The feature of pre-order in both e-commerce will enable ITS Press not only to promote their product but to increase sales that will resulted on higher revenue. The alternative strategy of promoting the product through authors and social media influencer would be the beneficial and updated promotion platform to reach wider audience. This strategy is suitable to build the strong brand of ITS Press to be trusted printing and publishing business.

On the other hand, the first market development strategy which is establishing printing partnership with the government institution, education institution and hospital in East Java Province will plays important part in getting loyal customers. The partnership will help ITS Press to increase the sales and generate more revenue. This partnership also enables ITS Press to perform its customer relationship management function that will benefit the business in the long term. The last strategy to create sales partnership with 6 retail bookstore in every Province of Java Island will increase the publishing service book sales. The bigger channel to sell the books, more authors will consider ITS Press to publish their books. This strategy also will help the branding of ITS Press as the valuable publisher that will increase the attractiveness on author's point of view.

#### 5.4 Analysis of ITS Press Quantitative Strategic Planning Matrix

The Quantitative Strategic Planning Matrix (QSPM) allows strategists to evaluate alternative strategies objectively, based on previously identified external and internal key success factors. The five alternative strategy generated from SPACE matrix is evaluated through QSPM. The QSPM asses the attractiveness of each alternative strategy towards the success factors. Based on the designing on chapter 4, there are 23 factors out of 34 success factors is chosen to be asses since the factors is affecting the choice of strategy that will be made.

Table 5. 1 QSPM Attractiveness Score of Opportunity

| Strategic Alternatives |   |     |     |     |     |     |
|------------------------|---|-----|-----|-----|-----|-----|
| Opportunity            |   | S-1 | S-2 | S-3 | S-4 | S-5 |
|                        | Key Factors   | AS  | AS  | AS  | AS  | AS  |
| 1                      | Captive market size consist of more than 10 faculty and 38 departments with 20,000 of students                                  | 4   | 2   | 2   | 2   | 1   |
| 2                      | Printing needs for event is increase due to the increasing amount of academic and non academic in ITS                           | 4   | 2   | 1   | 1   | 1   |
| 3                      | The existing of printing need especially for undergraduate final project, thesis and dissertation for more 3000 students yearly | 3   | 2   | 1   | 1   | 1   |
| 4                      | Top 5 university most productive research with the growth of 40 percent in the last 5 years                                     | 2   | 1   | 1   | 1   | 3   |
| 5                      | The present of ITS Publishing to bridge external publsihing market  | 1   | 2   | 2   | 3   | 3   |
| 6                      | ITS Partnership with university in East Java  | 1   | 2   | 2   | 4   | 3   |
| 7                      | ITS principle of Good University Governance   | 1   | 1   | 1   | 3   | 1   |
| 8                      | The status of ITS as PTNBH  |     |     |     |     |     |
| 9                      | Indonesia printing industry growth is 14,9 %  |     |     |     |     |     |

Table 5. 2 QSPM Attractiveness Score of Opportunity (Con't)

Based on the table 5.3, the rating was given on the 7 factors out of 9 factors. The first and second factor has highest attractiveness level for alternative strategy number 1 since it is strongly related between internal ITS market penetration strategy and the existing opportunity of an internal market. On the other hand, success alternatives number 1 and 2 receiving relative low attractiveness score on the factors number 5,6 and 7 since it has strong attractiveness towards the other strategy that focuses on external ITS market.

Table 5. 2 QSPM Attractiveness Score of Threat

|               |   | <b>Strategic Alternatives</b> |            |            |            |            |
|---------------|---|-------------------------------|------------|------------|------------|------------|
| <b>Threat</b> |   | <b>S-1</b>                    | <b>S-2</b> | <b>S-3</b> | <b>S-4</b> | <b>S-5</b> |
| 1             | The revenue of publishing industry is decreasing by 10% in 2017 |                               |            |            |            |            |
| 2             | Increasing of commercial printing business around ITS           | 4                             | 2          | 2          | 1          | 1          |
| 3             | The increasing number of e-book publishing                      |                               |            |            |            |            |
| 4             | Customer price sensitive  | 3                             | 3          | 2          | 1          | 1          |
| 5             | ITS plan for paperless administration                           | 3                             | 3          | 3          | 3          | 3          |
| 6             | Transaction tax policy  |                               |            |            |            |            |
| 7             | The uncertainty of university regulations                       | 3                             | 4          | 3          | 4          | 3          |
| 8             | Bureaucracy system of ITS slow down ITS Press performance       |                               |            |            |            |            |
| 9             | The development of digitalization era                           |                               |            |            |            |            |
| 10            | Increasing number of paperless exam and assignment in ITS       | 3                             | 3          | 3          | 4          | 3          |

In table 5.4 it shows that the attractiveness score on threat is 5 factors out of 10 threat factors. The increasing of commercial printing business around ITS highly attractive towards strategy number 1 which focuses on internal ITS market penetration. The other factors also reasonably attractive for strategy number 1. On the other hand, strategy number receives full dash of 4 on the factors of uncertainty of university regulations and increasing number of paperless exam and assignment in ITS which implies that it is highly attracted since both factors might influence

the choice of strategy since ITS Press might strongly consider strategy number 4 if this threat is increasing and affects its revenue.

Table 5. 3 QSPM Attractiveness Score of Strength

Table 5.4 QSPM Attractiveness Score of Strength (Con't)

| Strategic Alternatives |   |     |     |     |     |     |
|------------------------|---|-----|-----|-----|-----|-----|
| Strength               |   | S-1 | S-2 | S-3 | S-4 | S-5 |
| 1                      | ITS Press has a good relationship with raw material supplier partner that is also located strategically                     |     |     |     |     |     |
| 2                      | ITS Press is a qualified university press business proven by legal certification  |     |     |     |     |     |
| 3                      | ITS Press is part of APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a platform for beneficial coordination |     |     |     |     |     |
| 4                      | ITS Press has a multiple ordering methods for its customer  | 4   | 4   | 2   | 2   | 2   |
| 5                      | ITS Press is part of BPPU ITS that ease and help the business unit development  | 3   | 2   | 2   | 3   | 3   |
| 6                      | ITS Press employee has a good moral and willing to work multitask   | 4   | 3   | 2   | 3   | 3   |

Table 5.5 shows that there are 3 factors out of 6 factors assessed for the strength. Factors number 4 and 6 is highly attractive to alternative strategy number 1 since these aspect has strong correlation with the marketing for internal ITS market. While alternative strategy 2 is strongly attracted by the strength number 4 since multiple ordering methods will affects the level of comfortless and ease of the customers. Alternative strategy receive the same attractiveness score of 2 on the all the three factors assessed implying that all the three factors are somewhat attractive

towards strategy number 3 which is promoting ITS Press through authors and social media influencer endorsement .

Table 5. 4 QSPM Attractiveness Score of Weakness

Table 5.5 QSPM Attractiveness Score of Weakness (Con't)

| <b>Strategic Alternatives</b> |   |            |            |            |            |            |
|-------------------------------|---|------------|------------|------------|------------|------------|
| <b>Weakness</b>               |   | <b>S-1</b> | <b>S-2</b> | <b>S-3</b> | <b>S-4</b> | <b>S-5</b> |
| 1                             | Revenue from publishing service only around 5% of its total revenue         |            |            |            |            |            |
| 2                             | ITS Press does not have yearly working capital                              | 4          | 3          | 3          | 2          | 2          |
| 3                             | ITS Press does not measure its profitability (no profit and loss statement) |            |            |            |            |            |
| 4                             | ITS Press have small portion over its captive market share                  | 4          | 2          | 2          | 2          | 1          |
| 5                             | ITS Press does not have channel of distribution                             | 3          | 2          | 3          | 3          | 4          |
| 6                             | ITS Press does not have marketing function                                  | 4          | 3          | 3          | 4          | 3          |
| 7                             | Production machine are not competitive for the printing business            | 3          | 2          | 2          | 2          | 2          |
| 8                             | Product innovation research and development does not exist                  | 3          | 3          | 2          | 4          | 3          |
| 9                             | The corporate mindset among employee have not been formed                   |            |            |            |            |            |

The attractiveness score of weakness is shown in the table 5.6 shows that there are 6 factors out of 9 factors is being assessed. Factor number 2, 4 and is highly attractive towards strategy number 1 since the yearly capital is importance to conduct intensive marketing and increase order and strategy number 1 also

emphasize on the internal ITS market penetration that is strongly related to its market share and marketing. The factor of channel distribution is highly attractive for alternative strategy number 5 which indicates that creating partnership with bookstore definitely has strong correlation with the distribution channel since it could increase the channel of distribution. Furthermore, weakness number 7 and 8 is attractive to all alternative strategy since the innovation could affects the strategy chosen and the corporate mindset is the important human capital to achieve the alternative strategy selected.

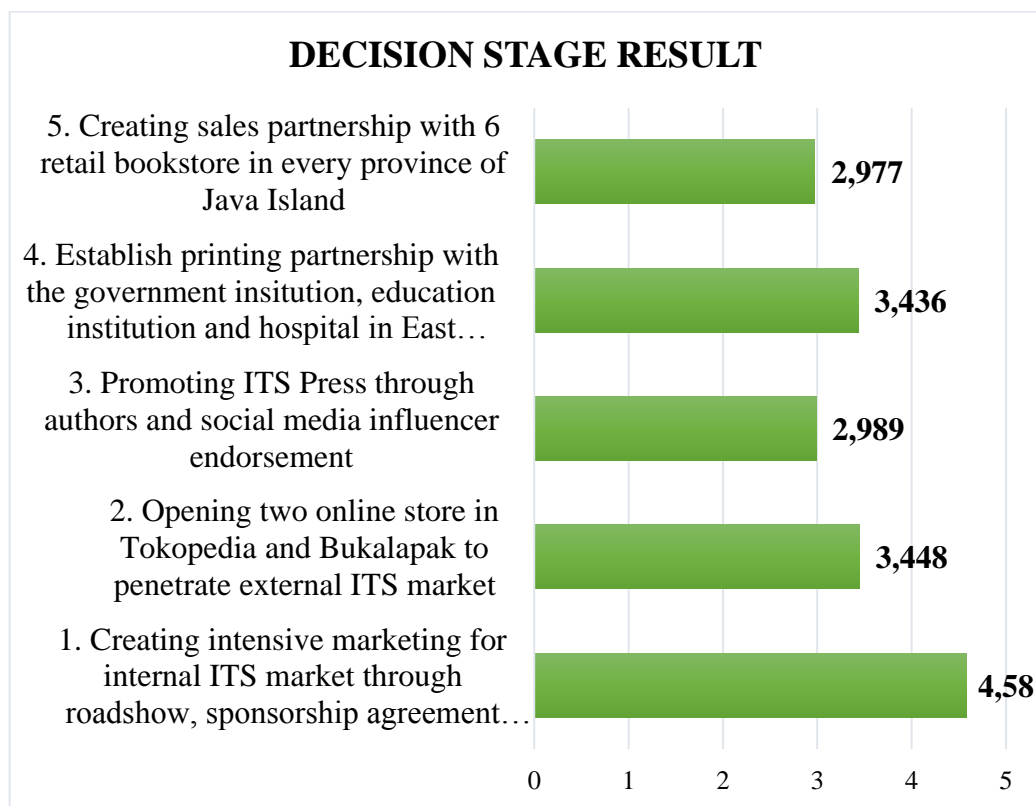


Figure 5. 6 Quantitative Strategic Planning Matrix (QSPM)

Based on the figure 5.6, it is shown that strategy number 1 has the highest sum total attractiveness score (STAS) of 4.58, and followed by strategy number 2 and 4 with the STAS of 3.4. It implies that ITS Press should conduct intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program. But in reality, there are some adjustments suggested on how ITS Press to not only penetrating its current

market but also doing some market development through external partnership and having an online store. Those might have more benefits to ITS Press performances that will result on the positive increase of revenue.

### **5.5 Analysis of ITS Press Operational Level Strategy**

The operational level strategy is obtained through the alignment from the selected strategy as conducted in chapter 4. The 3 main selected strategies have been aligned to ease the implementation of the strategy. Having the strategy aligned, ITS Press could have a better view on how the feasibility of the strategy and could plan for an adjustment. Not only that, by having the strategy aligned into the third level, ITS Press could plan for the resources required and start making the actionable plan to be implemented. The absence of several functions in the existing business process could be reasonably understood on the functional level of strategy.

The first selected strategy is aligned into functional strategy that answers how the internal marketing will be conducted. The intensive marketing for internal ITS market will be conducted through roadshow, internal event sponsorship, ambassador program, and collaborate with ITS Publisher. The operational level of strategy was aligned in detail about how every functional strategy is planned, executed and monitored. The operational strategy is aligned into planning method that involves ITS Press actionable plan to give a comprehensive mechanism on how each operational strategy is executed. The execution level has been designed to be able to give clear understanding on what are the resources required and how each operational strategy is conducted. Every operational strategy of ITS Press has been designed not only to plan and execute but also to monitor through feedback and time frame evaluation.

The second selected strategy that is categorized to develop external market is aligned into several operational strategies that consist of opening an online store in Tokopedia and Bukalapak as well as conducting online marketing on social media and e-commerce platform. The operational level strategy emphasizes on the creating of pre-order channels and mechanisms for printed products of ITS Press. Having pre-



order channel would open to opportunity to be ordered by external customers from the platform. Pre-order channel also enable ITS Press to manage production and completion of the request based on its capacity and resources. This will enables ITS Press to be known by more customer that would increase the revenue of the business. Furthermore, online book sales will support published books selling channel that enables ITS Press to reach wider audiences. Book sales would increase by making it available online. By having online channel, ITS Press operational strategy also consist of how to manage customer and delivery the product based on request. Online promotion would also be optimized by planning the grand design that will consist of various promotion in social media and e-commerce platform. The operational level strategy covers the execution of weekly promotion through Instagram and Facebook Ads that will make ITS Press publicly known as a press business. This effort on operational level strategy would give a long term benefit towards ITS Press sales and revenue. Lastly, monitoring of the online marketing effectiveness and efficiency every 3 months also align as the operational strategy as it would be helpful resources for continuous improvement and keep up with the most update trend.

The third selected strategy about external partnership with the government institution, education institution and hospital in East Java Province is aligned into various functional level of strategy which are online and offline product offering, roadshow and external exhibition. Most of those institution have their needs on printing for the operational and administration purposes. This strategy also supported by the opportunity that ITS has direct partnership with foster university in East Java that would ease the establishment of press partnership. By having partnership with those institution, it enables ITS Press to have routine order that will benefit in the revenue of ITS Press. Not only that, this partnership would lead to the ability of ITS Press to be able to maintain relationship with its customer. The operational level strategy explicitly explains the step by step approach to establish partnership starting from planning, offering and monitoring. Direct offer will be made by visiting and contacting through social media and phone to make an efficient promotion. The roadshow will be conducted after the respective institution

is confirming its availability. This mechanism would enable ITS Press to reach as much institution as possible within the coverage area. The operational strategy also gives direction for ITS Press to actively search and participate in book fairs and education fairs. This would create an opportunity for ITS Press to get customers from various organizations. All the strategy was aligned in sequences and expected to ease and give better understanding for the implementation process.

## **CHAPTER VI**

### **CONCLUSION AND RECOMMENDATION**

This chapter will explain about the research conclusion and recommendation for further research. The conclusion is generated to give the summary about how this research has answered the objectives. The recommendation is made as the guidance and reference for further research. Below are the conclusion and recommendation for designing business model canvas and formulating strategical approach for ITS Press unit.

#### **6.1 Conclusion**

The conclusion below are the primary summary of the research referring to research objective. The conclusion of the research is expected to give readers the general outlook on how the output of designing the business model canvas and formulating strategical approach could help ITS Press increasing their revenue. Below are the conclusion of the research.

1. ITS Press existing business process involves customers, finance and administration, logistic, and printing function. Therefore, all these function are not enough to make ITS Press achieving its goal to support education process and generate profitable revenue. ITS Press is required to consolidate its status to ITS management, since organizationally ITS Press is part of BPPU but operating under ITS Planning, Finance, and Infrastructure. The absence of management resulted to the nonexistence of business strategy, this situation is happening since its early establishment. In getting customer order, there is no marketing and promotion function available that makes ITS Press only have small control over internal ITS market share. ITS Press is recommended too include marketing function into their business process. The marketing function could be add by hiring the new staff dedicated to handle marketing and promotion or taking from the available resources of administration staff that will be directly assist by head of ITS Press. The availability of marketing

function will help the implementation of the operational strategy recommended by this research.

2. The business model canvas of ITS Press was designed by author by empowering research on ITS Press, internal ITS, competitors and Indonesia press industry. ITS Press value proposition is to provide high quality printing services and qualified publishing services by key partner of major printing and publishing business, external editors, E-commerce, and distribution channel. To achieve the value proposition, ITS Press activity consist of editorial, production, design editing, layouting, inventory planning and procurement with the resources use of capital resources for competitive production machine, and licensed editor. ITS Press segmented Internal ITS as a priority customer and external market segment including retail book store, schools and universities, government agency and private company and authors. To reach the segmented customers, the channels consist of direct customer order taking in ITS Press office, cost effective advertisement in social media as well as influencer advertisement, pre-order through e-commerce, roadshow, and bookstore retailers. To maintain the relationship with the customer, “customer first” service mindset is promoted through telephone, email and social media. ITS Press should measure customer satisfaction feedback for improvement action. The primary cost of ITS Press related to machine and equipment as well manufacturing cost from raw materials with secondary cost arise for marketing on multiple platforms as well as continuous improvement on human resources trough skill upgrading. By delivering value proposition, ITS Press could generate revenues from printing orders and sales of books.
3. In formulating of the strategy the SPACE matrix, ITS Press has the conservatives profile and suggested to take strategy for market penetration, market development, product development, and related diversification. There was 1 strategy for market penetration which is to conduct intensive marketing for internal ITS market and 4 market development strategy including opening online store, social media promotion through influencer, and partnership with external institution and partnering with bookstores. In QSPM, the strategy to conduct intensive marketing for internal ITS market is selected since it has the

highest sum of total attractiveness score. But, in alignment process of strategy, the author also align the second and third highest score which were opening up a two online store and partnership with external institution. It was aligned to give ITS Press additional strategy not only to penetrate to internal ITS market but to start developing the external market. The operational level strategy is consist of action oriented strategy that consist of planning, executing, monitoring and evaluating of strategy to make the easier of implementation for the selected strategy.

## **6.2 Recommendation**

The recommendation is dedicated to give suggestion for further research. The recommendation was made based on the evolution in planning and conducting this research. The recommendation is expected to give an idea for future work in similar field of study. Below are the research recommendations for future research and work.

1. Feasibility study that involves cost analysis for strategy implementation.
2. Creation of strategy monitoring platform that involves quantitative data and cost to impact comparison.
3. Research related to efficiency and effectiveness of production that would be beneficial for overall business excellence.

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**ATTACHMENT A**  
**INTERVIEW QUESTIONNAIRE OF**  
**BENCHMARK**



**THE PROCESS OF DESIGNING BUSINESS MODEL CANVAS AND**  
**FORMULATING STRATEGICAL APPROACH FOR ITS PRESS UNIT**

This questionnaire was designed to conduct comparative study with a similar object firm. The result of the questionnaire will be used for the academic purposed only (bachelor final project)

Name :

Institution :

Position :

Surabaya.....

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## COMPARATIVE STUDY (BENCHMARK) QUESTIONS

### Business Introduction

1. How long has your firm been in business? How many employees do you have at your facility? (*Request for Record of Data Kepegawaian*)

.....  
.....

2. Do you have a full-service organization? (sales/marketing, production, quality, service) (*Request for Organization Structure*)

.....  
.....

3. What is your major product line?

.....  
.....

### Goals and objectives

4. Does your firm have established goals and objectives? who determines what they are and how are they communicated? (*Request on Rencana Strategis*)

.....  
.....

### Customer satisfaction

5. What is your method to measure customer satisfaction?

.....  
.....

### Operations

6. How do you manage shift transition / communication?

.....  
.....

7. Do you have standard work, and how is it practiced and communicated in production areas? (*Request on Standard Operation Procedure*)

.....  
.....

### Leadership and teamwork

8. How do you build a strong teamwork? Do you have a method to measure leadership and teamwork?

.....  
.....

**Sales and Revenue**

9. What are your last 2-year annual revenue? Do you calculate the profit and loss?

.....  
.....

**External aspect of business perspective**

10. What could become the opportunity for your industry?

.....  
.....

11. What are the critical external factors driving the growth of press business?

.....  
.....

12. What are the external constraints for a university press business?

.....  
.....

13. How does the technological development influence the Press business?

.....  
.....

14. What are the threats to a Press business?

.....  
.....

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**ATTACHMENT B**

**INTERVIEW QUESTIONNAIRE OF EXISTING  
BUSINESS PROCESS MAPPING AND  
DESIGNING BUSINESS MODEL CANVAS FOR  
ITS PRESS**



**THE PROCESS OF DESIGNING BUSINESS MODEL CANVAS AND  
FORMULATING STRATEGICAL APPROACH FOR ITS PRESS UNIT**

This questionnaire was designed to help the generation of suitable business model canvas in in order help sustain and develop the business unit. The result of the questionnaire will be used for the academic purposed only (bachelor final project)

Name :  
Institution :  
Position :

Surabaya.....

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**EXISTING BUSINESS PROCESS MAPPING AND DESIGNING BUSINESS MODEL CANVAS QUESTIONS**

*The following points referring to the steps in designing business model canvas.*

**Step 1: Purpose of the Business**

- 1. What is the purpose of ITS Press Unit?

.....  
.....

**Step 2: Customers and Value Propositions**

- 2. Who are ITS Press Customers? What are the customer is really looking for and why ITS Press matters?

.....  
.....

- 3. What the customer is really looking for? This isn't about what we sell them, but rather why it matters to them.

.....  
.....

**Step 3: Channels and Customer Relationships**

- 4. What are the methods to deliver ITS Press Value Proposition? i.e. promotion and ads

.....  
.....

- 5. Is ITS Press hoping for a long-term relationship, or a short-term relationship? Does each customer need to speak to a person, or use technology?

.....  
.....

**Step 4: Key Resources, Key Activities and Key Partners**

- 6. Who are ITS Press resources and partners? How does this resources and partners able to help ITS Press increasing its revenue?



.....  
.....  
7. How the processes are must be completed for ITS Press customers to be served?

.....  
.....  
8. Who are ITS Press business partners? How is the relationship with those partners?

**Step 5: Cost Structure and Revenue Streams**

9. How ITS Press costs and prices are set? And how frequently the customers come back?

**Step 6: Designing New Version**

10. Who is the new possible customer segment for ITS Press?

.....  
.....  
11. What are the possible new Products/Services that can be provided by ITS Press? (For the same or new Customer Segments)

.....  
.....  
12. What kind of partnership that will help ITS Press to develop the business?

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## FORMULATING STRATEGICAL APPROACH QUESTIONS

### Section of Internal Audit

1. What is the organizational culture of ITS Press?

.....  
 .....

2. Functional Business Area Audit

| Business Function | Question Item  | Existing Condition |    |
|-------------------|--|--------------------|----|
|                   |  | Yes                | No |
| Management        | Does ITS Press use strategic management concepts?                    |                    |    |
|                   | Is ITS Press organization's structure appropriate?                   |                    |    |
|                   | Is employee morale high?   |                    |    |
|                   | Are job descriptions and job specifications clear?                   |                    |    |
|                   | Is there any organizational reward and control mechanisms effective? |                    |    |
|                   | Does ITS Press have routine team meeting?                            |                    |    |
|                   | Does ITS Press employee understand its unit objective?               |                    |    |
|                   | Does ITS Press have a good relationship with BPPU?                   |                    |    |
|                   | Note:  |                    |    |
| Sales and         | Are ITS Press markets segmented effectively?                         |                    |    |

| Business Function      | Question Item  | Existing Condition |    |
|------------------------|--|--------------------|----|
|                        |  | Yes                | No |
| Marketing              | Has ITS Press revenue increasing from last two year?                             |                    |    |
|                        | Are present channels of distribution reliable and cost effective?                |                    |    |
|                        | Does ITS Press conduct market research?  |                    |    |
|                        | Are ITS Press products and services priced appropriately?                        |                    |    |
|                        | Does ITS Press have an effective promotion, advertising, and publicity strategy? |                    |    |
|                        | Does ITS Press have marketing team?  |                    |    |
|                        | Note:  |                    |    |
| Finance and Accounting | Does the firm have good relations with ITS Financial unit?                       |                    |    |
|                        | Is ITS Press profiting?  |                    |    |
|                        | Does ITS Press plan the yearly budget requirement?                               |                    |    |
|                        | Does ITS financial bureaucracy slow down ITS Press performance?                  |                    |    |
|                        | Note:  |                    |    |

| Business Function        | Question Item  | Existing Condition |    |
|--------------------------|--|--------------------|----|
|                          |  | Yes                | No |
|                          |  |                    |    |
| Production/<br>Operation | Are facilities, equipment, machinery, and offices in good condition? |                    |    |
|                          | Is there any inventory-control policies and procedures?              |                    |    |
|                          | Is there any quality-control policies and procedures?                |                    |    |
|                          | Are facilities, resources, and markets strategically located?        |                    |    |
|                          | Does ITS Press have technological competencies?                      |                    |    |
|                          | Note:  |                    |    |
| Research and Development | Does ITS Press have R&D facilities? Are they adequate?               |                    |    |

| Business Function | Question Item  | Existing Condition |    |
|-------------------|--|--------------------|----|
|                   |  | Yes                | No |
|                   | Does ITS Press have partnership with external parties for R&D? |                    |    |
|                   | Are present product technology competitive?                    |                    |    |
|                   | Note:  |                    |    |

**Section of External Audit**

1. How is BPPU role in managing ITS Press?  
.....
2. Does BPPU target ITS Press performance? How does BPPU monitor ITS Press performance?  
.....
3. What can be done by BPPU to help ITS Press generating more revenues?  
.....
4. What are the opportunities of ITS Press?  
.....
5. What are the critical external factors driving the growth of press business?  
.....
6. What are the external constraints for a university press business?  
.....
7. How does the technological development influence the Press business?  
.....
8. Who are our competitors? What are the strengths of our major competitors?  
.....
9. What are the threats to ITS Press?  
.....

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**ATTACHMENT D**  
**QUESTIONNAIRE OF WEIGHTING ON**  
**INTERNAL AND EXTERNAL FACTOR**  
**EVALUATION**



**DESIGNING BUSINESS MODEL CANVAS AND FORMULATING**  
**STRATEGICAL APPROACH FOR ITS PRESS UNIT**

This questionnaire was designed to assess the weighting process of internal and external factor. This questionnaire aim to help author to discuss the scoring of weighting priority with the expert from ITS Press facilitated by expert choice software. The result of the questionnaire will be used for the academic purposed only (bachelor final project)

Name :  
Institution :  
Position :

Surabaya,.....

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**Instruction**

Compare the relative importance of each factor in both internal and external factor. All the factors in strength category will be compared one to another. The scoring will be within the range of 1-9, the higher the score the more important is a factor respect to the other factor. In order to minimize the inconsistency, the inconsistency level of a category should be less than 0, 1.

The author will be responsible to make sure that the consistency level is met to make sure the weighting is valid. If the inconsistency tolerance level is exceeded, it will resulted on the refilling of the questionnaire category until the inconsistency tolerance is met.

The weight given in a factor indicates the relative importance of the factor to being successful in the firm's industry. Regardless of whether a key factor is an internal strength or weakness, factors considered to have the greatest effect on organizational performance should be assigned the highest weights

The result on Expert Choice

| Compare the relative importance with respect to: IFE |             |             |             |           |             |          |            |            |            |            |            |            |            |             |            |  |
|--|-------------|-------------|-------------|-----------|-------------|----------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|--|
|  | Good relati | A qualified | Part of APF | ITS Press | Part of BPF | Employee | Revenue fr | Does not h | Does not n | Small port | Does not h | Does not h | Production | Product inr | The corpor |  |
| Good relationship with raw                           |             | 1,0         | 2,0         | 2,0       | 2,0         | 3,0      | 2,0        | 3,0        | 2,0        | 3,0        | 2,0        | 3,0        | 3,0        | 2,0         | 3,0        |  |
| A qualified univeristy press                         |             |             | 2,0         | 2,0       | 2,0         | 2,0      | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 3,0        | 1,0         | 2,0        |  |
| Part of APPTI (Asosiasi Pen                          |             |             |             | 2,0       | 2,0         | 3,0      | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 3,0        | 1,0         | 2,0        |  |
| ITS Press has a multiple or                          |             |             |             |           | 2,0         | 2,0      | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0         | 2,0        |  |
| Part of BPPU ITS that ease                           |             |             |             |           |             | 2,0      | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 2,0        | 1,0         | 2,0        |  |
| Employee has a good mora                             |             |             |             |           |             |          | 2,0        | 1,0        | 1,0        | 2,0        | 2,0        | 1,0        | 1,0        | 2,0         | 2,0        |  |
| Revenue from publishing s                            |             |             |             |           |             |          |            | 1,0        | 1,0        | 1,0        | 1,0        | 2,0        | 2,0        | 2,0         | 1,0        |  |
| Does not have yearly worki                           |             |             |             |           |             |          |            |            | 2,0        | 1,0        | 2,0        | 1,0        | 2,0        | 2,0         | 1,0        |  |
| Does not measure its profit                          |             |             |             |           |             |          |            |            |            | 2,0        | 2,0        | 2,0        | 1,0        | 1,0         | 2,0        |  |
| Small portion over its captiv                        |             |             |             |           |             |          |            |            |            |            | 2,0        | 2,0        | 2,0        | 2,0         | 2,0        |  |
| Does not have channel of d                           |             |             |             |           |             |          |            |            |            |            |            | 2,0        | 2,0        | 1,0         | 2,0        |  |
| Does not have marketing fu                           |             |             |             |           |             |          |            |            |            |            |            |            | 2,0        | 2,0         | 1,0        |  |
| Production machine are not                           |             |             |             |           |             |          |            |            |            |            |            |            |            | 2,0         | 2,0        |  |
| Product innovation research                          |             |             |             |           |             |          |            |            |            |            |            |            |            |             | 2,0        |  |
| The corporate mindset amo                            | Incon: 0,03 |             |             |           |             |          |            |            |            |            |            |            |            |             |            |  |

| Compare the relative importance with respect to: EFE |            |             |             |             |            |             |             |            |           |            |            |            |             |             |             |            |            |            |             |
|--|------------|-------------|-------------|-------------|------------|-------------|-------------|------------|-----------|------------|------------|------------|-------------|-------------|-------------|------------|------------|------------|-------------|
|  | Captive ma | Printing ne | The existin | Top 5 unive | The presen | ITS Partner | ITS princip | The status | Indonesia | The revenu | Increasing | Customer p | ITS plan fo | Transaction | Uncertainty | The develo | Increasing | Bureaucrac | The increa: |
| Captive ma   |            | 3,0         | 2,0         | 3,0         | 2,0        | 2,0         | 2,0         | 3,0        | 2,0       | 3,0        | 1,0        | 2,0        | 2,0         | 2,0         | 2,0         | 3,0        | 2,0        | 2,0        | 2,0         |
| Printing ne  |            |             | 1,0         | 2,0         | 2,0        | 2,0         | 2,0         | 2,0        | 2,0       | 2,0        | 1,0        | 2,0        | 2,0         | 2,0         | 2,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| The existin  |            |             |             | 3,0         | 1,0        | 3,0         | 2,0         | 3,0        | 3,0       | 3,0        | 2,0        | 2,0        | 2,0         | 2,0         | 2,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| Top 5 unive  |            |             |             |             | 3,0        | 2,0         | 2,0         | 2,0        | 1,0       | 2,0        | 2,0        | 2,0        | 2,0         | 2,0         | 2,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| The presen   |            |             |             |             |            | 2,0         | 2,0         | 2,0        | 2,0       | 2,0        | 2,0        | 2,0        | 2,0         | 2,0         | 2,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| ITS Partner  |            |             |             |             |            |             | 1,0         | 1,0        | 2,0       | 2,0        | 2,0        | 1,0        | 1,0         | 2,0         | 2,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| ITS princip  |            |             |             |             |            |             |             | 1,0        | 1,0       | 1,0        | 2,0        | 2,0        | 2,0         | 1,0         | 1,0         | 1,0        | 1,0        | 2,0        | 2,0         |
| The status   |            |             |             |             |            |             |             |            | 1,0       | 1,0        | 2,0        | 2,0        | 2,0         | 2,0         | 2,0         | 1,0        | 2,0        | 2,0        | 2,0         |
| Indonesia  |            |             |             |             |            |             |             |            |           | 1,0        | 2,0        | 2,0        | 2,0         | 2,0         | 2,0         | 1,0        | 2,0        | 2,0        | 1,0         |
| The revenu   |            |             |             |             |            |             |             |            |           |            | 2,0        | 2,0        | 2,0         | 1,0         | 2,0         | 1,0        | 2,0        | 2,0        | 1,0         |
| Increasing   |            |             |             |             |            |             |             |            |           |            |            | 2,0        | 2,0         | 2,0         | 2,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| Customer p   |            |             |             |             |            |             |             |            |           |            |            |            | 2,0         | 2,0         | 1,0         | 2,0        | 2,0        | 2,0        | 2,0         |
| ITS plan fo  |            |             |             |             |            |             |             |            |           |            |            |            |             | 1,0         | 1,0         | 1,0        | 1,0        | 1,0        | 2,0         |
| Transaction  |            |             |             |             |            |             |             |            |           |            |            |            |             |             | 2,0         | 1,0        | 1,0        | 1,0        | 1,0         |
| Uncertainty  |            |             |             |             |            |             |             |            |           |            |            |            |             |             |             | 1,0        | 1,0        | 2,0        | 2,0         |
| The develo   |            |             |             |             |            |             |             |            |           |            |            |            |             |             |             |            | 2,0        | 2,0        | 1,0         |
| Increasing   |            |             |             |             |            |             |             |            |           |            |            |            |             |             |             |            |            | 2,0        | 2,0         |
| Bureaucrac   |            |             |             |             |            |             |             |            |           |            |            |            |             |             |             |            |            |            | 2,0         |
| The increa:  |            |             |             |             |            |             |             |            |           |            |            |            |             |             |             |            |            |            | 2,0         |

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**ATTACHMENT E**  
**QUESTIONNAIRE OF RATING ASSESMENT ON**  
**STRATEGIC POSITION AND ACTION**  
**EVALUATION MATRIX**



**DESIGNING BUSINESS MODEL CANVAS AND FORMULATING**  
**STRATEGICAL APPROACH FOR ITS PRESS UNIT**

This questionnaire was designed to assess the rating of variable in Strategic Position and Action Evaluation (SPACE) matrix. This questionnaire aim to help author to discuss the scoring of rating in SPACE matrix with the expert from ITS Press. The result of the questionnaire will be used for the academic purposed only (bachelor final project)

Name :  
Institution :  
Position :

Surabaya,.....

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**Instruction**

1. Assign variable below on the table with a numerical value ranging from +1 (worst) to +7 (best) to each of the variables that make up the FP and IP dimensions. While for SP and CP a numerical value will be assigned ranging from -1 (best) to -7 (worst) to each of the variables that make up the SP and CP dimensions.
2. On the FP and CP axes the comparisons is made to competitors. On the IP and SP axes, the comparisons is made to other industries. On the SP axis, know that a -7 denotes highly unstable industry conditions, whereas -1 denotes highly stable.

| <b>ITS Press SPACE Matrix Generation</b> |                                       |               |                                    |                                  |               |
|--|---------------------------------------|---------------|------------------------------------|----------------------------------|---------------|
| <b>Internal Strategic Position</b>       |                                       |               | <b>External Strategic Position</b> |                                  |               |
| No                                       | <b>Financial Position (FP)</b>        | <b>Rating</b> | No                                 | <b>Stability Position (SP)</b>   | <b>Rating</b> |
| 1  | Working Capital                       |               | 1                                  | Technological changes            |               |
| 2  | Cash flow                             |               | 2                                  | Demand variability               |               |
| 3  | Budget Efficiency                     |               | 3                                  | Price range of competing product |               |
|  |                                       |               | 4                                  | Barriers to entry market         |               |
|  |                                       |               | 5                                  | Risk involved in business        |               |
|  | <b>Competitive Position (CP)</b>      |               |                                    | <b>Industry Position (IP)</b>    |               |
| 1  | Market share                          |               | 1                                  | Growth potential                 |               |
| 2  | Product quality                       |               | 2                                  | Profit potential                 |               |
| 3  | Customer loyalty                      |               | 3                                  | Ease to entry market             |               |
| 4  | Capacity utilization                  |               | 4                                  | Productivity                     |               |
| 5  | Technology know-how                   |               |                                    |                                  |               |
| 6  | Control over supplier and distributor |               |                                    |                                  |               |

**ATTACHMENT F**  
**QUESTIONNAIRE OF ATTRACTIVENESS**  
**SCORE RATING ON QUANTITATIVE**  
**STRATEGIC PLANNING MATRIX**



**DESIGNING BUSINESS MODEL CANVAS AND FORMULATING**  
**STRATEGICAL APPROACH FOR ITS PRESS UNIT**

This questionnaire was designed to assess the rating of attractiveness score among alternative strategies towards its factors. The questionnaire aim to facilitate author to discuss with the expert to minimize the subjectivity during the scoring. The result of the questionnaire will be used for the academic purposed only (bachelor final project)

Name :  
Institution :  
Position :

Surabaya,.....

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**Instruction:** Determine the Attractiveness Scores (AS), defined as numerical values that indicate the relative attractiveness of each strategy considering a single external or internal factor. Attractiveness Scores (AS) are determined by examining each key external or internal factor, one at a time, and asking the question, “Does this factor affect the choice of strategies being made?”

If the answer to this question is yes, then the strategies should be compared relative to that key factor. Specifically, AS should be assigned to each strategy to indicate the relative attractiveness of one strategy over others, considering the particular factor.

If the answer to the previous question is no, indicating that the respective key factor has no effect on the specific choice being made, then do not assign AS to the strategies in that set. Use a dash to indicate that the key factor does not affect the choice being made.

The range for AS is 1 = not attractive, 2 = somewhat attractive, 3 = reasonably attractive, and 4 = highly attractive. By “attractive,” we mean the extent that one strategy, compared to others, enables the firm to either capitalize on the strength, improve on the weakness, exploit the opportunity, or avoid the threat.

Note: If you assign an AS score to one strategy, then assign an AS score(s) to the other—in other words, if one strategy receives a dash—then all others must receive a dash in a given row.



| Strategic Alternatives |  |        |   |     |  |     |   |     |  |     |   |     |
|------------------------|--|--------|---|-----|--|-----|---|-----|--|-----|---|-----|
|                        |  |        | 1   |     | 2  |     | 3   |     | 4  |     | 5   |     |
|                        |  |        | Creating intensive marketing for internal ITS market through roadshow, sponsorship agreement with student organization and department, and ambassador program |     | Opening 2 online store in Tokopedia and Bukalapak to penetrate external ITS market |     | Promoting ITS Press through authors and social media influencer endorsement |     | Establish printing partnership with the government institution, education institution and hospital in East Java Province |     | Creating sales partnership with 6 retail bookstore in every province of Java Island |     |
|                        | Key Factors  | Weight | AS  | TAS | AS   | TAS | AS  | TAS | AS   | TAS | AS  | TAS |
| <b>Opportunities</b>   |  |        |   |     |  |     |   |     |  |     |   |     |
| 1                      | Captive market size consist of more than 10 faculty and 38 departments with 20,000 of students | 0,102  |   |     |  |     |   |     |  |     |   |     |

| Strategic Alternatives |   |       |  |  |  |  |  |  |  |  |  |  |
|------------------------|---|-------|--|--|--|--|--|--|--|--|--|--|
| 2                      | Printing needs for event is increase due to the increasing amount of academic and non-academic in ITS                           | 0,08  |  |  |  |  |  |  |  |  |  |  |
| 3                      | The existing of printing need especially for undergraduate final project, thesis and dissertation for more 3000 students yearly | 0,087 |  |  |  |  |  |  |  |  |  |  |
| 4                      | Top 5 university most productive research with the growth of 40 percent in the last 5 years                                     | 0,031 |  |  |  |  |  |  |  |  |  |  |
| 5                      | The present of ITS Publishing to bridge external publishing market  | 0,077 |  |  |  |  |  |  |  |  |  |  |
| 6                      | ITS Partnership with university in East Java  | 0,054 |  |  |  |  |  |  |  |  |  |  |
| 7                      | ITS principle of Good University Governance   | 0,037 |  |  |  |  |  |  |  |  |  |  |
| 8                      | The status of ITS as PTNBH  | 0,031 |  |  |  |  |  |  |  |  |  |  |
| 9                      | Indonesia printing industry growth is 14,9 %  | 0,03  |  |  |  |  |  |  |  |  |  |  |
|                        |   |       |  |  |  |  |  |  |  |  |  |  |
| <b>Threat</b>          |   |       |  |  |  |  |  |  |  |  |  |  |
| 1                      | The revenue of publishing industry is decreasing by 10% in 2017   | 0,029 |  |  |  |  |  |  |  |  |  |  |
| 2                      | Increasing of commercial printing business around ITS   | 0,071 |  |  |  |  |  |  |  |  |  |  |
| 3                      | The increasing number of e-book publishing  | 0,031 |  |  |  |  |  |  |  |  |  |  |
| 4                      | Customer price sensitive  | 0,061 |  |  |  |  |  |  |  |  |  |  |
| 5                      | ITS plan for paperless administration   | 0,048 |  |  |  |  |  |  |  |  |  |  |

| Strategic Alternatives |   |       |  |  |  |  |  |  |  |  |  |  |
|------------------------|---|-------|--|--|--|--|--|--|--|--|--|--|
| 6                      | Transaction tax policy  | 0,039 |  |  |  |  |  |  |  |  |  |  |
| 7                      | The uncertainty of university regulations   | 0,049 |  |  |  |  |  |  |  |  |  |  |
| 8                      | Bureaucracy system of ITS slow down ITS Press performance   | 0,061 |  |  |  |  |  |  |  |  |  |  |
| 9                      | The development of digitalization era   | 0,032 |  |  |  |  |  |  |  |  |  |  |
| 10                     | Increasing number of paperless exam and assignment in ITS   | 0,05  |  |  |  |  |  |  |  |  |  |  |
| <b>Strength</b>        |   |       |  |  |  |  |  |  |  |  |  |  |
| 1                      | ITS Press has a good relationship with raw material supplier partner that is also located strategically                     | 0,035 |  |  |  |  |  |  |  |  |  |  |
| 2                      | ITS Press is a qualified university press business proven by legal certification  | 0,038 |  |  |  |  |  |  |  |  |  |  |
| 3                      | ITS Press is part of APPTI (Asosiasi Penerbit Perguruan Tinggi Seluruh Indonesia) as a platform for beneficial coordination | 0,032 |  |  |  |  |  |  |  |  |  |  |
| 4                      | ITS Press has a multiple ordering methods for its customer  | 0,052 |  |  |  |  |  |  |  |  |  |  |
| 5                      | ITS Press is part of BPPU ITS that ease and help the business unit development  | 0,045 |  |  |  |  |  |  |  |  |  |  |
| 6                      | ITS Press employee has a good moral and willing to work multitask   | 0,093 |  |  |  |  |  |  |  |  |  |  |
|                        |   |       |  |  |  |  |  |  |  |  |  |  |

| Strategic Alternatives |   |       |  |  |  |  |  |  |  |  |  |  |
|------------------------|---|-------|--|--|--|--|--|--|--|--|--|--|
| <b>Weakness</b>        |   |       |  |  |  |  |  |  |  |  |  |  |
| 1                      | Revenue from publishing service only around 5% of its total revenue         | 0,07  |  |  |  |  |  |  |  |  |  |  |
| 2                      | ITS Press does not have yearly working capital                              | 0,094 |  |  |  |  |  |  |  |  |  |  |
| 3                      | ITS Press does not measure its profitability (no profit and loss statement) | 0,068 |  |  |  |  |  |  |  |  |  |  |
| 4                      | ITS Press have small portion over its captive market share                  | 0,112 |  |  |  |  |  |  |  |  |  |  |
| 5                      | ITS Press does not have channel of distribution                             | 0,056 |  |  |  |  |  |  |  |  |  |  |
| 6                      | ITS Press does not have marketing function                                  | 0,095 |  |  |  |  |  |  |  |  |  |  |
| 7                      | Production machine are not competitive for the printing business            | 0,081 |  |  |  |  |  |  |  |  |  |  |
| 8                      | Product innovation research and development does not exist                  | 0,041 |  |  |  |  |  |  |  |  |  |  |
| 9                      | The corporate mindset among employee have not been formed                   | 0,088 |  |  |  |  |  |  |  |  |  |  |
|                        | <b>Total</b>  |       |  |  |  |  |  |  |  |  |  |  |

## BIOGRAPHY



Irfanda Odytia is driven and self-starter individual with a passion for developing products and service that inspire people. Irfanda is awarded Social Venture Challenge Winner at Harvard National Model United Nation in Boston 2016 presented to young social responsible leaders to make the sustainable changes. He enrolled as Tokopedia Ambassador because of his interest in business development. He is recognized for Global 100 Faces of Impact and Inspiring Young Leader for his outstanding dedication to make positive changes.

His public speaking and international relation skills put him as an easy going individual who has collaborate on different project and program with diverse youth around the world especially ASEAN by representing Indonesia at several youth events included the Hitachi Young Leaders Initiative in Myanmar, YSEALI in the Philippines, and a program sponsored by Mevlana students as well as winning the best delegate awards in Eskisehir Model United Nations Turkey in 2017.

As an Industrial Engineer he has a strong foundation in business process, strategic management, logistics management, production planning and control, innovation planning, and project management. He loves working with others to tackle multifaceted challenges with new ideas and seek agile environments that offer flexibility to innovate.