

# Revamping business strategy using Business Model Canvas (BMC), SWOT analysis, and TOWS matrix

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## Abstract

Indonesia's creative industry has grown rapidly. Competition in the creative business becomes fierce, forcing industry players to become more competitive to win customers. This issue requires players to continuously improve their business strategies to keep sustainable. This phenomenon is also faced by XYZ, a gift-wrapping business unit that located in Bandung. This study aims to recommend XYZ new strategies to revamp its business using the concepts of the business model canvas (BMC); strengths (S), weaknesses (W), opportunities (O), and threats (T) analysis; and the TOWS matrix. The research method is descriptive qualitative, with interview as the main technique. The respondents comprise of six people from inside and outside the company. The validity of the qualitative data was tested through triangulation of sources, and the member-checking technique was used to confirm the analysis results. The results showed that existing business strategy has fulfilled 9 BMC blocks. Next findings, eleven new strategies are revealed and four of them are in highest priority to be implemented, i.e.: 1) Following market trends and demands, expanding intended customer target; 2) Improving product quality and services for focused target; 3) Benefit programs for loyal and new customers; and 4) Adding online channels/ social media and e-commerce. enhancing strategic partners, improving. The new strategies are embedded into new BMC as new compass for XYZ to sustain its competitive advantage. Additional valuable learning came from the analysis and synthesis steps. To make the multiple and complex factors manageable, a stepping scheme is used: starting with each BMC block, compiled, and regrouped all.

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**Keywords:** SME, Business Model Canvas (BMC), SWOT analysis, TOWS matrix

## 1. Introduction

Currently, small and medium enterprises (SMEs) in most countries are growing rapidly, including in Indonesia. From the 2016-2019 data, the number of world SMEs grew by an average of 2.02% per year with a total of 328.5 million SMEs in 2019 [1] and for Indonesia the average growth was higher at 2.87% per year with the number of SMEs was 65.5 million in 2019 [2]. In addition to the growths, Indonesian SMEs play an important role for the country and society because of their high contribution to state revenues where the contribution figure for 2019 is 60.16%, not to mention also opening many jobs where SMEs absorb 96.92% of 119.6 million workers Indonesian work in 2019 [2]. Among cities in Indonesia, one with the most numerous SMEs is Bandung, a city which is also known as a highly creative city, both from various culinary innovations, as well as from unique fashion designs. From province data [3], Bandung was recorded as having the highest percentage

of SMEs and workforce in 2016. Of course, the increasing number of SMEs in the city of Bandung, has an impact on all Bandung’s SMEs including XYZ. XYZ is a business unit that has been chosen to be the object of this research, it is in East Bandung and is engaged in the creative category business, especially in the "gift wrapping" business.

Many players causes an increasingly fierce level of competition, and this is a problem that was raised by the owner of XYZ in a preliminary interview. Problems within XYZ were first identified quantitatively from its financial performance. The performance has not grown steadily since its establishment in 2015. The income statement for fiscal years 2016–2021 in Figure 1 shows that its revenue is unstable, fluctuating, in a general downward trend, whereas its costs are relatively stagnant. Moreover, losses occurred in 2018 and 2020. Those cases indicate problems with the source of income (revenue) and use of resources (cost).

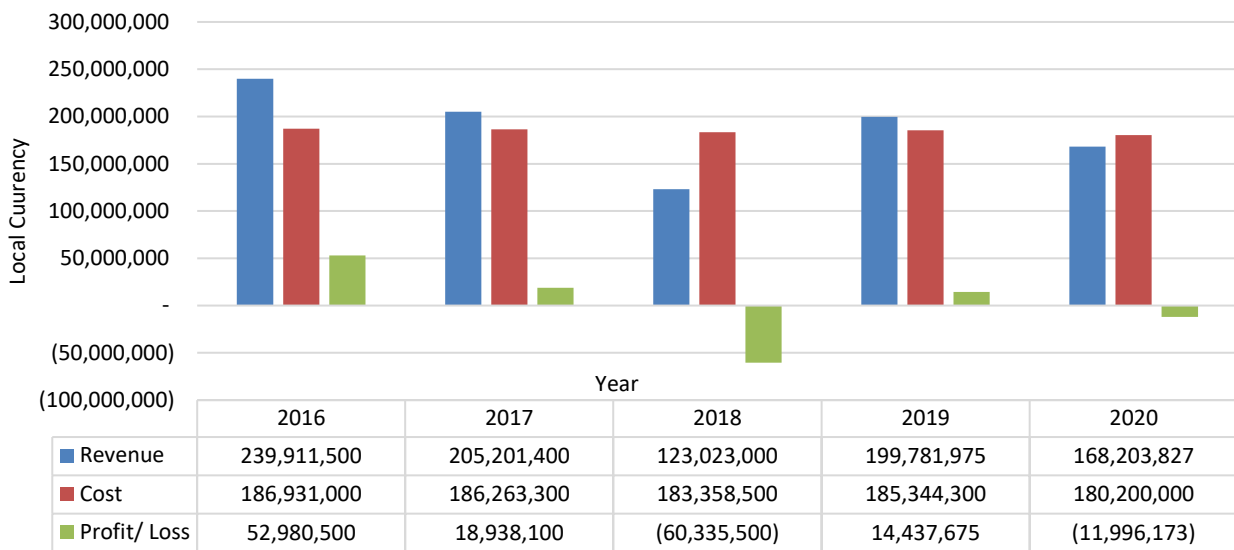


Figure 1. XYZ Income statement, 2016-2020 Source: XYZ data (2021)

Based on the interviews with XYZ’s owner, the problems faced in 2018 were caused by the emergence of many new competitors, namely, Grow Gift Shop, Rumah Bagus Craft, Celebrate Party & Gifts, Vinvinha, and Safana Gift Box. Some competitors imitated XYZ’s business concept and set lower prices, causing XYZ’s regular customers to switch to competitors. The losses in 2020 were caused by the COVID-19 pandemic. In addition, the owner of XYZ said that consumers consider more the quality and price of the products. Therefore, business competition in the gift-wrapping business is becoming increasingly fierce. Hence, business owners must continue to create competitive advantages so that their business can survive and be sustainable. The owner also informed us that XYZ did not yet have a structured method for formulating strategies and implementing them. Based on these conditions, it is very necessary to analyze and evaluate XYZ’s situation to formulate the business revamping strategies based on a structured concept.

From a theory stands point, the Business model canvas (BMC) initiated by Osterwalder & Pigneur in 2010 [9] is a strategic management tool that can translate concepts, customers, infrastructure, and company finances in the form of visual elements so that they can be understood more easily. BMC can describe how the business is run at a given moment but does not describe how the business unit's strategy achieves its goals. Regarding the absence of a strategy formulation process, the SWOT analysis and the SWOT matrix fill it out. The application of SWOT analysis to 9 BMC blocks will identify internal (S, W) and external (O, T) factors. Next, with the SWOT matrix, a matching process is carried out between the internal and external factors, resulting in SO, ST, WO, and WT strategies. The strategy resulting from the SWOT frameworks is then integrated into the business model to produce a new BMC which will become a reference model for business units to make it happen. These concepts of the business model canvas (BMC) are supported by and refer to numerous references [4]–[15].

Similarly, for Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis and TOWS matrix are also referred to abundant references, ones that are used here are [16]–[20]. Moreover, there are also many references have identified that improvements or innovations in BMC have an effect on competitive advantage and business performance [9]–[11]. One of them is a study conducted by [9] where the results indicate that business model innovation has a significant positive impact on competitive advantage and SME performance. Competitive advantage partially mediates the relationship between BMI and SME performance. Firms are required to create an effective business model to acquire competitive advantage and superior financial performance. In the case of XYZ, the owners informed that they did not have a business model or structured strategies implemented. Related to this, this study was conducted using the concepts of the business model canvas (BMC), strengths-weaknesses-opportunities-threats (SWOT) analysis, and TOWS matrix.

Based on XYZ's problem that needs ways to improve its business performance, by using Osterwalder & Pigneur's BMC concept, SWOT Analysis, and TOWS Matrix, the Research Questions (RQs) are derived as follows:

- RQ1: How is the existing XYZ business model canvas (BMC)?
- RQ2: How are the results of the SWOT analysis based on BMC blocks?
- RQ3: How are the new strategies results of TOWS matrix matching process?
- RQ4: How is the new BMC (the new strategies embedded to the existing BMC)?

## 2. Research method

This study uses the qualitative method [10], [18]. The research method is descriptive qualitative, with the interview as the main technique. The structured interview was used to collect information from respondents. To guide the interview, questions based on 9-block BMC are listed which will be used to compile existing BMC. This list was translated from the BMC model into 9 elements, which were further elaborated into 22 questions. Next, another list of questions was compiled to collect S, W, O, and T factors. Each factor's question is elaborated based on the 9-block and resulted in 72 questions.

Regarding the respondents, they are comprised of six people from internal and external of the company. The internal respondents were chosen based on their knowledge and experience in running the XYZ business. The CEO was chosen because she knows the entire process and results of XYZ including comprehending suppliers' and other key partners' issues. The administration person was chosen because apart from administration tasks, he also monitors what is happening in the marketing and production sections and he will assist when operations are needed at the operational level. The finance section was chosen because it is important to know how XYZ's revenue and expenses are managed. On the external side, respondents are represented by customers because customers can simultaneously compare XYZ with competitors. To represent gender, male, and female customers were selected respectively, and to represent subgroups of customers, the respondents from the middle-upper class and upper class were selected. The interviews were conducted in the Indonesian language and each interview session lasted approximately 30 minutes to 1,5 hours. In case the respondent had other another priority task, the interview had been held, and continued in another session.

Table 1. Respondents' profile

No.	Interview respondents	Category
1.	LR (owner/ CEO)	Internal company
2.	FV (finance)	
3.	CW (administration)	
4.	DS (customer)	External company
5.	GI (customer)	
6.	MD (customer)	

Next, the results of the interview need to be validated [21], [22]. The validity of the qualitative data was tested through triangulation of sources, and the member-checking technique was used to confirm the analysis results.

Data credibility (internal validity) was tested through sources triangulation, and a member check was conducted to confirm the study results. Subsequently, the data analysis technique. In general, this had been conducted by adopting the Miles–Huberman method [22], which consists of reducing data, displaying data, and drawing and verifying conclusions. Specifically for the display stage - the stage where data from interviews is processed with the theoretical combination of 9-block BMC analysis, SWOT analysis, and SWOT Matrix - the steps can be derived as follows:

- 1) Analysis and evaluate the interview results of each block of BMC
- 2) Map/ combine all 9 blocks into a Business Model Canvas, forming ‘existing BMC’
- 3) Analysis of the interview results of S, W, O, and T analyses for each block of BMC
- 4) Match internal and external factors to formulate ‘new/ enhanced strategies’: S-O, S-T, W-O, W-T strategies (TOWS Matrix results) for each block of BMC
- 5) Map the new/ enhanced strategy into an appropriate quadrant of TOWS Matrix
- 6) Group similar the new/ enhanced strategies and rephrase them, the results are called the ‘new resumed strategies’
- 7) Prioritize these resumed strategies based on importance and resources supports
- 8) Re-Check 11 Strategies Systemic
- 9) Embed the resumed new/ enhances into the existing BMC, forming the ‘new BMC’

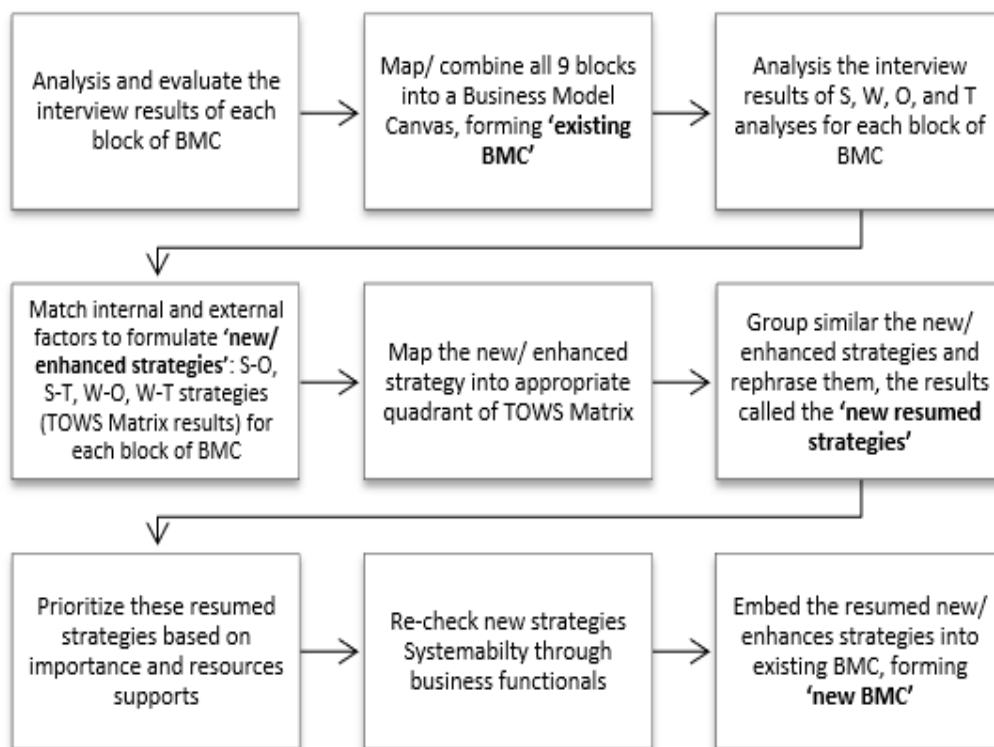


Figure 2. Analytical techniques (Displaying stage)

### 3. Results and discussions

#### 3.1. Interview results and validation

All interview results are tested for validity before proceeding with further analysis, evaluation, and/or synthesis processes. The test technique used is source triangulation where the answers of the three respondents are compared. If at least 2 out of 3 answers are the same/similar, it can be concluded that the answers to the questions are declared valid/credible and can be processed further. Tables 2 and 3 illustrate the process of drawing conclusions from the answer of each informant to arrive at a certain question item along with the validation process.

Table 2. Example of result conclusion of respondent answer - BMC block

Q No.	Question	Informant 1	Informant 2	Informant 3	Conclusion	Credibility Test (Source Triangulation)
<b>BMC Block – Key Resources - Informants: Internal</b>						
13	What are the main resources needed by XYZ?	Employee and Cash	Employee	Employee and Cash	The three informants agreed that XYZ's key resource is employees	Valid/credible

Table 3. Example of Result Conclusion of Respondent Answer - S, W, O, T

Q No.	Question	Informant 1	Informant 2	Informant 3	Conclusion	Credibility Test (Source Triangulation)
<b>SWOT – Strength, BMC Block Value Proposition – Informants: Internal</b>						
4	How is the product value proposition offered by XYZ compared to competitors?	XYZ offers premium quality materials and is stronger than competitors and customers can customize orders as desired (customization)	Quality products with premium materials, commensurate with the price offered, compared to competitors. The material is sturdy, thick and the best compared to competitors. Products can be customized.	Product quality uses more premium materials, worth the price compared to competitors. Products can be customized.	The three informants agreed that XYZ'S value proposition was of good quality/premium and solid. In addition, customers can customize orders as desired (customization)	Valid/ credible

SWOT – Opportunity, Opportunity, BMC Block Key Activities – Informants: Customer

18	How does XYZ improve the quality of its key activities?	Creating new products to maximize profits	Continue to innovate to create new products	Dividing tasks so that business activities run smoothly	Two of the three informants agreed to take advantage of opportunities to increase XYZ's key activities, namely by creating new products/ innovating.	Valid/ credible
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### 3.2. Existing BMC

The existing BMC was compiled from the data collected through interviews and subsequent analysis, as shown in Table 4.

Table 4. Existing Business Model Canvas (BMC)

<b>Key partnerships</b> 1. Partners: cake shops. 2. Suppliers: materials and knick-knacks (made in China)	<b>Key activities</b> 1. Sell gift-wrapping products and services, such as parcel decoration, making gifts for holidays and weddings, and party event decorations. 2. Make handmade products. 3. Perform quality control	<b>Value proposition</b> 1. Premium materials and quality. 2. Product design that can be adapted to consumer demand (customization). 3. Always make product innovations by paying attention to market conditions.	<b>Customer relationship</b> 1. Personal assistance: establish good communication directly or via telephone or social media (Instagram, WhatsApp, and Facebook)	<b>Customer segments</b> 1. People who want to give gifts of all ages (children, teenagers, adults) 2. Consumer segment of upper-middle social class (people with upper-middle income).
	<b>Key resources</b> 1. Human resources: employees 2. Financial: cash		<b>Channels</b> 1. Offline: Retail 2. Online: social media (Instagram, WhatsApp, Facebook)	
<b>Cost structure</b> 1. Human resources: employee salaries 2. Physical costs: materials, supplies, maintenance cost 3. Operating cost: electricity, water, Internet			<b>Revenue Streams</b> 1. Through the sale of products and services. 2. Cooperation with business partners	

### 3.3. SWOT analysis and TOWS matrix

The results of the SWOT analysis based on each BMC block are listed. The S and W are matched with O and T according to the TOWS matrix and revealed SO-, WO-, ST-, and WT strategies as depicted in Table 3. It can be summed all that there are 23 strategies. These can be grouped based on similar strategies and then prioritized according to resources, and availability including implementation time. This step method is a mechanism that can be applied to all cases that use BMC, SWOT analysis, and the TOWS matrix to formulate business strategies. Table 3.4 is the answers for RQ2 and RQ3.

Table 5. Each block BMC strategy  
(Resulted from SWOT analysis and TOWS matrix for each block)

1. Customer segments			
S	W	O	T
Customers are well segmented Customer needs are fulfilled, particularly for the upper-middle social class Low consumer turnover. Able to serve new customer segments	Informants did not provide information (not acknowledged)	Product innovation can be used to attract consumers' purchasing power	Threat of competitors acquiring customers

#### TOWS matrix results

SO Strategy: Following market trends and demands to expand and reach target customers

ST Strategy: Focus on the middle to upper target consumers (upper-middle) by improving services and product quality and new/ innovative product

WO Strategy: –; WT Strategy: –

**2. Value propositions**

S	W	O	T
<p>The materials from XYZ products are sturdy and of high quality at a relevant price.</p> <p>Customers can request goods ordered according to their wishes (Customization)</p>	<p>Informants do not provide information (not acknowledged).</p>	<p>Have the opportunity to improve the quality of products and services to customers.</p>	<p>Threats to the given value proposition and business concept similarities between XYZ and its competitors</p>

**TOWS matrix results**

SO Strategy: More responsive service to customer needs while maintaining product quality.  
 ST Strategy: The threat of competitors against the same business concept is to use materials with better quality  
 WO Strategy: –; WT Strategy: –

**3. Channels**

S	W	O	T
<p>Media channels are sufficient to reach the target consumers.</p>	<p>Channels to reach consumers are lacking.</p>	<p>Having the opportunity to add direct and indirect promotional channels to expand reach to consumers</p>	<p>Competitors have more channels.</p>

**TOWS matrix results:**

SO Strategy: Make better use of existing channels (social media: Instagram, Facebook, and WhatsApp), for example, actively promoting products to customers.  
 WO Strategy: Adding online media channels, namely, e-commerce (e.g., Tokopedia, Shopee, and Lazada) to expand market reach without being hindered by regional and time boundaries.  
 ST Strategy: Make the best use of existing media channels and increase e-commerce.  
 WT Strategy: Adding e-commerce according to competitors.

**4. Customer relationships**

S	W	O	T
<p>XYZ has a good relationship quality and is always actively connected with consumers through social media</p>	<p>Rarely give or hold discounts to customers.</p>	<p>XYZ can improve its relationship with customers by adding membership cards to give discounts to its customers and holding giveaways on social media</p>	<p>Competitors often hold discounts and giveaways at certain events and provide membership cards</p>

**TOWS matrix results**

SO Strategy: Maintain good relationships with consumers by adding membership cards to give discounts or discounts to customers and holding giveaways.  
 WO Strategy: Holding discounts by adding membership cards for customers and holding giveaways.  
 ST Strategy: Create membership cards for customers' discounts and often hold giveaways on social media.  
 WT Strategy: More frequent discounts for repeat customers and offer membership cards to new customers.

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**5. Revenue streams**


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S	W	O	T
Can predict earnings, including manage and pay business expenses.	Experiencing losses in 2018 and 2020.	Opportunities to develop the business by adding product variations and innovating to create new products. Opportunities to create other income through cooperation with partners with new business/ financial models.	The emerging competitors make customers switch to consumers.

**TOWS matrix results**

SO Strategy: Revenue and operating expenses that are well managed can be increased by increasing the choice of product variations and adding business partners to collaborate to produce products that can be sold to the public And jointly find new appropriate business/ financial models

WO Strategy: Losses experienced to maximize profits can be overcome by increasing the choice of product variations and adding business partners to collaborate to produce products that can be sold to the public.

ST Strategy: Manage revenue and costs to maximize profits by continuously innovating and creating new products and increasing the choice of material variations.

WT Strategy: The losses experienced can be overcome by continuing to innovate, creating new products, and increasing the choice of material variations

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**6. Key resources**


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S	W	O	T
Resources are sufficient and can facilitate business processes. XYZ can improve the quality of its resources	Informants do not provide information (not acknowledged)	Potential to improve the quality of human resources.	Informants do not provide information (not acknowledged)

**TOWS matrix results**

Strategy SO: Perform employee development to improve efficiency, productivity, and quality of work.

Strategy WO: -; Strategy ST: -; Strategy WT: -

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**7. Key activities**


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S	W	O	T
Activities can be carried out efficiently.  Key activities carried out by XYZ are not easy for competitors to imitate.	Informants do not provide information (Not acknowledged)	Potential to innovate to create new products. Has the potential to increase the efficiency of the activities carried out so that they can run smoothly	Informants do not provide information (Not acknowledged)

**TOWS matrix results**

SO Strategy: Conduct employee development to improve efficiency, productivity, and quality of work.

WO Strategy: -; ST Strategy: -; WT Strategy: -

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**8. Key partnerships**

S	W	O	T
<p>The collaboration between XYZ and its partners can benefit both parties.</p> <p>Get a new customer segment.</p>	<p>Less business partners</p>	<p>Can utilize business partners to reach new customer segments</p>	<p>Business partners also cooperate with competitors</p>

**TOWS matrix results**

SO Strategy: Utilize existing business partners to collaborate to create new products that can be sold to the public.  
 WO Strategy: Increase cooperation with new business partners other than cake shops to maximize profits and expand customer segments.  
 ST Strategy: Increase business partners and maintain product characteristics.  
 WT Strategy: Increase business partners other than cake shops, for example, wedding organizers, accessories shops, and toys/ kid equipment stores.

**9. Cost structures**

S	W	O	T
<p>Costs can be managed.</p>	<p>Informants do not provide information (not acknowledged)</p>	<p>Classify the cost structure according to the company’s spending needs.</p>	<p>Informants do not provide information (not acknowledged)</p>

**TOWS matrix results:**

SO Strategy: Manage costs by categorizing costs (data analysis and prediction) according to the need to reduce operating expenses & maximize profits.  
 WO Strategy: –; ST Strategy: –; WT Strategy: –

According to [10], [11], as before in Table 5, the tool used to compile the company’s strategic factors and formulate the strategy is the TOWS matrix. Here in Table 6, instead of descriptive, the matrix visualization is used, to clearly describe how external opportunities and threats faced by the company can be matched to its strengths and weaknesses. The TOWS matrix produces four possible sets of strategy alternatives:

1. SO Strategy (Strength–Opportunities): made based on the company’s mind-set, namely, by utilizing all strengths to seize and take advantage of opportunities as much as possible.
2. ST Strategy (Strengths–Threats): use the strengths of the company to overcome threats.
3. WO Strategy (Weaknesses–Opportunities): implemented based on the utilization of existing opportunities by minimizing existing weaknesses.
4. WT Strategy (Weaknesses–Threats): based on activities that are defensive in nature and try to minimize existing weaknesses and avoid threat

Table 6 gives 23 strategies compiled from 9 SO strategies, 6 ST strategies, 4 WO strategies, and 4 WT strategies. Next, as can be seen, there are similarities among them which had been resumed and rephrased resulting in 11 strategies as can be depicted in Table 7.

Table 6. Compiled TOWS matrix – 23 strategies

<b>IFAS</b>  <b>EFAS</b>	<b>STRENGTHS (S)</b> Internal strength factors: 1. Customer segments 2. Value propositions 3. Channels 4. Customer relationship 5. Revenue streams 6. Key resources 7. Key activities 8. Key partnership 9. Cost structure	<b>WEAKNESS (W)</b> Internal weakness factors: 1. X 2. X 3. Channels 4. Customer relationships 5. Revenue streams 6. X 7. X 8. Key partnerships 9. X
<b>OPPORTUNITIES (O)</b>  External opportunity factors  1. Customer segments 2. Value propositions 3. Channels 4. Customer relationships 5. Revenue streams 6. Key resources 7. Key activities 8. Key partnerships 9. Cost structures	<b>STRATEGY (SO)</b>  1. Customer segments: Following market trends and demands to expand and reach the intended target consumers. 2. Value propositions: Improving services by fast responding to customer needs and maintaining product quality. 3. Channels: adding direct and indirect promotional channels including using online channels, social media 4. Customer relationship: providing discounts or membership. 5. Revenue streams: increase the choice of product variations and add business partners to collaborate to produce products that can be sold to the public and jointly find new appropriate business/ financial models 6. Key resources: recruiting new employees and improving the quality of HR (employee development) 7. Key activities: creating new products. 8. Key partnership: adding new business partners. 9. Cost structures: manage costs by classifying them according to need (data analysis and prediction) to reduce operating expenses and maximize profits.	<b>STRATEGY (WO)</b>  1. Channels: adding business partners and e-commerce promotion media. 2. Customer relationships: hold discounts by adding membership cards for customers and holding a giveaway. 3. Revenue streams: innovate and increase product availability. Collaborate to create new products and new business/ financial models with partners. 4. Key partnership: adding new business partners other than cake shops.
<b>THREATS (T)</b>  External threats factors: 1. Customer segments 2. Value propositions 3. Channels 4. Customer relationships 5. Revenue streams 6. X 7. X 8. Key partnerships 9. X	<b>STRATEGY (ST)</b>  1. Customer segments: Always maximize customer needs and satisfaction, particularly in targeted customer segments (focus on middle to upper target customers), to prevent customers from switching to competitors by improving services and product quality and new products (innovation) 2. Value propositions: maintaining the best quality of products owned to avoid competitors copying products from XYZ (innovation). 3. Channels: adding business partners and e-commerce as a promotional medium. 4. Customer relationships: create membership cards for customers with discounts and often hold giveaways on social media. 5. Revenue streams: following market trends, customer demands, and maintaining product quality to increase revenue. 6. Key partnerships: increase business partners and maintain product characteristics.	<b>STRATEGY (WT)</b>  1. Channels: adding e-commerce according to competitors. 2. Customer relationships: more frequent discounts for regular customers and offers membership cards to new customers. 3. Revenue streams: the losses experienced can be overcome by continuing to innovate to create new products and increase the choice of material variations 4. Key partnerships: expanding business partners other than cake shops, for example, wedding organizers, accessories shops, and toys/ kid equipment stores.

Table 7. Resumed and rephrased – 11 strategies

23 Strategies of each block of BMC		11 Strategies (Resumed & Rephrased from 23)
Customer segment		
SO1	1. Customer segments: Following market trends and demands to expand and reach the intended target consumers.	1. Following market trends and demands, expanding the intended customer target
ST1	1. Customer segments: Always maximize customer needs and satisfaction, particularly in targeted customer segments (focus on middle to upper target customer), to prevent customers from switching to competitors by improving services and product quality and new products (innovation).	2. Improving product quality and services for focused target
Customer relationships		
S04	4. Customer relationship: providing discounts or membership.	3. Benefit programs for loyal and new customers
ST4	4. Customer relationships: create membership care for customers with discounts and often hold giveaways on social media.	
WO2	2. Customer relationships: hold discounts by adding membership cards for customers and holding a giveaway.	
WT2	2. Customer relationships: more frequent discounts for regular customers and offers membership cards to new customers.	
Channels		
SO3	3. Channels: adding direct and indirect promotional channels including using online channels, social media.	4. Adding online channels/social media and e-commerce
ST3	1. Channels: adding business partners and e-commerce promotion media.	
WO1	3. Channels: adding business partners and e-commerce as a promotional medium.	
WT1	1. Channels: adding e-commerce according to competitors.	
Value Proposition		
SO2	2. Value propositions: Improving services by fast responding to customer needs and maintaining product quality.	5. Fast services response to customer needs
ST2	2. Value propositions: maintain the best quality of owned products to avoid competitors copying products from XYZ (innovation)	6. Keep best-owned product qualities to avoid competitors copying
Revenue Streams		
SO5	5. Revenue streams: increase the choice of product variations and add business partners to collaborate to produce products that can be sold to the public and jointly find new appropriate business/financial models	7. Innovating in revenue models, financial/business model, data analysis for maximizing profits
ST5	5. Revenue streams: following market trends, customer demands, and maintaining product quality to increase revenue.	
WO3	3. Revenue streams: innovate, and increase product availability. Collaborate to create new products and new business/financial models with partners	
WT3	3. Revenue streams: the losses experienced can be overcome by continuing to innovate to create new products and increase the choice of material variations	
Key activities		

SO7	7. Key activities: creating new products and other new innovations in all business aspects (process, system support, etc.)	8. Creating new products and other new innovations in process, system support including digitization/digitalization
Key resources		
SO6	6. Key resources: recruiting new employees and improving the quality of HR (employee development)	9. Developing employee
Key partnerships		
SO8	8. Key partnerships: adding new business partners.	10. Adding new partners in product availability, new products, process, new business models to maximize profit
ST6	6. Key partnerships: increase business partners and maintain product characteristics.	
WO4	4. Key partnerships: adding new business partners other than cake shops.	
WT4	4. Key partnerships: expanding partners other than cake shops: for example, wedding organizers, accessories shops, and toys/kid equipment stores.	
Cost structures		
SO9	9. Cost structures: manage costs by classifying them according to need (data analysis and prediction) to reduce operating expenses and maximize profits.	11. Cost and related data analysis and prediction for maximizing profits

Referring to this table, the list of 11 strategies is as follows:

- 1) Following market trends and demands, expanding the intended customer target
- 2) Improving product quality and services for focused target
- 3) Benefit programs for loyal and new customers
- 4) Adding online channels/ social media and e-commerce
- 5) Fast services response to customer needs
- 6) Keep best-owned product qualities to avoid competitors copying
- 7) Revenue & related data analysis and prediction for maximizing profits
- 8) Creating new products and other new innovations in process, system support including digitization/digitalization
- 9) Developing employee
- 10) New partners in product availability, new products, process, and new business models to maximize profit
- 11) Cost and related data analysis and prediction for maximizing profits

Developing strategies by following the BMC concept means building a system from its blocks/subsystems that will interrelate and have no conflict between them, in other words, 11 strategies are formulated based on a systemic scheme. On the other hand, 11 strategies were developed based on the SWOT framework based on BMC blocks so that they are also believed to support each other to improve business performance. However, to increase confidence that a systemic mechanism occurs between these strategies, another evaluation was carried out by mapping 11 strategies based on the basic functions of business management consisting of Marketing, Operations, Information/Data, Research & Development/Innovation, Human Resources, and Financial Management. These functions support and interrelate with each other [17], [18]. The results can be seen in Table 8.

Table 8. Re-check - Systemability 11 strategies fit to BMC blocks, functional management and interrelated

11 Strategies	9-block BMC	Functional	Sub-functional
		Interrelated*	
1. Following market trends and demands, <b>expanding intended customer target</b>	Customer Segments	Marketing	Market development
2. Improving product <b>quality</b> and services for <b>focused target</b>		Operation	Product
3. <b>Benefit programs</b> for loyal and new customers	Customer Relationships	Marketing	Pricing
4. Adding <b>online</b> channels/ social media and e-commerce	Channels	Marketing	Promotion & Place
5. <b>Fast</b> services response to customer needs	Value Propositions	Marketing	Customer service
6. Keep <b>best-owned product qualities</b> to avoid competitors copying		Operation	Product: special quality program
7. Innovating in revenue models, <b>financial/business model, and data analysis</b> for maximizing profits	Revenue Streams	Financial	
		Innovation	
		Information/Data	
		Business Model*	
8. Creating new products and other <b>new innovations</b> in process, system support including digitization/digitalization	Key Activities	Product	Owned product improvement
		Innovation	
		Process & System	
9. <b>Developing employee</b>	Key Resources	Human Capital	
10. Collaborate with new partners in product availability, new products, process, and new business models to maximize profit	Key Partnerships	Relationship/ Collaboration*	
11. Cost and related data analysis and prediction	Cost Structure	Financial	
		Information/ Data	

The mapping process according to Table 9 shows that the 11 strategies besides covering the 9-block BMC also cover all (6) basic functional business management. Even better, innovative collaborative strategies (product-process-system improvement) and supporting strategies (human capital and financial strategies) become interrelations points between blocks/functionals. Paying attention to this, the systemic frame between the 11 strategies is identified as already occurring.

Next, to prioritize them, these strategies are evaluated and mapped according to specified criteria [17], [18] i.e., solutive level to the problems that also reflects the importance of the program; and supporting of the available resources i.e., approximate processing time; employee/ human capital (HC) and fund availability. In terms of financial resources, XYZ has an advantage that not many other business units have, namely good capital/cash strength so it really supports implementation without affecting priorities. The showed resources are three, however since the fund and employee are available the criteria are shrunk into 2 which are importance level and time. The level of priority is divided into 3: 1) the short-term level is classified for the importance of urge and the processing time can be done soon; 2) all terms levels are classified for the importance of urge to support all and lastly 3) mid-term level is classified other than number 1) and 2) the results are mapped into Table 9.

Table 9. Priority for 11 strategies

Program	1. Following market trends and demands, expanding intended customer target	2. Improving product quality and services for focused target	3. Benefit programs for loyal and new customers	4. Adding online channels/social media and e-commerce	5. Fast services response to customer needs	6. Keep best-owned product qualities to avoid competitors copying	7. Innovating in financial/business model, data analysis for maximizing profits	8. Creating new products and other new innovations in process, system support including digitisation/digitalization	9. Developing employee	10. Collaborate new partners in product availability, new products, process, new business models to maximize profit	11. Cost and related data analysis and prediction for maximizing profits
<b>A. Side enhanced by programs</b>											
1. Revenue Side											
a. Respond to high competitor emerge	direct, add business areas			direct, urge needed	revamp value proposition	protection effort	make revenue more effective	keep & improve competitive advantage	more productive employee	more effective revenue	
b. Fulfill customer (mid-upper) needs: quality		direct, quality for focused target			revamp value proposition	protection effort	make revenue more effective	more effective revenue	more productive employee	more effective revenue	
c. Fulfill customer (mid-upper) wants: price			direct, acquiring & keeping customer		revamp value proposition	protection effort	make revenue more effective	more effective revenue	more productive employee	more effective revenue	
2. Cost side											more efficient costs
3. Both sides											Both sides
<b>B. Criterias for priority</b>											
1. Importance for business	Urge improvement/new revenue	Urge to respond to competitors' programs	Urge to avoid churn and add new customers	Important to support revamped value	Important to support revamped value	Urge to support solution & improvement	Important, solution & improvement	Urge to support solution & improvement	Important, solution & improvement	Urge to support solution & improvement	Urge to support solution & improvement
2. Resources	can be delivered soon, available online	can be delivered soon, quality already been there	can be delivered soon	can be delivered soon	need processing time (HC, process & system)	need processing time	need processing time (HC, process & system)	need processing time	need processing time	need processing time	need processing time (HC, process & system)
a. Process time	Leader: marketing	Leader: production	Leader: marketing	Leader: production	Leader: production	Leader: financial	Leader: production/CEO	Leader: Adm/HC function	Leader: CEO	Leader: financial	
b. Employee (available)	low	low-medium	medium	low	low-medium	low-medium	low-medium	low-medium	high	medium	low-medium
c. Fund (available)											
<b>C. Priority (Term of program)</b>											
Level of priority											
1. Short term: importance = urge & time = soon	Short-term	Short-term	Short-term	Short-term	Mid-term	Mid-term	All terms (financial)	Mid-term	All terms (financial)	Mid-term	All terms (financial)
2. All Terms: importance = urge to "support"											
3. Mid-term: other than #1 & #2											

The priority strategies had been confirmed (member checked) to XYZ management/owner. They agree with these 11 strategies and their priorities and the mapping of the strategies.

Table 3.8 concludes the 11-strategy priority implementation into 3 terms as follows:

1. Short-term strategies (highest priority):
  - 1.1. Following market trends and demands, expanding the intended customer target
  - 1.2. Improving product quality and services for focused target
  - 1.3. Benefit programs for loyal and new customers
  - 1.4. Adding online channels/ social media and e-commerce
2. All term strategies:
  - 2.1. Developing employee
  - 2.2. Innovating in revenue models, financial/ business model, data analysis for maximizing profits
  - 2.3. Cost and related data analysis and prediction for maximizing profits
3. Mid-term strategies:
  - 3.1. Fast services response to customer needs
  - 3.2. Keep best-owned product qualities to avoid competitors copying
  - 3.3. Creating new products and other new innovations in process, system support including digitization/digitalization
  - 3.4. Collaborate with new partners in product availability, new products, process, and new business models to maximize profit

The priority strategies had been confirmed (member checked) to XYZ management/ owner. They are agreeing with these 11 strategies and their priorities with their mapping. All these, then embed into the existing BMC.

### 3.4. New BMC

The previous 11 new/ enhanced strategies, with their priorities, are then integrated into the existing BMC giving a new BMC, as depicted in Table 10.

Table 10. New Business Model Canvas – 11 new strategies

<p>Key partnerships</p> <ol style="list-style-type: none"> <li>1. Partners: cake shops.</li> <li>2. Suppliers: materials and knick-knacks (made in China)</li> </ol> <p>(+) Collaborate new partners in product availability, new products, process, new business models to maximize profit</p> <p>Note: other than cake shops, e.g.wedding organizers, toy shops, etc</p>	<p>Key activities</p> <ol style="list-style-type: none"> <li>1. Sell gift-wrapping products and services, such as parcel decoration, making gifts for holidays and weddings, and party event decorations.</li> <li>2. Make handmade products.</li> <li>3. Perform quality control</li> </ol> <p>(+) Creating new products and other new innovations in process, system support including digitisation/digitalisation</p> <p>Note: paying attention to market trends and demands.</p>	<p>Value proposition</p> <ol style="list-style-type: none"> <li>1. Premium materials and quality.</li> <li>2. Product design that can be adapted to consumer demand (customization).</li> <li>3. Always make product innovations by paying attention to market conditions.</li> </ol> <p>(+) Fast response to customer needs while maintaining product quality.</p> <p>(+) Keep best owned product qualities to avoid competitors copying (keep innovate)</p> <p>Note: to avoid competitors copying products from XYZ</p>	<p>Customer relationship</p> <ol style="list-style-type: none"> <li>1. Personal assistance: establish good communication directly or via telephone or social media (Instagram, WhatsApp, and Facebook)</li> </ol> <p>(+) Benefit programs for loyal and new customers</p> <p>Note: Membership cards for new customer, discounts for existing customers.</p>	<p>Customer segments</p> <ol style="list-style-type: none"> <li>1. People who want to give gifts of all ages (children, teenagers, adults)</li> <li>2. Consumer segment of upper-middle social class (people with upper-middle income).</li> </ol> <p>(+) Following market trends and demands expanding intended consumer's target</p> <p>(+) Improving product quality and services for focused target (Loyalty programs)</p>
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	<p>Key resources 1. Human resources: employees 2. Financial: cash</p> <p>(+) Developing employee</p>		<p>Channels 1. Offline: retail 2. Online: social media (Instagram, WhatsApp, Facebook)</p> <p>(+) Adding online channels/ social media and e-commerce</p>	
<p>Cost structure 1. Human resources: employee salaries 2. Physical costs: materials, supplies. 3. Maintenance cost 4. Operating cost: electricity, water, Internet</p> <p>(+) Cost and related data analysis and prediction for maximizing profits</p>		<p>Revenue streams 1. Through the sale of products and services. 2. Cooperation with business partners (product &amp; service)</p> <p>(+) Innovating in revenue models, financial/ business model, data analysis for maximizing profits</p>		

Legend:  
-Short-term strategy: red font  
-All term strategy: green font  
-Mid-term strategy: blue font

This new BMC is recommended to XYZ as a new business compass. This new BMC is the answer to RQ4.

### 3.5. Findings discussion

This section is added to discuss the findings. From the research process and results this research is in line with and supported by the theoretical concepts and previous studies referred to in this research. All relevant theoretical concepts, BMC, SWOT framework, and qualitative research methods are used as solution tools to support the search for answers to all research questions.

The research results have answered the four research questions. RQ1 has been answered with existing BMC. RQ2 has been answered by the factor S, W, O, and T. RQ3 has been answered by the TOWS matrix that produces SO, ST, WO, and ST strategies which were finally resumed into 11 new/improved strategies along with their priorities. These strategies are interrelated and they synergy with each other to increase the competitive advantage to support XYZ's business performance. Lastly, RQ4 was answered by a new BMC which was formulated by integrating the 11 strategies in the existing BMC. This new BMC is shown as XYZ's guiding compass in developing its business. BMC must continue to be reviewed and improved to remain accommodative in highly dynamic competition conditions.

What is considered as a limitation of this study is that entirely are driven by qualitative methods due to the limited time of this study. Future studies are suggested to be supported also by quantitative techniques. Among others, the quantitative technique could be used to determine strategies and priorities. One concept that can be used to set strategies and priorities is Quantitative Strategic Planning Matrix (QSPM) [17], [18].

The practical benefits of this study are for XYZ. XYZ got academic recommendations as well as knowledge transfer on how to manage their business. Theoretical benefits are also given by this study. Until this study was submitted, researchers had not found previous studies explaining detailed technical procedures on how to use the combination of BMC 9-block, SWOT analysis, and TOWS matrix. The consequence of using this combination of concepts is dealing with complexity, multi-variables, and multi-dimensional variables. The method was starting with each BMC block for SWOT analysis and TOWS matrix matching/synthesis, then compiling the resulting strategies for all 9 blocks. It is highly considered useful to learn from the steps of analysis and synthesis, particularly in formulating new strategies. These steps had been chosen from several thoughts before the analysis was done. This stepping method is a mechanism that can be applied to all cases that use BMC, SWOT analysis, and the TOWS matrix to revamp business strategies. Therefore, this 'stepwise' procedure can be used as a reference and considered a new contribution to academics.

#### 4. Conclusions

This study investigated the existing strategy by using the BMC concept. It was found that XYZ complied with the 9-block BMC concluding that XYZ has implemented appropriate business practices. SWOT analysis revealed internal factors (S, W) and external factors (O, T) that affect the business. The matching of these two factors, based on the TOWS Matrix, has provided 23 new strategies. By compiling and grouping those, furthermore, 11 substantial strategies were obtained which were later confirmed by management regarding their implementation priorities. The results conclude that the highest priority strategy to be implemented is 1) Following market trends and demands, expanding the intended customer target; 2) Improving product quality and services for the focused target; 3) Benefit programs for loyal and new customers; and 4) Adding online channels/ social media and e-commerce. The 11 strategies were used to revamp the business strategy and those are embedded into the existing BMC becoming New BMC. This new BMC is recommended as a new business strategy compass to sustain XYZ's competitive advantage. In addition to answering the research question, additional valuable findings came from the analysis and synthesis steps. To make the multiple and complex factors manageable, a stepping scheme is used: starting with each BMC block, compiled, and regrouped all in a new BMC.

#### Declaration of competing interest

The authors declare that they have no known financial or non-financial competing interests in any material discussed in this paper.

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