SUMMARY

MAULANA SENO AJI. Formulation of Micro Model Business Strategy in Bank X. Supervised by LUKMAN M. BAGA and IMAM TEGUH SAPTONO

Contentious competition in banking leads lots of banks to undertake larger market share, based on the total number of customers and managed fund. Small Medium Enterprise (micro) was one of segments that steadily survived during monetary crisis happened in Indonesia. The experience of Bank X in allocating SMEs (micro) share credit was actually not too good in the past time, thus, it becomes the reason of the bank’s improvement in the near future. The appropriate strategic plan by comparing on-going business model is expected to give feedback towards the top managements. As the result, the plan will emerge and survive in the future.

This research aims to 1) Analyze the major competition of the latest institution and figure out the kind of competition that Bank X should conduct in the future, in order to develop micro-scale business based on VRIO (Value, Rarity, Imitability, Organization) perspective 2) Identify and examine the influencing internal and external factor of micro-scale business development based on PEST analysis, as well as influencing factor of macro external environment based on Five Forces’s Porter analysis 3) Recommend reformed canvas-model business in order to develop and increase micro-scale business by comparing the previous and latest canvas-model business. Furthermore, this research applies quantitative descriptive method through Focus Group Discussion (FGD) case study approach. In this research, the researcher also uses qualitative as well as quantitative primary and secondary data. The researcher obtains the primary data from user interview (Bank X’s officers) by using questionnaire and network group. Meanwhile, the secondary data is obtained from financial statement of Bank X and related literature. In addition, the researcher contends that random and judgement sampling is appropriate for the research. There are 10 respondents that roles as head of division up to board of director in their field.

The researcher figures out that the internal analysis of Bank X, based on VRIO framework, shows that Bank X has sustain competitive advantage and competitive parity. The advantage factor of Bank X are: R&D product, sinergy of network groups, ample human resources, developing IT, important assets, and the degree of bank healthiness. In other side, Bank X also has several disadvantages as follows: capital investment, reputation, number of branches and Net Interest Margin (NIM)

Subsequently, the researcher identifies that the external environment, based on politics, economy, social and culture factors, gives both opportunity and threats to Bank X. The opportunity consists of the great potentiality of SMEs, regulator policy in SMEs share, crisis-resistance segment, economic growth, politic stability and domestic defense, fiscal policy towards SMEs share, growing e-commerce dan society’s pride of local product consumption that gives financing development in SMEs share. Meanwhile, the researcher contends that the fluctuative currency value and the emerge of Sean Economic Community (MEA) can be crucial threat. Furthermore, the researcher figures out that intensity of industry competition in SMEs share (micro) is high. As the detail, the threat new
SME is in the highest rank, and consecutively followed by banking customer’s capability to bargain toward SMEs share, competition between banking entities in SMEs share, supplier’s capability to bargain, and the suppression of compensated product. The total score of Internal Factor Evaluation (IFE) is 2.22 while External Factor Evaluation (EFE) is 3.11. This means that Bank X is able to respond the current change properly. Thus, the researcher believes that the appropriate and applicable strategies are market penetration and market and product development.

The kind of reformed canvas-model business, based on internal and external analysis, is the addition of customer segments fund for Indonesian workers becomes one of fund segments, value preposition, added with products that are able to adjust customer’s need. The improvements towards key partners, focus to network groups, linkage institution, branchless banking agency, PPTKI, Community Bank (CB), cooperative entities and Micro Financial Institution (MFI). In this case, creditor is not part of key activities in the improvement of the latest canvas model, so does in channel. It is replaced by linkage institution, network groups, e-commerce and branchless outlet instead.

In conclusion, the researcher reveals several purposes and programs that should be conducted for the next 3 semesters, they are 1) Developing innovative product and back up infrastructure, 2) Increase the reputation introduction and health monitoring, 3) Increase the business scale.

Keywords: business model canvas, SMEs, strategic plan