FORMULATING BUSINESS STRATEGY:
A CASE OF TUTORING AGENCY IN INDONESIA

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Abstract: PT. XYZ Indonesia is a holding company with a collection of beatu business unit that has a primary focus on education. One of their business units is XYZ that is an education consultant or tutoring agency. The main problem faced by XYZ is their target revenue in 2017 has not been reached or only 70% realization of total target revenue. In this research, use strategic management process to formulate appropriate strategies for XYZ in order to achieve their target. Primary and secondary data collection techniques consisting of questionnaire, interview, research internet, document review, and company report. This research results in 9 strategies to increase their sales and market shares including corporate, business, and functional level strategy. The implementation plan of the new proposed strategies implemented by its priority to solve the issues. Suggestion for subsequent research was to add other tools in the environmental scanning and strategy formulation phase to deepen the analysis result. Also can use another performance management framework to evaluate the strategies.

Keywords: tutoring agency, education, strategy, strategic management process.

PT. XYZ Indonesia is a holding company with a collection of companies that have a primary focus on education. Currently PT. XYZ already has several subsidiaries such as XYZ which is the core business, ABC School (Elementary, Junior, and Senior High School) and XYZ cafe and co-working space.

The unit that will be the focus of the analysis is XYZ as an Education Consultant or tutoring agency. The author focuses on strategic management process approach to achieve their target, pursues strategic competitiveness and earns the above-average return. These analyses are completed to identify opportunities and threats in the external environment and identify strength and weakness in the internal environment. External and internal environment analysis as strategic inputs for choosing one or more strategies and deciding how to implement them.

METHODS

Conceptual Framework

XYZ needs to have the right strategies to achieve their target which can only be reached when the company successfully formulates and implements a value-creating strategy. In order to achieve company objective, pursue strategic competitiveness, and earn an above-average return, the author combines the strategic management process from (Hitt, Ireland, & Hoskisson, 2011), (Wheelen & Hunger, 2012), and (David, 2011). Strategic man-
The environmental scanning is the first step in strategic management process consists of external environment analysis, internal environment analysis, and business model canvas. Furthermore, the most important factors from this analysis that influenced company business will be summarized in SWOT.

The second step is strategy formulation, often referred to as strategic planning or long-range planning, and is concerned with developing a corporation’s missions, objectives, strategies, and policies. It begins with situation analysis: the process of finding a strategic fit between external opportunities and internal strengths while working around external threats and internal weaknesses.

The third step is strategy implementation shows the total of activities and choices required for the execution of a strategic plan. This process put the

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**Figure 1 Conceptual Framework of Strategic Management Process**

| Strategic Management Process | Phase |
|-----------------------------|-------|
| **Environmental Scanning**  |       |
| Business Issue              |       |
| Find appropriate strategies for Edulab to increase sales and market share as the requirements to achieve their target |
| External Environment        |       |
| General Environment         |       |
| Industry Environment        |       |
| Competitor Environment      |       |
| Customer Satisfaction       |       |
| Internal Environment        |       |
| Resources                   |       |
| Capabilities                |       |
| Core Competencies           |       |
| Value Chain Analysis        |       |
| Business Model Canvas       |       |
| SWOT Analysis               |       |
| Corporate Strategy          |       |
| Business Strategy           |       |
| Functional Strategy         |       |
| Implementation Plan         |       |
| Evaluation                  |       |
objective, strategies, and policies to an action by developing program, budget, and procedure.

The last step is strategy evaluation. The evaluation ensures that a company is achieving what it set out to accomplish. It compares performance with desired results and provides the feedback necessary for management to evaluate results and take corrective action, as needed.

**METHOD OF DATA COLLECTION**

After defining the problems and research objectives, the author uses several methodologies in conducting this research, as the purpose of this research is to identify internal and external environments that affect business performance in order to solve XYZ’s problem and determine the suitable strategies, implementation, and evaluation for XYZ.

Based on the purpose, this research included in applied research because this research aimed to obtain information that could be used to solve problems in the organization. Based on methodology type, this research included in case study research because it was done in a particular organization and aimed to analyze and interpret the uniqueness of the individual and situation in the organization.

Primary and secondary data analysis are conducted in this research through several sources and tools as a source of data. Secondary data obtained from literature studies using books, researching the internet, Badan Pusat Statistik (BPS), Kemendikbud publication, and company reports. Also, the author uses secondary data from an employee survey conducted by XYZ via an online questionnaire. The sample unit is XYZ’s employee with sample size 181 employee from 221 total employees per 1 October 2017. The sample employee consists of 91 teachers, 63 branch management, and 27 central management.

In order to complement secondary data, mixed research approaches are also used by the author to collect primary data by using both of qualitative and quantitative approach. When collecting primary data, the author uses survey research approaches through instrument questionnaire and interview. Questionnaire instrument used to determine the customer satisfaction and interview as an instrument to gather information about the internal situation in the company by asking the employee.

For customer satisfaction survey through a questionnaire, the population is the total number of XYZ student. They are finite and consists of 3,402 students. For asample, the author uses nonprobability convenience sampling to select the easiest population members from which to obtain information because they are willing and available to be studied. The sample unit is XYZ students. The sample size is 150 students. To determine the sample size, the author uses solving formula with a margin of error 8%. Which mean the number of samples needed is:

\[
n = \frac{N}{1 + Ne^2} = \frac{3402}{3402(0.08)^2} = 149.5 \approx 150 \text{ students}
\]

\[n = \text{ samplesize} \quad N = \text{ Population} \quad e = \text{ margin of error}\]

**Environmental Scanning or Business Situation Analysis**

The first step in strategic management process is environmental scanning or also known as business situation analysis. This phase consists of external environment, internal environment, business model canvas, and summarized in SWOT analysis. The general environment is composed of dimension in the broader society that influences an industry and the firms within it. Below Table 1. General Environment analysis summary that might impact education industry.

| Dimension                                                                 | Score |
|---------------------------------------------------------------------------|-------|
| Product life cycle             | Strongly agree |
| Technological change          | Strongly agree |
| Socio-economic change         | Strongly agree |
| Political-legal change        | Strongly agree |
| Competitive intensity         | Strongly agree |
| Industry structure            | Strongly agree |

An industry’s profit potential is a function of Porter five forces of competition: the threats posed by new entrants, the power of suppliers, the power of buyers, product substitutes, and the intensity of rivalry among competitors. Below Table 2. Five porter analysis of education consultant industry. 1 meaning strongly disagree and 5 meaning strongly agree.
### Table 1  General Environment analysis summary

| Factors      | Description                                                                                                                                 |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Political    | - Potential regulation of UN will be abolished in the year of 2017 - Admission regulation of new student at state universities impacting competition for the entrance exam to a state university is getting higher |
| Demographic  | - The population of Indonesia increases 3 million every year - Provinces that has the highest number of high school student                         |
| Economic     | - Low B.I 7 day repo rate around 4.5% - A stable inflation rate that measured by consumer price index - The province with high growth GRDP per capita            |
| Physical     | - Provinces that have a high amount of tutoring institution - Distribution of uneven tutoring institution                                   |
| Sociocultural| - The province with high human development index (HDI) - School participation rate from High school and college                               |
| Global       | - Establishment of ASEAN economic society (AEC) in 2015                                                                                       |
| Technological| - Technology changes rapidly - Technology that can change teaching and learning process                                                        |

(Source: author analysis)

### Table 2  Five porter analysis of education consultant industry

| Forces                          | Scale 1 | Scale 2 | Scale 3 | Scale 4 | Scale 5 | Conclusion |
|---------------------------------|---------|---------|---------|---------|---------|------------|
| **The threat of New Entrants**  |         |         |         |         |         | Moderate   |
| High economies of scale         |         |         |         |         |         |            |
| High product differentiation    |         |         |         |         |         |            |
| High capital requirement        |         |         |         |         |         |            |
| High customer switching cost    |         |         |         |         |         |            |
| Lack of support from the govern-|         |         |         |         |         |            |
|                                 |         |         |         |         |         |            |
| **Bargaining Power of Suppliers**|        |         |         |         |         | Low        |
| Few numbers of suppliers        |         |         |         |         |         |            |
| The high cost of switching to alternative materials |         |         |         |         |         |            |
| The importance of supplier products to the buyer |         |         |         |         |         |            |
| Suppliers have more than one revenue stream |         |         |         |         |         |            |
| **Bargaining Power of Buyers**  |         |         |         |         |         | Moderate   |
| Few switching costs to move to another brand |         |         |         |         |         |            |
| High price sensitivity          |         |         |         |         |         |            |
| A few buyers                    |         |         |         |         |         |            |
| High undifferentiated products  |         |         |         |         |         |            |
| **The threat of Substitute Products** |      |         |         |         |         | High       |
| Numerous number of substitute products |       |         |         |         |         |            |
| Attractive price-performance trade-off products |       |         |         |         |         |            |
| Low switching cost to substitute |       |         |         |         |         |            |
| **Rivalry Among Competing Firms** |      |         |         |         |         | High       |
| Numerous number of equal competitor |     |         |         |         |         |            |
| High barriers to exit           |         |         |         |         |         |            |
| Slow industry growth            |         |         |         |         |         |            |

(Source: Author analysis)
There are many education consultants that can be chosen by the customers. It depends on the geographical situation, business type, products, marketing, price, and the segment can be used to analyze the competitor. Although there are lots of institutions offering the education consultancy, there are several institutions that almost similar with XYZ. They are Sony Sugema College (SSC), Ganesha Operation (GO), and Neutron.

In order to gauge the satisfaction of the customer with the XYZ performance, the author did a survey for the students. The method to measure the customer satisfaction is used SERVQUAL five dimensions (Zeithaml, Parasuraman, & Berry, 2009). Overall the customer satisfaction index is 80%. Below the Table 3. XYZ customer satisfaction measurement result.

| Key Statements                                                                 | X   | σ    | %    |
|-------------------------------------------------------------------------------|-----|------|------|
| Tangible                                                                      |     |      |      |
| The building and the XYZ room look attractive and comfortable                 | 3.91| 0.93 | 78%  |
| XYZ has facilities that support teaching and learning process                 | 3.89| 0.89 | 78%  |
| Staff and faculty are attractive                                             | 4.03| 0.83 | 81%  |
| Reliability                                                                   |     |      |      |
| Services provided in accordance with the promised                             | 3.64| 1.03 | 73%  |
| Materials taught in accordance with the curriculum                           | 4.09| 0.81 | 82%  |
| The time of execution of learning in accordance with the schedule formed     | 4.14| 0.86 | 83%  |
| Responsive                                                                    |     |      |      |
| Staff and teachers are always quick to help you when you need help            | 3.76| 1.01 | 75%  |
| Staff and teachers tell you when they will help you                           | 3.90| 0.97 | 78%  |
| Staff and teachers apologize when making mistakes                            | 4.32| 0.76 | 86%  |
| Assurance                                                                     |     |      |      |
| Staff and teachers are friendly and courteous                                 | 4.47| 0.69 | 89%  |
| The teacher has knowledge of the material he teaches                          | 4.24| 0.85 | 85%  |
| The cost you pay for guidance is proportional to what you get in XYZ          | 3.57| 1.07 | 71%  |
| Empathy                                                                       |     |      |      |
| Staff and faculty can be reached easily                                       | 3.80| 1.00 | 76%  |
| Staff and teachers can communicate well                                       | 4.26| 0.73 | 85%  |
| Staff and teachers understand your needs                                      | 3.95| 0.94 | 79%  |
| Total                                                                         | 4.00| 0.89 | 80%  |

(Source: author analysis)

Some of a firm’s resources are tangible while others are intangible and capabilities exist when resources have been purposely integrated to achieve a specific task or set of tasks. Resources and capabilities that are valuable (V), rare (R), costly to imitate (I), and non-substitutable (N) are a source of competitive advantage. Below Table 4. XYZ’s competitive advantage analysis.

| Resources or Capabilities | V | R | I | N | Comp. Consequence |
|---------------------------|---|---|---|---|-------------------|
| Tangible Resources        |   |   |   |   |                   |
| Financial                 |   |   |   |   |                   |
| Liquidity                 | ✓ |   |   |   | Comp. Parity      |
| Activity                  | ✓ |   |   |   | Comp. Parity      |
| Debt                      | ✓ |   |   |   | Comp. Parity      |
| Profitability             | ✓ |   |   |   | Comp. Parity      |
|                           | ✓ |   |   |   | Comp. Parity      |
### Resources or Capabilities

| Tangible Resources | Organizational resources | Physical resources |
|--------------------|--------------------------|-------------------|
| Strategic planning effectiveness | ✓ x x x | Modern class | ✓ x x x |
| Excellence control system | ✓ x x x | Class facility | ✓ x x x |
| Excellence evaluation system | ✓ x x x | Building location | ✓ x x x |

| Intangible Resources |
|-----------------------|
| Human resources |
| Sharing knowledge | ✓ x x x | Temp. Comp. Adv. |
| Trust | ✓ ✓ x x |
| Managerial capabilities | ✓ x x x | Comp. Parity |
| Organization routines | ✓ x x x | Comp. Parity |

| Innovation resources |
|----------------------|
| Ideas | ✓ x x x | Comp. Parity |
| Scientific capabilities | x x x x | Comp. Disadvantage |
| Capacity to innovate | ✓ x x x | Comp. Parity |

| Reputational resources |
|------------------------|
| Reputation with customers | ✓ x x x | Comp. Parity |
| Brand name | ✓ x x x |
| Perception of XYZ | ✓ x x x | Comp. Parity |

| Capabilities |
|--------------|
| Human Resources |
| Recruitment process | ✓ x x x | Comp. Parity |
| Staffing | ✓ x x x | Comp. Parity |
| Training | ✓ x x x | Comp. Parity |
| Compensation | ✓ x x x | Comp. Parity |
| Retain Employee | x x x x | Comp. Disadvantage |

| Management Inf. System |
|------------------------|
| Information system development | ✓ x x x | Comp. Parity |
| Secure information system | ✓ x x x | Comp. Parity |

| Marketing |
|-----------|
| Consumer behavior analysis | ✓ x x x | Comp. Parity |
| Market Research | ✓ x x x | Comp. Parity |
| Build brand image | ✓ x x x | Comp. Parity |
| Social media implementation | ✓ x x x | Comp. Parity |

| Management |
|------------|
| Decision making | ✓ x x x | Comp. Parity |
| Performance management | ✓ x x x | Comp. Parity |
| Leadership | ✓ x x x | Comp. Parity |
| Teamwork | ✓ x x x | Comp. Parity |

| Research and Development |
|--------------------------|
| Develop new product and service | x x x x | Comp. Disadvantage |
| Existing product and service | ✓ x x x | Comp. Parity |
Formulating Business Strategy: A Case of Tutoring Agency in Indonesia

MARGIN

Value Chain Analysis can be used to analyze and define values that drive XYZ in their business process. The service industry does not have the real operation of inbound and outbound logistic. So need to have a different version of the value chain which can well describe the service industry especially in the education sector (Gabriel, 2006). Below Figure 2. XYZ value chain analysis.

| Firm Infrastructure: General Management, Planning, Finance, Accounting |
|----------------------------------------------------------|
| Technology Development: Website development and System Information Management |
| Procurement: |
| - Office equipment, books, stationery |
| Inbound: |
| - Students Registration |
| - Teachers |
| Operations: |
| - Class Tutoring |
| - Consulting |
| - Try out |
| Outbound: |
| - Skilled Student pass an exam and received at University |
| - Skilled Teacher |
| Marketing and Sales: |
| - Brand Dev. |
| - Social Media |
| - Brochure |
| - Banner |
| - School tour |
| Service: |
| - Alumni Support |
| - Controlling |
| - Student evaluation |
| PRIMARY ACTIVITIES |

(Source: author analysis)

Figure 2 XYZ value chain analysis summary

PRIMARY ACTIVITIES

Business model canvas analysis can be used to analyze the factors that drive XYZ in their business process. A business model is a framework that describes the rationale on how an organization creates, delivers, and captures value (Osterwalder & Pigneur, 2010). Below Figure 3. XYZ Business Model Canvas Summary.

After the analysis environment, the next step is to summarize the result of the analysis in the SWOT analysis. This analysis will be used to identify the most important factors and provide strategy formulation. Below Table 5. SWOT Analysis Summary.
Zulkifli, Harimukti Wandebori

| Key Partners | Key Activities | Value Proposition | Customer Relationships | Customer Segments |
|--------------|----------------|-------------------|------------------------|-------------------|
| Mitra        | Teaching and learning activity | Newness tutoring system | Personal service consultation | High school students or alumni, age 14-18 years old, who want to pass school and enter college with parent's income medium to high in the urban and suburban area. The benefit sought is quality and service with ambitious personality and interesting in the study. |
| High school Media Partner Vendor | Dating | Additional and dating program | Gathering activity for student and parents | |
|              | Consultation | Dynamic Learning Process | Social Media | |
|              | Try-out | Personal service consultation | | |
|              | Talent Mapping | Academic plan | | |
|              | Tutor training | | | |

| Key Resources | Channels | Revenue Streams |
|---------------|----------|----------------|
| Employee Tutor Building and facilities Investor | Online and offline marketing channel Online and offline purchase channel Deliver value to every branch | Admission fee Tutoring fee Merchandise Gain from office stationery |

| Cost Structure | | |
|----------------|----------------|
| Fixed cost: Building, employee salaries, operational cost, legal cost, training cost, advertising | |
| Variable cost: Tutor labor cost, tutor labor cost, student's module, pocketbook, merchandise production | |

| Strengths | Weaknesses |
|-----------|------------|
| S1. Modern class and complete facility | W1. Lack of marketing research, plan, and channel |
| S2. Good historical financial performance | W2. High employee turnover |
| S3. High student graduation rate to a state college | W3. Late in IT system implementation |
| S4. The qualified teacher from reputable university | W4. Lack of employee workplace, facility, training program, and compensation. |
| S5. Located in a strategic location | W5. Don’t have RandD team |

| Opportunities | Threats |
|---------------|---------|
| O1. Government regulation | T1. Government policy |
| O2. Potential area | T2. Rivalry among competitor |
| O3. Technological development | T3. Substitute products or service |
| O4. Low B.I 7 day repo Rate | T4. Inflation rate |
| O5. Globalization | T5. Underdeveloped area |

After analyzing SWOT analysis, try to find the causes of the business issue. Currently, XYZ has a business issue. The target revenue in 2017 has not been reached. XYZ could only achieve revenue 70% of the total target revenue. There is a gap between target revenue and realization revenue that can be categorized as a problem according to the definition of the problem. A problem is any deviation from the standard expected, or desired which is outside the accepted tolerance, norm, or benchmark (Business
RESUL

T DISCUSSION

Strategy Formulation

After analyzing the environmental, the second step is finding business solutions through strategy formulation. The phase stages are found alternative strategy using TOWS matrix, analysis the corporate level strategy, business level strategy, functional level strategy.

The TOWS matrix illustrates how the external opportunities and threats facing a particular corporation can be matched with that company’s internal strengths and weaknesses to result in four sets of possible strategic alternatives. Below Table 6. XYZ’s TOWS Matrix.

To determine corporate level strategy, the author uses Internal-External (IE) Matrix. This matrix is based on two dimension IFAS total score on x-axis and EFAS total score on the y-axis. XYZ’s IFAS and EFAS total weighted score are 3.14 and 3.20. So, XYZ’s position in the cell I Grow and Build. There are several strategies in this cell: market penetration, market development, product development, backward integration and horizontal integration.

To choose suitable growth strategies, the author uses Ansoff Matrix or product-market strategy created by (Ansoff, 1957) that focused on the firm’s present and potential product and markets (customers). To choose the suitable strategies from four alternative strategies, author compare each alternative strategies using pros and cons. Below Table 7. Comparison of Alternative Growth Strategies.

Figure 4 Fishbone diagram of XYZ

(Source: author analysis)
Table 6  XYZ’s TOWS Matrix

| IFAS | S.O Strategies | W.O Strategies | WT Strategies |
|------|----------------|----------------|---------------|
| S1.  | Expand and open new branches in potential areas (S1, S2, S4, O1, O2, O3) (Corporate strategy: Market Development) | Increase employee retention to reduce employee turnover (W2, W4, O2) (Functional strategy: HR) | Improve employee competencies to increase employee performance (W2, W4, T2, T3) (Functional strategy: HR) |
| S2.  | Strategic alliances with a potential business partner (S2, S3, S5, O1, O2) (Business strategy: Cooperative) | Develop and improve mobile and web application to increase differentiation. (W3, W5, O3, O5) (Business strategy: differentiation and Functional strategy: Technology) | Service improvement to increase customer satisfaction (W4, T2) (Business strategy: differentiation) |
| S3.  | | | Create special R&D team for continuous innovation (W5, T2, T3) (Functional strategy: R&D) |
| S4.  | | | |
| S5.  | | | |

(Source: author analysis)

Table 7  Comparison of Alternative Growth Strategies

| Alternative Strategies | Pros | Cons |
|------------------------|------|------|
| Market Penetration     | + Maintain or increase market share through existing products and existing customers | - Limited if have a high market share |
|                        |     | - Increase competitive rivalries |
| Market Development     | + Increase market share through new customers with existing products | - Riskier than market penetration |
|                        |     | - Success depends on to identify new best markets |
| Product Development    | + Increase market share through new products and existing market | - Cannibalization if create a new product |
| Diversification        | + Increase market share through new products for new markets | - Most risky because both product and market development may be outside the core competencies |
Based on Table 7, the author chooses Market Penetration and Market Development as suitable corporate growth strategies to be implemented by XYZ because these strategies can increase revenue and market share through existing product and new or existing markets without cannibalization existing product and high risk like diversification strategy.

To find which business level strategy suited best for the current condition for XYZ, score used for the requirement of the generic competitive strategy. The score is 1 until 5, which indicate the lowest to highest. The score evaluation is done by consultation with the XYZ management. Below Table 8. Comparison of Generic Competitive Strategy.

| Cost Leadership | Score | Differentiation | Score |
|-----------------|-------|-----------------|-------|
| Required Skill, Resources, and Organizational | | Required Skill, Resources, and Organizational | |
| Sustained capital investment and access to capital | 2 | Strong marketing capabilities | 2 |
| Skill in design product to shorten the process and lower the cost | 3 | Creative flair | 3 |
| Intense supervision of labor | 2 | Strong capability in basic research | 3 |
| Products or service designed | 3 | Corporate reputation for quality or technological Leadership | 2 |
| Low-cost system | 2 | The long tradition in the industry or unique | 4 |
| Tight cost control | 2 | Combination of skills drawn from other businesses | 3 |
| Frequent, detailed control reports | 3 | Strong coordination among functions in RandD, and marketing | 3 |
| Structured organization and responsibilities | 3 | Subjective measurement and incentives | 2 |
| Incentives based on meeting strict quantitative targets | 2 | Amenities to attract highly skilled labor, scientists, or creative people | 2 |

**Average Score** 2.44  **Average Score** 3

(Source: author analysis)

As shown in Table 8, the average score for cost leadership is 2.44 and 3 for differentiation. So, differentiation is the suitable competitive strategy for XYZ. Another consideration is because currently XYZ using differentiation competitive strategy, so it is hard to change from differentiation to cost leadership.

The functional level strategy depends on the corporate and business level strategy. The functional strategy consists of marketing, operation, human resources, financial, technology, and RandD. For marketing, XYZ needs to develop a new marketing plan to support market penetration strategy. For HR department, retain their employee because employee turnover rate is high through improve their compensation system and working environment. Also, HR department needs to improve their employee competencies. For technology strategy, XYZ needs to
develop and improve mobile and web application for students to differentiate their service from the competitor. For financial strategy, acquiring needed capital, preparing financial budgets and developing projected financial statements, and feasibility study for evaluating the worth of market development strategy. For operation department, the team focuses on building renovation and increase facility in some branches.

**Strategy Implementation**

The third step is strategy implementation. The implementation plan of the new proposed strategies implemented by its priority to solve the business issues. Based on priority matrix, XYZ needs to implement 9 strategies based on importance and urgency of the strategies. There are 5 strategies classified into quadrant 1 (important and urgent) and 4 strategies into quadrant 2 (important but not urgent). When implementing the strategies, there are action programs, division on a charge, distinctive competency, optimal success factor, and procedure need be implemented for each strategy. For RandD, proposes XYZ needs to establish a small RandD unit.

**Strategy Evaluation**

The last step is strategy evaluation. The evaluation ensures that a company is achieving what it set out to accomplish. It compares performance with desired results and provides the feedback necessary for management to evaluate results and take corrective action, as needed. This paper uses Balanced Scorecard as a framework to evaluate XYZ strategies because the BCS is one of popular performance management framework. Also, use strategy maps to describe relationships between strategic objectives.

Strategy maps are a one-page graphical representation of what company must do well in each of the four perspectives in order to successfully execute their strategies (Niven, 2006) and it describes the casual relationships between strategic objectives (Kaplan, 2010). Below Figure 5. Strategy Maps of XYZ.

| Strategy Maps |
|---------------|
| **Financial Perspective** |
| Increase annual revenue |
| Increase market share |
| **Customer Perspective** |
| Increase Number of Customer |
| Increase Service Value |
| Increase number of Branches |
| **Internal Process** |
| Increase marketing effort |
| Increase Employee retention |
| Increase Partnership |
| **Learning & Growth** |
| Improve Employee Competencies |
| Technology improvement |
| Create R&D Team |

(Source: author analysis)

**Figure 5 Strategy Maps of XYZ**
The Balanced Scorecard (BSC) is an important strategy evaluation tool that allows a firm to evaluate strategies from four perspectives: financial, customer, internal business processes, and learning and growth (Kaplan, 2010). The evaluation ensures that a company is achieving what it set out to accomplish. It compares performance with desired results and provides the feedback necessary for management to evaluate results and take corrective action, as needed. Below Table 9. Balance Scorecard of XYZ.

Table 9 Balance Scorecard of XYZ

| Objectives           | KPI                              | Targets (Year)                              | Initiatives                                    |
|----------------------|----------------------------------|---------------------------------------------|-----------------------------------------------|
| Financial Perspective|                                  |                                             |                                               |
| Increase annual revenue | Revenue realization rate         | Min 90% revenue realization rate             | Market penetration and development            |
| Increase market share | Market share                     | market share growth rate > 10%              | Market penetration and development            |
| Customer Perspective |                                  |                                             |                                               |
| Increase number of customer | New students growthTotal students growth | New students growth >10% Total students growth > 10% | Market penetration and development            |
| Increase service value | Customer satisfaction index       | Min. 90% customer satisfied                 | Service improvement, renovation, increase the facility Partnership (Mitra) program |
| Increase number of new branches | Number of branches               | +20% of total branches                      |                                               |
| Internal Business Process |                                  |                                             |                                               |
| Increase marketing effort | ROI (marketing) SEO visibility | 10:1 Increase 10%                           | Marketing mix, Offline and online Promotion, digital marketing, |
| Increase employee retention | Employee satisfaction Employee turnover rate | Min. 90% employee satisfied Decrease to 20% | Employee compensation system, Employee facility, Screening Strategic alliance with potential business partner |
| Increase partnership | Number of equity partners Number of nonequity partners | Min. 5 Mitra per year Increase >20% |                                               |
| Improve innovation | New product or service Product or service improvement Process improvement | Minimum 1 per year Minimum 2 per year Minimum 3 per year | Forming RandD team, continuous innovation |
| Learning and Growth |                                  |                                             |                                               |
| Improve employee competencies | Employee training attendance Employee training hour | Min. 95% employee attendance Minimum 60 hours per employee | Training program for employee and management Troubleshooting, improve a system, create digital content |
| Technology improvement | System error rate Number of digital content | <2% system error 10 content per months |                                               |
| Forming RandD Team | Realization RandD team           | RandD team                                  | Forming RandD team                            |

(Source: author analysis)
CONCLUSIONS

This research aimed to propose strategy and implementation for XYZ through strategic management process as the conceptual framework. There are 9 suitable strategies for XYZ to increase the sales and market shares including corporate, business, and functional level strategy. The implementation plan of the new proposed strategies implemented by its priority to solve the business issues. When implementing the strategies, there are action programs, division on a charge, distinctive competency, optimal success factor, and procedure need be implemented for each strategy.

FURTHER RESEARCH

Suggestions for subsequent research was to add other tools in the environmental scanning and strategy formulation phase to deepen the analysis result. Also can use another performance management framework to evaluate the strategies. Furthermore, more extensive literature study could be done so that the factors that influence tutoring industry and business could be identified much more.

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