Analysis of provider training business model development based on canvas business model approach

W Sutrisno
Industrial Engineering Department, Faculty of Technology Industry, Universitas Islam Indonesia, Sleman, Indonesia
E-mail: 075220417@ui.ac.id

Abstract. The importance of increasing skills and expertise of human resources has affected the increasing of the demand for training provider services. This opportunity causes competition among many training providers. In order to strengthen each provider, it must employ an innovative business model such as canvas business model method. PT. X is one of training providers in Yogyakarta who needs to improve its business model so it can be more competitive among others for the long-term business. This study aims to identify and evaluate the current business model, and design an appropriate a business model based on canvas business model method. The study showed that PT. X needs to develop its business models by adding a renewable value proposition; expanding its consumers through cooperation with hotels and freelancers; creating a consumer community of PT. X; and gaining new additional revenue.

1. Introduction
Providers provide training with a variety of themes and material that is almost the same. For example, if we type supply chain training on google, in 0.49 seconds there are around 197,000,000 results. This can be seen in figure 1. This led to intense competition between provider training.

![Figure 1. Training Supply Chain Management (Source: Google, 2019)](image-url)
PT. X is one of the training providers in Yogyakarta. PT. X felt the negative impact of provider training business competition which was marked by a decrease in the number of training offers of PT. X is approved by consumers. PT X can survive and win provider business competition if it has the right business model. Companies who run their businesses based on the wrong business model can cause financial losses [1]. Companies need to design flexible business models where companies can efficiently redesign strategic forms that define business logic according to market expectations [2]. The right business model can be achieved by the company by implementing the concept of the business model canvas [3]. This study aims to produce a business model development strategy that should be applied by PT. X based on the Business Model Canvas approach.

2. Literature Review
The business model is a source of overall competitive advantage, which is owned by an organization that distinguishes it from the positioning of other companies from the same industry [4]. The business model can be likened to a blueprint for an organizational strategy that is applied through organizational structures, processes, and systems [1]. Business Model Canvas is a canvas business model consisting of nine basic building blocks that show how to think about how a company makes money [1]. Nine blocks on Business Model Canvas include customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. The nine blocks cover four main areas in a business, namely customers, supply, infrastructure, and financial sustainability. The Business Model Canvas can be seen in Figure 2.

![Business Model Canvas](source: Business Model Generation, 2013)

The existing business model canvas is then analyzed using SWOT analysis. SWOT analysis is a process of identifying various factors systematically to formulate a company's strategy [5]. This analysis is based on the logic in which companies are expected to maximize strengths and opportunities but simultaneously can also minimize weaknesses and threats. The SWOT analysis provides four perspectives for assessing the elements of a business model. The SWOT analysis used in the business model canvas will allow focused assessment as well as evaluation of the organization's business model and its building blocks [1].

The business model canvas is then combined with the Blue Ocean Strategy to analyze business innovation as a whole systematically. Blue Ocean Strategy is an unexplored market space, where demand and opportunities for growth are very profitable [6]. Value innovation is the main key to the Blue Ocean Strategy. Value innovation means increasing value for customers by creating new benefits and services and simultaneously reducing costs by eliminating features and services that lack value.

3. Methodology
The object in this study is the development of the business model of PT. X by using Business Model Canvas. The sampling technique uses a purposive sampling approach. Respondents in this study were leaders and staff of PT. X as a whole. Data collection was carried out through in-depth interviews with respondents through the canvas business model template. Then do a SWOT analysis on each business
model canvas building block by using a questionnaire through the statement items made [1]. Questionnaire measurement using a Likert scale.

After collecting and processing data using the canvas business model template and SWOT analysis, the BMC SWOT was produced which became the basis of the business development strategy of PT. X. BMC SWOT was then refined by using the Blue Ocean Strategy through a four-action framework to produce a business model development strategy that should be implemented by PT. X.

4. Result
In the first stage, respondents were asked to choose a business model canvas template based on the business model that PT. X had applied so far and sorted by priority. Data from respondents are then processed to find out the business model. The results of data processing can be seen in Figure 3 below.

| Key Partners       | Key Activities | Value Proposition | Customer Relationship | Customer Segment |
|--------------------|----------------|-------------------|-----------------------|------------------|
| Hotel              | Sales          | Performance       | Personal Assistant    | B2C              |
| Trainer            | Service        | Eases             | Self Service (website)| Mas Market       |
| Consumers          |                | Convenience       |                       | B2B              |
| **Key Resources**  |                |                   |                       |                  |
| Employee           |                |                   |                       |                  |
| Brand              |                |                   |                       |                  |
| **Channels**       |                |                   |                       |                  |
| Web Sales          |                |                   |                       |                  |
| Sales              |                |                   |                       |                  |
| **Cost Structure** |                |                   |                       |                  |
| Fixed Cost (employee salary, domain hosting fees, and office operating costs) | | | | |
| Variable Cost (trainer size, hotel rental, training administration, training souvenirs, employee bonuses) | | | | |
| **Revenue Stream** |                |                   |                       |                  |
| Sales of Training Services and Consultants | | | | |

Figure 3. Business model canvas PT. X

After knowing the PT X business model that has been implemented so far, the next step is to carry out a SWOT analysis on each business model canvas building block. This analysis is expected to produce a new business model that can make PT X survive and win the competition of strict training provider companies. The results of data processing with Analysis SWOT produce a new business canvas model that can be seen in Figure 4.
| Key Partners               | Key Activities          | Value Proposition     | Customer Relationship          | Customer Segment |
|----------------------------|-------------------------|------------------------|--------------------------------|------------------|
| Hotels                     | Sales                   | Performance            | Personal Assistant             | B2C              |
| Trainer                    | Service                 | Eases                  | Self Service                   | Mas Market       |
| Consumers                  | CRM                     | Convenience            | Consumer community             | B2B              |
| Consumer Community         |                         |                        |                                |                  |
| Another Training Provider  |                         |                        |                                |                  |

| Key Resources              |                         |                        |                                |                  |
| Employee                  |                         |                        |                                |                  |
| Brand                     |                         |                        |                                |                  |
| SOP Training              |                         |                        |                                |                  |

| Cost Structure             |                         |                        |                                |                  |
| Fixed Cost (employee salary, domain hosting fees, and office operating costs) | | | | |
| Variable Cost (trainer investment costs, hotel fees, training administration fees, training souvenir costs, employee bonus fees) | | | | |

| Revenue Stream             |                         |                        |                                |                  |
| Sales of Training Services and Consultants | | | | |
| Webinars                  |                         |                        |                                |                  |
| Partner product sales commission (hotels, souvenirs) | | | | |
| Partner outsourcing commission (other provider training) | | | | |
| Product Advertising Partners | | | | |

**Figure 4. PT. X business model of canvas with SWOT analysis**

The last step is to analyze the business model canvas using the Blue Ocean Strategy. The combination of Blue Ocean Strategy tools and business models canvas will be a strong foundation for analyzing PT. X business model from the perspective of the value proposition, customers and cost structure using a four-action framework. The combination of both will result in a business development strategy that should be carried out by PT X based on the business model canvas. The results can be seen in Figure 5.

| Key Partners               | Key Activities          | Value Proposition     | Customer Relationship          | Customer Segment |
|----------------------------|-------------------------|------------------------|--------------------------------|------------------|
| Hotels                     | Sales                   | Performance            | Personal Assistant             | B2C              |
| Trainer                    | Service                 | Eases                  | Self Service                   | Mas Market       |
| Consumers                  | CRM                     | Convenience            | Consumer community             | B2B              |
| Consumer Community         |                         |                        |                                |                  |
| Another Training Provider  |                         |                        |                                |                  |

| Key Resources              |                         |                        |                                |                  |
| Employee                  |                         |                        |                                |                  |
| Brand                     |                         |                        |                                |                  |
| SOP Training              |                         |                        |                                |                  |

| Cost Structure             |                         |                        |                                |                  |
| Fixed Cost (Expert Trainer Salary, employee salary, domain hosting fees, and office operating costs) | | | | |
| Variable Cost (trainer investment costs, hotel fees, training administration fees, training souvenir costs, employee bonus fees) | | | | |

| Revenue Stream             |                         |                        |                                |                  |
| Sales of Training Services and Consultants | | | | |
| Webinars                  |                         |                        |                                |                  |
| Partner product sales commission (hotels, souvenirs) | | | | |
| Partner outsourcing commission (other provider training) | | | | |
| Product Advertising Partners | | | | |

**Figure 5. PT X business model of canvas with BOS analysis**
5. Conclusion

Based on the business model canvas approach, the PT. X business model can be developed in various ways. First by adding a value proposition of renewal, with the aim of consumers who want the latest training will remember PT. X. Second, PT. X reaches consumers and/or potential customers through new channels namely hotels and freelancers to expand marketing networks. Third, PT. X created a community of customers to improve customer relationships. Fourth, PT. X can get additional new revenue from sales of training and consulting services through Webinars, income from sales commissions for partner products such as hotels and souvenirs, revenue from outsourcing commissions with other provider company partners, and revenue from advertising partner products.

Fifth, PT. X adds key activities through CRM such as better and more structured recording of consumer information, clearer RAB Sales and R&D of training and methods. Sixth, PT. X creates and implements SOP training that contains things that must be done so that the training runs smoothly and is of high quality so that consumers are satisfied. Seventh, PT X made the consumer community a key partner that could help market PT. X, and also. PT. X also works with other training providers, in conducting training. Finally, to maintain the availability of quality trainers, PT. X provides monthly or annual fees to trainers who become expert staff.

6. References

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