



Proposed Value Proposition and Business Model for VMCS Advisory Indonesia

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ABSTRACT: The development of the business world and leadership in various industries depends on critical factors, including the role of corporate communications and public relations. Since the beginning of civilization, communication has facilitated the development of relationships between people and institutions, increasing reputation and spreading knowledge. With the advancement of the digital world, strategic communication has become increasingly important for managing reputation, both personally and institutionally. In a democratic climate and era of openness, strategic communication becomes more critical and must align with the mission, vision, and business goals. Various challenges arise, especially in formulating communication strategies, handling management issues and crises, coordinating between functions, and implementing communication campaigns; hence, external communication experts are needed to help nurture a company's relationship with its stakeholders. This opportunity becomes the basis for establishing a communications and social impact consultant, PT Viem Advisory Indonesia (VMCS, abbreviation of Vera Makki Communications and Social Impact), in 2020.

This study aims to formulate a value proposition, followed by proposing a business model that supports the value proposition and uses a qualitative descriptive analysis that takes data from interviews with representatives of communications industry experts, academicians, business leaders, and media. In addition, secondary data collection was also carried out, supported by a review of academic literature, basic theory, and conceptual frameworks, which systematically guided the start of a business in the communication and social impact consulting field.

With this foundation, this study describes the business analysis, solutions, and recommendations to build VMCS with the right value proposition and business model. This study is designed so that VMCS can become a leader in the communications industry, with the uniqueness of not only focusing on profits in the business world but also prioritizing social impact and sustainability.

KEYWORDS: Business Model Canvas, Communication and Social Impact Consultant, Entrepreneurship, Sustainability, Value Proposition, VMCS

1. INTRODUCTION

Communications and public relations play an increasingly crucial role in the business world. The demand for strong communication skills arose in Indonesia as the Indonesian market has well-accepted digitalization and social media. Currently, 213 million people are internet users out of more than a total population of 270 million people. Whether private, public sector, or non-governmental organizations, institutions use the opportunity to optimize their presence in digital and social media to engage with their target market. Unfortunately, managing reputation in this space is challenging as negative virality spreads rapidly, affecting the business. The establishment of VMCS Advisory Indonesia (VMCS is the abbreviation of Vera Makki Communications and Social Impact) aims at helping B2B and B2C clients to guard their reputation offline and online through products and services, mainly strategic corporate communications, media relations, sustainability communications, corporate training, and personal training such as public speaking and personal branding.

The study is intended to identify value propositions and a business model for VMCS so that the company can sustain and grow a long-term business amidst the dynamic change and uncertainties that have disrupted the world since the pandemic of COVID-19 and the recovery endemic phase starting in the mid of 2023 onwards.



2. LITERATURE REVIEW

In proposing value propositions and business models, the study started with identifying internal and external analysis. The internal research used Resource-Based Review and VRIO Analysis to pick out the competitive advantage of VMCS. The external examination was undertaken using PESTLE analysis and Porter's Five Forces. Furthermore, SWOT-TOWS analysis enables VMCS to put priorities and take action accordingly.

The value proposition began with an elaboration on segmentation, targeting, and positioning (STP) to support the creation of buyer personas in B2B and B2C segments. The value proposition canvas was used to find a market fit between the products and services with customers' pains and gains. The business model canvas was filled by filling up the nine (9) blocks showing how a company intends to do the business. The study's conceptual framework, flowing from the current business approach, intervened with analyzing the business and its environment, concluded with business analysis, and provided recommendations.

3. RESEARCH METHODOLOGY

The study used qualitative research in collecting the data, consisting of primary and secondary data. The qualitative data were gathered through semi-structured and open-ended interviews that involved representatives of communications industry experts, academicians, business leaders, and media. In addition, secondary data collection was also carried out, supported by a review of academic literature, basic theory, and conceptual frameworks, which systematically guided the start of VMCS business in the communication and social impact consulting field. The secondary data collection was derived from websites, business presentations, social media, online media, and published results of research studies.

4. ANALYSIS AND BUSINESS SOLUTION

The study aims to propose value propositions and a business model that considers internal and external analysis, buyer persona profiling, and conduct market fit using a value proposition canvas and business model canvas.

Value Proposition

Internal Analysis

The Resource-Based View analysis focused on human resources and reputation in the intangible assets category as VMCS is a new company, so it relies on the reputation of the founder and CEO, including the reputation of having knowledge and expertise in communications and public relations that make the company competitive.

VRIO attributes identified the competitive advantage of VMCS. Based on qualitative data collection through interviews and secondary data, the VRIO analysis based on attributes Valuable, Rare, Inimitable, and Organized to Exploit indicated that the competitive advantage of VMCS is strong reputation and human resources, followed by product and services and vast network as the long-term advantage, lastly the customer service excellence as the temporary advantage.

External Analysis

Considering the external situation from political, economic, social, technological, and environmental (PESTLE analysis), VMCS has an opportunity to run the business in a conducive environment as the companies start to awake post-pandemic COVID-19, which need support from public relations to stand out in the crowd. Porter's Five Forces analysis suggested VMCS has the ability to innovate and adapt to the new dynamic environment, emphasizing values by utilizing human relations capabilities, increasing customer service excellence, and utilizing technology such as generative AI, apps, and digital tools, instead of treating it as a threat.

SWOT-TOWS Analysis

The SWOT-TOWS analysis suggested actions for VMCS, factoring the internal condition through strengths and weaknesses and the external environment that provides opportunities and threats.

Strengths-Opportunities (SO)

- Create a potential client database and map the needs and aspirations.
- Proactively offer the services to potential clients with appealing packages.
- Create a thought leadership campaign on sustainability and social impact to position further as a subject matter expert.
- Utilize tools and apps to optimize PR performance for clients.
- Position as a company that puts technology as part of business competitiveness.



Weaknesses – Opportunities (WO)

- Create a clientele portfolio to showcase a strong establishment.
- Create value proposition and business model canvas to help sharpen the business priorities.
- Develop short-term and long-term business strategy and planning.

Strengths – Threats (ST)

- Strengthen positioning and expertise in PR and social impact field.
- Create strategic collaborations and partnerships that will enhance potential clients' confidence in using the PR services.
- Offer PR packages suitable for potential client's challenges and opportunities.

Weaknesses – Threats (WT)

- Proactively and rapidly approach potential clients to enrich VMCS's portfolio.
- Build multiple storytelling and narratives about the company and the founder to strengthen the company's brand.
- Win prestigious awards and recognition to promote the company and increase credibility.

Proposed Value Proposition

Based on the analysis and mapping of Segmentation, Targeting, and Positioning, followed by market fit analysis utilizing value proposition canvas, the proposed value proposition statement for VMCS is given in two options for further study and refinement:

1. [B2B] Our expertise and experience in Strategic Corporate Communications, Issues & Crisis Communications, and Sustainability Communications help B2B clients to strengthen corporate reputation and enhance trust from key stakeholders by reducing negative sentiments offline and online and increasing positive exposures and stakeholder engagement.
2. [B2C] Our expertise and experience in Issues and Crisis Communications, Leadership Professional Development, and Social Media Management help B2C clients who want to strengthen their reputation offline and online by mitigating harmful exposure and increasing confidence offline and in the digital and social media world.

Business Model

Based on the mapping using business model canvas, there are proposed nine (9) building blocks that shaped the proposed business model for VMCS:

1. **Customer Segments:** The customer segments are divided into two categories: B2B and B2C. The B2B clients' preference consists of three streams: national public listed companies, multinational public listed companies, and national reputable companies. The B2C clients' preferences comprise three streams: leaders in reputed companies, business owners, and emerging leaders.
2. **Value Propositions:** The discovery through the value proposition canvas concluded two options of value propositions, each intended for B2B and B2C clients, respectively.
3. **Channels:** The selection of channels is divided into two (2) sections based on the purpose. To increase awareness and promotion, the preferred channels are social media (Instagram, YouTube, and LinkedIn), digital (VMCS website, online news coverage), events (talk show and webinar), and mass media. To push sales and acquisition, the selected channels are direct contact, online (Social Media Ads on Instagram), LinkedIn, and digital (VMCS website and e-DM).
4. **Customer Relationships:** To foster loyalty and customer service excellence, VMCS offers added-value services on news coverage and complimentary exposures through VMCS channels (website, social media, and YouTube Podcast). Additionally, the relationship is proposed through the community's support and co-creation/collaboration on knowledge sharing and talk shows, to name a few.
5. **Revenue Streams:** The main revenue stream is through value-driven professional fee income, divided into four options: hourly rate, project-based, retainer, or one-off/a la carte. Additionally, the revenue comes from B2B and B2C training or classes and event sponsorship.



6. **Key Resources:** The primary valuable resources are human capital and reputation. On top of that, VMCS has physical assets (owned office, fully furnished and owned car), intellectual property right of VMCS logo that is already registered at the Ministry of Law and Human Rights, and Technological assets to support the company performs the clients work such as Wi-Fi, and online subscriptions.

7. **Key Activities:** The key activities are divided into three (3) sections. First, problem-solving (advisory, knowledge management & sharing, Issue and Crisis Communications handling. Second, tactics (implementation of communications and public relations strategy, as social impact activation), and third, data-driven PR (research and reporting).

8. **Key Partnerships:** The key partnerships can be changed based on the dynamic in the industry. The current suggestion is to have strategic alliances with respective associations and strategic partnerships with the media.

9. **Cost Structure:** the cost structure is divided into two (2) sections, i.e., fixed cost (salaries, taxes, utilities & electricity, subscriptions, insurance, maintenance, and depreciation) and variable cost (marketing and PR, commissions, and project-based expenses).

5. CONCLUSION AND RECOMMENDATION

It is a challenge, yet an opportunity, to develop a new company at the start of the COVID-19 pandemic in 2020. Post-pandemic, after three years of surpassing uncertainties, the new venture continues to sustain and grow amidst dynamic industry changes, rapid advancement in technology, and changes in social media's rules of the game, affecting the work of VMCS.

The proposed value proposition and business model are crucial as they help define and communicate the business's fundamental aspects in a structured and strategic manner. They also help the company to focus on priorities in making net profits.

Nevertheless, the recommendation is for VMCS to adapt without hesitation to any changes and shifts of trends in its external environment. The proposed value proposition and business model must be reviewed regularly to ensure relevance and context toward internal and external business environments, which will keep VMCS competitive.

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