



## Proposed Business Strategy Development (Case: Paradigma Creatives)

Kasandi Andiona P<sup>1</sup>, Isti Raafaldini Mirzanti<sup>2</sup>

<sup>1,2</sup> Master of Business Administration, School of Business and Management, Bandung Institute of Technology

**ABSTRACT:** The Fourth Industrial Revolution also calls for a new way of formulating policy and regulation. IT will massively expand consumer choice, lower costs and raise quality, all of which will be equally hard to value. The Creative Economy is not unaffected by the 4th Industrial Revolution. Several aspects from the revolution may pose an existential challenge to some segments of creative activities. Indonesia is one of the developing countries that is vulnerable to be impacted by the change occurring in the industry. Creative economy initiated by local citizens and government in Indonesia aimed to increase human-well being. They present new strategies to enlarge income, create new fields of work, and also increase added value for the people. Creative industries has been developed in Indonesia since 2009 marked by the Presidential Instruction number 6 of 2009. Based on 2013's Indonesian Statistic Board, the industry has grown by 5,76% and contributed to Indonesia's gross domestic product (GDP) by 7% or equals to \$US 46,930 billion. Paradigma Creative themselves didn't really have any competitive advantage among the rivalry in the industry. Value offered to the market is roughly similar with the point of what competitor has offered. Without the uniqueness and the differentiation that applied to the company, Paradigma would lose their selling point to be received in the customer top of mind. Using the internal and external analysis, this study proposes the assessment of the current company condition and then constructs the best possible solution by converting it into TOWS Matrix.

**KEYWORDS:** Business Strategy, Branding Agency

### INTRODUCTION

The Fourth Industrial Revolution also calls for a new way of formulating policy and regulation (ASEAN Development Bank, 2017). The Fourth Industrial Revolution will massively expand consumer choice, lower costs and raise quality, all of which will be equally hard to value. 0, a new digital industrial revolution that the world has been experiencing recently. a resilient production process was gained by combining technologies, human resources, and networked value chain. Indonesia is one of the developing countries that is vulnerable to be impacted by the change occurring in the industry. The program itself contains a brief plan for Indonesia to be focusing on developing sectors. These new technologies also create new channels for the marketing and distribution of products, improved productivity and higher volumes of sales, leading to higher income for artisans. The Creative Economy is not unaffected by the 4th Industrial Revolution. New technologies provide new tools for the creative industry to leverage individual talents or to share and develop new ideas. However, new technologies present significant challenges for some segments of the creative industry. Creative economy is boosted through intangible assets such as ideation as the main capital. The creative and innovation sectors in Indonesia are connected and provide distinct types of support for the national economy. Creative economy initiated by local citizens and government aimed to increase human-well being. They present new strategies to enlarge income, create new fields of work, and also increase added value for the people. Creative industries has been developed in Indonesia since 2009 marked by the Presidential Instruction number 6 of 2009. 000 people who worked at design industry, and 43. The effect from the changes is affecting some aspects such as media use ; client agency relationships (Horksy, 2006) ; the need for greater integrated marketing communication (Hackley and Tiwaskul,2011) and the creative process (stuhlfaut and Windels 2017; Wagler 2013). Moreover, new organizational and structures approaches are essential following the rapid growth of digital media industries (Sheehan and Morrisison, 2009). Furthermore, the emergence of digital social media fundamentally altered the nature of advertising and opened up new channels for connecting with consumers. Companies are increasingly finding it necessary to work with branding agencies and improve their strategies. Companies like Branding Agency still have a lot of room to expand. Companies in the creative sector continue to employ Indonesians while also supporting other firms in terms of marketing and branding.

### Research Questions

1. What problems occur in Paradigma Creatives based on the internal and external factors?
2. What are activities or actions that should be applied for Paradigma Creatives to join the competition?



## Research Objectives

1. Examine current condition of Paradigma Creative business activity relating to company strategy and action,
2. finding the problem issued from the condition and formulate alternative strategy based on relevant journal and studies

## LITERATURE REVIEW

We could interpret strategic management as the company's art and science to accomplish their goals by designing, applying, and evaluating every decision in the company (David, 2011). Strategic management design consists of several activities which result in some point of decision and allocation plan. This point is then evaluated by reviewing internal-external aspects and strategies implemented by the company. The advantage of implementing strategic planning in the company is reflected in the financial and non-financial aspects

### 2.1 External Environment Analysis

External auditing serves the objective of outlining the organization's main possibilities and dangers so that management may develop plans to seize those chances and lessen the effects of those threats (David, 2011). The goal of external audit is to find and assess patterns and occurrences that are not beyond the delinquent organizations' control

#### 2.1.1 PESTLE Analysis

One method for determining and examining the main forces for change in the organizational environment is the PESTLE Analysis. The PESTLE Analysis an acronym for political, economic, Social, Technological, legal and natural environment. PESTLE analysis is an organizational audit that looks at a company's operations to identify the many external forces and variables that have an impact on an organization's ability to succeed. Methods of data collection included in discussions, interviews, and surveys can be used to assess the internal

environment. The tool makes it easier to assess the current environment and potential changes. Its premise is based on the notion that companies that continuously scan their surroundings have an advantage over rivals since this type of scanning facilitates the acquisition, processing, and use of data to improve organizational effectiveness. Moreover, it is utilized in predicting and evaluating the trajectory of future occurrences.

The PESTLE model is constrained by external environment uncertainties because external elements are dynamic and need frequent, expensive assessment. To do the analysis, enough time and professionals are required. The study produces a lot of information that is hard for internal organizational workers and policy makers to interpret. Furthermore, because PESTLE analysis ignores the internal elements and the micro environment in favor of the macro environment, it is insufficient and not practical.

#### 2.1.2 Porter Five Forces Analysis

Porter's five determinants of competitive advantage attempt to explain how companies might get an advantage over others in their industry. Although this theory is somewhat applicable, it has certain limitations. One of the flaws is Porter theories acknowledged complement items or factors but totally disregarded the impact of complements on the business

### 2.2 Internal Environment Analysis

Gaining a competitive edge can be accomplished by employing skills that are indistinguishable from those of an opponent is one of the major goals of internal audit. This process creates points of value that are later called distinctive competencies. Internal audit also present current condition of company by examine surrounding resources and environment

#### 2.2.1 Resource-Based View

An organization's resources are examined and assessed using the Resource Based View (RBV) to see how it sustains a competitive advantage over time. The RBV is centered around the notion that an organization's unique selling points may give it a competitive edge as well as improved performance. Resources that are hard to acquire, transfer, or need a big change in the organization's climate and culture are those that are exclusive to the business and, as a result, harder for competitors to imitate. Factors that happened to be available in the current company or organization need to present four major aspects that later called to be VRIN. VRIN stands for Valuable (V), Rare (R), Imperfect Imitability (I), and Organized (O).

#### 2.2.2 Business Model Canvas

Companies may determine the key ideas and elements of their organization by using the Business Model Canvas (BMC), a strategic management tool. The firm can record the important elements of the enterprise, such as its products and services, or logically arrange



a business concept by using the one-page consolidated template provided by the BMC. BMC is used by businesses for a variety of purposes, including quickly sizing up the scope of an idea, understanding the business by connecting it to the concept, understanding the various customer decision-making processes that influence the use of business systems, providing a clear picture of the business's likely future, and achieving a sustainable transition to information system utilization.

### 2.3 Business Model Canvas

SWOT Analysis is a tool used for strategic planning and strategic management in organizations. It can be used effectively to build organizational strategy and competitive strategy. In accordance with the System Approach, organizations are wholes that are in interaction with their environments and consist of various sub-systems. In this sense, an organization exists in two environments, one being in itself and the other being outside. It is a necessity to analyze these environments for strategic management practices. This process of examining the organization and its environment is termed SWOT Analysis. SWOT analysis contains four components or dimensions, The "Strength", "Weakness", "Opportunities", and "Threats" (Gurel & Tat, 2017). They also can be formulated in similar forms called TOWS analysis. Each factor had their own particular attributes that explain the condition of the organization. Strength and weakness aspects emphasize surrounding elements inside the company or organization while opportunities and threats define the environment of the company or organization.

### 2.4 TOWS Matrix

A necessary tool for finishing the analysis is TOWS matrix. Considering the relationships between Strengths, Weakness, Opportunities, and Threats, as in a SWOT analysis, improves the ways in which strategies are used. The TOWS matrix allows the effects of both internal and external causes to be swapped out (Aslan & Kumpikait, 2012). TOWS matrices combine each of the factors from SWOT Matrix and generate strategy based on the relationship. It consists of four section of diagram, Strength-Opportunities (SO), Strength-Threat (ST), Weakness-Opportunities (WO) and Weakness-Threat (WO).

### Business Solution

- TOWS MATRIX

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### STRENGTH - OPPORTUNITIES

This matrix points out the strategies that use current existing resources in the company to capture present opportunity. PARADIGMA CREATIVE has its own flexible form of partnership by utilizing the third partner system. In the industry, limitation of the request appearing in the new environment can be solved by the collaboration with even the competitor. PARADIGMA CREATIVE has its own flexible form of partnership by utilizing the third partner system. Increasing the market and services offered could lead to a better flow of consumers. The movement, campaign or program initiated by the Government could expand the networking for the company as it provides new relations to vendors, clients and partners. Since the growth of the industry is getting more recognition, It is important for Paradigma to hustling through every chance.

### STRENGTH - THREAT

Strategies came from this section where threats are reduced to minimum by using existing resources in the company or what so we called as strength. The threats largely come from the competition in the industry. PARADIGMA sees this as the way to create more collaboration. The recent artificial intelligence technologies for example. If we could find reliable partners that excel in the usage of A.I and develop new sophisticated artwork, we could provide more services to the market. The competitor also held the key to achieve sustainable business. Every company had their own distinct features and skills. Alliance for the joint-artwork could result in brand new products which is beneficial for both parties.



## WEAKNESS - OPPORTUNITIES

More dynamic environment and new trends that never stop to take place mean many opportunities would come along the way. Companies need to overcome the weakness and catch as many market leads as possible. Better resources could aid the company to reach the market efficiently. Social media is also the best way to learn current conditions in the surrounding. Pay attention into current and possible trends and provide more precise future action.

## WEAKNESS - THREAT

This section provides the information to handle both company weakness and incoming threats from the environments. One of the problems that always concern business owners is the client 's perspective. In the PARADIGMA CREATIVE case, most of potential clients questioning proper credential and legal aspects. Since Government simplify the process of company listing, PARADIGMA should take the chances and keep up with the requirements

### • PRIORITY MATRIX

The priorities matrix divides activities into four sections based on priority—important and urgent, important and not urgent, not important and urgent, and not important and not urgent—must be implemented by the organization. It is based on the principle of priority, where tasks and activities are completed according to their importance. The activities on the list are the highest priority tasks that may both be postponed and cannot be done so in order for the organization's employee to get the information needed to complete the duties on time by using the fields and techniques that are available to him. PARADIGMA CREATIVE team pull on a meeting to decide which TOWS aspect could be categorized into the dimension. The output obtained is based on how every strategy is measured by difficulties to achieve, resources taken in compensation and time spent on the process.

## CONCLUSION

The conclusion in the study will be answered based on the solution crafted in the chapter above. Research question will be the frame to present solution to simplify and construct the solid information.

1. What problems occur in Paradigma Creatives based on the internal and external factors?

It's clear that the CREATIVE PARADIGM business needs a lot of development. Limited resources cannot provide organizations with optimal support when they confront significant problems in the future. The sheer number of competitors not only poses a threat to the creative paradigm, but can also create collaborative opportunities for exciting and powerful new ideas.

2. What are activities or actions that should be applied for Paradigma Creatives to join the competition?

Based on the information that came with TOWS in the previous chapter, a categorized solution by priority matrix has been offered for future plans. These plans will be added to the timetable to improve the solution. Future study might be used to strengthen this answer as it may have flaws and lack certain factors to support it.

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