Research Article

Proposed Business Strategy and Business Model for PT Sumber Berkat to Increase Profitability

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Abstract: *During the COVID-19 pandemic, the online food and beverage sector has become attractive, characterized by significant growth in investment, number of transactions, and overall revenue growth. PT Sumber Berkat, a food and beverage startup, experienced a decline in revenue in 2023, largely attributed to customer behavior shifting back to offline transactions and market dynamics. In 2024, PT Sumber Berkat pivoted the business into a consultancy and venture builder for Small and Medium Enterprises (SMEs) but faced significant challenges, including low-profit margins, limited resources, and intense competition as the company offers affordable yet end-to-end services. This research aims to uncover the root problems of the company, identify actionable solutions, suggest a business strategy, and develop a profitable business model for PT Sumber Berkat. This research uses qualitative research, and the data was obtained through in-depth interviews and secondary data from company documents. The interview involved the key management team at PT Sumber Berkat, including the CEO, marketing and branding, operations, finance, and product teams. Several analyses are being used in this research, including general environment analysis, industry analysis, and competitor analysis, for understanding opportunities and threats from external factors. Internal analysis uses segmentation, targeting, positioning (STP), resource analysis, and value chain analysis to understand strengths and weaknesses that create core competencies. The insights are then synthesized to map SWOT analysis and strategy formulation with the TOWS matrix. Based on these analyses, PT Sumber Berkat possesses several strengths that offer sustainable competitive advantage, such as an excellent reputation, a strong relationship with the F&B SME community, and skilled human resources. However, there are areas for improvement, such as unclear strategy and limited human resources.*

Keywords: *Business Strategy, F&B Industry, Startup, Core Competencies, SWOT, TOWS, Business Model Canvas.*

I. INTRODUCTION

Indonesia's economy has experienced steady growth over the years, punctuated by several crises and economic downturns, such as increasing inflation and fluctuating commodity prices. One of the pillars of steady economic growth and job creation is Small and Medium Enterprises (SMEs). Based on 2017 data, SMEs accounted for 97.3% of all businesses in Indonesia, contributed to 37% of the country's GDP, and provided 66% of total employment employment (Putri, 2021). The COVID-19 pandemic has negative impacts, such as decreasing revenue and transactions for food and beverage SMEs, while the positive impact is for businesses adopting digital technology or growing online sales channels during this period. Adopting digital technology (e.g., online commerce, online delivery platform) helped support business continuity. It contributed to an increase in new SMEs, particularly in Jakarta, with 200,000 SMEs active and 289,370 registered, promoted, and supported by the Jakarta Provincial Government (Srimulyani et al., 2023).

Indonesia's food and beverage (F&B) industry has become one of the most attractive and interesting industries, and it has also been the fastest sector to recover from the pandemic. According to data from Indonesia's Central Bureau of Statistics or Badan Pusat Statistik (BPS), in 2020, the GDP of the food and beverage (F&B) industry declined by -6.8% due to the pandemic. However, in 2023, the industry is projected to reach Rp 307 billion (increased from Rp 250 billion in 2020), with an annual growth rate of 9.26%. This indicates that the industry remains attractive, employing 17.8% of the total workforce in Indonesia and 36% working in SMEs (Roma et al., 2024; Oxford Economics, 2021). Despite the strong performance, challenges remain, such as intense competition, price fluctuations, complex government regulations, difficulties accessing financing, especially for SMEs, and underdeveloped infrastructure.

PT Sumber Berkat is a startup focused on serving and digitizing SME businesses that experienced rapid growth, with sales doubling each year with FY2021 growth by ~2.5x and FY2022 growth by ~2.0x. However, the challenge came after the pandemic as customers were no longer restricted to in-person dining or offline transactions; thus, PT Sumber Berkat, which relies on online transactions, struggled to adapt to the market dynamics, customer behavior shift, and increasing competition.

II. LITERATURE REVIEW

A) Strategic Management Process

According to Wandebori (2018), strategic management is a structured approach companies use to achieve competitive strategies. The process consists of Strategic Input, Strategic Action, and Strategic Outcome. Strategic inputs relate to external environment analysis, such as general environment analysis, industry environment analysis using Porter's Five Forces, and competitors environment analysis. For internal analysis, analyze the company's resources (tangible and intangible) and value chain analysis, which then evaluate with VRIO frameworks whether these resources and capabilities offer a sustainable competitive advantage. The strategic actions relate to formulating and implementing strategies based on the data and analysis obtained from strategic input. Implementing strategies includes corporate governance, organizational structure, and value-based management. The last part is strategic outcomes related to the company's mission, objective, and goals, such as creating value, profit, revenue, and market share.

B) Business Strategy

According to Porter (1996), strategy is an integrated set of choices or actions that create a company's unique position within its industry to create a sustainable competitive advantage and offer superior value compared to competitors. The essence of strategy is making trade-offs between competing alternatives because, without trade-offs, there would be no need for choice and, thus, no need for strategy (Porter, 1996). In order to position the company differently from competitors, a company must choose to perform similar activities differently or perform different activities (Hitt, Ireland, & Hoskisson, 2020).

Hitt (2020) emphasizes that business strategy is an integrated and coordinated set of decisions and actions of the firm to gain competitive advantage by exploiting core competencies in specific market conditions. To select the business strategy, a company must determine who will be served, what customers need, and how those needs will be satisfied. Essentially, there are multiple ways to get a competitive advantage, either to produce goods or services more efficiently, resulting in lower prices compared to competitors or to deliver better and different goods or services with superior perceived value even with premium cost. Porter's (1980) framework on generic strategy explains these strategies as five generic competitive strategies.

C) Market Analysis with Segmentation, Targeting, Positioning (STP)

According to Kotler and Keller (2020), market segmentation is the process of dividing a broad market into distinct subsets of customers with similar needs, characteristics, or behaviors. Dividing into multiple segments allows the company to tailor their products and efforts to meet the specific demands of each segment rather than creating a one-size-fits-all approach, especially for a company with limited resources such as PT Sumber Berkat. Targeting is the process of selecting one or more of the attractive segments to enter and focus on. Kotler and Keller (2020) explain that targeting involves evaluating each segment's attractiveness based on factors like size, growth potential, accessibility, and alignment with the company's objectives and resources. Positioning involves differentiating a product from competitors by highlighting unique attributes or benefits that appeal to the chosen target segment. Effective targeting and positioning focuses efforts and resources on the most profitable and important segments, increasing the chance of business success (Kotler & Keller, 2020)

D) External Analysis

The external analysis is important for identifying the opportunities (O) and threats (T) in the company's business environment. External analysis will utilize the general, industry, and competitive environment analysis and Porter's Five Forces for industry analysis. The general environment consists of a Demographic segment, Economic segment, Political/legal segment, Sociocultural segment, Technological segment, Global segment, and Sustainable physical environment. The industry environment uses Porter's Five Forces to understand the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitute products, and rivalry among competing companies. Analysis of the five forces within a given industry allows the company to determine the industry's attractiveness to generate profit or above-average return (Hitt, Ireland, & Hoskisson, 2020). The competitive environment consists of analyzing the competitor's objectives, assumptions, strategies, and capabilities, which compete directly with PT Sumber Berkat and have similar strategic dimensions (Wandebori, 2018).

E) Internal Analysis

The internal analysis focuses on identifying a company's internal strengths (S) and weaknesses (W) to leverage its resources and competencies as core competencies to create a sustainable competitive advantage. Internal analysis uses frameworks such as resource analysis and value chain analysis. Resource analysis originating from the works of Barney (1991) stated that a company's performance is more influenced by internal capabilities rather than external conditions. Resources are classified into tangible resources such as financial resources, organizational resources, technological resources, and physical resources. At the same time, intangible resources include brand, reputation, intellectual property, technology, and organizational culture.

Sustainable competitive advantage only exists if the resources and capabilities are valuable, Rare, Costly to imitate, and Organized (VRIO Analysis). Value chain analysis, introduced by Porter (1985), assesses a company's internal activities to create value for their customers. The value chain analysis is divided into primary and support activities to provide insights into how a company can optimize its internal process to build a competitive advantage. Each company has its unique value chain. Primary activities include inbound logistics, operations, outbound logistics, marketing and sales, and services. Support activities include procurement of resources, technology development, human resource management, and firm infrastructure.

F) SWOT Analysis

SWOT analysis is a strategic management tool used to identify an organization's Strengths, Weaknesses, Opportunities, and Threats. It is one of the most commonly used methods to create strategies by helping companies evaluate their internal and external environments to develop effective strategies (Andrews, 1971). Strengths include proprietary technology, a strong brand, and efficient operational processes (Barney, 1991). On the other hand, weaknesses include resource constraints, lack of skills, or inefficiencies in operations. Opportunities might include technological advancements or positive economy and industry conditions, while threats such as increased competition, regulatory changes, or shifts in market demand.

G) TOWS Matrix

The TOWS Matrix is an extension of SWOT Analysis that focuses on matching internal strengths and weaknesses with external opportunities and threats to develop strategic options (Weihrich, 1982). The TOWS Matrix is especially useful for translating SWOT insights into actionable strategies. Companies like PT Sumber Berkat can generate more comprehensive strategies that align with their capabilities and market conditions by focusing on the interplay between internal and external factors.

H) Business Model

The business model describes what a company does to create, deliver, and capture value for its stakeholders (Hitt, Ireland, & Hoskisson, 2020). The business model canvas proposed by Osterwalder (2010) provides a comprehensive framework for understanding nine essential components of a business. Value proposition includes value proposition, customer relationships, and customer segment. Value creation and delivery include key activities, key resources, key partnerships, and channels. Value capture includes revenue streams representing how the company generates income from the value it provides and cost structure, which is the inherent cost of operations and risks. According to Richardson (2008), a business model explains how the activities of the firm work together to execute its strategy, thus bridging the gap between strategy formulation and implementation. The business model reflects a firm's realized strategy (Shafer et al., 2005; Casedesus, 2010).

I) Research Design

This research design outlines how the issues of business PT Sumber Berkat were handled and how the strategy formulation and implementation were developed accordingly. Below is a flow chart of the research design:
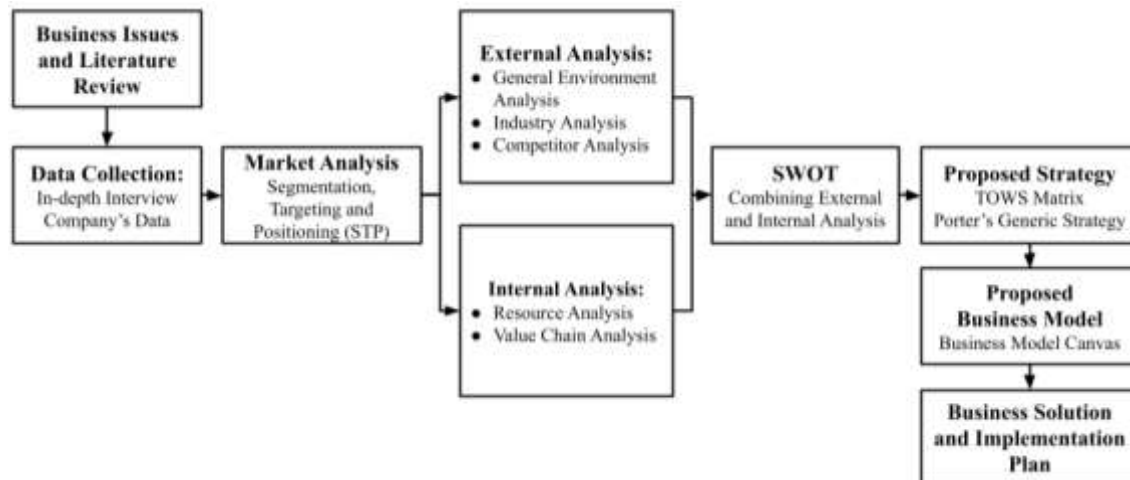

Fig. 1 Research Design

III. RESULTS AND DISCUSSION

A) Market Analysis

In this research, the author uses qualitative methods and conducts interviews with 5 company's key management teams at PT Sumber Berkat, including the CEO, marketing and branding, operations, finance, and product teams. A semi-structured

approach was chosen, using open-ended questions to gather information while encouraging the participants to elaborate on their experiences, thoughts, and perceptions. To ensure validity, reliability, and replicability, the author uses triangulation by comparing multiple data sources (interviews, observations, internal documents, and market research) to verify the findings.

a. Segmentation

Analysis of the Segmentation, Targeting, and Positioning (STP) was conducted to understand *who* will be served, *what* needs of those customers, and *how* those needs will be satisfied by PT Sumber Berkat. Based on the interview, the main customer segments are business-to-business (B2B) customers still in the Food and Beverage Industry's Small and Medium Enterprises (SMEs). STP analysis starts with segmentation by dividing and identifying attractive customer segments based on geographic, demographic, behavioral, and psychographics.

1. Geographic

PT Sumber Berkat's geographic segment for food and beverage customers is located in high-density areas such as Jabodetabek, Java-Bali Island, and Sumatra Island (Bengkulu). The geographic segmentation is justified based on the estimated number of food and beverage customers, which is the highest in the high-density areas, and the company currently has limited resources and manpower.

2. Demographic

PT Sumber Berkat mainly serves the Small and Medium Businesses-to-Business or B2B segment (F&B SMEs) and young entrepreneurs seeking to develop their own business, with a minimum of 1 year of establishment. Business owners' education level starts from high school, within the productive age of 25 to 45 years old, and have a growth mindset or determination to improve their business.

3. Behavioral

PT Sumber Berkat focuses on business or young entrepreneurs growing their businesses with limited resources. These customer needs are knowledge of know-how or best practices, market access, and tools to increase their business efficiency and productivity with cost-effective solutions to improve their business. These customers want to adopt technology tools (e.g., an order management system or an accounting system) to stay competitive and expect highly customizable solutions to meet their specific business challenges from trusted partners that have proven track records in the F&B Industry. These customers hope to scale their business, build a resilient business that can survive during economic challenges, improve profitability, expand the customer base, and connect with like-minded businesses to exchange ideas and collaborate.

4. Psychographic

PT Sumber Berkat focuses on business owners who actively seek to innovate their products and services, have a growth mindset to keep increasing their business and understand the need to collaborate with other companies such as PT Sumber Berkat to help improve their business.

According to their needs, this customer segmentation helps focus on the market niche to raise brand recognition for F&B consulting and venture builder businesses, particularly after pivoting from previous businesses.

b. Targeting

PT Sumber Berkat's primary target customers are the Food and Beverage Business (B2B), which needed operational support (i.e. creation of SOP, recipe, training); digital tools (i.e. Point of Sales to manage orders coming from online and in-store sales); and financial management support (i.e. connect with investors, banking, or other entities to get financial support). The primary target market includes restaurants and cafes, traditional restaurants (e.g. Warung Tegal or Warteg, Warung Nasi), and cloud kitchen segments such as Daily Box.

c. Positioning and Differentiation

PT Sumber Berkat's differentiation in its competitive landscape by positioning itself as a "Partner that empowers Small and Medium Enterprises Food and Beverage (F&B SMEs) customers" with tailored solutions to improve operations, provide market access, improve profitability, and create sustainable growth. The company's main offering is called 4M, which consists of mentoring, market access, management tools, and money support. This offering covers the need for know-how, market access, and digital tools while offering cost-effective solutions.

Based on the author's analysis and observation, the most attractive segments in the food and beverage industry are below, particularly related to SMEs. PT Sumber Berkat should focus on modern restaurants and cafes, traditional restaurants, cloud kitchens and online-focus restaurant segments, given the high number of the mentioned segments.

Modern Restaurant and Cafes Segment	Cloud Kitchen and Online-Focus Restaurant Segment	Fast-service Restaurants Segment
Needs: Operational efficiency, better inventory management, and financial planning to improve profitability. **Behavioral**: Balancing between online and offline options to capture customer. **Characteristics**: More adaptive to technology such as POS, Inventory management system, and online reservation.	**Needs**: Scalability solutions for expanding operations across different locations **Behavioral**: Heavily reliant on food delivery platforms and digital marketing (e.g. Social Media Marketing) **Characteristics**: Often tech-savvy young entrepreneur, who adapts quickly to market trends and customer preference.	**Needs**: Supply chain optimization for consistent quality across multiple locations. **Behavioral**: Prioritize speed, efficiency, and consistency over customization or experiential dining. **Characteristics**: Large-scale operations with significant investment in technology and highly structured and standardized business model.
Traditional Restaurant Segment	**Catering-Business Segment**	**High-end and Fine-dining Restaurant Segment**
Needs: Access to affordable supply chain and procurement services, and need assistance with branding and digital tools **Behavioral:** Primarily serve local cuisines to a loyal customer base. Traditional restaurants willing to adopt digital tools such as food delivery or QRIS payment method **Characteristics:** Often family-owned that cater to lower and middle-income consumer	**Needs:** Customer acquisition through digital marketing or partnership with event organizers **Behavioral:** Operate on an event-driven business model, with peak demands during festive seasons, weddings, or corporate events. **Characteristics:** Mid-sized businesses offering various menus for events. Relatively low adoption of advanced technology tools, but increasingly explore digital marketing (Social Media Marketing)	**Needs:** high-quality sourcing and procurement for premium ingredients and brand positioning to maintain exclusivity to attract affluent consumers. **Behavioral:** Focus on creating unique dining experiences and personalized services. Typically, less price-sensitive but highly focused on brand reputation and consumer satisfaction. **Characteristics:** Operate in niche markets catering to upper-income consumers or special occasions.

Fig. 2 Customer Segments and Company Positioning

B) External Analysis
General environment, industry environment, and competitive environment analysis to analyze the external environment. The analysis result can be used to analyze the Opportunity (O) and Threat (W) of PT Sumber Berkat.

a. General Environment
General environment analysis assesses the macro or general environment affected by the Food and Beverage Industry and PT Sumber Berkat.

1. Demographic Environment Segment
Indonesia has over 280 million people, with a large percentage within the productive age group (15-64 years old), and the country has a growing base of entrepreneurs, especially in SMEs. These individuals, from millennials to Gen-Z, are technologically savvy, open to adopting innovative solutions, and prefer convenience. Additionally, there is an urbanization trend in metropolitan areas such as Jakarta, Surabaya, and Bandung, which have become concentrated markets.

2. Economic Environment Segment
Based on the World Bank's Unleashing Indonesia's Business report in June 2024 (Appendix 1), Indonesia's Gross Domestic Product (GDP) growth would remain resilient, with 5% growth in 2023 and 5.1% in the 1H2024. The GDP growth is projected to grow 5.1% over 2024-2026. Additionally, the headline inflation is expected to remain relatively stable, with an average of 3% in 2024 and 2.9% over 2025-2026 (Worldbank, 2024). However, there are risks to the economy from global energy prices, food prices, and geopolitical and geoeconomic uncertainty.

3. Sociocultural Environment Segment
According to Badan Pusat Statistics or Indonesia's Statistic Bureau, food expenses constitute the largest portion of household expenses in Indonesia, particularly in middle and lower-income socioeconomic segments. Additionally, Indonesia's population is projected to get a demographic bonus, with Gen-Z becoming a significant consumer segment with different demands. These customers prefer online-offline experience, personalization, and convenience driven by the development of food delivery platforms and e-commerce.

4. Technological Environment Segment
The rising adoption of the internet, smartphone, ands food delivery service, has shaped the demand for food and beverages. In January 2024, Indonesia had 185.3 million users, or 66.5% of the total population connected to the Internet

(Datareportal, 2024). The increasing mobile and internet penetration offers opportunities for businesses to establish an online presence and offer online delivery services. Additionally, the rise of online food delivery platforms such as Gofood and Grabfood offers the convenience of ordering meals from customers' smartphones and delivering the order right to their homes. These trends accelerate the rapid adoption of digital technology in the industry.

5. Sustainable Physical Environment Segment

Indonesia's younger generation currently comprises a significant share of consumers with a higher awareness of sustainable practices and climate change. Businesses are shifting towards sustainable packaging and sustainable procurement practices to appeal to the growing trends of eco-conscious consumers.

6. Political/Legal Environment Segment

Indonesia's government actively supports Small and Medium (SMEs) in the Food and Beverage sector. The government supports certifications, technical support, financial support, and market opportunities support (e.g. international events). However, the food and beverage industry operates with relatively complex regulations, such as strict regulations on food safety, hygiene standards, halal certifications, and labor law.

7. Global Environment Segment

Indonesia is integrated into the global trade network and has a role in exporting agricultural products, positioning the F&B industry to benefit from international market trends. However, the global economy and politics remain uncertain, with potential disruption in the global supply chain, competition from international brands, and the new United States elected president aggressive trade policies that would impose high tariffs and implement nationalist policy.

b. Industry Environment Analysis with Porter's Five Forces

The industry environment was analyzed using Porter's Five Forces to assess the industry's attractiveness and identify key success factors for PT Sumber Berkat.

1. Threat of New Entrants: Moderate

The barrier to entry for F&B consultancy is relatively low, given the new player does not have to make heavy initial investments. While capital investment for initial operations and technology infrastructure is relatively low, PT Sumber Berkat's established reputation, the network of partners, and experience with SMEs give the company its competitive edge. New entrants need significant effort to match the company's industry connections and market knowledge.

2. Bargaining Power of Suppliers: Low

Based on the interview, the majority of the services related to operations, product development, and marketing were done in-house by utilizing an existing team to deliver the services. PT Sumber Berkat relies on external partners to provide technology or software to customers. To mitigate these risks, the company has established a close relationship with multiple currently available suppliers (e.g., POS systems and accounting software).

3. Bargaining Power of Buyers: High

The bargaining power of buyers is high because of the increasing number of F&B consultants and venture builders in Indonesia. With growing competition, F&B businesses can choose from several providers. Additionally, customers are often price-sensitive while demanding high-quality, cost-effective solutions to scale their operations.

4. Threat of Substitute Products: Low

There are fewer substitutes for the company's services on the market. The high-touch, personalized expertise offered by PT Sumber Berkat is a key differentiator that limits direct substitutes. F&B SMEs might consider hiring an in-house team or freelancer as an alternative, but this substitute often lacks specific expertise provided by PT Sumber Berkat.

5. Rivalry Among Existing Competitors: High

The F&B consulting market in Indonesia is becoming highly competitive. Established players, such as large consulting firms and specialized local firms, create significant competition for PT Sumber Berkat. Moreover, international players could potentially enter the market as the F&B industry in Indonesia grows and becomes increasingly attractive. These competitors may have more extensive resources, global experience, and higher financial resources than PT Sumber Berkat.

c. Competitor Analysis

The author identified 3 key competitors for PT Sumber Berkat. First, Temanstartup is a social media platform and consultancy agency focusing on assisting startups and new entrepreneurs. Their offers include content creation, personalized consulting, and an online academy. Second, Gastrofnb, an Indonesian consulting firm specializing in the F&B industry, offers high-quality services, including research and development, management consulting, kitchen equipment and construction services, legal advice, and brand activation. Third, Kisfnb is a culinary consultant business dedicated to helping food and beverage businesses achieve operational excellence. Their services include menu development, staffing solutions, marketing strategy and branding, and full-scale operational improvements for F&B businesses.

These competitors have their objectives, strategies, assumptions, and capabilities. However, PT Sumber Berkat aims to provide consultancy and venture-building services for the F&B Industry, intending to become a one-stop solution for SMEs F&B. Strategies of leveraging their strong network and expertise to offer tailored consultancy and venture-building services. Assumes the F&B industry will grow and will continue to need advice on its operations, digital transformation, and marketing strategy. PT Sumber Berkat has the capability of addressing a wide range of customer needs, from experience sharing through mentoring, market access, and connection with digital tool providers.

C) Internal Analysis

Resource Analysis and Value Chain Analysis are being conducted to analyze PT Sumber Berkat's internal environment. The result of the analysis can be used to analyze the Strengths (S) and Weaknesses (W) of PT Sumber Berkat.

a. Resource Analysis

Resource analysis helps PT Sumber Berkat identify the available resources, allocate those resources, and build capabilities based on existing resources.

1. Tangible Resource

According to Wandebori (2018), tangible resources are the resources that can be seen, heard, and touched, such as financial, organizational, technological, and physical. PT Sumber Berkat's Tangible resources are as follows.

➢ Financial Resources: The ability to get funding from existing shareholders and new potential investors, but currently, there is not a good revenue stream following the closure of the online grocery business.
➢ Organizational Resources: Small and multifunctional teams provide the agility to make quick decisions and navigate the dynamics of the F&B Industry
➢ Technological Resources: Currently does not have any copyrights, patents, or technology but has strategic partnerships with third-party software solutions (e.g. order management software, accounting software)

2. Intangible Resource

According to Wandebori (2018), intangible resources are the resources that can not be seen, heard, and touched, such as human resources, reputation, innovation capability, and brand name. Below is the summary of the analysis of tangible resources. PT Sumber Berkat's Intangible resources are as follows:

➢ Human Resources: Deep industry knowledge; Highly collaborative teamwork and trust
➢ Reputation: Reputation with customers and suppliers; brand loyalty; and strong F&B community

b. Value Chain Analysis

Value chain analysis examines the internal activities PT Sumber Berkat performs to create value for its customers. The value chain is divided into primary and support activities.

1. Primary Activities

According to Porter (1985), primary activity includes inbound logistics, operations, outbound logistics, marketing and sales, and After-sales services.

➢ Inbound Logistics: Maintain relationship with digital tools provider as the technology provided by partners.
➢ Operations: Manage all company's day-to-day activities, such as consultancy business.
➢ Outbound Logistics: Delivering the consultancy activities via online or face-to-face sessions
➢ Marketing and Sales: Find customers from social media or community events.
➢ Service: Follow up with customers regarding the prior services.

2. Tangible Resource

According to Porter (1985), support activity, including firm infrastructure, procurement, human resource management, and technology development

➢ Firm infrastructure: Utilization of digital tools and legal compliance to ensure smooth company operation.
➢ Procurement: Finding 3rd party software providers to support consultancy business.
➢ Human Resource Management: Employee performance evaluation every quarter with OKR (Objective Key Result) and career path to encourage employees.
➢ Technology Development: Does not develop technology in-house but has strategic partnerships with service providers.

c. VRIO Analysis

Based on the VRIO analysis of PT Sumber Berkat's resources and value chain, we can derive the following explanation for each resource or capability and its consequence on PT Sumber Berkat's competitiveness.

1. Sustainable Competitive Advantage: These resources provide long-term strategic benefits that fulfil the criteria of valuable, rare, costly to imitate, and organized.

➢ Reputation and Branding: PT Sumber Berkat has strong market credibility and brand reputation, especially in the food and beverage industry, with a long history within the industry

➢ Customer Relationship Management (Community): Since 2017, the company has built a strong relationship with F&B SMEs, with hundreds of customers actively participating during networking events and gathering or outing events

➢ Human Resources and Experience (Organizational Resources): Human resources are the key distinguishing aspect of PT Sumber Berkat, as the employee has a deep knowledge of the food and beverage industry and has multiple skill sets, from operations, financial, marketing, legal, and product development.

2. Temporary Competitive Advantage: These resources provide short to medium-term advantage that fulfils 3 criteria of VRIO analysis.

➢ Ability to Get Funding from Investors (Financial Resources): PT Sumber Berkat has close relationships with financial institutions and the ability to attract investments. Currently, this is replicable by competitors as long as these competitors can connect with these financial institutions.

➢ Knowledge Base (Technology Resources): PT Sumber Berkat's expertise in its industry provides valuable insights, but it is not costly to imitate.

➢ Network of Partners: Partnerships with third-party service providers provide operational efficiencies for PT Sumber Berkat, but competitors can replicate them with time.

➢ Consulting Expertise: Consulting skill sets PT Sumber Berkat apart from other players in the short-run, as this is not costly to imitate, given the competitor's willingness to train and invest in developing their human resources.

D) SWOT Analysis

Based on the internal and external analysis (Appendix 2), this research found these listed strengths, Weaknesses, Opportunities, and Threats for PT Sumber Berkat.

a. Strengths (S):
➢ Excellent reputation and branding (S1): Recognized as a reliable partner in the F&B industry, with years of building close relationships with customers;

➢ Competent human resources (S2): A team with diverse expertise with years of experience in the food and beverage industry;

➢ Wide network of partners (S3): Includes suppliers, marketing agencies, industry experts, and government bodies enabling the company to build a supportive ecosystem for F&B SMEs;

➢ Small and agile team (S4): Facilitates adaptability and quick decision-making, especially important for a startup company in a dynamic market and

➢ Strong relationships with F&B SMEs (S5): Close relationships with the F&B SMEs community, enabling the company to understand and address market needs.

b. Weaknesses (W):
➢ Dependence on external funding (W1): Vulnerability to financial instability due to reliance on outside investors;

➢ Understaffed team (W2): Overburdened and overworked employees due to handling multiple projects that may lead to inefficiency;

➢ Manual business processes (W3): Manual processes that might hinder the operational efficiency and scalability of the company in the future and

➢ Limited technological resources (W4): Dependency on third-party technology for the technology provided.

c. Opportunities (O):
➢ Economic growth in the F&B industry (O1): Economic growth from the World Bank's forecast showcases that Indonesia's economy remains relatively stable, including in the food and beverage industry;

➢ Increasing number of entrepreneurs (O2): Rising numbers of F&B startups can be considered as opportunities for PT Sumber Berkat;

➢ The rapid adoption of digital tools (O3): Consumers demanded restaurants to be present both offline and online, and this demand creates a demand for F&B SMEs to also adopt digital technology to serve end-consumers;

➢ Collaboration with government programs (O4): Policies supporting SMEs could be an opportunity for PT Sumber Berkat to get new customers and

➢ Targeting underserved or niche markets (O5): PT Sumber Berkat could focus on the niche market to build the foundation for their business.

d. **Threats (T):**
   - Intense competition in the F&B sector (T1): Numerous players might try to compete in the consultancy business as the business has relatively low initial capital investment;
   - Economic and geopolitical uncertainties (T2): Global economy and geopolitical conditions remain uncertain; this might affect Indonesia's economy if not mitigated properly;
   - Rapid changes in consumer behavior (T3): Indonesia's end-consumer has rapid changes in demand. These rapid changes need constant innovation to remain competitive and relevant in the constantly changing F&B industry;
   - Negative outcomes of failed projects (T4): Risk of damaging the company's reputation and client trust whenever the project has negative outcomes and
   - Demand for green certifications (T5): PT Sumber Berkat has no knowledge or experience related to green certification. This might be a deal-breaker for customers looking for sustainability-related consultancy in the F&B industry.

E) TOWS Matrix

The TOWS matrix is an extension of the SWOT analysis. It is a strategic management tool that helps PT Sumber Berkat identify, analyze, and match the potential opportunities (O) and threats (T) in their external environment with their internal strengths (S) and weaknesses (W). This analysis leads to the formulation of actionable strategies for PT Sumber Berkat.

Fig. 3 TOWS Matrix

Based on the TOWS Matrix, PT Sumber Berkat could focus on these strategies to become a more profitable business while maximizing the current available human and financial resources.

- SO-1: Establish a position as a preferred partner for the F&B development program. Leveraging its strong reputation branding and wide network, the company could offer collaboration with government programs.
- SO-2: Develop Solutions targeting niche markets. PT Sumber Berkat is positioned to target the niche market of F&B SMEs, as most competitors focus on larger food establishments. Focusing on restaurants and cafes, traditional restaurants, and cloud kitchens can offer a sustained competitive advantage as this customer is still underserved.
- SO-3: Adapt and roll out digital tools with tech service providers to address growing customer needs.
- WO-1: Invest in building the business process and improve efficiency.
- WO-2: Seek additional funding to strengthen the team and focus on the core business of consultancy and venture builder services. Additionally, PT Sumber Berkat could expand the services provided, such as market entry services, market research services, opening new outlets, and staffing solutions.
- ST-1: PT Sumber Berkat need to strengthen their partnership and collaboration to anticipate the intense competition in the industry
- ST-2: Set up a dedicated team to monitor consumer trends and test innovative solutions to stay ahead of market changes.
- ST-3: Emphasize delivering high-quality service and a successful case study to anticipate the unsatisfied customers that might damage the company's reputation.

> ➢ WT-1: Secure alternative funding to build a strong team and invest in technology development to face competition.
> ➢ WT-2: Reduce dependency on external funding by building sustainable revenue streams to face uncertain geoeconomy and geopolitics.

F) Business Solution

Based on the TOWS Matrix analysis supported by the interview reveals that PT Sumber Berkat is trying to compete by offering affordable consultancy services to SMEs while providing comprehensive and end-to-end solutions. However, competing on price has proven unhealthy for the company, significantly reducing profit margins or missed opportunities to get new customers. Instead of competing solely on price, PT Sumber Berkat could still offer high-quality service at affordable prices by targeting specific customer needs. PT Sumber Berkat can offer specialized services for mentoring or operational support needs rather than end-to-end services that exhaust their human and financial resources. Below is the list of business solutions for PT Sumber Berkat:

> ➢ **Action #1: Business strategy shift from cost leadership to focused differentiation.** This action addresses the threat of intense competition by shifting from a cost-leadership approach to a focused differentiation strategy. By adopting a focused differentiation strategy, PT Sumber Berkat can cater to specific niche markets, such as traditional F&B businesses and young entrepreneurs, modern restaurants, cloud kitchen businesses or online-focus restaurants. PT Sumber Berkat can offer higher perceived value with affordable prices for F&B SMEs and still be profitable by providing bundle packages, improving the business process of Venture Builder and Staffing solutions, and offering a flexible pricing model.
> ➢ **Action #2: Building sustainable revenue streams and focusing on core business.** The proposed customized services bundles for consultancy business, additional market expansion advisory services for venture builders, and flexible pricing model could help PT Sumber Berkat establish a strong competitive advantage, attract new customers while retaining loyal customers, and build a reputation as trustworthy F&B partners that truly offers end-to-end services but breakdown into specialized packaged based on each customer needs.
> Additionally, focusing on core business operations and consolidating its scattered services into clear business pillars (e.g., consultancy, venture building, and strategic partnerships) will improve efficiency and customer value. The company's venture builder model can also expand into market-entry support services or even be combined with staffing solutions (e.g. PT Sumber Berkat helps get funding for F&B restaurants, offers service for market expansion, and offers staffing solutions), further driving sustainable revenue generation.
> ➢ **Action #3: Leverage social media and the F&B community to support future growth.** PT Sumber Berkat should leverage the company's strong relationships with the F&B SMEs community and the CEO's personal branding to drive future growth and build a strong brand presence. PT Sumber Berkat mainly uses Instagram and food competition events (Sayembarasa) to promote the company. Expanding their efforts to platforms like LinkedIn or TikTok can attract a broader audience, including potential B2B partners and customers. Content creation and social media engagement through these platforms can improve brand visibility, strengthen customer trust, and generate leads. Additionally, partnerships with influencers and F&B community leaders can help amplify marketing efforts and increase brand credibility.

G) Business Model Canvas

The proposed business strategy serves as the foundation for designing a profitable business model, with Business Model Canvas (BMC) as a tool to translate the strategic initiatives outlined before into actionable components. The BMC will highlight how the company creates, delivers, and captures value through key activities, customer relationships, and revenue streams. Below are the key elements of the Business Model Canvas:

> ➢ **Value Proposition:** PT Sumber Berkat positions itself as a "Trusted Partner" for F&B SMEs, offering highly customized services at affordable prices in niche markets.
> ➢ **Customer Segments:** PT Sumber Berkat targets a diverse range of customers from traditional restaurants, young entrepreneurs in the F&B industry, modern restaurants, and cloud kitchen or online-focused restaurants.
> ➢ **Channels:** PT Sumber Berkat needs to utilize a multiple-channel approach to reach its customer segment. Not only networking events and relying on word-of-mouth referrals, but PT Sumber Berkat also needs to use direct sales and online media (website, social media, content marketing).
> ➢ **Customer Relationships:** Focus on maintaining relationships and building strong customer relationships by providing regular and proactive communication, building long-term relationships, and offering feedback mechanisms for continuous improvement.
> ➢ **Key Activities:** PT Sumber Berkat has a range of key activities, including customer acquisition, service delivery, and relationship management. The author proposed adding market research, content creation, and financial management to increase the company's value.
> ➢ **Key Resources:** PT Sumber Berkat needs to combine human resources (excellent team, human resource, and industry

experts) with strong industry networks to deliver value to their customers.

➢ **Key Partnerships:** PT Sumber Berkat needs to continue collaborating with various stakeholders, including industry experts, technology providers, investors, and educational institutions, to improve offerings.

➢ **Cost Structure:** PT Sumber Berkat's cost structure includes employee salaries and benefits, office expenses, marketing and sales costs, technology costs, and training and development expenses.

➢ **Revenue Streams:** The company generates revenue through consulting fees (project-based, hourly rates), equity stakes in venture builder businesses, commission fees from events and training programs, and potentially through bundled service offerings. PT Sumber Berkat could also introduce a flexible pricing model (e.g., basic, premium, and project-based fees) to offer multiple payment options for F&B SMEs. This would ensure the service is still affordable and PT Sumber Berkat does not need to offer end-to-end services.

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segment
1. Industry associations 2. Technology providers 3. Investors and Financial institutions **4. Educational institutions 5. Research organization 6. Government agencies**	1. Client acquisition 2. Service delivery and project management 3. Relationship management **4. Market research 5. Financial management 6. Content creation and marketing**	Trusted Partners of Food and Beverage SMEs Customer with highly customize services with affordable price **for niche markets**	1. Regular and proactive communication 2. Building long-term relationships **3. Feedback mechanism for continuous improvement**	1. Traditional Restaurant 2. Young entrepreneur in F&B Industry **3. Modern Restaurants & cafes, and Cloud Kitchen**
	Key Resource		**Channels**	
	1. Experienced consultants 2. Network industry associations, investors, suppliers, and government agencies 3. Marketing specialists **4. Industry experts**		1. Networking events 2. Word of mouth **3. Direct sales (client presentation) 4. Online channels (Website, social media, content marketing)**	

Cost Structure	Revenue Streams
1. Employee salaries and benefits 2. Office rent and utilities 3. Travel and accommodation expenses **4. Marketing and sales expenses 5. Technology costs (software, subscriptions) 6. Training and development**	**1. Consulting Fees:** Project-based fees. **2. Equity Stakes:** Generating revenue through equity participation. **3.. Commission Fees:** Revenue from sponsors during the event. **Additional revenue streams from venture builders, seminars, and training programs.** **4. Bundled services instead of end-to-end services 5. Flexible Pricing (Multi-tiered and Subscription)**

Fig. 4 Business Model Canvas

IV. CONCLUSION

PT Sumber Berkat operates in a highly competitive and dynamic industry of Food and Beverage, where Small and Medium-sized Enterprises (SMEs) face evolving challenges. This research analyzed the company's internal and external environment with strategic management frameworks and found that key strengths such as industry reputation, network, and human capital provide sustainable competitive advantage. Alongside the weakness of limited resources and manual processes. The external environment presents opportunities such as a growing young generation that demands convenience, rising internet adoption and delivery platforms, positive economic growth in 2025-2025, and government support for the F&B industry. However, the external environment also has threats, including uncertain geoeconomic, geopolitical and competitive pressure from new entrants due to low barriers to entry in the industry.

PT Sumber Berkat is currently trying to compete by offering end-to-end services at affordable prices for F&B SMEs. Competing on price has proven unhealthy for the company, significantly reducing profit margins or missed opportunities to get new customers. These findings highlight the need for business strategy shifts to focused differentiation, enabling PT Sumber

Berkat to deliver high quality for niche markets with relatively affordable prices while still being profitable and efficient. Second, the a need to diversify and develop new revenue streams. Third, the company should maximize its social media and F&B community.

Appendix 1 - Indonesia's Selected Macroeconomics in World's Bank 2024 Report

	2019	2020	2021	2022	2023	2024	2025	2026
	Actual					WB projection		
Real GDP growth and inflation, percent change								
Real GDP	5.0	-2.1	3.7	5.3	5.0	5.0	5.1	5.1
Consumer Price Inflation (CPI) (average, %)	2.8	2.0	1.6	4.1	3.7	3.0	2.9	2.9
Consumer Price Inflation (CPI) (end of period, %)	2.6	1.7	1.9	5.5	2.7	3.1	2.7	2.8
Private Consumption	5.2	-2.7	2.0	5.0	4.9	4.9	5.0	4.9
Government Consumption	3.3	2.1	4.3	-4.5	2.9	5.4	4.0	4.8
Gross Fixed Investment	4.5	-5.0	3.8	3.9	4.4	4.5	5.4	6.0
Exports	-0.5	-8.4	18.0	16.2	1.3	4.1	4.0	3.5
Imports	-7.1	-17.6	24.9	15.0	-1.6	2.1	2.9	3.5

Memorandum items								
Nominal GDP (IDR trillion)	15,833	15,443	16,977	19,588	20,892	22,576	24,198	25,943
Real GDP Per Capita (IDR thousand)	40,459	39,203	40,237	41,952	43,661	45,476	47,409	49,429

Appendix 2 – Summary of External to Identify Opportunities and Threats

Factor	Category (Opportunity or Threat)
Demographic segment	Opportunity (+)
Economic segment	Opportunity (+)
Sociocultural segment	Opportunity (+)
Technological segment	Opportunity (+)
Sustainable physical environment	Threat (-)
Political/legal segment	Opportunity (+)
Global segment	Threat (-)
Legal Factor	Opportunity (+)
Threat of New Entrants	Threat (-)
Bargaining Power of Supplier	Opportunity (+)
Bargaining Power of Buyer	Threat (-)
Threat of Substitute	Opportunity (+)
Competitive Rivalry	Threat (-)
Assessment Result	**8 (+) and 5 (-)**

Appendix 3 – Summary of Internal to Identify Strengths and Weaknesses

Factor	Importance	Rating	Value
Resource Analysis			
Financial Resources	5	5	0.4
Organizational Resources	5	5	0.4
Technological Resources	5	3	0.2
Physical Resources	3	0	0.0
Human Resources	5	5	0.4
Reputation	5	5	0.4
Value Chain Analysis			
Inbound Logistic	3	3	0.1
Operations	5	5	0.4
Outbound Logistics	3	3	0.1
Marketing and Sales	5	5	0.4
After-sales Services	5	5	0.4
Firm Infrastructure	5	3	0.2
Procurement	5	3	0.2
Human Resource Management	5	5	0.4
Technology Development	5	3	0.2
Assessment Result	**69**	**58**	**4.0**

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