



FORMULATION OF THE NEW BUSINESS MODEL CANVAS BCA KIMA BRANCH WITH INTEGRATING THE DYNAMIC CAPABILITY STRATEGY TO ACHIEVE OPTIMAL PERFORMANCE

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Abstract

In today's competitive banking industry, BCA Branch Banking needs to formulate a competitive strategy to achieve optimal performance. This study aims to describe the current business strategy of the BCA Industrial Estate branch, and examine the dynamic capabilities possessed by the branch whether it is able to identify strengths, weaknesses, opportunities and threats that exist. This research is a type of strategic design research based on scientific analysis and argumentation. Data collection uses primary data and secondary data. In terms of methods or techniques of data collection, data collection techniques are carried out by observation, interviews through key informants and documentation. Primary and secondary data analysis used a qualitative approach to Business Model Canvas, dynamic capability analysis and SWOT analysis. The results of this study indicate that the branch's current business strategy needs to be reformulated into a New Business Model Canvas. Then from the results of the dynamic capability analysis it shows that the branch has not been able to optimize its dynamic capabilities to identify existing strengths, weaknesses, opportunities and threats so that BCA Kima Branch needs to carry out improvement strategy to be able to identify market opportunities, capture existing opportunities, and combine and reconfigure existing assets to achieve optimal performance

Keywords: *Business Model Canvas, Strategy Dynamic Capability, SWOT analysis*

A. INTRODUCTION

The level of competition in the banking industry that is getting tighter and more dynamic, the impact of the globalization era, and the rapid development of information technology & telecommunications will make the challenges ahead even tougher and put pressure on bank profit margins. In the past, the advantages of BCA's business model were made possible by relatively high interest rates. However, in the future BCA will no longer be able to fully rely on this. In order to survive and grow, it is not sufficient for BCA to simply rely on its excellence as a transactional bank, but must also optimize its customer base by establishing more diverse relationships.

Complexity Competition in banking services causes every company to always try to improve products and services so that customer desires can be realized. Quality of service is a top priority in quality assurance that has reliable tools regarding consumers to companies. In an effort to increase competitive advantage in the banking

industry, each bank should be able to create a strategy that can increase the expected productivity and service quality. Productivity and quality are very important factors because they can describe the economic performance of the service company. The economic performance of the company includes two things, namely financial performance and operational performance.

In the banking industry, customer loyalty is one of the proofs that the bank has been able to compete in providing excellent service to each customer. If viewed from two perspectives, the financial performance in terms of product sales and operational performance in establishing relationships is something that cannot be separated in the assessment that a bank is superior to its competitors. Both of these performances should be realized in a balanced way. But in reality, these conditions have not been realized by existing banks. Most banks only excel in financial performance in terms of products, but not in operational performance in terms of services, or vice versa. The advantages of this product can only realize the company's short-term goals,

Branch banking is the center of BCA's activities in carrying out transaction services and channeling commercial and SME loans to customers. BCA's branch banking continues to grow in line with Indonesia's economic development, and is the backbone of establishing relationships with customers through the provision of banking transaction services as well as commercial and small & medium enterprises (SMEs) lending. BCA's branch offices and electronic networks that continue to grow are the points of contact and interaction between BCA and its customers.

The services provided by Frontliner are one of the services to support overall business growth. The quality of service performance at BCA industrial area branches is still not optimal compared to the average quality of service performance at Kanwil IV and nationally, so it needs to be improved. By looking at the opportunities and growth potential of the large branch business in the industrial area area, researchers are interested in formulating a business strategy for BCA Industrial Area branches using a dynamic capability strategy approach through Business Model Canvas analysis and SWOT analysis to achieve optimal branch performance.

B. METHODS

1. Research sites

Location research location or place of research is the BCA Industrial Area Branch in Makassar City which is one of the BCA Sub-Branch Offices under the coordination of the Main Branch Office of Panakkukang. Overall the research implementation time was 2 months.

2. Population and Sample

The population is the group of people who work at the BCA Industrial Area Branch provided that they have worked at PT. Bank Central Asia Tbk minimum 5 years.

Sample is using the Business Model Canvas approach, then SWOT analysis

3. Method of collecting data

The data collection technique used in this study comes from: Data collection was carried out in various settings, various sources and ways. Judging from the data

source, data collection can use primary and secondary sources. Primary sources are sources that directly provide data to data collectors. While secondary sources are indirect sources, for example through other people or through documents. In terms of methods or techniques of data collection, data collection techniques can be carried out by observation, interviews, and documentation

4. Data analysis method

Data analysis activities carried out in this study are based on the stages of PT. Bank Central Asia Tbk, based on primary data and secondary data from internal and external companies using the business model canvas approach, then SWOT analysis and finally formulating a Dynamic capability strategy.

C. OPERATIONAL DEFINITION

- A.* sstrategy is a unified, comprehensive and integrated plan that links the advantages of the company's strategy with environmental challenges and which is designed to ensure that the company's main goals can be achieved through proper implementation by the company.
- B.* Strategic management is a number of decisions and actions that lead to the formulation of a strategy or a number of effective strategies to help achieve company goals
- C.* Business strategy is the range of offensive and defensive actions taken by a company or strategic business unit to outperform its competitors in the industry.
- D.* A business model is a rationale for how an organization creates, delivers, and captures value.
- E.* The business model canvas is a common language for describing, visualizing, assessing and transforming business models
- F.* The Business Model Canvas is a common language for describing, visualizing, assessing and transforming business models
- G.* SWOT is an analysis method that shows alternative strategic choices for business units. This analytical method is a tool for identifying strengths, weaknesses, opportunities, and threats.
- H.* Dynamic Capability Strategy is a higher level capability strategy used by companies in dealing with competition and environmental changes that make it possible to overcome the "Resource Gap" between current resources and the desired new resources.

D. RESEARCH RESULT

We conclude the results of this study as follows:

1. An overview of the branch business model through the 9 elements of the Business Model Canvas building blocks, there are weaknesses in customer segmentation and value propositions. Meanwhile, in the Customer relationship, key resources, Key Activities and Key Partnership segments, improvement is needed and there are no changes to the Revenue and Cost Structure elements.
2. Branch Dynamic Capability in general still has weaknesses. For the Sensing aspect, there are weaknesses in the elements of the research and development process and the process for utilizing complementary suppliers and innovation within the company. For the Seizing aspect, there are weaknesses in the elements describing customer solutions and the

- company's business model. And for the Transforming reconfiguration aspect, there are weaknesses in the cospecialization element within the company.
3. The results of the branch SWOT analysis show the position of the branch business in the fifth quadrant with Hold and Maintenance conditions so that the appropriate strategy is to penetrate the market.
 4. Reformulation of the branch business model in nine building block elements into a New Business Model Canvas focused on improvement in the Customer Segment, namely existing debtors and K1 group customers. For Value Propositions, Branches must instill the value of Transactional banking and complete customer financial solutions in accordance with BCA's vision and mission. Meanwhile, in the customer relationship element, the branch needs to carry out an intensive relationship strategy and a customer birthday celebration. Key resources elements require collaboration from the business support unit. Elements of Key activities required database research activities for existing customers and debtors. And the key partnership element of the branch needs to utilize vendors who supply customer cash delivery services.
 5. After reformulating the branch business model, continue to integrate Strategy Dynamic Capability. Through the Sensing aspect, branches develop customer database research and then understand more deeply customer transaction patterns to determine solutions to customer needs and take advantage of existing partnerships with third parties. Through the Seizing aspect, branches need to describe customer solutions appropriately through the New Business Model Canvas. And finally, from the Transforming and branch reconfiguration aspects, improving the cospecialization elements through collaboration with business support units and improving the competency or quality of existing human resources.

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