



TUTORING EDUCATION FRANCHISE STRATEGY IN INDONESIA: A SWOT ANALYSIS

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Article	Abstract
<p>Keywords: Franchise, SWOT Analysis, Tutoring</p> <p>History of Article: Received: Apr 10, 2022; Reviewed: May 15, 2022; Accepted: July 20, 2022; Published: July 26, 2022</p> <p>DOI: https://doi.org/10.56282/smr.v1i1.83</p>	<p>Tutoring is one of the basic needs for parents who want the best education for their children. In order to reach the entire territory of the Unitary State of the Republic of Indonesia in producing equitable quality education, it is necessary to conduct an internal and external environmental analysis (SWOT analysis). Based on a literature study, Tutoring must implement a SWOT analysis strategy annually from year to year. In winning the competition in the franchise system, Tutoring needs to increase investment in information technology, internalize values to make the organizational structure more efficient and flexible, and strengthen and improve the clauses of the franchise contract by strengthening the reward and punishment system.</p>
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1. INTRODUCTION

There are business opportunities in the form of franchises offered by Tutoring Institutions. Indeed, there are many Tutoring Institutions in Indonesia, but many have closed because they cannot compete. The business is very developed and has a market potential that continues to be open and expansive, considering the size of Indonesia's population, its vast area, and parents' interest in improving the quality of their children's education outside of school. The need to answer the main problem, namely how to analyze the strategy of the Tutoring franchise system in winning the tutoring business competition in Indonesia in the future?

2. METHODS

Adequate research methods will support this scientific study (Dresch et al., 2015). The method used in this study is a literature review considering that this study will critically analyze, evaluate, and synthesize study findings related to the focus area (Efron and Ravid,

2019). Literature studies are carried out by systematically examining some scientific literature on selected topics, either in the form of a literature review that may be independent or embedded in research (Efron and Ravid, 2019). A self-review is a self-contained document consisting of an extensive literature review and a broad overview of current knowledge on a particular topic. In contrast, a stand-alone review is a basis for future research (Efron and Ravid, 2019).

3. ANALYSIS AND DISCUSSION

a) Legal Basis of Tutoring in Indonesia

The legal standing of tutoring in Indonesia has been regulated in Law Number 20 of 2003 concerning the National Education System (UU Sisdiknas. Article 13 of the National Education System Law has confirmed that the education pathway consists of formal, non-formal, and informal education that can complement and enrich each other with an open system face-to-face and or remotely.

More specifically on, non-formal education, which includes tutoring has been regulated in Article 26, paragraph (1) to paragraph (7) of the National Education System Law, whose complete formulation is:

“(1) Non-formal education is held for community members who need educational services that function as substitutes, additions, and or complements to formal education in support of lifelong education. (2) Non-formal education develops students’ potential with an emphasis on mastery of knowledge and functional skills and the development of professional attitudes and personalities. (3) Non-formal education includes life skills education, early childhood education, youth education, women’s empowerment education, literacy education, skills education and job training, equality education, and other education aimed at developing students’ abilities. (4) Non-formal education units consist of course institutions, training institutions, study groups, community learning activity centers, and taklim assemblies, as well as similar educational units. (5) Courses and training are held for people who need knowledge, skills, life skills, and attitudes to develop themselves, develop their professions, work, have independent businesses, and or continue their education to a higher level. (6) The results of non-formal education can be equivalent to the results of formal education programs after going through an equivalence assessment process by an institution appointed by the Government or Regional Government concerning national education standards. (7) Provisions regarding the implementation of nonformal education as referred to in paragraph (1), paragraph (2), paragraph (3), paragraph (4), paragraph (5), and paragraph (6) shall be further regulated by a Government Regulation.”

b) Franchise overview

In the language of modern business, Grossman and Katz (2017) define franchising as a marketing method in which a successful franchisor (business owner) will expand the

retail distribution of his goods or services by entering into contracts with franchisees (independent third parties). In this case, the franchisor agrees to operate a retail sale or service outlet featuring the franchisor's original trademarked goods or services and agrees to implement the franchisor's marketing methods at the expense and capital incurred by the franchisor. Moreover, in return for the business opportunity, the franchisee agrees to pay the franchisor an ongoing initial fee and royalty (Grossman and Katz, 2017).

Furthermore, the United States Free Trade Commission (FTC) made a more concise legal definition of "franchising" as the direct quote is:

"... any continuing commercial relationship or arrangement, whatever it may be called, in which the terms of the offer or contract specify, or the franchise seller promises or represents, orally or in writing, that: (1) The franchisee will obtain the right to operate a business that is identified or associated with the franchisor's trademark, or to offer, sell, or distribute goods, services, or commodities that are identified or associated with the franchisor's trademark; (2) The franchisor will exert or has authority to exert a significant degree of control over the franchisee's method of operation, or provide significant assistance in the franchisee's method of operation; and (3) As a condition of obtaining or commencing operation of the franchise, the franchisee makes a required payment or commits to make a required payment to the franchisor or its affiliate". (Grossman dan Katz, 2017).

A direct quote from the FTC definition of a franchise indicates that a franchise is any continuing commercial relationship or arrangement where the terms of the offer or contract specify, or the franchisor promises or represents, orally or in writing, concerning:

- a. The franchisee who will acquire the right to conduct business with the franchisor's trademark, or to offer, sell, or distribute goods, services, or commodities identified or associated with the franchisor's trademark;
- b. The franchisor will exercise or have the authority to exercise a significant degree of control over the franchisee's operating methods or provide significant assistance in the franchisee's operating methods; and
- c. As a condition of obtaining or starting the operation of a franchise, the franchisee makes the necessary payments or commits to make the necessary payments to the franchisor or its affiliates.

c) Evaluation of the Vision and Mission of Tutoring in the Success of the Franchise

To produce superior, competitive, and sustainable Tutoring in its business, the Tutoring Institute must have a clear vision and mission. Furthermore, it is necessary to build a Tutoring Institution with internal and external environmental analysis (SWOT analysis) in the following table form:

Table 1. SWOT Analysis

Environment	Helpful	Harmful
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Next, it is necessary to describe each of the details of the SWOT perspective of the average Tutoring Institution in Indonesia. The results of the Internal Environment analysis in the form of details on STRENGTHS from Tutoring include at least a clear and strong vision, a reasonably strong branding among the Indonesian people, Human Resources (HR) who were excelled and experienced at the national level, have hundreds of branches that have reached out to many regions of the Republic of Indonesia, have good development programs and continuous training programs in the field of tutoring in Indonesia, and have a relatively large market share compared to other tutoring services. Internal environmental analysis in the form of details of WEAKNESSES from Tutoring including at least many franchisee branches that do not meet the standard of Head office services as franchisors, inefficient organizational structure (i.e., there are five General Managers (GM) consisting of Marketing and Business Development, Legal, Operational, Academic and Human Resources Management, and Finance), and has not provided perfect services in producing alumni who are physically and mentally healthy, that is, they have not provided health services and free educational psychology consultations for their students.

The results of the analysis of the external environment are in the form of details of opportunities from tutoring, at least in the form of updating and managing information technology, such as an up-to-date website, breakthroughs in the world of tutoring, such as planning the fields of knowledge and talents of early students and trying to increase self-confidence and solutions for students. Students with weak talents are aggressive in collaborating and looking for new partners, such as in cloud technology solutions carried out with Microsoft Indonesia. Meanwhile, the results of the external environment analysis in the form of details of threats from tutoring are at least in the form of a reluctance to promote, provide, sell, and educate the superior services offered because they were considered to increase prices to consumers which causes prices in branches to be more expensive than other competitors, branch owners (franchisees) want superior service to be provided free of charge. Each franchisee has a different business orientation. Internal and external environmental analysis (SWOT Analysis) many tutoring and paying attention to its vision, it can be said that the eaknesses and threats contained in the description above can make tutoring unable to achieve its vision. Thus, in overcoming these weaknesses and threats, it is necessary to have core competencies that are rooted in the tutoring Institute.

D) CONCLUSION

The prospect of Tutoring is still outstanding and very much needed by parents who want the best education for their children. Tutoring continues to implement the SWOT analysis strategy on an ongoing basis from year to year. It is highly recommended that in order to win the competition in the franchise system, Tutoring will make the following recommendations:

- a. Increase investment in the latest information technology because it aligns with efforts to provide excellent customer service and collaboration with quality technology vendors.
- b. Require the internalization of corporate values to strengthen loyalty and compliance with central management.
- c. Creating a more efficient and flexible organizational structure by strengthening the supervision and perfect service.
- d. Strengthen and improve the clauses of the franchise contract by strengthening the reward and punishment system for all branches.

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