Findings on Effective Business Productivity Using the Business Model Canvas Method: An Analysis of the Batam City Flower Board Company

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ABSTRACT

Objective – The purpose of this study is to use the Business Model Canvas (BMC) method to analyse the productivity of flower board enterprises in Batam City.

Methodology – Adapting Digital Transformation Method as a tool in gaining sales effectiveness solutions, this study takes a qualitative method by first employing SWOT analysis to identify the issues that the floral board company is facing. A focus group discussion (FGD) with Batam flower board business owners served as the data source. Analysing data involves assessing the Flower Board Company's SWOT (strengths, weaknesses, opportunities, and threats) and locating areas where digitisation could lead to progress.

Findings – Despite their recent adoption of social media for marketing, many Batam flower board businesses continue to conduct their business in a traditional manner. The high turnover rate and the requirement for digitalisation in finance management and administration are the primary areas that require improvement. Customer loyalty, however, is its greatest asset. To suit the needs of a wide range of clients and increase operational efficiency and competitiveness, this research suggests adopting digital transformation and developing product variations. It is anticipated that the adoption of BMC and digital transformation will offer a strategic framework to boost future flower board business sustainability and productivity.

Novelty – The novelty of this study lies in its application of the Business Model Canvas (BMC) and digital transformation, specifically through a SWOT analysis lens, to analyze and improve the productivity of flower board enterprises in Batam City.

Keywords: Business Model Canvas (BMC), SWOT analysis, digital transformation, small and medium enterprises (SMEs)

I. INTRODUCTION

Business transformation from traditional to digital is one of the prerequisites that becomes important in today's digital environment to ensure that organisations can compete. To put it another way, a company or new venture needs to be able to implement digital transformation into its operations. Companies will undoubtedly have to modify their current business models as a result of the influence of digital transformation, moving from conventional business models to ones aided by digitalisation. The Business Model Canvas (BMC) is one of the important tools to assist a corporation or a new business in navigating the obstacles of the digital world. Utilising the BMC Method in conjunction with Digital Transformation can assist startups or existing firms in creating business models that are more relevant and flexible in the digital age, guaranteeing their competitiveness and ability to react to quickly shifting market conditions. The original "Original Gangster" tool for business development is now BMC. Thus, what exactly is BMC? Why has it captivated everyone so strongly since its inception ten years ago? In order to produce and analyse ideas, BMC collaborates with a variety of corporate partners. In addition to being human-centered, BMC may reveal your vulnerabilities if you have well-defined objectives and strategies because it facilitates the collection of valuable data (Lima & Baudier, 2017).

In order to evaluate and comprehend the business operations of MSMEs in Batam City and develop sustainable initiatives, the evaluation technique employed in this study prioritises research and literature produced within the last five years or after 2019. It also takes into account the most recent developments in the area (Greif et al., 2024). Additionally, this research uses the BMC Method to visualise the business processes of a Batam City flower board company. Additionally, the goal of studying digital transformation is to compare the performance of peripheral firms before and after implementing it, as well as to utilise it as a tool to help businesses perform better. In order to do a thorough analysis of this text, a Strength, Weakness, Opportunity, and Threat (SWOT) analysis is conducted prior to conducting a business analysis utilising BMC. focused examination of the requirements for preparing structured talks and the four SWOT analysis perspectives (Mustaniroh et al., 2020). The objective is to boost productivity for Batam City's Flower Board Companies and create a solid business development plan.

After the BMC Analysis process yields comprehensive data, the usage of digital transformation is put into practice. To ascertain whether particular adjustments or alterations are required for BMC to be implemented correctly, more research is required. Moreover, although studies have demonstrated the advantages of combining BMC with SWOT analysis and the Digital Transformation Pyramid, further research is required to determine how these three instruments might be combined to enhance business performance more successfully in the rest of the business world.

II. LITERATURE REVIEW

SWOT Analysis

SWOT analysis is carried out by collecting opinions from experts, stakeholders, and researchers in the intended field through a survey conducted in the second round of the process – Focus Group Discussion (FGD). The methodology used in this study was discussed in the first round (Simões & Santos, 2024). The identification of problems in this study depends on the discussions obtained in the focus group discussion (FGD). The FGD was carried out with several MSMEs, including flower board business owners in Batam City. Thus, four important points were obtained from the FGD. Everything is carried out following the four aspects of SWOT Analysis. SWOT analysis is carried out by collecting opinions from experts, stakeholders, and researchers in the intended field through a survey conducted in the second round of the process – Focus

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The MSME products produced face obstacles in reaching the outside market due to the lack of knowledge about digitalization. The people of Batam who are engaged in the MSME sector lack the ability to package products effectively and attractively, document products, post content, and respond to consumer questions. As a result, it has a real impact on a decrease in sales or income for MSME actors in BATAM (Baroroh et al., 2023). In addition, the internal components of the organization that help it achieve its goals are referred to as its strengths, while its internal components that hinder the organization's achievements can be referred to as weaknesses. Opportunity is an external factor that helps an organization in achieving its goals. These factors can include gaps in organizational goals and opportunities to fill them. Threats, on the other hand, are elements of the external environment that an organization faces, and that can pose challenges to achieve its goals. Utilizing a SWOT analysis as a strategic planning tool, organizations can assess their position and adjust their strategies accordingly. The integrative review technique was chosen appropriately because the current research objectives include expanding the theoretical foundations of SWOT, combining ideas and viewpoints from many domains, accessing, analyzing, and synthesizing the SWOT literature to provide an overview of the SWOT knowledge base (Benzaghta et al., 2021).
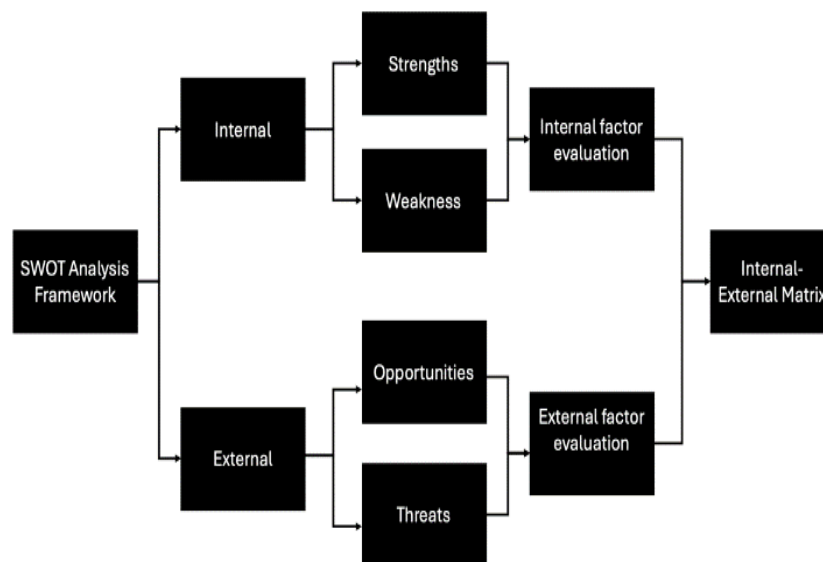

Figure 1 The SWOT Analysis Framework (Mbazima et al., 2022)

The corporate management industry mostly uses SWOT analysis as a management strategy tool. These internal variables—their strengths and weaknesses—can be managed from within the company or line of work. Threats and opportunities are categorized as external factors because they are beyond the control of the organization or profession and can have positive or negative effects. The way the opportunities, dangers, and strengths and weaknesses of an organization work together to determine its success and survival.

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Therefore, SWOT analysis is essential for the development, implementation, and evaluation of strategies (Mbazima et al., 2022; Wahyuningrum et al., 2022; Escalona et al., 2022).

Digital Transformation

SMEs can have a greater impact on the economy by embracing technology. This is especially true when it comes to creating jobs and raising wages. By embracing digital transformation, MSMEs can improve their operations, expand their customer base, and drive innovation. This, in turn, increases their competitiveness and growth potential. Technology improves efficiency, cuts costs, and improves yields (Faruque et al., 2024). Technology in the information age is still developing at a very high speed. Big Data Analytics and the Internet of Things are widely known concepts in society. Today, we are living through a digital revolution. As shown in their work "Age of Context," we are just beginning to see how the influence of digital, mobile and social information phenomena can transform every part of our lives. Nonetheless, many businesses and people are reluctant to acknowledge the breadth and importance of recent progress. We propose to distinguish between four reasons: (1) the tremendous impact of advanced digitalization has not been fully appreciated; (2) lack of strategy and creativity combined with increased uncertainty; (3) lack of agility and inadequate support for innovation; and (4) lack of relevant skills and an inadequate culture of innovation. It is possible to overcome these innovative hurdles with the help of new roles and areas of action for learning and development (L&D) professionals, such as change agents and consultants, creators of enhanced goods and services learning portfolios, and innovation culture innovators.

In the era of digital transformation, creating a culture conducive to learning using several pillars is another approach to spur innovation and ensure the survival of the organization. Any enterprise system that uses digital transformation has the potential to be socially and ecologically sustainable. Nevertheless, despite their significant contribution to any business in this case, florist small businesses are having a hard time gaining access to advanced digital transformation in business flows. The availability of information helps SMEs become more agile and adaptable, allowing them to compete with larger companies. Thus, florist-based companies can rely on internet-based support. Collecting and analyzing market data presents substantial problems. In addition, when it comes to infrastructure in SMEs, the use of raw materials, processes, flexibility, delivery options, adoption of changes, and adherence to industry standards often take a traditional approach (Gupta & Jagtap, 2024).

While information technology, defined as "computer-based technology for the storage, access, processing, and communication of information," has generated valuable and enduring knowledge, digital transformation also seems to present the need, and opportunity to advance, this body of knowledge. Recent observations show that DT differs from previous organizational changes at least in the following respects. First, compared to previous IT, the technology in question such as big data analytics, social media, mobile technology, and cloud computing looks very different. They have new characteristics, in contrast to more conventional corporate systems: they are seen as combinatorial, creative, and flexible. As a result, assumptions about material attributes and how they affect the organization may no longer be valid. Second, many digital technologies encompass larger ecosystems and demand-sides and cannot be limited to business or industry boundaries. Third, the DT effect appears to go beyond the early stages of IT-enabled change, which is typically associated with a relatively gradual level of practice and transformation within the organization. Examples of these impacts include introducing new digital business models even in non-digital industries (Hanelt et al., 2021).

This real change in the function of technology in an organization is what drives digital transformation. Technology can now do more than just enable business processes; It is no longer just a supporting function. Today, technology allows for creative and new corporate models. Many new technological developments are driving Digital Transformation. Among the most well-known are Blockchain, Artificial Intelligence

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(specifically, Machine Learning), Robotic Process Automation (RPA), Big Data & Analytics, Cybersecurity, Internet of Things (IoT), Mobility, social media, and Cloud Computing. The application of technology is mainly industry-specific and organization-specific (Tang, 2021). Over the past 20 to 25 years, academic settings have regularly addressed elements of digital transformation, drivers and barriers, and value creation through digital transformation. Digitalization is an essential component of the rapidly growing fields of business, economy, and society. Today, the process of globalization and digitalization— or vice versa—determines our existence. Clients are at the center of digital change. Executives must take the lead in initiating organizational change and embracing a digital culture (Verina & Titko, 2019).

The social dimension of the digital transformation process is thus revealed, an aspect of meaning-making that is easily forgotten. Thus, the need to connect complementary forces, to support entrepreneurship and SMEs, has been expressed, especially given the challenges of the digital era. Reasons to uncover the challenges in today's digital era. (1) Digital Transformation in SMEs addresses psychological inertia at the individual level (e.g. entrepreneurs), sociotechnical inertia at the group level (e.g., IT professionals), and economic and political inertia at the systemic level (e.g. socioeconomic support professionals); (2) specific and new IT needs result in increased interdependence of new, varied and more frequent relationships among cooperating actors; (3) It is likely that the critical resources or key technological activities for the company and its operations are beyond the boundaries of the organization, especially regarding the resources needed as input for innovation and services offered; (4) The need to define the limits of each action for all actors involved, including the conditions under which the activity and exchange occurred.

Given the multidimensionality and increasing complexity of digital transformation, MSMEs increasingly need professional IT resources as well as support from socio-economic development organizations and institutions. Effective management of the financial aspects of IT, its use, and changes in value creation and the structure it engenders. In summary, with regard to IT issues and digital transformation, SMEs need to develop and/or access strategic technology partnership capabilities that form a complex set of capabilities related to: complementarity; learning and exploitation; organizational elements; networks, alliances and partnerships, as well as technology, innovation and internal expertise (Pelletier & Cloutier, 2019).

Small Medium Enterprises

The role of SMEs in economic development, poverty reduction, innovation, and job creation is very important. Recent reports state that SMEs account for about 90% of businesses and they contribute significantly to job creation (50%) and economic development. SMEs are limited by financial resources and other resources. categorizing challenges that hinder the growth of MSMEs into; (a) Technical Barriers: (ICT and lack of skilled employees and managers); (b) Organizational Barriers: such as lack of financial resources, lack of management support, resistance to change, and lack of R&D infrastructure, etc.; (c) Technological Barriers: Due to lack of knowledge, MSMEs are hesitant to implement advanced service technologies in I4.0, which drives innovation in manufacturing, logistics operations, and other activities. (e.g., Enterprise Resource Planning (ERP) or Computer-Aided Design (CAD), Artificial Intelligence, or Industry 4.0 Applications such as BDA) (Telukdarie et al., 2022).

However, given its significant contribution to the economy, small and medium enterprises (SMEs) and large corporations must embrace digital transformation. But they also have unique traits (such as lack of technological resources) and habits (such as resource limitations) that hinder digital transformation. While many businesses find it difficult to investigate and fully capitalize on the promise of emerging digital technologies and developments, digital technologies do present a variety of new options. Given how

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important digital transformation is to maintaining an organization's competitive advantage, some outstanding assessments have surveyed a rapidly growing body of research (Adamczewski, 2023).

SME digitization is an effort to digitize product marketing produced by MSME actors. In this era of increasingly advanced technology, marketing and selling MSME products online is making it easier for business actors and companies, MSME business actors can now easily promote their products on various social media platforms, by providing location information through maps available on the platform. This, in turn, will make it easier for consumers to come directly to the location to buy MSME products or to get the desired products (Baroroh et al., 2023).

III. METHODOLOGY

This study uses a qualitative approach, with the primary data source used primarily. The data collection method uses in-depth interviews. The informants in this study were flower board business owners in the Batam area. There were four informants, and according to Kunjuraman et al. (2022), informants in qualitative research should be 2 to 12 informants. The technical implementation of in-depth interviews is as follows:

    a) The interview lasted 1 hour and 18 minutes.
    b) The type of question used is an open question, where the informant can provide an answer.
    c) The questions are related to internal factors (strengths and weaknesses) and external factors (opportunities and threats) of the business being run, the business model canvas, and the digital transformation that will be carried out.

The research method is depicted in Figure 2. To identify the issues that businesses face, the research started with a group discussion forum. Additionally, the SWOT analysis is used to assess the business's strengths, weaknesses, opportunities, and threats to perform the Problem Analysis part of the process. To comprehend and apply pertinent concepts to this research, the researcher first analysed the problem and then performed a literature review with an emphasis on digital transformation and business model canvas. Following this analysis and review, the findings are presented in the Results & Discussion stage, when the researchers work with SMEs to talk about the study's conclusions and ramifications. Conclusion & Recommendations, the study's last phase, produces a new business model based on earlier research to boost SMEs' competitiveness and performance. This story explains the methodical process of comprehending and using a comprehensive approach to solve business difficulties.

IV. RESULTS AND DISCUSSION

Based on the results of the FGD, four aspects of the SWOT analysis of the flower board business were found to see the periphery of the business and build a better business model. Currently, the system used by flower board businesses is conventional, although they have promoted their business through social media (Instagram) and online messaging services (WhatsApp). Therefore, in other aspects beyond promotion and communication such as administration, finance, forecasting, and data collection, very little digitalization is financed. From the results of this FGD, the author conducted a discussion using a framework that can make it easier for the Flower Board Company in Batam to understand how to optimize effective Productivity in running the Flower Board Business in Batam. The framework can be seen in Figure 3, and the Forum Group Discussion Result can be accessed here: https://doi.org/10.5281/zenodo.14850435

For the strengths, they have a lot of regular loyal customers. For the weaknesses, employee turnover is high, so finding loyal and persistent employees is difficult. For the opportunities, they can strengthen

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maximum capacity on digitalization, and focus on their customer segmentation. For the threats, there is not much to bargain for the price because there are many similar products at the same price.
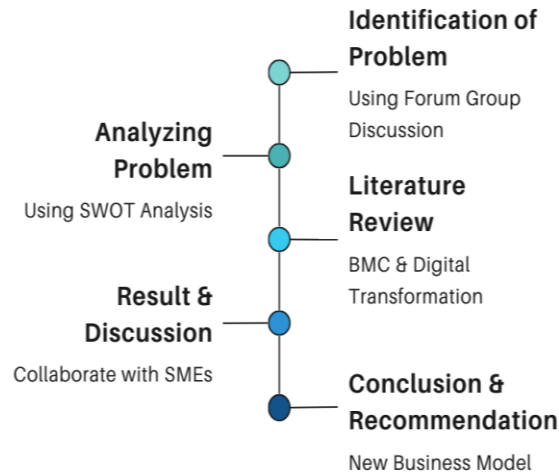

Figure 2 Research Methodology

It is concluded that human error is its greatest weakness and frankly unbearable. Nevertheless, the strength that comes from their loyal customers must be maintained. High employee turnover should lead them to more effective and digital businesses. As we know, the counter-effective system for unforeseen human error is digital transformation. Thus, following the digitalization opportunity, more product variations must also be developed because many similar products continue to increase in the city of Batam.

Developing new product variations should be considered based on their customer segments. As we know, each customer segment has different needs and wants. Thus, after creating a new product, BMC is better created to see the greatest possibilities and value that their customers may need.

First, customer segments. Regular customer segmentation in the flower board business is divided into five types; (1) Those who are in the Department of Police or Army forces, (2) Those who work in the Department of Foreign Affairs, (3) Members of Political Parties, and finally (4) Private Companies, Entrepreneurs & SMEs, (5) Acquaintances of Owners. While irregular customers come from a variety of backgrounds, although the percentage is not significant.

Second, the value propositions. The previous segment mentioned that creating a value proposition in the flower board business competition in Batam City is difficult. Since there are many competitors and newcomers, the only value option they have is managing repeat orders and price stability. Furthermore, to get out of this fierce competition, there must be updates to products and systems. Product updates can be done by creating new products based on current customer needs or for completely different customer segments. Therefore, system updates can be carried out with digitalization which will be explained in the next digital transformation.

Third, channels. At the moment, the floral board company communicates with clients via two primary social media platforms. Instagram is utilized for advertising content, and WhatsApp is mostly used for client communication. Shash Florist, one of our flower board themes, has two active Instagram sites to advertise their services: their personal Instagram page and one run by one of their co-founders. Because Shash Florist lacks personnel resources, one of its founders distributes and picks up their flower boards around Batam City because of the delivery service.

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Fourth, customer relationships. As mentioned in the previous segment, they have maintained a good relationship with their customers. They even have regular customers who have repeat orders. Thus, they always prioritize the fulfillment of the needs and desires of their customers. Nevertheless, they still haven't used strategic customer relationships to retain their customers because they lack human resources.
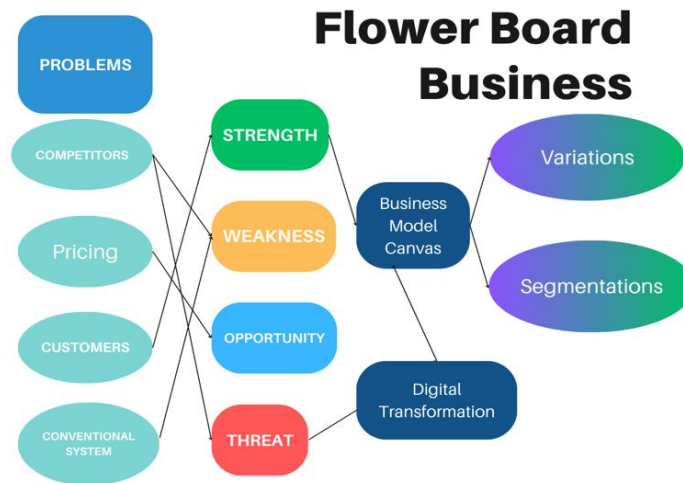

Figure 3 Framework Model

Fifth, income streams. Their main revenue stream is from the sale of flower boards, there is no other way because they have no other product variety. Their main payment system is with cash although they still accept transfers but not as much. This has become one of their main problems. Cash payments mean they have to re-register them if they want to go digital.

Sixth, main resources. The main resources in this flower board business are co-founders, human resources, reusable flower and flower boards, alphabet foam, equipment and equipment, and transportation vehicles – pick-up trucks for delivery and pick-up services.

Seventh, main activities. The main activity is closely related to the main resource. No key activity can run if no key resources are available. The main activities of the flower board business are design consulting, design approval, purchase of flower foam and alphabet, delivery, production of flower boards, and pick-up services.

Eighth, main partnership. The flower board business in Batam City has an association group. Members of this group are flower board business owners who support each other. So, even though they are basically competitors, they also support each other when it comes to job availability. If there are no slots available for production, one of them will help each other to provide the flower board to meet their customers' demands.

Ninth, cost structure. Their cost expenditure is raw materials, namely flowers, glue, boards, and styrofoam. In addition, fees are also paid for employee salaries, electricity and water. Although they use artificial flowers; it can only be reused for up to 6 months. Nonetheless, flower boards are made of wooden boards and can be reused for longer use. Therefore, they do not need to buy flower boards frequently.

Figure 4 shows important factors for digital transformation that flower board companies need to do. Digital transformation is a strategic step many business actors take to adapt to changing times, utilizing technology as a major force in improving operations and competitiveness. Digital transformation is not only

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limited to the use of technology but also includes changes in culture, business models, and perspectives on data and human resource (Schilirò, 2024).
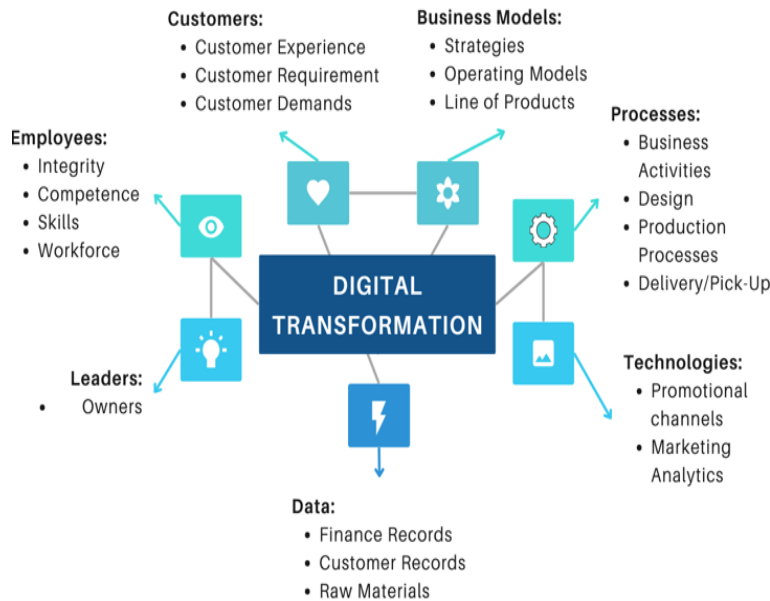

Figure 4 Digital Transformation Map

Customers are at the center of every digital transformation initiative. Customer experience, customer needs, and customer demands are important aspects that must be considered. Through technology, business actors can better understand customers' wants, providing a more personalized and responsive experience (Bharatkumar, 2024). Digital-based systems can collect data more efficiently and analyze customer behavior, which will help meet market needs and demands more precisely. Thus, customers become very important partners in this digital transformation journey (Nwabekee et al., 2024)

Business models in the digital era must also be adjusted to existing technological developments. Digital transformation affects company strategies, operational models used, and products offered (Adewumi et al., 2024). Companies must design strategies that align with rapidly changing market dynamics, and technology can be an effective tool in designing more efficient and innovative business models. Technology-based operational models enable companies to increase productivity and reduce operational costs, while the product lines offered can be more tailored to increasingly specific customer needs and preferences (Nazara et al., 2024).

The next aspect that plays an important role in the business processes in the company. Daily business activities must be adjusted to the demands of digitalization. Product design, production processes, and how to send or pick up products become more efficient with technology (Gurav et al., 2024). Automation systems and the use of software in the production process help increase efficiency and reduce errors caused by human factors. This also applies to product delivery, where technology allows for faster and more accurate delivery, often supported by a real-time tracking system integrated with the logistics system (Ardito et al., 2018).

Technology itself is a key enabler in digital transformation (Nazara et al., 2024). Technology serves to facilitate operations and plays a central role in marketing and communication with customers (Nwabekee

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et al., 2024). Digital promotion channels such as social media and online advertising allow companies to reach a wider audience at a more efficient cost (Saima & Khan, 2020). In addition, technology also allows for deeper marketing analytics so that companies can optimize their marketing strategies based on more accurate and relevant data (Nwabekee et al., 2024).

Data is one of the most valuable assets in the digital transformation process (Schilirò, 2024). Organizations that successfully manage data well can make more informed and informed decisions. Financial, customer, and raw material data must be managed well to support company operations. Using technology, companies can process data faster and produce more valuable insights, which ultimately help them make better decisions and be responsive to market change (Sherman, 2015).

However, not only do technology and data play an important role in digital transformation, but employees and leaders also have an equally significant role. Employees with good skills and integrity will support the digitalization process more effectively (Ahmad, 2020). They must be equipped with relevant skills and trained continuously to adapt quickly to technological changes. Meanwhile, leaders who have a clear vision and can lead adaptively will help organizations maximize the potential of digital transformation.

With a high number of competitors and very dynamic demand (see Figure 5), the flower board business in Batam City can only have a cost-driven business model. Therefore, adding variety to its product range is the most viable way to have a competitive advantage.

At present, there are only two variations of flower boards: (1) Regular Design, (2) Rustic Design. The difference is in the type of wooden board they use. The usual ones use ordinary wooden boards, covered with full flowers to decorate them. The rustic design has a rustic wood design, so it has a simpler design with a more exclusive look.

Since it is an SME, its organization and operating system are not complicated. With only limited resources and employees, it can generate up to 200 flower board requests per week. However, these high demands only occur during the season of events – e.g. Police Department Birthdays, Graduation periods, Wedding Seasons. Thus, in the low season, the demand is not much. Therefore, adding a new product line, for example, a small bouquet or a smaller size flower board can be applied to fill the gap between event seasons. The idea behind digital systems is to reorganize processes using technology to make them more effective or efficient. Upgrading existing services is more important than simply converting them to a digital format. Digital transformation initiatives leverage a variety of technologies, including cloud computing, blockchain, big data, IoT, artificial intelligence, and machine learning.

However, there are many obstacles that hinder digital transformation in the development of SMEs. Problems are increasing throughout the organization's internal activities – many of which are related to the inability to adapt. SMEs rely heavily on manual task completion, manual ordering and operational tracking, cash payments being made more than online payments. In addition, finding loyal employees is also one of the biggest challenges. Thus, transforming to digital operations will definitely help SMEs but many obstacles will arise during implementation.

Digital transformation involves more than just implementing new technologies, but it also involves changing the way people see their work. Incorporating new business procedures and achieving digital enlightenment will be a challenge for companies if the company culture is resilient to change. Dismantling silos and developing new client relationships is a common step in the transition to a digitally transformed company (Adamczewski, 2023).

In a company, digital transformation needs to be addressed on three levels
• Business strategy,
• Company execution,
• Enabling technology.

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To this day, flower board business owners are already using technology to promote their products, usually with common features in social media applications, for example; WhatsApp, Instagram, TikTok. Nevertheless, some of them are not yet using the business version of this app. However, maximizing these in-app business features can help these businesses improve their efficiency and forecasting abilities to see market demand. Therefore, they will be able to prepare and provide better services for the future. In addition, digital transformation can also be added to provide better financial records. Today, many apps provide simple financial records, a transactional process – much simpler than those in e-commerce. Therefore, digitalization must also be applied in financial recording and data analysis to minimize errors, improve efficiency and maximize revenue.
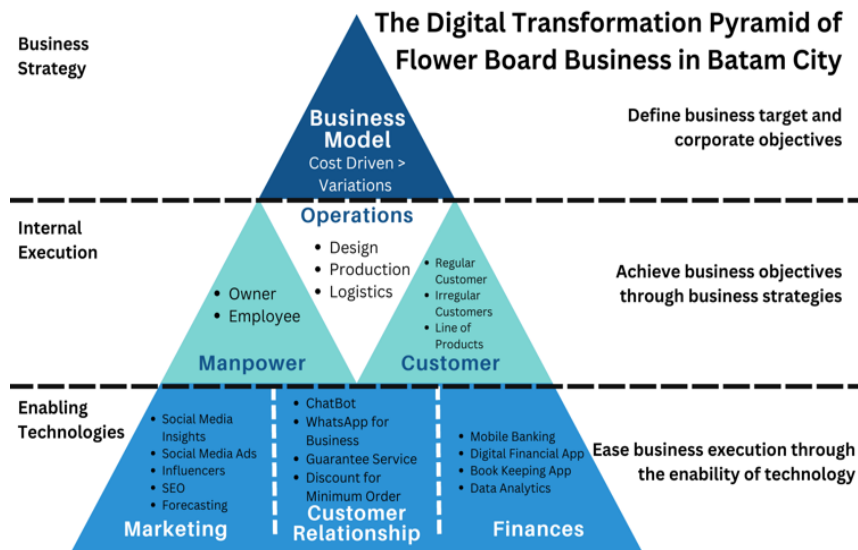

Figure 5 Digital Transformation Pyramid

V. CONCLUSION

The number of flower board business owners in Batam City continues to increase. There are several reasons for this. First, high demand; Flower boards in Batam City can be reused. Therefore, the price is much cheaper and affordable – leading to higher demand. Second, Batam City has various events organized by state organizations and departments. Therefore, event congratulatory activities bring opportunities for flower board requests. Third, the initial capital for opening a new flower board business is less than ten million rupiah with the possibility of only breaking even point (BEP) in one month – making it a very promising business to run.

Flower board business must undertake digital transformation to drive operational efficiency and increase promotion to potential and actual consumers. In carrying out digital transformation, there are several factors to consider: customers, business models, processes, technology, data, employees, and leaders. In addition, digital transformation should encourage the creation of increased promotion, customer relationships, and good financial accounting.

This research was conducted with a qualitative approach, so it has several limitations, namely (1) the research was conducted in the Batam area, so the results may differ if conducted in other provinces with

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different characteristics; (2) The research results cannot be generalized. Therefore, future research can conduct similar research with a quantitative and mixed method approach so that the results can be generalized and reach a larger number of respondents.

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