Framework Business Model on Private College Using Business Model Canvas: Case Study in Institute of Business and Informatics Stikom Surabaya

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Abstract - **This paper aims to analyze the framework of business models at private college namely Institute of Business and Informatics Stikom Surabaya (Stikom Surabaya), using business model canvas. This research is a descriptive research with the qualitative approach. The researcher is a key instrument, data taking is done by purposive and snowball, data collecting technique with the method of triangulation (combination). The results of this study are customer segments of Stikom Surabaya consists of four segments, the value propositions is becoming a Technology-based College in Surabaya, the channels are media sosial, people's laboratory, stikom school partnership program, information system solution application and stikom career center, the customer relationship are provide self service academic information media and programs such as Seminar / Workshop / Gathering Industry / Student Guardian Meeting conducted by all study programs, the revenue streams have two types, the key resources consists of four elements, the key activities has twelve main activities which are done regularly, the key partnership consists of many companies both domestic and abroad and the cost structure of Stikom Surabaya many issued to internal needs of the company.**

Keywords - business model canvas, private higher education, framework business model.

I. INTRODUCTION

Competition in the higher education industry in the fight for student markets has begun to get tighter. This is coupled with the private universities in Indonesia that are now thriving like mushrooms in the rainy season. Under these conditions, for the newly established and not so well-known university to feel the great impact of competition in getting students [1]. In the education, institution satisfaction should be prioritized for the three components of students, teachers /lecturers /employees, and owners (government/foundation) [2]. In 2017, based on data from the Ministry of Technology and Higher Education Research, the number of registered university units reached 4,504 units. This figure is dominated by private universities which reached 3,136 units, while state universities became the fewest units, i.e., 122 units. The rests are religious colleges and universities under ministries or state institutions with official systems [3]. Nationally, there are 15 private universities that receive accreditation A. Five of them are in East Java, namely University of Muhammadiyah Malang, Petra Christian University, Surabaya University, Widya Mandala Catholic University Surabaya, and STIE Perbanas Surabaya, while currently for accreditation Institute of Business and Informatics Stikom Surabaya based on the decision of National Accreditation Board of Higher Education (BAN-PT) SK Number: 3156 / SK? BAN-PT / Akred / PT / IX / 2017 still get the value of B.

Based on the above data, to be able to see the business opportunity of a private university, especially at the Stikom Surabaya it is necessary an analysis of business opportunities with the help of the sophisticated and current business model canvas approach, so that later can clearly illustrate the elements what are interrelated to business in the private university industry today. The mistake in the formation of a business model implemented by an organization will affect the level of profit generated by the organization. Another important thing to note is the market problem. In this context, the company can improve its competitive position in order that its market share grows larger or gets loyal consumers because of the intimacy and specific service provided by the company to the consumer so the company allows to provide higher selling price but still get the loyalty from the consumers.

II. BUSINESS MODEL CANVAS

Academics provide a fairly diverse understanding of the business model. Nevertheless, the definition of business model can be divided into 3 (three) groups, videlicet business model as a method or way, the business model seen from the components (elements), and business model as the business strategy. The definition of the business model as a method is a method used by a company to make money in the business environment in which it operates [4].

In a book entitled "Business Model Generation" Osterwalder and Pigneur (2010) [5] create a model-shaped business model framework of canvas and consists of nine interrelated boxes. These boxes contain important elements that illustrate how the organization creates and benefits both the company and its customers. The nine boxes are customer segments (describes the different groups of people or companies that a provider hopes to reach and serve), value

propositions (describes the bundle of products and services that create value for a specific customer segment), channel (describes how a company communicates with and reaches its customer segments to deliver a value proposition), customer relationship (The relationships depend on the customer segments; different target groups can have different expectations and requirements from the company), key activities (This category comprises the activities a company has to perform to make its business model work), key resources (These can be either human, intellectual, financial or physical assets, and they support), key partnership (the network of suppliers and partners of a company), cost structure (this category includes all the costs incurred by the complete business model) and revenue streams (the revenue a company generates from each customer segment) [6].

III. RESEARCH METHODOLOGY

This research is a descriptive research with qualitative approach. The researcher is a key instrument, data collection is done by purposive and snowball, data collecting technique with triangulation method, data analysis is inductive / qualitative, and qualitative research results more emphasize meaning than generalization [7]. The results of this study only describe/construct in-depth interviews on the subject of research so as to provide a clear picture of the implementation of business model framework canvas at Stikom Surabaya.

The data collected from this research comes from two sources, i.e. Primary data is data obtained directly from the field either through observation or through interviews with the informants. The primary data retrieval method is done by direct interview to Head of Marketing Division, Department of Public Relations, Department of Cooperation Center and Department of Human Resources. Secondary data, namely in the form of documents or literature from the Central Bureau of Statistics (BPS), libraries, internet, newspapers, journals and so forth. Secondary data collection is conducted by taking or using part of / all of a set of data that has been recorded or reported. The total population of respondents in the study were five people who were structural officials for approximately 1-5 years in Stikom Surabaya so as to provide representative data information.

IV. RESULT

a. Customer Segments
Based on the results of customer segments analysis served and became the target's Stikom Surabaya consists of four segments. Firstly, seen from the behavioral group is the students of Vocational High School and Public/Private High School who like the field of Technology and Information, students who enroll in Stikom Surabaya range from 18 - 20 years old with geographical location in the area around East Java like Surabaya, Sidoarjo, Gresik, Jombang, Mojokerto, Lamongan, Kediri, Malang, Banyuwangi, Pasuruan, Tulungagung, Tuban, Jember, Madura, Nganjuk, Bojonegoro, Probolinggo, Ponorogo, Pasuruan, Madiun, Trenggalek,

Pacitan, Situbondo and Bondowoso. The student's parent profession group in Stikom Surabaya consists of Private Employees, Civil Servants, and Teachers, with income achieved for a month ranging from Rp. 4,000,000 to Rp. 10,000,000.

Secondly, both are companies and universities throughout Indonesia who need and seek the services of consultants, designers, and developers of reliable information systems. Thirdly, Institutions seeking cooperation in the form of Community Service, Education, Provision of Teachers. Fourthly, both are individuals and institutions seeking certification in the field of Information Technology, Multimedia and Business Economics.

b. Value Proposition
Institute of Business and Informatics Stikom Surabaya as one of the private university that is well known by the people in East Java, offers the proposition of becoming a Technology-based College in Surabaya, which can integrate a synergy between mastering of Science, Art and Information Technology with an entrepreneurial spirit, in order to the results of research conducted by students and their lecturers can be developed not only academic value, but has added value to the nation's economy. In addition, the graduates produced by Stikom Surabaya can have superior value reflected in every word, intention, and action that is honest, intelligent, caring, professional, responsive, dedicated, tough, integrated and optimistic.

c. Channel
In conveying the value proposition of Stikom Surabaya has several channels under the auspices of the Department of Public Relations that is, by having social media such as Facebook, Instagram, Twitter, Email and University Official Website. In addition to social media, Stikom Surabaya also has some services to the general public outside the academic community, such as firstly, the People's Laboratory that is used to provide facilities to the people around Stikom and also Surabaya who want to learn about Information Technology. Secondly, Stikom School Partnership is a program of providing professional teachers and computer teaching curriculum that is always up to date.

Thirdly, Information System Solutions under the auspices of the Department of Cooperation Center is a part that provides consulting services and software development services, especially software Management Information Systems Higher Education, Hospitals and others. In the channel element is also there after-sales phase, Stikom Surabaya has also provided services for students as the main consumers of this college that is with the Stikom Career Center (SCC) which is a bridge or mediator between companies / institutions / the workers seeker industry with job seekers, especially those from Stikom Surabaya (Bachelor, Master Experts and also students who are still active to add experience and insight in the world of work).

d. Customer Relationship

In establishing good relationships and communications with students and parents as the main consumers, Stikom Surabaya provides self-service namely Cyber Campus Information System (SICYCA). This service is an academic information media for all students, lecturers, employees and also parents of Stikom Surabaya students. For students and parents, SICYCA is able to provide the academic information they need during their study at Stikom Surabaya. The information referred to starts from the personal data of the student information, the attendance data of the students in the lecture and the exam, the schedule information which includes the schedule of the lecture, the schedule of activities and the student exam schedule.

Other information that can be displayed by SICYCA i information about the value and history of Achievement Inde (IP) as well as information about the list of subjects and th rest of the course. In addition to academic informatior SICYCA is also capable of completing its appearance wit financial information, which displays information about th financial obligations of students including Developmer Contributions, Education Contribution and Student Senate [8 To access all the information, currently SICYCA can b accessed through Stikom Surabaya's official website with th accessible web address is http://sicyca.stikom.edu, and now SICYCA can also be accessed via mobile app which can be downloaded through Google Play. Furthermore, with programs such as Seminar / Workshop / Gathering Industry / Student Guardian Meeting conducted by all Study Programs within the Stikom Surabaya is also one of the ways in establishing good relationships with stakeholders.

e. Revenue Streams

In terms of income, Stikom Surabaya has two types of revenue streams. Firstly, from business to business (B2B) assets under the auspices of the Department of Cooperation Center, that is Parking Security Systems (PARIS) for owners or managers of parking lots, sales of Higher Education Information Systems (SIPERTI), as well as Human Resources Training and Development services in the field of Information & Multimedia Technology, include Procurement of International Certification Activities such as Cisco, Oracle, Adobe, Microsoft Office and IC3. Therewith, the Department of Cooperation Center also has a Stikom School Partnership (SSP) program in cooperation with several Private Schools in Surabaya by providing teachers in the field of Computers to be placed in the school. Secondly, the revenue stream is the payment of intangible goods or services in the form of student registration fees, development costs and student education operational costs.

f. Key Resources

The valuable assets owned by Stikom Surabaya consist of :S

1. Human

Permanent lecturer with Master and Doctor Degree and some have International Certification, Students are active in each semester of approximately 2000 students, Employee of Student Academic Administration Department, Student Affairs Department, Finance Department, Human Resource Department, Public Administration Department, Research and Community Service, Library, Marketing, Public Relations, Supervision and Quality Assurance, Stikom Career Center, Development and Application of Information Technology, Department of Cooperation Center, Department of Instructional Activities Development Center, Psychological Counselor, and General Practitioners.

2. Technology

Academic services include Digital Library, E-Learning, Access Scientific Journals, Brilian (Google Apps for Education), SICYCA and Online Presence, Internet access via Wifi network, Radio Frequency Identification (RFID) is used for classroom entrance, library, and parking, Online Catalog of Library Book Loans, Online Repositories connected to National Library Repository, Digital Collection, and Integrated Learning Terminal, International Certification in collaboration with leading Provider Testing Center Certiport and Pearson VUE.

3. Facilities

Laboratory & Studio, Basketball and Badminton courts, Library, Meeting Hall, Classroom, Student and Community Activity Unit Room, Teknoform Museum (Information Technology).

4. Intellectual

Textbooks, The results of Research and Community Service Lecturers such as Molearn, Batik, Brilliant etc, and Brand of Stikom Surabaya itself.

g. Key Activities

The main activities at Stikom Surabaya, among others, Teaching and Learning Process, Research and Community Service, Visit and Promotion to schools both public and private in several cities in Indonesia, Maintenance technology both hardware and software in internal Stikom Surabaya, having good relationship with print and electronic media as well as workers seeker industry, academic services, financial services, health services, personnel services, cleaning and facility services building, guidance counseling for students and handling training needs, consulting and technology development especially information and human resources.

h. Key Partnership

The cooperation partners in the key activities at Stikom Surabaya are Cisco, Microsoft, Festo, Oracle, Outsourcing, Senior High School / Junior High School / Vocational School from Stikom School Partnership, Universities both local and International, Surabaya City Government, Kopertis, enterprise users graduates of Stikom Surabaya, Private Enterprise Users of System Solutions Information, and Print & Electronic Media in Surabaya.

i. Cost Structure

Costs incurred by the existence of the key activities at Stikom Surabaya include the cost of staff salaries, the cost of facility maintenance and building infrastructure, the cost of application subscriptions for international certification, the cost of application subscriptions for libraries such as Plagscan etc, advertising costs for promotion of Stikom Surabaya in print and electronic media, and the operational costs of all departments.

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