Strategies for retaining customers: How PT ABC can maintain its position as the laboratory of choice

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Abstract

PT ABC (alias name), an Indonesian state-owned enterprise, offers inspection, testing, certification, and consultancy services. Being a well-established company, PT ABC encounters challenges in a highly competitive global market. To stay competitive and foster growth, PT ABC must develop new services, expand its international presence, and embrace new technologies. Additionally, diversifying revenue streams by entering new markets and establishing partnerships with other companies can prove advantageous. However, implementing these changes necessitates a well-designed change management process that involves effective communication, strong leadership, and meticulous planning and execution. By successfully implementing a change management process, PT ABC can sustain its competitiveness, deliver high-quality services to its customers, and expand its market reach and revenue streams.

Keywords: Competitive market, new technologies, change management, high-quality services, revenue streams.

1. Introduction

1.1. Introducing the Industry

PT ABC is a leading inspection, testing, and certification company based in Indonesia. Since its establishment in 1956, various sectors, including oil and gas, mining, electricity, manufacturing, and commerce have relied on ABC for high-quality services. The company offers a comprehensive range of services, including laboratory testing, certification, inspection, consulting, and training.

PT ABC has a team of highly qualified and experienced professionals who are dedicated to providing reliable and accurate services to their clients. The company is committed to upholding international standards and regulations, ensuring that its services meet the highest quality requirements. ABC's laboratory services hold accreditation from national and international bodies, making their results globally recognized.
With its expertise spanning across multiple industries, such as mining, oil and gas, automotive, and consumer goods, PT ABC can effectively cater to the diverse needs of its clients. The company also places great importance on sustainability and responsible business practices, which further enhance its reputation and credibility in the market.

PT ABC’s commitment to quality, customer satisfaction, innovation, and sustainability will continue to reinforce its position as the preferred laboratory in Indonesia and beyond.

1.2. Business Model

Though there have always been business models, the idea of a business model is a relatively new one (DaSilva & Trkman, 2014; Zott et al., 2011). As noted in the Journal of Marko Niemimaa et al. (2019), “The understanding among researchers studying business models is gradually converging, and the majority of current definitions align with that of Teece (2010).” According to Foss and Saebi (2017), a business model is the logic or architecture that controls the processes for value generation, delivery, and capture inside a company. According to Teece (2010), it “reflects management's hypothesis about what customers want, how they want it, and how the enterprise can organize to best meet those needs, get paid for doing so, and make a profit.”

PT ABC’s business model centers around offering testing, inspection, and certification services across various industries. The company generates revenue by implementing fees for its services, which include:

- **Testing Services**: PT ABC conducts laboratory tests to ensure the safety and quality compliance of various products, including food, consumer goods, and industrial items.
- **Inspection Services**: PT ABC provides inspection services for various industries, including oil and gas, mining, and agriculture. The company conducts inspections to verify compliance with regulations and safety standards.
- **Certification Services**: PT ABC provides certification services to companies that comply with international standards such as ISO, OHSAS, and HACCP. The company issues certificates to companies that meet these standards, which can increase their credibility and competitiveness.
- **Training and Consultancy Services**: PT ABC provides training and consultancy services to help companies improve their operations, safety, and quality. The company charges fees for these services, which can generate additional revenue.

PT ABC’s business model is focused on providing high-quality services to its clients while maintaining profitability. The company has diversified its services and expanded its operations to other countries in Southeast Asia to increase its revenue streams. Additionally, PT ABC has adopted new technologies to enhance its services, which has helped the company maintain its competitive edge in the industry.

2. Analysis Of Uncertainties

2.1. Identify Uncertainties
Finding possible obstacles that might undermine the entire present business model or key components of it is necessary for identifying uncertainty. Therefore, rather than concentrating on the present procedures and resources that are used to put the business model into action, the emphasis should be on the business model itself and the elements that make it up. Historically, identifying uncertainties for ABC would concentrate on threats to operations, such as the likelihood and frequency of a risk of losing a server facility (due to, for example, a flood), the business impact of losing (all or part of) the data collected during a day (or in two days, in a week, etc.), and so on. How quickly alternative customer service methods can be established, the bare minimum level of service that must be provided, and how long that level of service will suffice. These problems, as they show, concentrate on the operational resources and procedures that carry out the existing operational business model.

It is difficult to follow the value preservation method when the business model idea is connected to ABC considerations since this raises additional issues that might endanger the entire business model or some aspects of it. For instance, a design firm specializing in graphics and logos should recognize that the new risks posed by crowdsourcing create a great deal of uncertainty. In order to gather ideas from hundreds or even thousands of designers across the world, potential clients may select crowdsourcing platforms to develop their new logos. Therefore, companies must understand emerging technologies that pose uncertainties for the current business model, which should be based on market intelligence and expertise, in addition to already existing competitors whose business models significantly diverge from their own (Marko Niemimaa et al., 2019).

Using pre-made scenarios, such as SWOT analysis (Haaker et al., 2017) and brainstorming, it is possible to identify uncertainty. A varied set of participants with a range of experiences and interests is advantageous for the phase of identifying uncertainties because of the diversity of risks (Kendall et al., 2005). Input into the process should also come from organizational strategic and tactical instructions (Gibb & Buchanan, 2006). Particularly tech-savvy staff members ought to be involved. Technology advancement has given rise to a number of new business model possibilities, including big data, cloud computing, sharing economies, and crowdsourcing. The business models of some of the biggest incumbents in various markets have been seriously harmed by these developments, which are mostly based on technology improvement. As a result, organizations should recognize the most recent radical business model changes used by technology-driven firms like Uber or Amazon and take them into account as sources of uncertainty (we’ll show you how to do this in the following chapter) (Marko Niemimaa et al., 2019).

Any organization is likely to find a lot of uncertainties, and it is impossible to analyze every single one of them. However, it is possible to determine certain uncertainties are more probable than others. This judgment can be based on anticipated likelihood and does not need to be made with any degree of scientific precision. Organizational planners are familiar with and frequently use qualitative risk analysis techniques. Businesses should concentrate on the level of the business model—the risks that the uncertainty poses to the components of the business model (or to the business model as a whole)—instead of listing and estimating the consequences of the uncertainties for organizational resources and processes (Marko Niemimaa et al., 2019).
2.2. Analysis Of Uncertainties

PT ABC has established itself as a trusted partner for businesses across various industries in Indonesia, and to maintain its position as the laboratory of choice, the company must effectively manage the uncertainties that may arise. Some of the key uncertainties that PT ABC may face are:

**Technological advancements:** PT ABC must keep up with the latest technological advancements and equipment to maintain its position as a leading inspection, testing, and certification company. It must continuously invest in new technologies and equipment to remain competitive and provide high-quality services.

**Competitors:** With the increasing number of inspection, testing, and certification companies in Indonesia, PT ABC faces competition from both local and international players. The company must continue to differentiate itself by providing excellent customer service, investing in the latest technologies, and ensuring the accuracy and reliability of its testing and certification services.

**Regulatory changes:** The regulatory environment in Indonesia may change, and PT ABC must remain updated on any new regulations that may impact its business. The company must also ensure that its laboratories are accredited by national and international organizations to comply with regulatory requirements.

**Economic and political uncertainties:** Economic and political uncertainties have the potential to impact the demand for PT ABC’s services. The company must have a contingency plan to manage any fluctuations in demand and ensure that it can continue to provide high-quality services to its clients.

**Environmental and social issues:** PT ABC must also manage environmental and social issues, as stakeholders increasingly demand responsible and sustainable business practices. The company must have policies and procedures in place to address these issues and ensure that it meets the expectations of its stakeholders.

PT ABC must effectively manage the uncertainties that arise to maintain its position as the laboratory of choice in Indonesia. The company must continue to invest in new technologies and equipment, provide excellent customer service, comply with regulatory requirements, have contingency plans in place, and address environmental and social issues to remain competitive and meet the expectations of its stakeholders.

3. Analysis of Impact from the Uncertainties

The kind of discovered uncertainty will determine how their impact is determined. For instance, if a firm is recognized as being unclear about a legal change, the change’s effects on the business model should be assessed. This may be accomplished by methodically analyzing how the legislative change will affect each of the elements that make up the business model (e.g., how it will affect the client base, how it will alter the value offer, and if it will need modifications to the technologies used to provide the product/service). As was already said, the uncertainty may also have to do with how a newcomer would affect the market. In this case, the business models of the new competitors should be defined similarly.
to the business model of the original company. It is crucial to understand that the descriptions will, most likely, be imperfect because they will be based on the information that is now accessible. A company's numerous business models' specifics are frequently classified as sensitive information. In reality, revelations and legal processes are often how we learn about the commercial strategies used by organizations like Google or Facebook when using our personal data (Zuboff, 2015). This should not, however, impede analysis or deter future investigation. The best information that is available to organizations should be used as the foundation for their analysis (Marko Niemimaaa et al., 2019).

PT ABC can effectively manage uncertainty and analyze its potential impact on the business by implementing the following actions:

**Conduct a risk assessment:** PT ABC can identify potential uncertainties and conduct a risk assessment to understand the likelihood and potential impact of each uncertainty on its business. This process can help the company prioritize its resources and focus on the most critical uncertainties.

**Develop contingency plans:** Based on the results of the risk assessment, PT ABC can develop contingency plans to manage the potential impact of uncertainties on its business. These plans can include identifying alternative suppliers, diversifying its services, or implementing cost-cutting measures.

**Stay up-to-date with regulatory changes:** PT ABC can monitor regulatory changes and adapt its processes and procedures to comply with new regulations. The company can also proactively engage with regulatory bodies to understand potential changes and provide input on how these changes may impact its business.

**Monitor economic and political developments:** PT ABC can monitor economic and political developments to identify potential fluctuations in demand for its services. The company can develop scenarios to assess the potential impact of these fluctuations and adjust its resources and services accordingly.

**Address environmental and social issues:** PT ABC can implement policies and procedures to address environmental and social issues, such as reducing its carbon footprint, ensuring responsible sourcing of materials, and promoting diversity and inclusion in its workforce. By doing so, the company can maintain its reputation and meet the expectations of its stakeholders.

By conducting risk assessments, developing contingency plans, staying up-to-date with regulatory changes, monitoring economic and political developments, and addressing environmental and social issues, PT ABC can effectively manage uncertainties and minimize their potential impact on its business.

4. Design of the Changes

Strategies for change can be created once the potential impact has been documented. While some consequences might be readily remedied, others can need a lot of work, take a long time to accomplish, or even prove to be impossible to address. For instance, creating a smartphone app may seem simple, but integrating it with the infrastructure and resource
management systems already in place inside an organization may be more difficult. Some efforts to lessen the effect would even include changing the law, which could take years to accomplish or might prove to be impossible. However, at this stage of the process, developing preliminary plans is more important than determining their viability. The subsequent step will involve making and carrying out improvements (Marko Niemimaa et al., 2019).

In its Analysis of the Business Continuity, PT ABC could take the following actions:

<table>
<thead>
<tr>
<th>Customers Value Proposition</th>
<th>PT ABC Original BM (Before Deregulation)</th>
<th>PT XYZ (example of a Competitor)</th>
<th>Impact On PT ABC Original BM</th>
<th>PT ABC’s New BM</th>
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<tbody>
<tr>
<td>Resource</td>
<td>PT ABC is a state-owned company in Indonesia.</td>
<td>PT XYZ is centered around quality, safety, expertise, innovation, global presence, and customer satisfaction. The company’s services help businesses comply with regulations, reduce risks, and improve their reputation, while also providing customized solutions and excellent customer service.</td>
<td>PT ABC could consider expanding its service offerings to include new or complementary services that are in high demand in the market. For example, the company could offer new testing, inspection, and certification services for emerging industries such as renewable energy or electric vehicles.</td>
<td>PT ABC can offer integrated testing, inspection, and certification solutions for its customers in various industries. This approach can provide a one-stop shop for customers, streamlining the process of getting multiple services from different providers.</td>
</tr>
<tr>
<td></td>
<td>PT ABC offers a range of inspection, testing, and certification services to ensure that products and services meet the required quality standards.</td>
<td></td>
<td>PayPal could consider expanding its service offerings to include new or complementary services that are in high demand in the market. For example, the company could offer new testing, inspection, and certification services for emerging industries such as renewable energy or electric vehicles.</td>
<td>PT ABC can transform its business by implementing digital technologies, such as Internet of Things (IoT) sensors, big data analytics, and cloud computing. This approach can improve the efficiency and accuracy of its services, reduce costs, and provide customers with real-time data insights.</td>
</tr>
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<td></td>
<td>PT ABC has expertise in regulatory compliance, including environmental, health and safety, and social responsibility regulations.</td>
<td></td>
<td>PayPal could consider expanding its service offerings to include new or complementary services that are in high demand in the market. For example, the company could offer new testing, inspection, and certification services for emerging industries such as renewable energy or electric vehicles.</td>
<td>PT ABC can develop industry-specific solutions that cater to the unique needs of its customers in different industries. For example, the company can develop specialized testing and certification services for</td>
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<tr>
<td></td>
<td>PT ABC offers risk management services to help customers identify and mitigate risks in their operations.</td>
<td></td>
<td>PayPal could consider expanding its service offerings to include new or complementary services that are in high demand in the market. For example, the company could offer new testing, inspection, and certification services for emerging industries such as renewable energy or electric vehicles.</td>
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<td></td>
<td>PT ABC helps customers to streamline their operations by providing fast and efficient services.</td>
<td></td>
<td>PayPal could consider expanding its service offerings to include new or complementary services that are in high demand in the market. For example, the company could offer new testing, inspection, and certification services for emerging industries such as renewable energy or electric vehicles.</td>
<td></td>
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<tr>
<td></td>
<td>PT ABC has a reputation for integrity, impartiality, and reliability. This helps customers to build trust and credibility with their own customers, partners, and stakeholders.</td>
<td></td>
<td>PayPal could consider expanding its service offerings to include new or complementary services that are in high demand in the market. For example, the company could offer new testing, inspection, and certification services for emerging industries such as renewable energy or electric vehicles.</td>
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| PT ABC has a team of highly trained and experienced professionals, including engineers, technicians, inspectors, and auditors, who provide services to customers. | PT ABC has a range of testing and inspection equipment, including laboratory equipment, measuring instruments, and inspection tools. | PT ABC uses information technology to manage its operations, including customer relationship management, data management, and reporting. | PT ABC has a range of certifications and accreditations that demonstrate its competence and credibility as a service provider. | Highly skilled personnel. State-of-the-art equipment. Laboratories. Global network. Partnerships. Training programs. |
service provider. These certifications and accreditations include ISO 9001, ISO 14001, ISO 45001, OHSAS 18001, and accreditation from the National Accreditation Committee (KAN).

PT ABC has a network of offices and laboratories throughout Indonesia, which allows it to provide services to customers across the country.

- Improving communication, and providing timely feedback can help PT ABC retain existing customers and attract new ones.
- Ensuring the highest quality of service and maintaining a strong reputation for reliability and accuracy can help PT ABC stand out from competitors.
- Partnering with other companies in the industry to offer joint services or collaborate on research and development initiatives can help PT ABC expand its market reach and enhance its service offerings.
- Exploring new markets, either domestically or internationally, can help PT ABC reach new customers and expand its revenue streams.

PT ABC can expand its services to include sustainability testing, inspection, and certification services. This approach can help companies meet their sustainability goals and improve their environmental, social, and governance (ESG) performance.

PT ABC can offer value-added services such as training and consulting services to help its customers improve their operations and comply with industry standards and regulations.

PT ABC can form strategic partnerships with other companies in the testing, inspection, and certification industry to offer joint services and expand its market reach.

### Technical Design

PT ABC’s technical design is focused on providing high-quality, reliable, and efficient inspection, testing, and certification services to customers. The design is built around established procedures, a robust quality management system, advanced laboratory facilities, information technology systems, and regulatory compliance expertise.

PT XYZ technical design is focused on providing testing, inspection, and certification services to help businesses ensure quality and safety, comply with regulations, and improve their reputation.

### Payment Methods

- Payment via debit/credit card or cash, or using PO/SPK/MOU/Contracts as outlined in the agreement
- Payment via debit/credit card or cash

### Cost

- Labor, Equipment and facility, Material, Overhead
- Cost of PT XYZ services is typically determined based on a combination of factors, and the company strives to provide cost-effective solutions to its customers while ensuring high-quality services.

### Revenues

- Regulated list prices. In 2020, PT ABC’s revenue was reported to be IDR 1.95 trillion (approximately USD 134 million), with a net profit of IDR 95.8 billion (approximately USD 6.5 million).
- €1.1 billion (approximately IDR 18.5 trillion) in 2020.

5. Project of Change Execution Plan

5.1. Plan the Change

A change management plan is essential to ensure that the change is implemented smoothly and effectively. The plan should include the scope of the change, the timeline for implementation, the resources needed, and the stakeholders involved. Effective communication is critical for successful change management.
The company should communicate the change to its employees, customers, and other stakeholders, explaining the reasons for the change, the objectives, and the benefits. The implementation phase involves putting the change into action. This may involve training employees, upgrading technology, and making operational changes. Once the change is implemented, it is important to monitor and evaluate its effectiveness.

This involves measuring the results against the objectives set, identifying any issues or challenges, and making adjustments as necessary. Sustaining the change involves embedding it into the company's culture and operations. This may involve creating new policies and procedures, providing ongoing training and support, and ensuring that the change becomes a permanent part of the company's operations. Planning a change for ABC will require careful planning, effective communication, and ongoing monitoring and evaluation to ensure that the change is successful and sustainable.

5.2. Execute the Changes

A change management team should be established with members from different departments and levels of the organization. The team should have a clear understanding of the change objectives and be responsible for planning and implementing the change.

An action plan should be developed that outlines the steps needed to implement the change. This plan should include timelines, milestones, resources needed, and the roles and responsibilities of team members. Effective communication is critical to the success of the change. The change management team should develop a communication plan that includes messages to employees, customers, and other stakeholders. The messages should be clear, consistent, and focused on the benefits of the change. Employees should be trained on the new processes, procedures, and technologies that will be implemented as part of the change. Training should be ongoing, and employees should be provided with the support they need to adapt to the new ways of working. The change should be implemented in stages, with progress monitored and evaluated at each stage. The change management team should work closely with employees to ensure that the new processes and procedures are implemented effectively.

The change management team should monitor the progress of the change and evaluate its effectiveness. Feedback should be gathered from employees, customers, and other stakeholders to identify areas where improvements can be made. To sustain the change, new policies and procedures should be developed to embed the change into the company's culture and operations. Ongoing training and support should be provided to ensure that employees are confident and competent in the new ways of working.

Executing a change for ABC will require strong leadership, effective communication, and careful management to ensure that the change is implemented successfully and sustained over the long term.

6. Conclusion

PT ABC is a well-established Indonesian state-owned enterprise that provides a wide range of inspection, testing,
certification, and consultancy services. The company has a strong reputation for quality and reliability, but faces challenges in the increasingly competitive global market.

To remain competitive and grow in the future, ABC needs to focus on developing new services, expanding its international presence, and adopting new technologies. The company can also benefit from diversifying its revenue streams by entering new markets and partnering with other companies.

However, implementing such changes requires a well-designed change management process that involves effective communication, strong leadership, and careful planning and execution. By successfully implementing a change management process, ABC can remain competitive and continue to provide high-quality services to its customers while also expanding its market reach and revenue streams.

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References
