

# Chapter 5

## Conclusions

e-MM Learning Program is a new business model for education industry in Indonesia, especially learning master management program. The mission of this business model is to create a unique learning experience using the latest technology.

### **5.1 Feasibility of the Business Model**

A feasible study helps us to give an overview of the main aspects of our business idea, to examine whether the business is make sense, identify any issues or area for further investigate. The study analysis of the business model can be analyzed through 3 perspectives; Industry and market perspective; product and service perspective; and finance perspective.

#### **Industry and Market Perspective**

In the online learning industry in Indonesia, we will be faced by two big competitors in S2 online learning in management field, which are TEL and UT, who already in this area within 2-5 years.

Indonesia's market penetration in year 2013 is 45.5% and the forecast to year 2016 will be 68.9% (BMI,2011). Based on this situation, the opportunity for universities to provide online education is high, the supplier is low and there's a potential market in the online learning education.

The market profile for partner universities are universities with minimal accredited B by BAN-PT. Those universities are focus on traditional learning, our idea is to help them start-up and get prepare to the high technology teaching and learning process. Meanwhile the market profiles for e-MM Learning Program students are a professional with minimal job position is supervisor, have a mature and high commitment.

### **Product and Service Perspective**

The partnership idea was to have a mutual benefit in both sides. Both parties will have an equal benefit with low risk. For the partner university, our service will benefit them in increasing their brand name value, diversity in risk and also increase their revenue streams. Comparing if they want to established an online program themselves, the preparation could take 1-2 years. By partnering with us, the university could start the online program faster.

Targeting mature professionals segmentation means that their financial income is also mature. The price we offer is 34% above the average education investment, but after we conduct a survey, surprisingly 76% of respondent said the investment is cheap. e-MM Learning Program

that Anagata Riswara offer is worth of 50-60 Million IDR. It means there's a chance to increase the price of the product and gain more revenue from the tuition fee.

### **Finance Perspective**

To determine the feasibility of the study, we see the NPV of the project in the 5 years projection. Using the pessimist assumption projection based, the NPV is 64,7 Billion IDR. Meanwhile the optimist assumption projection based, the NPV is 96,3 Billion IDR.

Because of both of the NPV is positive and the IRR is also positive, it means that the project is feasible.

## **5.2 Future Areas for Further Investigation**

There are some are that can be improved in the future, at least after 5 years.

### **5.2.1 Technology**

Technology is the most fast growing industry, every year many IT vendors and developers develop new technology. For Anagata Riswara e-MM Learning Program, technology is the core of our business, we could not survive without the help of the sophisticated technology. In year 2013 the improvement of the technology are good, such as WIMAX. But not all people are using this technology. The main problem is not all people know and the low of market penetration of education/educate the market about high technology and also the price or cost.

Based on the survey we conduct about the consumer's behavior in online activities are 34.6% people are online for social media networking and 30.8% people are online to browsing for knowledge or information. 35.7% of the responded access internet more than 5 hours per day. 75.9% use blackberry as their mobile phone. It means that the next generation of e-MM Learning Program is using several of media communication. The next implementation could be in developing integrated IT platforms.

Using mobile application, e-MM Learning Mobile, students and lecturers can have an instant access to everything e-MM Learning Program. They can use the application to get various information of their academic or non-academic. Using the e-MM Learning mobile they can always connected, and always on.

**Figure 5.1**

**e-MM Learning Program 2.0 Platforms**



The company can use Blackboard as their e-MM Learning Program software platform. Blackboard provides the course management system, customized institutions-wide portal, online campus communities and an advanced IT architecture. Blackboard is mainly or concentrated on an asynchronous teaching environment. Blackboard can be used for online document sharing, discussion boards, e-mail tools, student desk, class schedule, exam schedule, student's score and any academic and non-academic information. The recommended Blackboard 5 license is Blackboard Level Two - Course & Portal Manager. The price of this level is \$25,000.

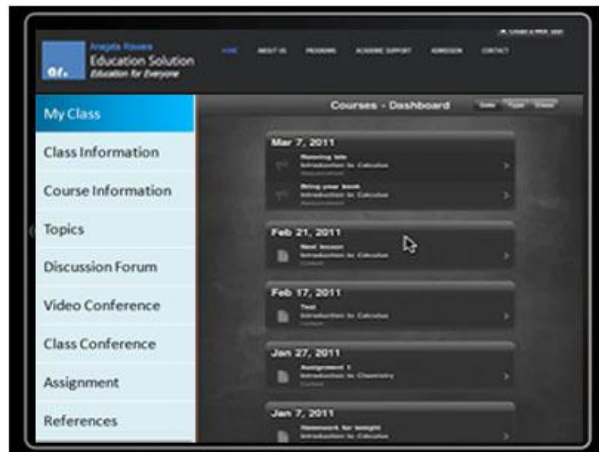
**Figure 5.2**

**Blackboard e-MM Learning Program Platforms on Mobile Phone**



Figure 5.3

### Blackboard e-MM Learning Program Platforms on I-pad Application



Besides upgrading the technology, Anagata Riswara could have a potential collaborate with :

- IT Vendors, such as Samsung Android. All students who take e-MM Learning Program could get free Samsung Galaxy Tab which already installed with student e-MM learning application
- Providers, such as Telkomsel. Students who take e-MM Learning Program could get Samsung Galaxy Tab and also a modem from Telkomsel.

By having this join promo, it benefits both counterparts. The benefits are:

- Anagata Riswara gets credibility image in public;
- Anagata Riswara can get free advertisement or join advertisements with both partners;

- Anagata Riswara can have a promotion at all of the partner's office. Students also don't have to come to Jakarta to get the Tab and Modem, they can go to the nearest Samsung Store or Telkomsel Store.

### 5.2.2 Marketing

The improvements in marketing perspectives are:

- **Product**

Anagata Riswara must develop more programs that suit the market demand. The recommended programs based on our survey are: Marketing and Communication program.

- **Price**

Based on the inputs of our respondents, the price of the program could be increased to 50-70 Million IDR .

- **Place**

Anagata Riswara headquarter could move by buying or renting a new office and end the contract with the virtual office. The headquarter activities will be the day to day operational for the employee and also the e-learning training center for the lecturers.

- **Promotion**

Since it's an online learning, based on the consumer's habits, advertising could be focused on online medias and Public Relation approaches. On the online media, the advertisement could be put on e-mails, search engine, websites, social media and other website portals.

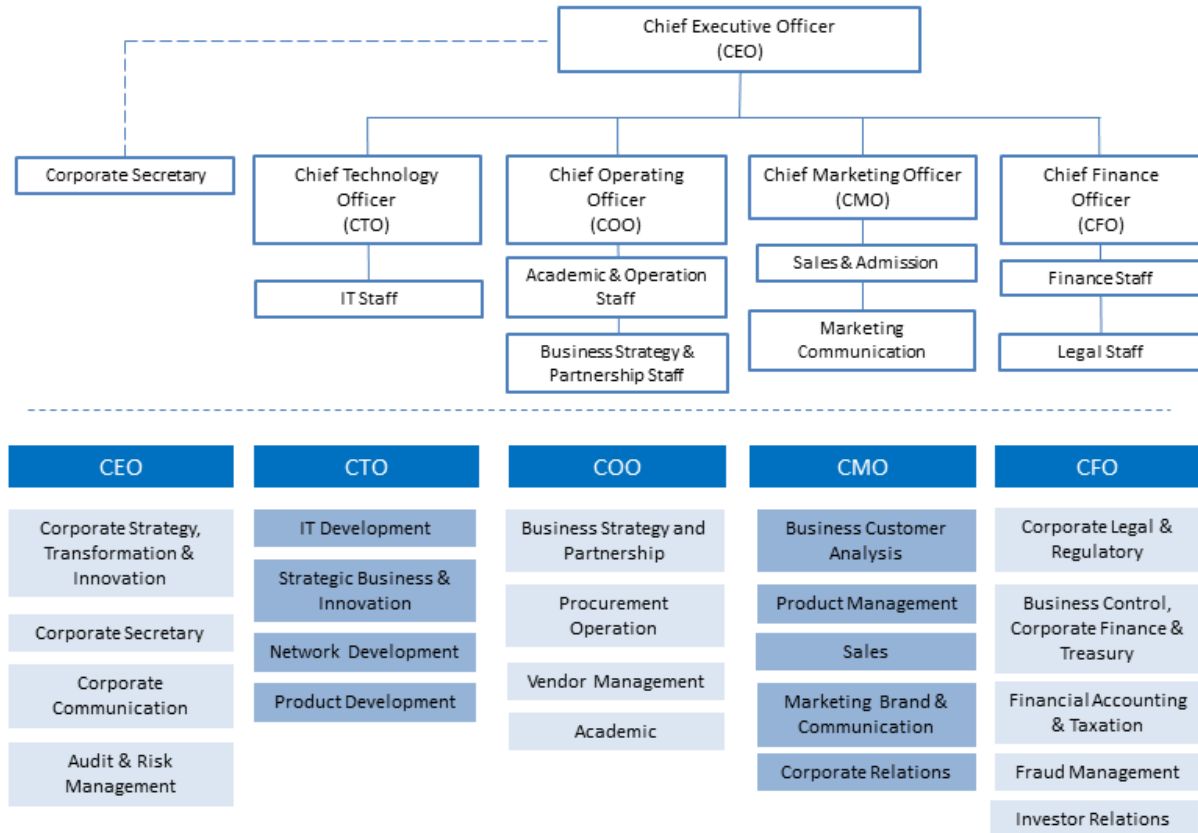
### **5.2.3 Organizational**

To accomplished the company's vision, to become the-world-leader in the e-learning systems, the company must strengthen their organizational structure which can accommodate the company's strategies. The organizational structure should be more efficient with new system and control over resources allocation for supporting the new technologies. The goals of developing new organizational structure are having clear responsibilities on each department. The new functions will be sales from marketing, maintenance from operations, revenue control from audit, cash processing from finance, transportations from operations. The organizational chart would be shown in the figure below:



**Figure 5.4**

**Improvement Organization Structure of Anagata Riswara**



**5.2.4 Human Resources**

Drucker (2001), stated that employees are assets not liabilities. Company must maintain their employees well. For a small business to grow bigger, the employees are required to be more qualified. Employees are expected to be more hands on and competent. Company must help and encourage their stakeholder, so they can both grow together. To maintain and encourage the employees and lecturers, the company could provide compensation and benefits such as:

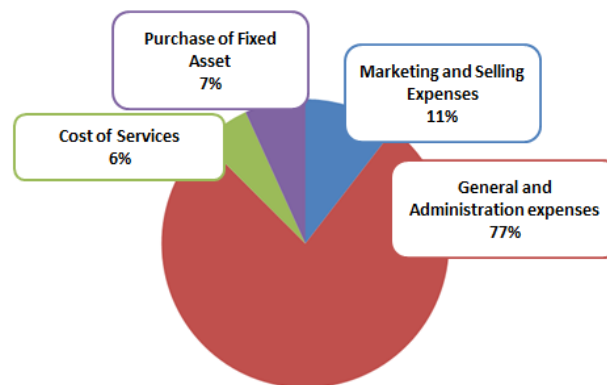
- a) **Cash:** Academic Allowance, Teaching Allowance, Allowance Position, teaching Honor, Dedication Permanent Lecturer, Teaching Dedication, Honor create questions, Horror Correction Exams, Honor made the course material, Guiding Honor, Honor Testing, Holiday Allowance and Money Stop Services.
- b) **Benefit:** Scholarship, Scholarship for family, Insurance, Study Loan, Project and Disaster Allowance.
- c) **Learning & Growth:** Professional Development, Academic Development, Professional and Career Development.
- d) **Others:** Free Parking, Library Facilities, Internet Facilities and Member Card.

### 5.2.5 Financial

Anagata Riswara Operating cost Structure:

**Graphic 5.5**

Anagata Riswara Operating Cost Structure:



The graphic above explained the biggest cost of Anagata Riswara is General and Administration. Based in the graphic above, for the future improvement, Anagata Riswara can outsource the non-core business activities.