

Evaluation and Design of a Beauty Clinic's Business Model in Bandung Using the Business Model Canvas (BMC)

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ABSTRACT

The XYZ Beauty Clinic in Bandung, operating since 2007, has experienced a decline in monthly revenue due to increasing competition, limited marketing, lack of product variety, outdated equipment, insufficiently trained staff, poorly implemented SOPs, and an unappealing room design. A business model evaluation and improvement are conducted using the Business Model Canvas (BMC) framework to address these issues. The process begins with data collection through interviews with business owners, customer interviews to profile customers, and direct observations. The clinic's current business model is analysed using the 7 Questions framework, while a SWOT analysis identifies strengths, weaknesses, opportunities, and threats. Based on this analysis, a new business model is formulated and translated into an updated BMC for XYZ Beauty Clinic. A verification stage ensures the proposed business logic, followed by a financial simulation to assess the feasibility and profitability of the strategies. Improvements include targeting a new market segment, particularly youth, recruiting additional doctors, and enhancing human resource quality through therapist training. The clinic should diversify its services, adding sexually transmitted disease consultations, redesigning spaces and product packaging, and leveraging TikTok and influencer partnerships for marketing. Additionally, technology-based financial management is recommended. The economic simulation predicts an incremental IRR of 65% and an NPV of IDR 111,267,697, assuming a 15% sales increase. Further validation is required to align strategies with consumer needs and ensure long-term success.

Keywords: Business Model Canvas, Business Model, XYZ Beauty Clinic

Introduction

The beauty industry in Indonesia is experiencing rapid growth. The press release from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, number HM.4.6/40/SET.M.EKON.3/02/2024, states that the number of cosmetic industries in Indonesia increased by 21.9%, from 913 in 2022 to 1,010 companies in 2023 (Ekon.go.id, 2024). The Indonesian cosmetics market consists of several products: personal care products valued at USD 3.18 billion in 2022, skincare with a market value of USD 2.05 billion, cosmetics at USD 1.61 billion, and fragrances at USD 39 million. The FMCG sector in e-commerce recorded sales of Rs. 57.6 trillion by 2023, with care and beauty accounting for 49% (Databoks Katadata, 2024).

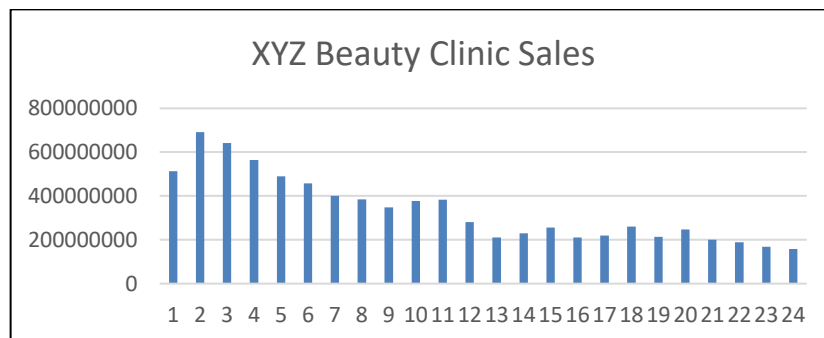


Figure 1. Sales graph of XYZ Beauty Clinic

This trend emphasises the importance of understanding market dynamics and technological innovation in an increasingly competitive industry. The XYZ Beauty Clinic was established in 2007 in Bandung. This clinic is known for its unique treatment methods and special tools, which set it apart from other clinics and attract customers' interest. Nevertheless, as shown in Figure 1, the revenue of XYZ Beauty Clinic has declined over the past two years.

The decline in revenue at XYZ Beauty Clinic is due to several key factors. First is the increasing number of competitors in Bandung, such as Erha Clinic, MS Glow Clinic, TIUwoo Korean Beauty, and six other beauty clinics that offer similar services. In facing this competition, XYZ Beauty Clinic has been less effective in conducting market analysis. Although XYZ Beauty Clinic has around 8,000 followers, the clinic only relies on limited promotions through Instagram stories and feeds. Another issue is that the variety of products this clinic sells is less diverse than those of other beauty clinics. For comparison, Erha Clinic has eight different product variations, while this clinic only has 4. In addition, the equipment at XYZ Beauty Clinic is outdated compared to other competitors. Fourth, the quality of clinic services has declined due to inadequately trained human resources in the customer service and marketing departments and the suboptimal implementation of Standard Operating Procedures (SOP), causing customers to switch to other clinics.[1]–[3]. In addition, the concept and design of the space do not align with current design trends, as seen in the choice of interior colours that are less appealing and some areas of the room that are dark, making customers less interested in visiting. All these factors have led to a decline in customer interest, decreasing the clinic's revenue. There are several alternative solutions that Clinic XYZ can implement to address the decline in revenue caused by the factors above. The clinic needs to enhance market analysis to understand customer needs, expand product variety, and update equipment to maintain competitiveness in the market. In addition, staff training and optimisation of SOPs will ensure better service quality, while updates to the interior design will also enhance the appeal and customer experience during visits. All these steps are interconnected. The increase in promotional strategies, for example, without product improvement and modernisation of equipment, will make it difficult to boost demand and revenue. On the other hand, implementing this will require costs, which may increase prices.[4]–[6]. Thus, it is necessary to undertake an integrated and simultaneous problem-solving effort, which can be achieved, among other ways, by evaluating the company's business model. In addition, according to [7]–[11], companies need to periodically evaluate their business models to respond quickly to changes in the business environment. One framework that can illustrate a company's business model is the Business Model Canvas (BMC), which depicts all the essential elements in running a company's operations on a canvas.[12]–[14]. This approach facilitates the depiction and communication of the business model, making the processes of analysis and development of the business model easier to carry out. (Osterwalder dan Pigneur, 2012).

This research aims to map the current BMC of XYZ Beauty Clinic, evaluate the current business model by posing seven questions and using SWOT analysis, and provide a proposal for a new BMC. The literature review in this research includes the Business Model Canvas, Value Proposition Canvas, SWOT analysis, seven questions to evaluate business models, and indicators to assess the financial impact of changes in business models and business model validation. According to [15], the Business Model Canvas (BMC) is a tool for communicating, illustrating, evaluating, and adapting business models that consist of nine key elements: customer segmentation, value proposition, distribution channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. The Value Proposition Canvas is a canvas used to depict the value map offered to customers in response to the customer profile successfully identified by the company. [3], [16]–[18]. SWOT analysis systematically identifies strengths, weaknesses, opportunities, and threats to design company strategies.[19][20] This and the Seven Questions analysis will be used to evaluate the current business model. The seven questions used to assess the business model are switching costs, recurring revenue, revenue vs. expenses, innovative cost structure, third-party contributions, scalability, and protection from competition.[21][22]. The financial impact of the new business model is estimated using indicators such as Net Present Value (NPV), Payback Period, and Internal Rate of Return (IRR).[23]–[25] Business model validation needs to be conducted from the perspectives of desirability to ensure that the market desires the products and services offered, feasibility to ensure that the business model can be implemented efficiently and under the company's capabilities, and viability to assess whether the business model can generate profit.

Research Methods

This research began with collecting internal data to map the current business model through interviews with clinic owners and direct observations at the clinic locations, as well as interviews with ten customers and observations to map the customer profile of current consumers. Business environment data is collected through literature studies for further analysis. The next step involves conducting a 7-question analysis to evaluate the existing business model and select a focus for development within the business model, followed by a SWOT analysis to identify strengths, weaknesses, opportunities, and threats for the overall BMC or big picture. The SWOT factors are mapped using the current BMC, customer profile, and results from the business environment analysis. Then, a questionnaire was distributed to XYZ Beauty Clinic to conduct a big-picture SWOT analysis that had been mapped out. After receiving an assessment from XYZ Beauty Clinic, a proposed strategy formulation was carried out using the TOWS matrix. Based on the results of this analysis, the block that will become the focus for improving the business model will be determined. One of the improvements is in the customer segment, where there has been an addition to the customer segment. Interviews were conducted with eleven respondents from the new segment group to design the value proposition canvas for this new segment. The latest business model was mapped into a proposed canvas of nine main blocks. Then, a logical verification was carried out, followed by a simulation of the financial impact of the new business model using the indicators of NPV, Payback Period, and IRR. Subsequently, the validation process from the feasibility aspect was conducted with XYZ Beauty Clinic to ensure that the proposed business model canvas could be accepted and implemented effectively by XYZ Beauty Clinic.

Results and Discussion

Current Business Model Canvas

Here are the nine blocks of the current Business Model Canvas mapped based on data from interviews and observations with XYZ Beauty Clinic.

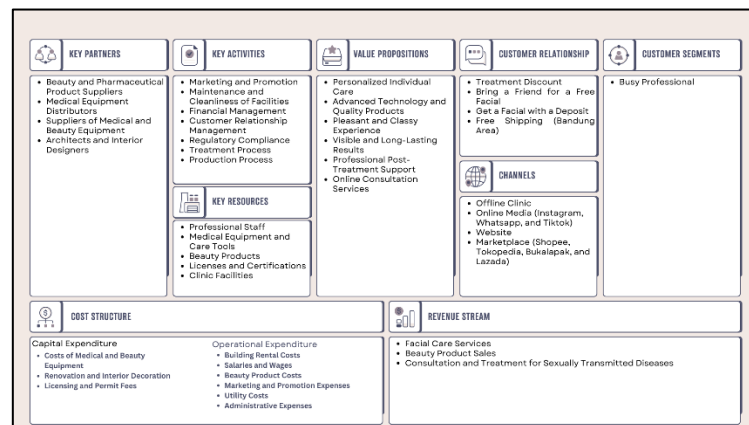


Figure 2. Current Business Model Canvas (Processed from the results of Interviews and Observations.)

The current business model of XYZ Beauty Clinic, as shown in **Figure 2**, reveals a limited focus on customer segments, primarily targeting busy professionals. This restricted market reach has constrained the clinic's growth. In comparison, competitors like Erha Clinic and MS Glow encounter similar challenges with product diversification and marketing strategies. However, Erha Clinic has expanded its product lines and leverage multiple social media platforms, including Instagram and TikTok, for digital promotion. This comparison highlights the importance of adopting a broader and more diversified strategy through the Business Model Canvas (BMC) framework to develop solutions that can be generalised across the beauty industry. The value propositions of XYZ Clinic include personalised care, high-quality products, and a pleasant customer experience. However, the clinic offers limited product variations compared to competitors, and its outdated equipment reduces its appeal. The clinic's channels include social media, a website, and marketplaces, though the effectiveness of these channels remains limited. The primary revenue streams are maintenance services, beauty product sales, and sexually transmitted disease consultations. However, profit margins remain constrained due to insufficient product diversity and outdated operational methods. The clinic's Key Activities include providing treatment services, conducting marketing efforts, and maintaining facilities. However, marketing activities remain underdeveloped, relying primarily on Instagram, limiting the clinic's ability to

attract a wider audience. In comparison, competitors like MS Glow and Erha Clinic benefit from more dynamic promotional strategies through TikTok and influencer collaborations. The Key Resources of XYZ Clinic consist of trained staff and essential medical equipment. Yet, the lack of continuous staff training and outdated tools hampers the delivery of optimal services. The clinic also generates supplementary income from consultations for sexually transmitted diseases, although these services are currently offered on a limited basis and hold potential for further expansion. The cost structure includes equipment procurement, salaries, rent, and marketing expenses. However, inefficient financial management and high operational costs limit profitability. Improvements are necessary in several areas, such as product diversification, enhanced digital marketing strategies, and the adoption of modern equipment.

Customer Profile

Based on the coding process conducted on the transcripts of interviews with twenty customers of XYZ Beauty Clinic, a customer profile can be compiled to assist XYZ Beauty Clinic in better meeting the needs and desires of customers when using services and purchasing products, as shown in Figure 3.

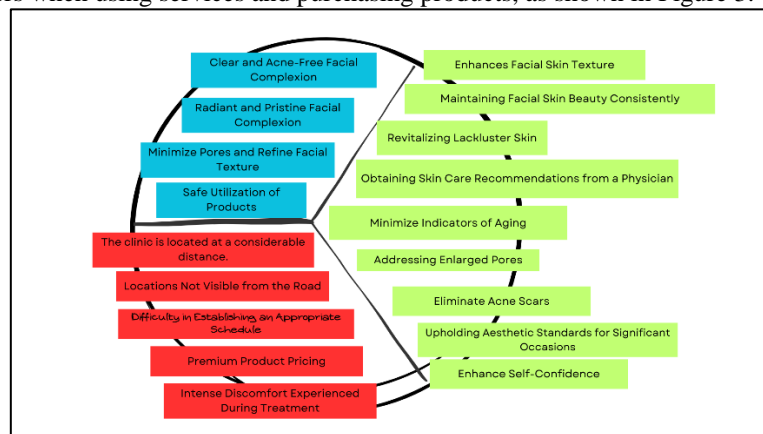


Figure 3. Customer Profile

Figure 3 shows that the company has not yet addressed all customer pains, but customer jobs and gains, such as the need for clean skin, regular skincare, and safe products, have been successfully met.

Business Model Environments

The following is the mapping of XYZ Beauty Clinic's business model environments: market forces, industry forces, key trends, and macroeconomic factors obtained from literature studies.

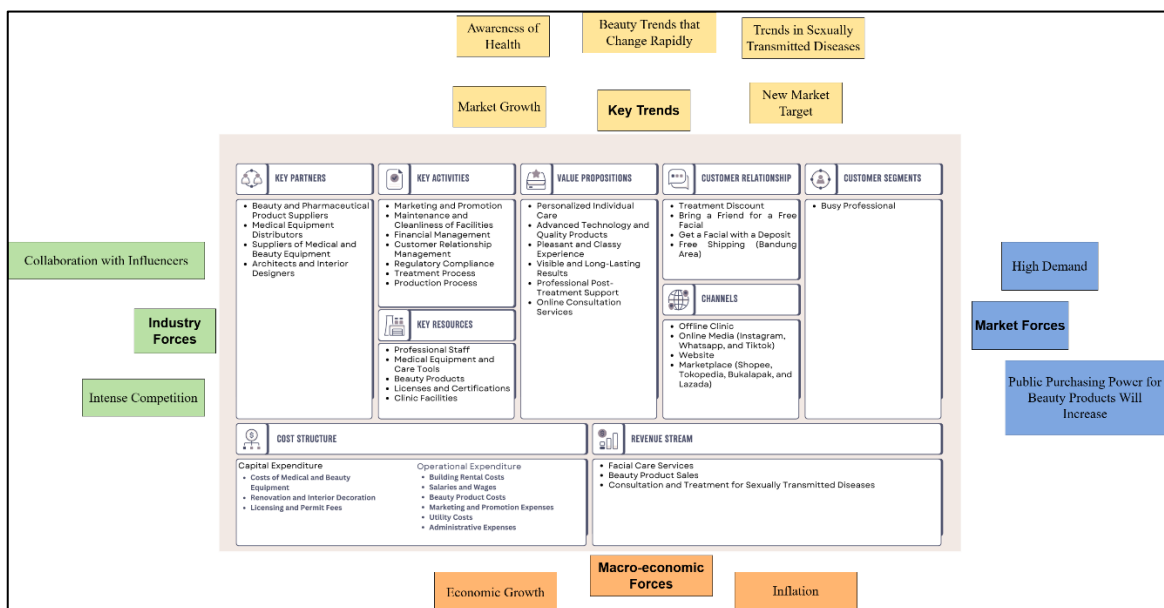


Figure 4. Customer Profile

Table 1. Analysis 7 Questions

No	Questions	Shoes	Information
1	<i>Switching Costs</i>	8	For this question, a value of 0 will be given if nothing prevents the customer from moving, and a value of 10 will be provided if the customer has been tied up for several years. XYZ Beauty Clinic can retain customers with personalised care, but there is a risk if they switch products.
2	<i>Recurring Revenues</i>	7	A value of 0 is given if the sales are transactional, and a value of 10 is given if 100% of the sales will automatically lead to recurring revenue. The score of 7 for XYZ Beauty Clinic is given because the clinic has the potential for recurring revenue from products, but customer retention for periodic services is still low.
3	<i>Earning vs Spending</i>	6	A value of 0 is given if 100% of the cost is incurred before earning income, and a value of 10 is given if 100% of the revenue comes in before the expense is incurred. XYZ Beauty Clinic gets an upfront payment on the treatment package to guarantee stable income and reduce the risk of products not being sold.
4	<i>Game-changing Cost Structure</i>	0	A value of 0 is given if the operating cost is 30% higher than the competitors, and a value of 10 is given to a product with a price that is 30% lower than the competitor's. XYZ Beauty Clinic has no significant cost structure to compete, with high product and promotion costs and less efficiency than competitors.
5	<i>Others Who Do the Work</i>	0	A value of 0 is given if the company has to pay for all the value generated, and a value of 10 is given if the opposite is the case. XYZ Beauty Clinic has two main partners, namely beauty product clones and medical device suppliers, with whom the clinic bears all costs without any contribution from partners.
6	<i>Scalability</i>	6	A value of 0 is given if the company needs significant resources and effort to develop, and a value of 10 is provided if it has almost no restrictions for its business expansion. XYZ Beauty Clinic has the potential for scalability with two branches in Jakarta, but the lack of product innovation and marketing methods limits further growth.
7	<i>Protection from Competition</i>	2	A value of 0 is given if the business model is vulnerable to competitors, and a value of 10 is given if the company has a competitive advantage that is difficult to match. XYZ Beauty Clinic is susceptible to competition due to a lack of market analysis and product innovation in a highly competitive market

Two of the seven questions in 7 Questions can be improved to improve XYZ Beauty Clinic's business model: *Game-Changing Cost Structure* and *Scalability*. Clinics can reduce costs through thorough audits, more efficient inventory management, rent renegotiation, and automation of administrative processes. To increase scalability, clinics can add new services, expand customer segments, and recruit experts to expand customer reach and competitiveness in the market.

Big Picture SWOT Analysis, TOWS Matrix, and Proposed Strategy

The SWOT analysis was carried out in *a big picture* or canvas using data from the current business model canvas, customer profile, business model environments, and 7 questions analysed in the previous stage, as shown in Figure 5.

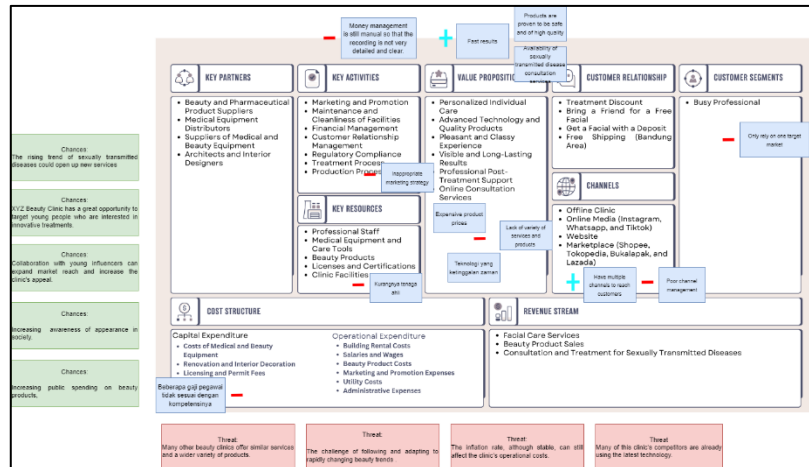


Figure 5. Big Picture SWOT Analysis

The big picture *SWOT analysis* for XYZ Beauty Clinic in Figure 5 shows strengths such as fast treatment results, safe and quality products, and channels that can reach customers. The clinic's disadvantages include expensive product prices, lack of variety of services, outdated technology, less effective marketing strategies, and manual financial records. Great opportunities can be seen from the interest of young people in beauty treatments, the increase in sexually transmitted diseases that open up opportunities for new services, and collaborations with *influencers*. *Key challenges include stiff competition from other clinics with similar services, fast-changing beauty trends, more advanced competitor technology, and the effect of inflation on operating costs.*

After that, the identified SWOT big picture is given to the internal party of XYZ Beauty Clinic for an assessment, mapped in the TOWS matrix. The following is the TOWS matrix and proposed strategies formulated in Table 2.

Table 2. Matriks TOWS Big Picture

	Strength	Weakness
Big Picture	<ol style="list-style-type: none"> 1. Fast results (4) 2. Proven products are safe and quality (5) 3. Limited venereal disease consultation services (4,5) 4. Have multiple channels to reach customers (5) 	<ol style="list-style-type: none"> 1. Expensive product price (-2,5) 2. Less variety of services and products (-3) 3. Outdated technology (-2) 4. Lack of experts (-3,5) 5. The marketing strategy is not correct (-3,5) 6. Money management is still manual, so the recording is not too detailed and clear (-3,5) 7. (-3,5) 8. Poor channel management (-3,5) 8. Depends on only one target market (-2) 9. Some employee salaries are not under their competence (-2,5)
	<ol style="list-style-type: none"> 1. Collaboration with Influencers (S4, O3) 2. New Services (S3, O1) 3. Target Pasar Muda (S1, S2, O2, O4, O5) 	<ol style="list-style-type: none"> 1. Inovasi Produk (W2, W3, O2, O5) 2. Addition of Experts (W4, O1, O4)
	<ol style="list-style-type: none"> 1. Rising sexually transmitted disease trends could open up new services (3,5) 	
	<ol style="list-style-type: none"> 1. Collaboration with Influencers (S4, O3) 2. New Services (S3, O1) 3. Target Pasar Muda (S1, S2, O2, O4, O5) 	

2. XYZ Beauty Clinic has an excellent opportunity to target young people interested in innovative treatments. (5)
3. Collaborations with young influencers can expand the market's reach and increase the clinic's appeal. (4)
4. Increased awareness of appearance in the community. (5)
5. Increasing public spending on beauty products. (5)

3. Marketing Channel Optimization (W7, O2)

Threats

1. Many other beauty clinics offer similar services and a greater variety of products. (-3)
2. The challenge of keeping up with and adapting to beauty trends that continue to change rapidly. (-4,5)
3. The inflation rate, although stable, can still affect the operational costs of the clinic. (-4)
4. Many competitors from this clinic have used the latest technology. (-4)

1. Product Trend Adaptation (S1, S2, T2)
2. Adaptation of Marketing Trends (S4, T2)

1. Latest Technology (W3, T3)
2. Effective Marketing Strategy (W5, T1)
3. Cost Efficiency (W9, T3)
4. Technology-based Financial Management (W6, T3)

Based on the TOWS *big picture matrix* in Table 2 and the analysis of 7 *questions*, the proposed strategy's development and design focus is on the customer segments block, value propositions, and key resources. This is being done to support the development of XYZ Beauty Clinic's growth.

Customer Segment Block Planning

Based on the big picture SWOT analysis, XYZ Beauty Clinic can improve the Customer Segment block by targeting young people, a significant segment in buying beauty products in Indonesia. ZAP Beauty Index 2023 notes that 71.4% of women spend more than IDR 300,000 per month on skincare, and 14.4% of adolescents under 19 years old start looking for anti-premature ageing products (Zap Clinic, 2023). In addition, data from SWA shows that almost half of Indonesia women start using skincare before the age of 19 (SWA, 2020). Generation Z is the primary driver of this industry, with 41% of skincare consumers aged 18-29 years old (Southeast Asia Market Research, 2024). To attract this segment, XYZ Beauty Clinic can update the equipment and interior to be more modern and aesthetic and train employees to be more competent. This step is important so clinics can compete in the beauty industry and attract the attention of young people through social media.

Value Proposition Canvas

One of the proposals was produced by adding a new market segment based on the TOWS matrix that has been made. To support the proposal, interviews were conducted for the customer profile of the proposed target market obtained from direct interviews with young people between the ages of 18 and 25, whose results can be seen in Figure 6.

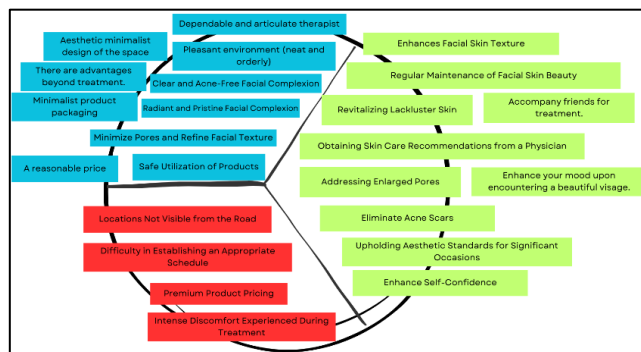


Figure 6. Customer Profile of the Proposed Target Market

The next step is to design a *value proposition canvas* by creating a *value map* first and then matching it with the customer profile. The following is the result of matching between the value map and customer profile: the proposed target market and the current customer, which can be seen in Figures 7 and 8.

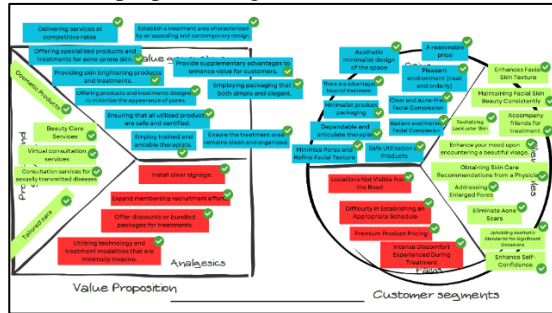


Figure 7. Proposed Target Market VPC

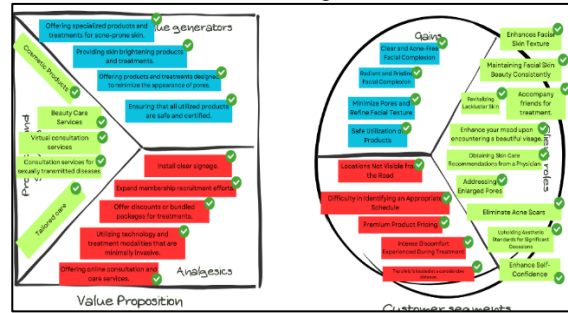


Figure 8. Current Customer VPC

Key Resources Block Planning

There are two main steps in developing this block: adding experts and modifying clinic facilities. The clinic must add one specialist doctor and two beauty operators to increase service capacity. Doctors are only available once a week, limiting the number of patients. With additional doctors working 4 times a week, the clinic can serve up to 160 monthly patients, generating an extra income of IDR 40,000,000 from consultations. Meanwhile, two new beauty operators can serve up to 180 patients per month, generating IDR 36,000,000 in revenue from facial treatments. This addition of manpower will increase operational capacity and reduce workload, ensuring that services run more optimally. Clinic facilities need to be updated to be more aesthetic, modern, and minimalist, in line with the preferences of the young market. An attractive design will enhance the customer experience and appeal to young people who like a comfortable and *up-to-date environment*. These measures will support increased capacity, operational efficiency, and the clinic's attractiveness to younger customers.

Proposed Business Model Canvas

The proposed Business Model Canvas for XYZ Beauty Clinic is based on the previous stages, including the current BMC, customer profile, business environment analysis, 7-question analysis, SWOT Big Picture, TOWS matrix, and value proposition canvas. This design focuses on improving three main blocks: Customer Segment, Value Proposition, and Key Resources, which impact changes to other blocks. The results of this improvement are mapped in the Proposed Business Model Canvas for XYZ Bandung Beauty Clinic, which can be seen in Figure 9.

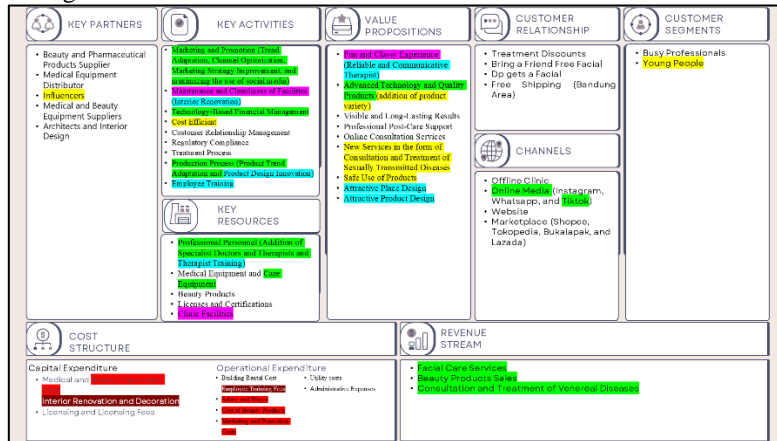


Figure 9. Proposed Business Model Canvas

The proposed Business Model Canvas (BMC), shown in Figure 9, integrates the improvements suggested through SWOT and financial analysis. The new customer segments include younger demographics, and the value proposition is enhanced by offering advanced treatments and eco-friendly products. Key partnerships are expanded through collaborations with influencers and suppliers of sustainable beauty products. Channels are diversified with the addition of TikTok marketing campaigns, ensuring better outreach to the target market. The operational improvements, including enhanced staff training and technology adoption, are

reflected in the Key Resources and Key Activities blocks. These changes ensure better service delivery and customer satisfaction. Additionally, cost structures are optimised by automating administrative processes, reducing operational burdens while maintaining profitability.

Verification of Design Results

At this stage, discussions are held with *experts* to conduct logical verification of *the proposed Business Model Canvas*. Verification is carried out by testing logical consistency by existing data and theories. From the verification results, the proposed business model design for XYZ Bandung Beauty Clinic has been verified, where the relationship between the blocks is appropriate and well interconnected.

Financial Simulation

Alternative 1 (15% increase before the introduction of PMS consultation services and the new target market)					Alternative 2 (15% increase with PMS consultation services and new target market)				
Name	Year-0	Year-1	Year-2	Year-3	Name	Year-0	Year-1	Year-2	Year-3
Investment Cost					Investment Cost				
Microbubble	Rp 37.068.000				Microbubble	Rp 37.068.000			
IPL	Rp 14.000.000				Interior Renovation	Rp 60.000.000			
					IPL	Rp 14.000.000			
Revenue Increase					Revenue Increase				
Product Revenue		Rp 218.983.968	Rp 251.831.563	Rp 289.606.298	Product Revenue	Rp 218.983.968	Rp 240.882.365	Rp 264.970.601	
Revenue from Treatment Services	Rp 165.198.432	Rp 189.978.197	Rp 218.474.926		Revenue from Treatment Services	Rp 165.198.432	Rp 181.718.275	Rp 199.890.103	
Total Revenue	Rp 384.182.400	Rp 441.809.760	Rp 508.081.224		Increase in Revenue from New Target Market	Rp 256.121.600	Rp 294.539.840	Rp 338.720.816	
Expenditure Increase					Expenditure Increase				
Cost of Raw Materials for Products	Rp 131.390.381	Rp 151.088.938	Rp 173.763.779		Cost of Raw Materials for Products	Rp 131.390.381	Rp 151.088.938	Rp 173.763.779	
Cost of Raw Materials for Services	Rp 82.599.216	Rp 94.989.098	Rp 109.237.463		Cost of Raw Materials for Services	Rp 82.599.216	Rp 94.989.098	Rp 109.237.463	
Influencer	Rp 14.400.000	Rp 14.400.000	Rp 14.400.000		Influencer	Rp 14.400.000	Rp 16.560.000	Rp 19.044.000	
Addition of Professional Workforce	Rp 108.000.000	Rp 124.200.000	Rp 142.830.000		Addition of Professional Workforce	Rp 108.000.000	Rp 124.200.000	Rp 142.830.000	
Depreciation Cost of IPL Equipment	Rp 3.500.000	Rp 3.500.000	Rp 3.500.000		Cost of Raw Materials for New Target Market	Rp 142.659.731	Rp 164.058.691	Rp 188.667.495	
Depreciation Cost of Microbubble Equipment	Rp 9.267.000	Rp 9.267.000	Rp 9.267.000		Depreciation Cost of Microbubble Equipment	Rp 9.267.000	Rp 9.267.000	Rp 9.267.000	
Increase in Overhead Costs	Rp 22.757.760	Rp 26.171.424	Rp 30.097.138		Increase in Overhead Costs	Rp 22.757.760	Rp 26.171.424	Rp 30.097.138	
Total Incremental Costs	Rp 371.914.357	Rp 423.626.460	Rp 483.095.379		Depreciation of Leasehold Improvements	Rp 20.000.000	Rp 20.000.000	Rp 20.000.000	
Profit/Loss	Rp 12.268.043	Rp 18.183.300	Rp 24.985.845		Addition of Employee Training	Rp 66.000.000	Rp 75.900.000	Rp 87.285.000	
Tax	0,5%	Rp 61.340	Rp 90.916	Rp 124.929	Depreciation Cost of IPL Equipment	Rp 3.500.000	Rp 3.500.000	Rp 3.500.000	
EAT		Rp 12.206.703	Rp 18.092.383	Rp 24.860.915	Cashier Application	Rp 3.000.000	Rp 3.000.000	Rp 3.000.000	
Addback					Addback				
Depreciation	Rp 12.767.000	Rp 12.767.000	Rp 12.767.000		Depreciation	Rp 12.767.000	Rp 12.767.000	Rp 12.767.000	
Net flow	Rp 51.068.000	Rp 24.973.703	Rp 30.859.383	Rp 37.627.915	Net flow	Rp 51.068.000	Rp 24.973.703	Rp 30.859.383	Rp 37.627.915
Accumulative Net flow	Rp 51.068.000	Rp 26.094.297	Rp 4.785.096	Rp 42.393.002	Accumulative Net flow	Rp 51.068.000	Rp 26.094.297	Rp 4.785.096	Rp 42.393.002
p/f factor	11,3%	1,00	0,898	0,807	p/f factor	11,3%	1,00	0,90	0,81
NPV	Rp 51.068.000	Rp 22.438.188	Rp 24.911.330	Rp 27.291.328	NPV	Rp 111.068.000	Rp 88.413.533	Rp 74.198.743	Rp 61.723.421
NPV Cumulative	Rp 51.068.000	Rp 28.629.812	Rp 3.718.482	Rp 23.572.845	NPV Cumulative	Rp 111.068.000	Rp 24.604.467	Rp 49.344.276	Rp 111.267.697
MARR		11,3%			MARR		11,3%		
NPV	Rp			23.572.845	NPV	Rp			111.267.697
Payback Period		2,14			Payback Period		1,33		
IRR		35%			IRR		65%		

Figure 10. Financial simulation alternatives

The financial simulation uses a minimum acceptable rate of return (MARR) of 11.3%. There are several alternatives simulated, and the best alternative is alternative 2, which involves investments in beauty care tools (microbubble and IPL) and a cashier application to improve the efficiency of transaction management and clinic administration, the addition of 1 doctor and two beauty operators, collaboration with influencers, as well as expanding the target market by adding services for sexually transmitted disease consultations. This new service not only helps clinics offer more solutions to patients, but it also has the potential to open up a significant new revenue stream. This scenario is expected to increase the sales by 15% and generate an incremental IRR of 65% with an NPV of IDR111,267,697 and a payback period of 1.33 years.

Validation

Validation of the Business Model Canvas design is carried out to minimise the risk of failure in implementing the business model. This validation process focuses on *feasibility risk* through discussions with XYZ Beauty Clinic. From the discussion, the researcher received feedback from the clinic that the proposed *business model canvas* could be fully realized.

Conclusion

This study maps the business model of XYZ Bandung Beauty Clinic into nine Business Model Canvas (BMC) blocks based on the results of observations and interviews. The analysis through the 7-question framework, SWOT big picture, and TOWS matrix reveals several key areas for business development. These include expanding the target market by focusing on younger audiences, improving employee quality through training, increasing product variety, offering sexually transmitted disease consulting services, and improving venue and product packaging design. Another priority is enhancing the clinic's digital presence, particularly through TikTok marketing and influencer collaborations. In addition, the clinic needs to expand product sales, hire more doctors and therapists, and renovate its facilities to maintain competitiveness. The research also

emphasizes the need to optimize financial management through technology and continuously innovate in product and service offerings. Partnerships with influencers and investment in new beauty equipment, staff training, and facility renovations are recommended to support the proposed improvements. A financial simulation suggests that by implementing these strategies—such as adding treatment equipment, recruiting 1 new doctor and 2 beauty operators, partnering with influencers, introducing a cashier system, and expanding consulting services—the clinic could achieve a 15% increase in revenue within the next year. This growth is projected to generate an incremental IRR of 65% with an NPV of IDR 111,267,697 and a payback period of 1.33 years. The findings in this study demonstrate that the Business Model Canvas (BMC) is a powerful framework for XYZ Beauty Clinic and other businesses in the beauty industry. Clinics facing similar challenges—such as limited customer segments, insufficient product diversification, and underutilized marketing channels—can benefit from the proposed strategies. Implementing training programs, optimizing digital marketing, and modernizing operations are practical solutions that can be broadly applied to improve competitiveness and customer satisfaction in the beauty sector. Moreover, the strategies presented in this study are adaptable beyond the beauty industry, offering valuable insights for other small and medium enterprises (SMEs). Any SME that relies on effective marketing, customer satisfaction, and operational efficiency can implement similar improvements. By expanding customer segments, modernizing operations, and optimizing promotions, SMEs can enhance their business models and stay competitive in dynamic markets. This research underscores the importance of periodically evaluating and adapting business models to respond to changing market conditions and maintain sustainable growth. This study highlights the need for continuous innovation and adaptation in business models, especially for SMEs operating in rapidly evolving industries. Future research could further explore how other SMEs implement similar BMC-based improvements, providing additional insights into the framework's flexibility and effectiveness. Long-term financial outcomes and customer satisfaction analysis are also recommended to understand the proposed strategies' practical impact better and ensure sustained growth.

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