

### Article information

**Article History:**

Submission: 25-09-2025

Review: 23-10-2025

Copyediting: 31-01-2026

**Issue:**

Volume: 20

Number: 1

Year: 2026

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**DOI:**<https://doi.org/10.32815/jibeka.v20i1.2386>**Copyright:**

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**Access Policy:**

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## Business Development Strategy through Multi-Method Business Planning

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### Abstract

This study examines the strategic feasibility of reopening PT Mahaka Gemilang Mandiri's branch in Cianjur, Indonesia, through an innovative business plan integrating localized credit restructuring, community trust, and digital innovation. Utilizing a qualitative case study design, data were triangulated from in-depth interviews, field observations, and financial records. The analytical framework synthesized SWOT, IFAS, and EFAS matrices with entrepreneurial models, including Design Thinking, the Business Model Canvas (BMC), and the Timmons Model. Findings reveal significant market opportunities in restructuring non-performing loans (NPLs) within the MSME and agrarian sectors. The proposed "hybrid trust-digital" model harmonizes personalized financial consultation with technological tools like Early Warning Systems (EWS) and Customer Relationship Management (CRM). Financial analysis confirms robust viability, with a projected net profit of IDR 329 million, a positive NPV of IDR 310 million, an IRR of 22%, and a payback period under two years. This research contributes a pioneering framework by integrating entrepreneurial orientation into the credit restructuring sector, demonstrating how socio-cultural capital and digital modernization synergize to enhance sustainable financial inclusion and regional economic resilience.

**Keywords:** Credit Restructuring, Business Model Canvas, Financial Feasibility, Community-Based Financing



## Introduction

In the last ten years, the global financial landscape has changed in a big way. The financing industry has become a key part of macroeconomic stability and a major force for financial inclusion [1,2]. In developing economies such as Indonesia, financial institutions—both banking and non-banking—serve as essential financial intermediaries that mitigate liquidity shortfalls for individuals, Small and Medium Enterprises (SMEs), and large corporations [3]. These institutions directly help the economy grow faster, reduce poverty, and give local entrepreneurs more power by giving them access to productive capital [10,19]. However, this important role is linked to a classic financial paradox: the aggressive growth of credit portfolios, which is good for getting into new markets, often leads to a rise in the risk of credit defaults across the system [4,21].

The Indonesian Financial Services Authority (OJK) has data that shows this tension very clearly. By the end of 2023, non-bank financial institutions had given out a mind-boggling IDR 427.69 trillion in loans, which was a 13.83% increase from the previous year [5]. This quantitative success, however, was accompanied by a qualitative deterioration in asset quality, evidenced by an increase in the non-performing financing (NPF) ratio from 2.36% in 2022 to 2.42% in 2023 [5,21]. When this national data is broken down by region, things get even worse. In West Java, a province with a lot of financing going on, the NPF ratio shot up to 3.18% in the fourth quarter of 2023, which is much higher than the national safety threshold [6,30]. These numbers show a major weakness in the current financing model: the inability to keep up with fast growth and adjust risk management strategies.

When looking at credit risk through the lens of regional economic structures, like that of Cianjur Regency, it becomes even more complicated. The economy of Cianjur is mostly based on the agricultural and informal sectors [7]. These sectors are good at taking in workers, but they are very sensitive to changes in the weather, commodity prices, and market demand [7,15]. Cianjur's per capita income, which was IDR 26.41 million in 2022, is still much lower than the West Java provincial average of IDR 42.65 million, even though the city had a respectable growth rate of 5.07% [7]. This "income gap" makes it harder for people to pay back their loans. People who owe money in these areas often want to pay, but they can't because their income changes with the seasons and the economy is unstable [33,34]. Because of this, standard credit management models don't always work for localized, agriculture-based economies because they don't take into account the unique risks that come with them.

In response to the rising NPF rates, especially after the pandemic, the Indonesian government, through the OJK, put in place a number of new rules, the most important of which were POJK No.17/POJK.03/2021 and POJK No.5/POJK.03/2023 [8,9]. These policies were meant to give financial institutions a legal and operational "buffer" so they could restructure troubled loans by changing their terms, conditions, and structure [29,32]. A significant critique in current management literature indicates that "policy flexibility" is not a universal solution [16]. Regulations allow for restructuring, but they don't give institutions a plan for staying in business. Many financing companies are still stuck in a cycle of "firefighting" defaults, which means they only react to problems instead of taking the initiative to change their business models to better fit the debtor's socio-economic situation [12,11].

Recent scholarly discussions have sought to address this dilemma through the perspective of digital transformation. Researchers like Shostak et al. [13] and Gana et al. [14] stress how fintech and AI-driven early warning systems can change things by making them more open and helping to predict when someone will default. Technological integration is undeniably crucial; however, it frequently overlooks the "human-centric" aspect of financial services [13,27]. In places like Cianjur, where trust and relationships with other people are very important, using only algorithms to restructure credit can make people feel isolated and cause more defaults [26,27]. This reveals a notable research deficiency: an absence of synergy between rigid financial strategies (restructuring) and flexible entrepreneurial paradigms (empathy, opportunity alignment, and resource management) [17,18,25].

To address this gap, this study suggests the incorporation of three fundamental entrepreneurial pillars into the strategic business plan of PT Mahaka Gemilang Mandiri for its expansion into the Cianjur market. First, the Business Model Canvas (BMC), as conceived by Osterwalder and Pigneur [24], is employed to furnish a comprehensive and visual depiction of how the enterprise generates, delivers, and captures value [17,25]. The BMC is different from traditional business plans because it lets you come up with new "Value Propositions," like personalized financial advice and mediation services that are specific to your area, that go beyond just giving out credit [20,24]. The study also uses Design Thinking [26]. PT Mahaka Gemilang Mandiri can figure out what is really bothering agriculture-based debtors by using an empathy-driven innovation process. This lets them work together to come up with restructuring plans that will work in the local economy [22,27].

The Timmons Model is also used to make sure that the management and operations are ready [28]. The Timmons Model suggested that entrepreneurial success depends on the right combination of an opportunity, a good team, and limited resources [28,33]. In the context of credit restructuring, this means that having the "opportunity" to restructure loans is not enough if the "team" doesn't have the entrepreneurial self-efficacy to do it or if the "resources" (capital and trust) aren't used well [10,33]. According to Eisenmann [11] and Gedeon [10], entrepreneurship is basically the act of looking for new opportunities, no matter what resources you already have. By using this definition, PT Mahaka Gemilang Mandiri can turn credit risk management from a defensive accounting task into a strategic advantage [15,16,23].

The proposed integration depends on creativity and new ideas. Okpara [20] and Salem & Beduk [21] say that creativity in business is the ability to see things in a new way and come up with new ways to solve hard problems [19,22]. In the financing sector, this means "innovative restructuring," which means that the goal changes from just collecting debt to bringing the debtor's business back to life [20,22]. This method not only gets back the money but also builds a loyal customer base over time, which makes sure that the institution's finances will stay stable [29,31].

This study utilizes a stringent analytical framework, specifically Segmenting, Targeting, and Positioning (STP), to pinpoint the particular niche market in Cianjur that remains inadequately served by large-scale, inflexible financing institutions [31,34]. Next, a full environmental analysis is done using the SWOT Matrix and the Quantitative Strategic Planning Matrix (QSPM) [32]. By integrating these internal and external factors, PT Mahaka Gemilang Mandiri can develop a strategy that is both theoretically robust and empirically validated within the context of the West Javanese financing market [12,32].

Ultimately, this research is important because it changes the way people think about credit restructuring from a purely legal-financial point of view to an entrepreneurial-strategic one. This study presents an innovative framework for financing companies to operate in high-risk regional markets by integrating the BMC, Design Thinking, and the Timmons Model [5,24,28]. It posits that the mediating functions of trust and entrepreneurial self-efficacy are essential for disrupting the cycle of NPF and attaining sustainable growth [33]. This integrated approach has not been systematically examined in academic literature or practical applications within the Indonesian context, rendering this study a timely and significant contribution to the fields of management and economics [2,8,30].

## Research Methods

This study employs a qualitative descriptive approach with a single-case study design, focusing on the strategic revitalization and branch reopening of PT Mahaka Gemilang Mandiri in Cianjur, West Java. The case study method was selected to provide a holistic and longitudinal analysis of complex management decisions within their naturalistic setting [30,31]. The research was conducted between July and September 2025, utilizing two strategic sites: the operational hub in Cianjur

(representing the primary market and debtor ecosystem) and the corporate headquarters in Bandung (for strategic and high-level management insights).

A purposive sampling technique was strategically employed to select key informants, ensuring a high degree of data richness and technical expertise through the inclusion of participants with direct relevance to the research objectives. To enhance the internal validity of the findings, data were triangulated across two primary categories: primary data, which were gathered via semi-structured in-depth interviews with senior management, operational staff, and a selected cohort of debtors, complemented by direct field observations to capture nuanced behavioral patterns in credit repayment and local market dynamics; and secondary data, which were systematically sourced from institutional repositories, including official Financial Services Authority (OJK) statistics, Central Bureau of Statistics (BPS) reports, internal corporate financial statements, and a comprehensive review of peer-reviewed academic literature [5,7,8].

The study utilized a multi-method data collection strategy to ensure internal validity:

- In-depth Interviews: Employing a semi-structured protocol to allow for emergent themes while maintaining focus on credit restructuring and service innovation.
- Field Observation: Systematic monitoring of debtor group interactions and business environment conditions in Cianjur.
- Documentation: Analysis of internal outstanding loan records, restructuring agreements, and historical performance reports.

Data analysis followed the Interactive Model (Data Reduction, Data Display, and Conclusion Drawing) [32]. To enhance the rigor of the qualitative findings, the following strategic management and entrepreneurship tools were integrated:

- Strategic Positioning: SWOT Analysis, supplemented by Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices to quantify competitive standing.
- Entrepreneurial Innovation: The Design Thinking framework was used for empathy-mapping of debtors, while the Business Model Canvas (BMC) was employed to re-engineer the company's value proposition [24,26].
- Managerial Readiness: The Timmons Model assessed the alignment between market opportunities, human capital (team), and resource parsimony [28].
- Economic Viability: A quantitative financial feasibility test was conducted using four key metrics: Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period (PP), and Profitability Index (PI).

## Result

This section presents the results of the study in a structured and detailed manner, reflecting not only the descriptive outcomes but also their analytical and theoretical implications. The findings are divided into several interrelated sub-sections covering company profile, application of entrepreneurship frameworks, environmental and strategic analysis, operational planning, human resources, financial feasibility, managerial readiness, legal and ethical compliance, and entrepreneurial dimensions. Each sub-section is supported by tables and narrative discussion, ensuring clarity, coherence, and scholarly rigor.

### Company Profile

PT Mahaka Gemilang Mandiri was established on October 23, 2008, with its headquarters located in Bandung, Indonesia. The company specializes in the financing and sales of vehicles, including motorcycles and cars, through both cash and credit schemes. A previous branch in Cianjur was closed due to internal inefficiencies and external pressures, but the current strategic initiative aims to reopen this branch as part of its recovery and expansion strategy.

The company’s vision is to become a leading financing institution offering local-based financial solutions, while its mission focuses on customer-centric services, financial inclusion, and technological adoption. Short-term goals: eopen 10 branches across Sukabumi and surrounding areas, with a recovery target of IDR 12 billion, followed by Cianjur with a recovery target of IDR 9 billion. This amounts to a total of IDR 21 billion in NPLs, with at least 30% expected to be collected within two years. Long-term goals: Becoming one of the top five leasing companies in West Java within five years, achieving 70% nationwide NPL recovery, supported by full digitalization and partnerships with national banks.

The company logo symbolizes optimism (gold) and professionalism/stability (black) with dual “M” initials for “Mahaka” and “Mandiri.” This branding supports the company’s efforts to rebuild legitimacy and trust. The company profile highlights PT Mahaka’s deliberate positioning as a regional player emphasizing resilience, inclusivity, and technological integration. The reopening of the Cianjur branch is not merely an operational decision but a strategic step to regain community trust and to create a blueprint for regional expansion.

### Design Thinking Framework

The company applies the design thinking framework to develop debtor-centered solutions in its business planning. The stages are implemented as follows, Empathy; Identification of the needs of MSMEs, farmers, and low-income households in Cianjur. Define; Recognition of key problems such as bureaucratic processes, limited access to credit information, and low financial literacy. Ideate; Formulation of innovative solutions including hybrid consultation platforms, community-based restructuring, and financial literacy initiatives. Prototype; Development of service models such as digital mediation modules, branch service formats, and CRM integration. Test; Piloting these models with local debtors and stakeholders, refining them based on feedback.

The use of design thinking ensures that solutions are human-centered, iterative, and adaptive. This approach reflects a shift from transactional to relational finance, where the design of financial services is grounded in empathy and continuous testing. It also demonstrates alignment with the principle of financial inclusion, emphasizing co-creation with the community.

### Business Model Canvas (BMC)

The Business Model Canvas (BMC) [24] provides a structured framework for analyzing PT Mahaka’s business model in reopening its Cianjur branch.

**Table 1. Business Model Canvas of PT Mahaka Gemilang Mandiri**

| Building Block         | Description   |
|------------------------|---|
| Customer Segments      | NPL debtors, MSMEs, farmers, agrarian households  |
| Value Proposition      | Personalized mediation, trust-based consultation, integration of EWS and CRM                |
| Channels               | Physical branch, mobile app, call center, social media                                      |
| Customer Relationships | Consultative, educational, long-term trust-oriented   |
| Revenue Streams        | Restructuring fees, success commissions, consulting fees                                    |
| Key Resources          | Human capital, digital platforms, community networks, financial capital                     |
| Key Activities         | Credit mediation, debt restructuring, financial literacy education, monitoring              |
| Key Partnerships       | Banks, fintech companies, regulators, microfinance institutions, local government           |
| Cost Structure         | Staff salaries, branch operations, technology investments, compliance, community engagement |

Source: Processed data (2025)

The BMC analysis highlights PT Mahaka’s hybrid model combining trust-based services and digital innovation [24]. Customer segments are strategically chosen to target high-risk but underserved groups, reflecting a focus strategy [35]. The value proposition lies in blending personal, socio-cultural sensitivity with technological tools such as EWS and CRM [14,23]. Channels integrate

offline presence with online platforms, ensuring inclusivity [13]. Customer relationships prioritize trust and empowerment over coercive collection practices [33]. Revenue streams are diversified, aligning corporate success with debtor recovery [29]. Key resources emphasize human expertise and social capital, while key activities expand into preventive measures like financial literacy [20,22]. Partnerships strengthen credibility and expand access [34], while the cost structure balances human capital with technological modernization [12,18]. This combination positions PT Mahaka as a community-embedded financial intermediary, differentiating it from both traditional lenders and fintech competitors [1,2].

### SWOT Analysis

The SWOT analysis provides an integrated view of PT Mahaka Gemilang Mandiri’s internal capabilities and external environment in planning the reopening of its Cianjur branch. This tool enables a structured evaluation of strengths, weaknesses, opportunities, and threats, forming the basis for strategic decision-making.

Strengths include the company’s localized approach to credit restructuring, its adoption of an Early Warning System (EWS) for monitoring debtor risks, a stable capital structure, and an experienced management team. These attributes enhance the company’s ability to deliver trust-based financial solutions within a niche market. Conversely, weaknesses persist in the form of limited digitalization, recovering financial health after branch closures, and a relatively narrow branch coverage across West Java.

Externally, several opportunities emerge. The restructuring market in West Java is valued at approximately IDR 75 billion, supported by rising demand for mediation and favorable regulatory initiatives from the Financial Services Authority (OJK). However, threats also loom, including intense competition from fintech platforms, lingering trust issues following the previous branch closure, and potential regulatory shifts that may affect operational flexibility.

The Internal Factor Analysis Summary (IFAS) yields a score of 2.40, reflecting moderate internal strength. Meanwhile, the External Factor Analysis Summary (EFAS) produces a score of 2.90, indicating that external opportunities are comparatively stronger. This gap suggests that the company should pursue an SO (Strength–Opportunity) strategy, capitalizing on its internal advantages to exploit external opportunities. Complementary strategies such as WO (Weakness–Opportunity), ST (Strength–Threat), and WT (Weakness–Threat) are also necessary to balance vulnerabilities and mitigate risks.

**Table 2. SWOT Matrix**

| Strategy | Key Actions  |
|----------|--|
| SO       | Expand operations, fully digitalize, utilize EWS in untapped markets         |
| WO       | Strengthen digital literacy, expand branch network via local partnerships    |
| ST       | Differentiate through trust-based approaches against fintech commoditization |
| WT       | Build financial reserves, enhance compliance frameworks                      |

Source: Processed data (2025)

The synthesis of SWOT, IFAS, and EFAS matrices aligns with two seminal theoretical perspectives. From the Resource-Based View (RBV) [36], PT Mahaka’s internal strengths—specifically its localized knowledge, established trust networks, and specialized management expertise—function as valuable, rare, and inimitable resources that facilitate a sustainable competitive advantage [10,33]. Concurrently, the Industrial Organization (I/O) perspective [35] underscores the imperative of aligning corporate strategies with external market forces, particularly in response to the rapid proliferation of fintech competitors and evolving regulatory frameworks [13,16]. By integrating both theoretical lenses, this study reinforces a strategic trajectory that prioritizes an SO (Strengths-Opportunities) strategy, while simultaneously maintaining organizational agility through the systematic implementation of WO, ST, and WT approaches [32].

## **Operational Aspects**

The operational design of PT Mahaka Gemilang Mandiri is structured to ensure efficiency, accountability, and inclusivity in reopening its Cianjur branch. The company recognizes that operational success depends not only on internal processes but also on community engagement and digital transformation. Accordingly, several key measures have been developed.

First, branch reactivation is central to the strategy, with the Cianjur office serving as a hub for MSMEs and agrarian households. Its location near community economic centers enables direct accessibility for debtors who prefer face-to-face interactions, while also functioning as a symbol of renewed trust after the previous closure.

Second, the company emphasizes standardization of Standard Operating Procedures (SOPs) to ensure consistency in the restructuring process. This includes systematic steps from initial debtor assessment, negotiation, mediation, restructuring execution, to post-restructuring monitoring. Such standardization minimizes operational ambiguity and supports regulatory compliance.

Third, integration of Customer Relationship Management (CRM) systems plays a pivotal role in ensuring service continuity. By digitalizing scheduling, consultations, and repayment monitoring, the CRM platform provides transparency and reduces human error. This tool also enables real-time performance tracking, which strengthens managerial oversight.

Fourth, the company introduces digital innovations such as e-signatures, e-forms, and field agent tracking systems. These tools streamline administrative processes, reduce paper dependency, and increase accountability in field operations. The adoption of mobile-based monitoring also empowers managers to track collectors' activities in real time, thereby reducing risks of misconduct.

Finally, PT Mahaka prioritizes community partnerships through collaboration with village coordinators, cooperatives, and local organizations. Such engagement not only expands outreach but also enhances legitimacy, as local stakeholders function as trust intermediaries between the company and debtors.

Overall, the operational strategy combines hybrid operations balancing physical and digital services to enhance accessibility, while digital tools ensure transparency and efficiency. Community involvement provides the necessary legitimacy for rebuilding debtor confidence, a critical factor given the historical challenges faced in Cianjur. The integration of these operational measures' positions PT Mahaka Gemilang Mandiri as a hybrid institution that bridges traditional financing practices with modern, technology-enabled solutions.

## **Human Resource Management (HRM)**

Human resources are central to the effectiveness of PT Mahaka Gemilang Mandiri's strategy in reopening its Cianjur branch. The company recognizes that service quality in credit mediation and restructuring depends heavily on the competence, ethics, and adaptability of its workforce. Accordingly, the HR system has been designed to balance decentralization at the branch level with alignment to corporate standards, ensuring both local responsiveness and organizational consistency.

The organizational structure reflects a functional model, where specialized roles are clearly delineated but integrated into a cohesive workflow. At the core are the mediation and consulting teams, tasked with delivering financial literacy, advisory services, and negotiation with debtors. Their role is supported by administrative staff who handle documentation and front-line interactions. Leadership positions at the managerial level (operations, finance, marketing, and HR/legal) provide oversight and strategic alignment with corporate goals, while the branch coordinator ensures community-level engagement and trust building.

To strengthen competencies, PT Mahaka implements targeted training programs focusing on credit mediation, negotiation skills, financial ethics, and digital tool usage (CRM, HRIS, e-forms).

These programs are designed to address both technical and soft skills, ensuring employees can manage complex financial cases while maintaining empathetic, community-based approaches.

**Table 3. Organizational Structure**

| Position                     | Key Roles  |
|------------------------------|--|
| President Director           | Strategic direction, regulator/investor relations    |
| Operations Manager           | SOP enforcement, KPI monitoring                      |
| Finance Manager              | Cash flow management, reporting, investment analysis |
| Marketing Manager            | Branding, promotion, digital marketing               |
| HR & Legal Manager           | Recruitment, training, compliance                    |
| Branch Coordinator           | Local operations, community trust building           |
| Mediation & Consulting Teams | Negotiation, financial advisory, literacy training   |
| Admin & Front Office         | Documentation, client-facing support                 |

Source: Processed data (2025)

The compensation system integrates fixed salaries with performance-based incentives, operational allowances, and annual bonuses, supplemented by employee insurance. This multi-tiered compensation strategy not only motivates employees to achieve key performance indicators (KPIs) but also provides job security and long-term commitment.

HR digitalization is realized through the implementation of a Human Resource Information System (HRIS) and real-time KPI dashboards, ensuring transparent performance tracking and facilitating evidence-based managerial decisions [13]. These practices resonate with the principles of strategic human resource management [37], which emphasizes the integration of human capital development with organizational performance outcomes [12,15].

Overall, the HR strategy positions human resources as both a driver of operational efficiency and a cornerstone of community trust, enabling PT Mahaka Gemilang Mandiri to balance professionalism with localized responsiveness.

### Financial Aspects

The financial analysis plays a critical role in assessing the feasibility of PT Mahaka Gemilang Mandiri's plan to reopen its Cianjur branch. The projections cover operational expenditures, capital requirements, revenue potential, profitability, and liquidity, providing a holistic view of the company's financial sustainability.

First, the monthly operational costs are estimated at IDR 46.5 million, covering staff salaries, office rent, utilities, field collection expenses, system maintenance, and community outreach programs. This relatively lean cost structure reflects the company's effort to balance efficiency with the need for localized services.

Second, the company requires additional capital investments amounting to IDR 28 million, allocated for digital restructuring systems (EWS and CRM), operational vehicles, IT infrastructure, training programs, and licensing. These upfront investments are designed to strengthen technological capacity and ensure regulatory compliance.

Third, the revenue projections for 2025 amount to IDR 875 million, generated through administrative fees, success-based commissions from resolved cases, and consulting services. This diversified revenue model reduces dependence on interest income and aligns corporate incentives with client outcomes.

From these estimates, the company is expected to achieve a net profit of IDR 329 million, equivalent to a 37.6% net margin, which is significantly above the average profitability ratio in Indonesia's financing industry. Moreover, the projected net cash flow stands at IDR 295 million, with a break-even point (BEP) achievable within 12 months. This short payback period provides strong assurance of financial viability.

Nonetheless, certain risks remain. The company's reliance on commission-based revenue introduces variability in cash inflows, particularly during periods of low loan restructuring activity. In addition, potential regulatory changes in Indonesia's financial sector may impose stricter compliance costs or alter market dynamics. To address these risks, adaptive strategies such as portfolio diversification, scenario-based financial planning, and continuous regulatory monitoring are required.

Overall, the financial analysis confirms that the reopening of the Cianjur branch is economically feasible, with high profitability, efficient cost management, and rapid return on investment. These findings reinforce the company's strategic direction and provide confidence to stakeholders regarding long-term financial sustainability.

### **Managerial Feasibility**

PT Mahaka Gemilang Mandiri demonstrates strong managerial readiness in its plan to reopen the Cianjur branch. The company benefits from experienced leadership, supported by a management team that has navigated previous market challenges [28,33]. Risk management is institutionalized through tools such as credit scoring, portfolio diversification, and Early Warning System (EWS) integration, which collectively enhance governance resilience [14,23]. These practices are consistent with the principles of corporate governance [38], emphasizing transparency, accountability, and prudent risk oversight. Moreover, the company's ability to adapt its strategy in response to past setbacks reflects its dynamic capabilities, enabling continuous alignment with changing market and regulatory environments [12,15].

### **Legal and Ethical Aspects**

From a legal perspective, PT Mahaka complies with all necessary regulatory requirements, including licenses issued by the Financial Services Authority (OJK), taxation obligations, and local zoning permits. This compliance ensures legitimacy and reduces potential legal risks associated with branch reactivation.

Ethically, the company adopts principles of integrity, transparency, anti-corruption, and fairness in its operations. These values are operationalized through community-focused corporate social responsibility (CSR) initiatives, particularly financial literacy programs aimed at empowering vulnerable households and MSMEs [3]. Such commitments resonate with stakeholder theory [39], which posits that business responsibilities extend beyond profit generation to broader contributions toward community well-being and social sustainability [10,20].

### **Entrepreneurship Frameworks**

The entrepreneurial dimension of PT Mahaka's strategy is evident in its integration of multiple frameworks. Design Thinking [26] provides an empathy-driven and user-centered approach to service innovation, ensuring that restructuring solutions address the socio-economic realities of Cianjur [27]. The Business Model Canvas (BMC) [24] offers a structured lens for analyzing value creation, delivery, and capture [17,18], while the Timmons Model [28] emphasizes the importance of aligning opportunities, resources, and team dynamics in entrepreneurial ventures. Collectively, these frameworks reflect an entrepreneurial orientation [40] characterized by innovation, proactiveness, and calculated risk-taking [10,21].

### **Synthesis of Findings**

Overall, the findings highlight PT Mahaka's hybrid identity in the financial services landscape. Unlike traditional lenders, the company deliberately focuses on distressed debtors often excluded from mainstream financing. Unlike fintech competitors, PT Mahaka combines human-centered trust-building with digital tools for efficiency and transparency. Unlike generic restructuring services, it embeds solutions within the socio-cultural fabric of Cianjur, leveraging local partnerships and community legitimacy.

This hybrid model not only strengthens the company's profitability but also fosters long-term legitimacy and community trust. Consequently, PT Mahaka Gemilang Mandiri is positioned as a pioneering niche player in regional financial services, offering a replicable model for sustainable credit restructuring in similar local economies.

## Discussion

The findings of this study reveal that PT Mahaka Gemilang Mandiri's business planning strategy for reopening its Cianjur branch demonstrates a strong alignment with entrepreneurial theories and frameworks. The application of Design Thinking, Business Model Canvas, and the Timmons Model illustrates that the company has successfully positioned itself to integrate debtor needs, organizational resources, and managerial capacities. This approach reflects the principles of entrepreneurial orientation, particularly in terms of innovation, proactiveness, and calculated risk-taking as emphasized by Lumpkin and Dess (1996). By integrating empathy-driven solutions with technological tools such as the Early Warning System (EWS) and Customer Relationship Management (CRM), PT Mahaka demonstrates its ability to combine social legitimacy with operational efficiency. This supports the service-dominant logic perspective (Vargo & Lusch, 2004), which stresses value co-creation with customers.

The results are also consistent with previous studies on community-based financing. For instance, Ledgerwood (2013) highlights those financial institutions serving vulnerable communities must carefully balance profitability with social responsibility. PT Mahaka achieves this balance by embedding financial literacy and advisory services into its restructuring programs. Similarly, Cull et al. (2009) argue that trust-building and local engagement significantly reduce credit default rates, an observation reinforced by PT Mahaka's strategy of using local mediators and community partnerships. In contrast to fintech companies that rely heavily on standardized digital models, PT Mahaka's hybrid approach demonstrates how traditional financial institutions can reinvent themselves by embedding cultural sensitivity and localized trust-building mechanisms.

From a strategic perspective, the SWOT, IFAS, and EFAS analyses underscore the necessity of an aggressive SO strategy. PT Mahaka is encouraged to leverage its strengths, such as experienced leadership and the adoption of EWS technology, to capture opportunities in the IDR 75 billion restructuring market in West Java. The findings reflect the relevance of the resource-based view (Barney, 1991), which underscores the importance of internal resources like human expertise, social capital, and digital infrastructure in creating sustainable competitive advantage. At the same time, the company must address weaknesses such as incomplete digitalization and recovering financial capacity, which highlights the importance of dynamic capabilities (Teece et al., 1997) in ensuring organizational adaptability.

The operational aspects discussed in the findings illustrate a hybrid model that combines physical branch operations with digital tools. This is in line with research on digital transformation (Bharadwaj et al., 2013), which suggests that technology adoption must be accompanied by organizational culture change. PT Mahaka's investment in CRM, e-signatures, and mobile agent tracking enhances efficiency and transparency, while its collaboration with village coordinators secures local legitimacy. Such practices illustrate the principles of operational excellence (Hammer & Stanton, 1999) and demonstrate responsiveness to community needs.

Human resource management also plays a central role in the company's strategy. By adopting a decentralized but strategically aligned HR system, PT Mahaka ensures that its workforce functions not only as administrative staff but also as mediators, advisors, and educators. This reflects the principles of strategic HRM (Ulrich, 1997), where human capital is aligned with organizational goals. The emphasis on training, performance incentives, and HR digitalization mitigates risks of turnover and digital adaptation gaps, while also reflecting the importance of employee engagement in delivering high-quality services (Kahn, 1990).

Financial analysis confirms the feasibility of reopening the branch. With a projected net margin of 37.6% and a break-even period of less than one year, PT Mahaka's plan demonstrates financial sustainability. These results are consistent with findings by Hermes and Lensink (2011), who argue that hybrid financial models can balance social impact with profitability. Nevertheless, the company's reliance on commission-based revenues represents a potential vulnerability. In line with portfolio theory (Markowitz, 1952), diversification into additional revenue streams, such as consulting services and educational programs, could enhance resilience against market fluctuations.

Legal and ethical considerations also strengthen PT Mahaka's positioning. Compliance with OJK regulations and local licensing provides legitimacy, while ethical commitments to transparency, integrity, and fairness reinforce community trust. These practices are consistent with stakeholder theory (Freeman, 1984), which emphasizes that businesses must create value for a broad set of stakeholders. The integration of financial literacy programs as part of corporate social responsibility initiatives further strengthens the company's legitimacy and long-term social impact.

Taken together, these findings contribute to both theoretical and practical discussions in financial entrepreneurship. Theoretically, the study extends the application of entrepreneurial frameworks such as BMC and design thinking to the field of non-performing loan restructuring, highlighting the potential of hybrid trust-digital models. Practically, PT Mahaka's experience provides a blueprint for regional financial institutions aiming to balance profitability with social inclusion. The hybrid approach illustrates how companies can regain trust in post-crisis contexts while maintaining financial sustainability. Policymakers may also draw lessons from this model, as it demonstrates the value of regulatory support for community-based financial innovation that complements fintech-driven inclusion.

Nonetheless, the study has limitations. The findings are context-specific to Cianjur and may not be fully generalizable to other regions without adaptation. Moreover, financial projections rely on assumptions that could shift due to macroeconomic conditions or regulatory changes. Future research could explore comparative studies between hybrid trust-digital models and fintech-only approaches, or longitudinal studies to examine long-term impacts on debtor behavior after restructuring.

## Conclusion

This study provides a comprehensive analysis of the strategic reopening of PT Mahaka Gemilang Mandiri's branch in Cianjur, offering a novel perspective on how regional financing institutions can navigate high-risk agricultural markets. The synthesis of empirical findings confirms that the integration of entrepreneurial frameworks—specifically the Business Model Canvas (BMC), Design Thinking, and the Timmons Model—transforms credit restructuring from a reactive accounting task into a proactive strategic advantage. By adopting an empathy-driven approach to service innovation, PT Mahaka effectively bridges the gap between financial institutional requirements and the socio-economic realities of debtors in localized economies.

The theoretical contribution of this research lies in its development of a hybrid trust-digital model for credit management. Unlike conventional financial models that rely primarily on standardized digital scoring or rigid administrative rescheduling, this study demonstrates that embedding cultural sensitivity and localized trust-building mechanisms into the organizational DNA enhances both social legitimacy and financial sustainability. This integration supports the Service-Dominant Logic [41] and Stakeholder Theory [39], suggesting that value co-creation with debtors is a fundamental driver of institutional resilience in post-crisis or high-risk contexts.

Practically, the findings serve as a strategic blueprint for managers and policymakers in the financing sector. For practitioners, the study underscores the necessity of Dynamic Capabilities [44]—the ability to adapt internal resources and digital infrastructure to meet shifting external

market forces. For policymakers, particularly the Financial Services Authority (OJK), this model illustrates the efficacy of regulatory support that encourages community-based financial innovation as a vital complement to fintech-driven inclusion.

Despite its contributions, this study is not without limitations. The findings are inherently context-specific to the socio-economic landscape of Cianjur and may require adaptation when applied to regions with different sectoral dependencies. Furthermore, the financial projections are based on current macroeconomic assumptions that remain subject to external volatility. Future research should expand this discourse through longitudinal studies to examine the long-term impact of entrepreneurial restructuring on debtor business revitalization. Comparative studies between hybrid trust-digital models and purely algorithmic fintech approaches would also provide valuable insights into the evolution of the financing industry in emerging markets.

Ultimately, this research concludes that the synergy between entrepreneurial orientation [40] and localized empathy is the key to disrupting the cycle of non-performing financing. By positioning itself as a community-embedded financial intermediary, PT Mahaka Gemilang Mandiri not only ensures its own commercial viability but also fosters sustainable, inclusive economic growth within the communities it serves.

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