ASEAN SMEs CASE STUDY ON
ICT SECTOR IN INDONESIA: PPOB NUSANTARA

TEACHING NOTE

Industry Sector	: Information and Communication Technology (ICT)
Sub-sector	: Payment Point Online Bank (PPOB)
Country	: Indonesia
Product/Service/Brand	: PPOB Nusantara (ppobnusantara.com)
Small and Medium-sized Enterprises	: CV Bakoel Corporation PT Ruang Kerja Software Engineering
Year of Study	: 2013

Overview

This Teaching Note is to be used by the instructors to guide the participants in learning the **ASEAN SMEs Case Study on ICT Sector in Indonesia**. The case study is about **Payment Point Online Bank (PPOB) "Nusantara"** (**ppobnusantara.com**) in Indonesia. Located in Yogyakarta, the capital city of Yogyakarta Special Region in Java Island, PPOB Nusantara was founded in mid 2011 under collaboration of two SMEs, which are CV Bakoel Corporation (Bakoel) and PT Ruangkerja Software Engineering (Ruangkerja). PPOB Nusantara started its operation and strives to compete with other PPOBs in the industry.

After 14 months of operations, PPOB Nusantara has grown fast. There were more than 9,000 clients or local partners of PPOB Nusantara who were located in various regions in 29 provinces. The number of transactions executed was more than 470,000 since the birth of the company.

PPOB is a business model that uses information system and the Internet to enable people living in different regions to make billing payments or purchases of certain products or services. A PPOB business usually needs to contract agreements with billers (the companies that provide products and services) and financial institutions (the banks that provide funds for payment). People can subscribe to a PPOB as a client or local partner who accepts payments and purchases, and thus, generate additional income in the areas where they live.

Through this case study, the participants will learn about various aspects of PPOB Nusantara and the PPOB industry sector. This includes the founders' spirit, vision, values, knowledge, differentiation and strategy for sustaining the business, the competitiveness factors of PPOBs, and also the challenges and opportunities of the PPOB sector in Indonesia in terms of regulations, government economic interventions, and industrial development.

Topics

Participants will learn and discuss several topics, which are customer satisfaction and loyalty, business differentiation, business innovation and development, industrial initiatives, and government economic interventions. The case study can be used as a supplementary material for advance education (i.e. master degree or above) under business competitiveness, innovation and development subjects with specific issues of customer satisfaction and loyalty and also business differentiation for competitiveness. In addition, the case study can also be used as a teaching material for macro economic development or industrial development subjects, especially about government economic interventions and industrial development initiatives.

Objectives

1. The participants are expected to learn about PPOB Nusantara and PPOB industry sector, which includes:
    a. Partnership of the founding companies (Bakoel and Ruangkerja)
    b. Founders' spirit, vision, values, and knowledge.
    c. The Business model and its social and economic impact.
    d. Business strategy and competitiveness factor. e.
    Industry environment.
    f. Overall and specific challenges and opportunities.

2. The participants are able to connect the case study with relevant concepts or theories, such as but not limited to:
    a. Customer Service Management.
    b. Kano Model Theory of Product Development and Customer Satisfaction
    c. Differentiation Strategy, based on product or service, price, brand, distribution, or promotional activity.
    d. Business innovation
    e. Government economic interventions.

3. The participants are expected to discuss and come up with recommendations regarding:
    a. The initiatives to sustain business competitiveness, these include information system and technology, product differentiation, market expansion, and business model development.
    b. Government economic interventions and industrial initiatives for development.

Time

Total time allocation requirement is approximately 4 hours effectively. Time allocation for case study is 130 minutes, for sessions one and two. A reflection session takes about 45 minutes. The introductory part including the ice breaker and closing will take 50 and 10 minutes respectively. A 45-minute preparation is required which includes registration of the participants, handouts distribution, and equipment check.

Materials, Equipment, and Methods

Materials and equipment for the study are:

1. Hand outs: the case study and industry note, distributed to the participants.
2. Presentation slides: In Power Point, as a tool to present the topics and guide the participants in a step-by-step manner.
3. Video presentation: describing PPOB Nusantara's airlines ticketing system and Bakoel's support.
4. Supplement: as listed in Objectives #2, participants can also browse materials from the Internet or bring their own study materials.
5. A discussion room: a class-room sitting arrangement.
6. White board, marker, slide projector and screen, computer or laptop for instructors and participants, and Internet connection (if applicable).

The instructors are expected to be familiar with the methodologies to be used in the session; they are single presentation, questions and answers, group discussion and presentation, and reflection session. To maintain the effectiveness of learning, the internet connection is needed in the study, number of instructors are at least 2 (two) persons, and number of participants is 25 (twenty five) persons maximum.

Modification

Any parties using this case study can modify the learning scheme to meet the available time (i.e. reduce time allocation into 2 hours and discuss sessions one or two only). However, modification may cause some objectives to not be met. Therefore, the instructors must identify first the targeted objectives and select suitable materials for discussion.

Run Down

Duration	Agenda	Guidance for Instructors
PREPARATION (45 Minutes)		
45 minutes	Registration	Participants are required to register before entering the class room. Handouts (Case Study and Industry Note) are distributed to the participants directly at the registration desk. If possible, handouts can be sent to participants several days before, thus, they have time to read the case study and industry note. The participants are also allowed to use the Internet facilities to visit ppobnusantara.com in the room (if applicable).
OPENING (50 Minutes)		
30 minutes	Introduction and ice breaking	The instructors and participants introduce themselves. The introduction includes the name, occupation and company, educational background, and expectations from the learning. The instructors are expected to organize a game for ice breaking (if time allocation is possible).
10 minutes	Overview of the content: 1. Short brief about the case study 2. Short intro about the industry note 3. Objectives 4. Topics of discussion, including relevant issues, theories and concepts	The instructors present briefly the case study, industry note, objectives, topics of discussions, including relevant issues, theories, and concepts. The instructors do not explain the details of theories and concepts.
5 minutes	Overview of the agenda: 1. Activities 2. Methodologies	The instructors present briefly the learning activities and methodologies.

Duration	Agenda	Guidance for Instructors
5 minutes	Grouping	The instructors ask the participants to form groups consisting of a maximum 5 members for each group. The participants are requested to change their sitting arrangement according to the group setting.
10 minutes	Session break	In this break session, the participants can use their time to further acquaint with each other in the group or read the handouts thoroughly.
SESSION 1: PPOB NUSANTARA (70 minutes)		
30 minutes	Presentation about PPOB Nusantara: 1. History, founders, and partnership 2. Business model and its impact 3. Video presentation "PPOB Nusantara's airlines ticketing system" 4. Strategy and competitiveness 5. Video presentation "PPOB Nusantara Web Analysis" 6. Business performance	Using the videos and Power Point slides and video presentations, the instructors explain about PPOB Nusantara, including: 1. The history, founders and partnership. Emphasize more on the partnership since this is one unique feature of PPOB Nusantara. 2. Business model, including the products and services, and its impact. Highlight the benefits for clients or local partners. 3. Video presentation about PPOB Nusantara's airlines ticketing system 4. Strategy and competitiveness, especially the Bakoel Support. Emphasize more on this customer support system. 5. Video presentation on the web analysis of PPOB Nusantara 6. Business performance of PPOB Nusantara in 14 months of operations since its establishment.

Duration	Agenda	Guidance for Instructors
15 minutes	Group discussion on the following questions: 1. PPOB Nusantara was established based on a partnership; what initiatives should be performed to maintain the partnership? 2. Review the business model; what modifications or initiatives should be proposed on the business model in order to make it not more only productive but also having bigger impacts? 3. PPOB Nusantara has a customer support system namely "Bakoel Support"; what modifications or initiatives should be proposed on the customer support system in order to make it more efficient and reliable?	The instructors ask each group to carry out a brainstorming session based on the given questions. The groups are expected to generate various answers. However some possible answers may in line with the following statements: 1. A partnership can be maintained through routine communications and evaluation between not only the founders but also the subordinates. A joint program can also be effective to maintain a partnership. A partnership is established based on shared values, thus, keeping the these values significant. 2. There are a lot of options for business model development. The participants are expected to consider various aspects including information technology, market needs, characteristics of end users, product and service differentiation, and partnership or collaboration with other entities. 3. Bakoel Support is a customer support system utilizing features in zopim.com (PPOB Nusantara does no develop this information system). Bakoel Support is not only a complaint mechanism but also a tool to collect voice of the clients, local partners, and end users. It is embedded in the business and developed based on the founders' values for total customer satisfaction. The participants are expected to come up with answers from this perspective.
25 minutes	Group presentation on the results	The instructors ask groups to share their results. Questions and answers can be conducted as long as the time is sufficient. Please take note that offensive critics or statements of an individual or a group must not be tolerated in order to maintain positive environment of learning. The instructors are expected to implement interventions, if necessary.
5 minutes	Session break	n/a

SESSION 2: PPOB SECTOR (60 Minutes)		
20 minutes	Presentation about PPOB sector, benchmarking, and competitiveness factors: 1. History, sector profile, and government interventions (i.e. regulations) 2. Industry competitiveness 3. Porter's Five Forces Analysis 4. Benchmarking of PPOB Nusantara	Using the Power Point slides (10 slides), the instructors explain about PPOB industry in Indonesia: 1. History, government interventions (i.e. regulations) and industry profile, including the pro and contra in the sector. 2. Industry competitiveness based on Porter's Five Forces 3. Benchmarking of PPOB Nusantara with its four competitors. These include the five competitiveness factors.
15 minutes	Group discussion on the following questions: 1. What are the overall and specific challenges and opportunities in PPOB's sector? 2. Based on the results of Porter's Five Forces and Benchmarking analysis; what are your recommendations for PPOB Nusantara to maintain its competitiveness in the sector? 3. PPOB sector is relatively new and it may need government interventions for industrial development. What is your opinion on this? What interventions should be carried out by the government? What efforts should be initiated by the PPOB businesses for industrial development?	The instructors ask each group to carry out a brainstorming session again based on the given questions. Some possible answers may be aligned with the following explanation: 1. The participants can define overall and specific challenges and opportunities in PPOB sector by reviewing both the case study and industry note. In the handouts, the participants may find clues about some opportunities and challenges. However, they are advised to define other opportunities and challenges of PPOB's sector by themselves. 2. Considering positive social and economic impacts of PPOB's business, government needs to implement interventions to develop the sector. Examples of interventions are favorable regulations, access to financial support, Internet bandwidth expansion for PPOB sector, development of human resources, and facilitation for business development, and collaboration with other entities. 3. The participants are expected to understand the key relationship or relevancy between the results of Porter's Five Forces and those of the benchmarking analysis before they can come up with various options. Differentiation is the key relationship in the analysis. Cost efficiency should not be addressed any more since PPOB companies operate with a low cost business model. A differentiation can be established based on product or service, price, brand, distribution, or promotional activity. Please take note that none of PPOBs establishing a comprehensive marketing activities.

25 minutes	Group presentation on the results	The instructors ask groups to share their results. Questions and answers can be conducted out as long as the time is sufficient. Please take note that offensive critics or statements of an individual or a group must not be tolerated in order to maintain a positive environment of learning.
5 minutes	Break session	n/a
GROUP REFLECTION (45 minutes)		
20 minutes	Group reflection on the results of discussions in Session 1 and 2 by answering the following questions: 1. What business theories or concepts are related to your group's results of discussions in Sessions 1 and 2? Are the results of discussions in opposite to those theories or concepts? Why? 2. If applicable, what situational factors does your group propose for the theories or concepts?	The instructors ask the groups to conduct a reflection session by answering the questions (as stated). The reflection session is used to enable the groups to connect the topic with particular theories or concepts. The groups are allowed to browse theories and concepts in the Internet or from their own study materials (i.e. books, journals). The instructors may give a hint about some possible related theories or concepts, which are: 1. Customer Service Management. 2. Kano Model Theory of Product Development and Customer Satisfaction 3. Differentiation Strategy, based on product or service, price, brand, distribution, or promotional activity. 4. Business innovation. 5. Government economic interventions.
25 minutes	Group presentation on the results	The instructors ask groups to share their results. Questions and answers can be conducted out as long as the time is sufficient. Please take note that offensive critics or statements of an individual or a group must not be tolerated in order to maintain a positive environment of learning. The instructors are expected to have interventions, if necessary.
CLOSING		

Duration	Agenda	Guidance for Instructors
10 minutes	Wrap up and closing statement	The instructors make overall conclusions regarding: 1. The results of discussions and reflections; 2. T h e learning environment and individual participation in the group; and 3. Expectation, what the instructors expect from the participants after the learning sessions. -end-