

# BUSINESS MODELS FOR CLEANING SERVICE COMPANIES IN JAKARTA

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## ABSTRACT

*The globally growing economic development also changes the relationship between companies as suppliers and customers. The existence of fairly rapid development of communication technology via the internet has opened the customer access in triggering open global competition; as a result, the customer now has many choices and many alternatives in fulfilling their needs. This condition triggers the company to pay more attention to its customers to be able to fulfill customer needs with the best service at reasonable cost. Business models and strategies are reflections of important organization for companies engaged in cleaning services business especially in Jakarta. This review literature aims to find a suitable business model for companies operating in cleaning services business especially in Jakarta. The method used is to search literature by using articles published in international journals with keyword search of business models. This review found there are at least three business models that can be applied for companies engaged in cleaning services in Jakarta. The suitable business models for companies engaged in cleaning services business is by combining available elements to get more complete business models.*

**Keywords:** Business Models, Cleaning Services, Global Competition.

## INTRODUCTION

Business Model as an important component in focusing on building the company sustainability is currently considered important by researchers and practitioner (Schaltegger, Hansen, & Lüdeke-Freund, 2016). The current state of business era with the Covid-19 pandemic also drives how to fulfill customer needs more intelligently, and how to make customers enjoy the value of the products and services provided by the company. Without any well-structured business models, there are some concerns that the company will fail to accentuate its competitive benefits in the eyes of its customers.

## RESEARCH METHOD

We conducted a review based on literature from internet with the key word “*Business Model*”, “*cleaning service*” and “*Jakarta*”. Based on the result from these key words, we proposed a business model for Cleaning Service Company.

## LITERATURE REVIEW

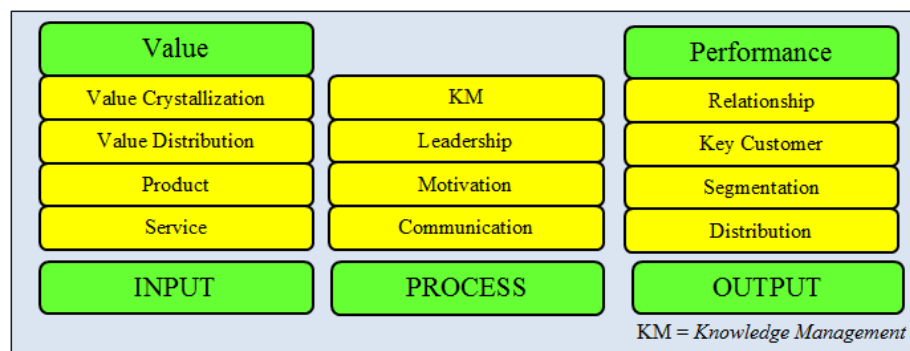
Models are frameworks or possible explanations why do people behave as they do at Work (Yik et al., 2019). The sustainable competitive advantage of small and medium enterprises could be demonstrated through the innovation capabilities (Wuryaningrat et al., 2018). Relationship between the elements of the business design shows the company's processes in creating value for customers, starting from technology selection to design mechanisms to create corporate values. According to Teece (2010) to start the business modelling a company start to select technologies and feature to be embedded in the product or service of the company. Furthermore the company should determine benefit to the customer from consuming or using the product and service provided by the company. Then the company identifies market segments to be targeted and confirm available revenue streams. Lastly the company should design mechanism to capture their value and the process back to the first step on this circle Bieger and Reinhold (2011).

The relationship among business models, strategy and tactics of the company is described as following: Business model refers to the logic held by the company; it refers to how the company operates and how it creates value added for its customers. Strategy refers to the business model selected by the company and the business models that will be used by the company to win the competition in market. Tactic refers to the chosen steps taken by the company to apply based on the predefined business model to apply. Company with three-option business models takes tactical steps in accordance with the predetermined business model at strategic level (Casadesus-Masanell & Ricart, 2010). Similar to Casadesus-Masanell & Ricart (2010), another scholar, Melkonyan et al. (2017) shown four main business areas that must be taken into consideration when creating business model (Ho, 2009). On the other hand, customers are selected according to market segments which respectively are developed through company ambassadors. The customers' needs are fulfilled by the company using distribution channels and the infrastructure that has been built. Infrastructure development is adjusted with the needs to get closer to customers such as a network of partners on the entire range of the company's working territory. The supply chain is strengthened to provide raw materials from trusted key resources. The last aspect that must be a part of business model is finance that covers cost structure and income with good income flow to support the company sustainability George & Bock (2011).

The next version of the business model consists of nine aspects reflecting the input, processes and outputs in the company. They are (1) Key Partners are parts consisting of who the company main partners are, which main resources we get from partners, activities done by partners (2) Key activities consisting of the main activities required for our company value proposition (3) Key Sources is a list of resources required by company. They can be physical, intellectual resources (brand patents, copyrights, data), human resources, and finance (4) Value Proposition contains what value will be given to customers, which customer problems the company can solve (5) It is expected that a harmonious customer relationship can be built and maintained continuously (6) Channels used to reach customers (7) Customer Segments sort out which customers can create value for the company (8) Structure Costs: What are the important costs for the company, which resources are the most expensive and which activity is the most expensive (9) income flow: What is the value of the sale of assets, costs usage, subscription fees, rent, brokerage fees, advertising (Osterwalder & Pigneur, 2010).

## DISCUSSION

Companies engaged in cleaning services can adopt the business model III consisting of the nine aspects covering the company daily activities. This business model gives more options compared to the other two business models shown in this article. Therefore, it describes the course of business in the company as a whole. To perfect the business model for companies engaged in cleaning services, the author proposes business model IV as depicted in Figure 1 below. The proposed business model as shown in Figure 1 is a refinement of the existing business model, the author considers several aspects not covered by the previous business model.



Source: Author

**FIGURE 1**  
**KNOWLEDGE MANAGEMENT (KM)**

Figure 1 Shows Proposed Business Model For Cleaning Service Companies in Jakarta Knowledge Management (KM) according to some researchers has a significant influence on employee performance. It has been proven through several studies (Raeeszadeh et al., 2016; (Mardani et al., 2018; Rabayaa & Obaid, 2019; Jaber & Caglar, 2017; Davila et al., 2019). Leadership also has a significant influence on performance and has been demonstrated by several previous studies (Rahardja et al., 2017; Ho, 2009; Ahmad et al., 2019; Samson et al., 2019; Oyetunji et al., 2019; NawoseIng'ollan & Roussel, 2017; Al Khajeh, 2018). Motivation plays an importance role towards performance improvement that has been demonstrated by some previous researchers (Sribunrueng & Chaisangduean, 2018; Moodley et al., 2018; Deng, 2020; Dimitropoulos et al., 2019; Leksung & Somjai, 2018). Communication also has an influence on employee performance and has been in a research in various companies (Nebo et al., 2015; Kalogiannidis, 2020; Chen & Wei, 2020; Kibe, 2014; Shonubi & Akintaro, 2016).

## CONCLUSION

A good business model must be a reflection of what customers need, what the customer needs or wants and how the company takes strategic steps in fulfilling customers need as well as possible, and how the company gets income from the services it has given (Teece, 2010). Deeper research is needed on what business model can really help find an integrative and competitive solution to provide positive influence on organizational performance, especially companies

engaged in cleaning services. The author will conduct further research on performance models: how its relationship with Knowledge Management (KM), Leadership, Motivation, and Communication.

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