

Proposed Business Strategy to Increase Asset Under Management (AUM) Growth: Case of ZYLM CORP

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ABSTRACT

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In the second quarter of 2020, Indonesia's economy has worsened to the point where it is on the edge of recession due to Covid 19. The contracted Indonesian economy, rising competition, fraud cases, and shifting investor generations certainly caused mutual fund industry. These conditions are also felt by ZYLM CORP as an investment management company as their Asset Under Management (AUM) decreased by 12% in 2020. Therefore, this paper aims to formulate a new business strategy for ZYLM CORP to overcome various challenges to successfully increase AUM. Strategy formulation is carried out using a combination of general reviews such as environmental analysis, internal analysis using the VRIO framework, interviews with the company's relevant stakeholders, and questionnaires to the capital market investors. The results show that ZYLM CORP must overhaul its business strategy by making improvements to its internal resources, maintaining the relationship, and continuing to broaden cooperation with the various mutual fund selling agent (APERDs), improving customer service, retargeting the customer segment to millennial retail investors, and continuing to maintain and actively communicate ZYLM CORP's Good Corporate Governance (GCG) to increase investor confidence to invest in ZYLM CORP products.

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INTRODUCTION

Mutual funds are one of the capital market's most popular products in the community. Mutual Assets are containers used to collect funds from the investor community to be further invested in securities portfolios by investment managers, according to Article 1 paragraph (27) of the Capital Market Law No. 8 of 1995. The Covid-19 pandemic in April 2020 shocked the Indonesian economy, which was on the verge of entering recession because its economy shrank by minus 5.32 percent in the second quarter of 2020. Indonesia's economic growth in the first quarter of 2021 was - 0.74 percent, according to figures from the Central Statistics Agency (BPS). This statistic is inversely related to the 2.97 percent growth rate in the first quarter of 2020. Nonetheless, if we look attentively, we can see that this quarter's contraction is better than the previous one.

Indonesia's economic condition, which has entered the brink of recession, makes the performance of the capital market decrease while volatility increases. This condition certainly affects the performance of mutual fund returns during this pandemic, the majority of mutual fund products still show contractions until the second quarter of 2021. Because of this, many investors discourage their intention to invest in mutual funds, some investors who already have mutual funds carry out defensive strategies and even resell their mutual fund products, this is also felt by ZYGM CORP as an investment management company that sells mutual funds products. As a result of this condition, their AUM fell by 12% during 2020. Fraud cases that tarnished several local investment managers, increasingly fierce competition between investment managers which since 2018 has increased to 98 from 92 investment managers to shifting generations of investors have forced ZYGM CORP to make new strategies to increase their AUM and stay competitive.

LITERATURE REVIEW

Strategy

Strategy can neither be formulated nor adjusted to changing circumstances without a process of strategy evaluation. Whether performed by an individual or as part of an organizational review procedure, strategy evaluation forms an essential step in the process of guiding an enterprise (Rumelt, 1993).

The term "strategy" has become so widely utilized for many purposes that it no longer has a clear definition. When taken together, strategy is a collection of plans, policies, and objectives that define a company's scope and approach to survival and success. Alternatively, we may say that a company's strategies, goals, and objectives show its approach to dealing with a difficult competitive climate. A theory can never be demonstrated to be true, according to one of science's basic tenets. A theory, on the other hand, can be labeled completely false if it fails to hold up to scrutiny. Similarly, it's impossible to prove definitely that a specific company plan is the best or even that it will work. Nonetheless, it can be tested for critical defects. Most of the tests that could be done to a company plan will fall under one of these major categories:

- **Consistency:** Goals and policies that are mutually contradictory should not be proposed in the plan.
- **Harmony:** The strategy must be adaptive to the external environment as well as the essential changes that are occurring within it.
- **Competitive advantage:** In the chosen field, the strategy must allow for the creation and/or maintenance of competitive advantage.
- **Feasibility:** The method should not put an undue burden on existing resources or result in intractable subproblems.

A strategy that fails to meet one or more of these criteria should be avoided. At least one of the crucial functions required for the company's survival is not completed. The analyst will be able to refine these criteria and add others that are relevant to the scenario with experience in a specific industry or other areas.

A company's strategy is a set of goal-directed actions taken to achieve and sustain a competitive advantage. Companies must compete for resources to improve their performance. (Barney, 1997). A good strategy helps a company to outperform its competitors and maintain a competitive advantage over time. A strong strategy is built on a strategic management approach that includes three main components:

- **The competitive challenge's diagnosis.** This is performed by examining the company's external and internal environments.
- **A strategy for dealing with the competitive challenge.** This is performed through strategy formation, which results in corporate, business, and functional strategies for the company.
- **A collection of coordinated actions to carry out the company's guiding policy.** This is accomplished by putting the approach into action.

Environmental Scanning

Scanning the environment is a key aspect of learning about business strategy and organizational theory. It is essential to the success of both for-profit and nonprofit organizations. Environmental scans are the collection and use of data about events, trends, and relationships in your organization's external environment to help your organization plan how your organization will progress in the future. (Wambua & Omondi, 2016)

External and internal scanning are the two types of environmental scanning. The PESTEL analytical framework was used to conduct external analysis, and VRIO Framework to conduct internal analysis.

1) PESTEL

PESTEL is a marketing theory that looks at how external factors including politics, economics, social, technical, environmental, and legal factors influence or affect a company (Professional Academy, 2018; Oxford College of Marketing, 2016). When doing a PESTEL analysis, several issues are considered, including political, economic, social, technological, environmental, and legal factors. The impact of the company on these parameters is investigated.

2) VRIO Framework

Using the VRIO methodology to determine a company's strategic resources (Barney, 1997), above-average earnings are likely if an organization's attributes are:

- **Valuable** – when they allow a company to implement a strategy that increases its effectiveness and efficiency.
- **Incomparable** — only a few, if any, competitive firms possess these valuable characteristics
- **Inimitable** – the characteristics are too difficult to duplicate due to their unique history and evolution, ambiguous nature, or societal complexity; and
- **Organizable** — an organization can manage and harness the first three's competitive potential.

When competing in a single product market, business-level strategy describes the goal-directed actions managers take to gain a competitive edge. Managers must remember that competitive advantage is determined by both industry and firm effects while developing an effective company strategy. The underlying economic structure of the

industry is described by industry impacts. They blame a company's performance on the industry in which it operates. Entry and exit barriers, the number and size of enterprises, and the types of products and services offered are all factors that influence the structure of an industry. Firm effects link the actions of strategic leaders to the firm's performance (Porter, 1997).

Strategy Diamond

These options are related to five components managers must consider when making decisions, according to Hambrick & Fredrickson (2005): Arenas, differentiators, vehicles, staging and pace, and economic rationale are all factors to consider. The "Strategy Diamond" is a collection of aspects that are essential to the strategic management process. Most strategic plans concentrate on just one or two of these areas, leaving significant gaps in the entire strategy. Only after you've answered questions regarding each of these five parts will you be able to tell if your plan is working as a whole.

- **Arenas.** What locations will we be active in?
- **Differentiators.** How are we going to get there?
- **Vehicles.** How are we going to compete in the marketplace?
- **Staging.** What will our movement pace and sequence be?
- **Economic logic.** How will we get our money back?

Mutual Fund

Mutual funds are a type of investment vehicle that allows investors to pool their money and invest it in securities portfolios managed by investment managers (Darmadji and Fakhrudin, 2011). In terms of mutual fund type, Ponco Utomo (2010: 14) divides them into two categories:

- Closed mutual funds are those that are unable to repurchase shares that have been sold to investors.
- Open-ended mutual funds are those that sell and buy shares/units of participation from investors up to a certain quantity of capital.

According to Rudiyanto (2012: 23), there are several advantages in investing in mutual funds including:

1. Investments are managed by professional management; the investment managers also decide which stocks or bonds to buy.
2. The minimum investment limit is low, with a system of collecting funds from various investors, an investor can get management services from a professional investment manager.
3. Ease of purchase, potential investors can buy mutual fund shares from mutual fund companies that sell shares directly or through various mutual fund sales agents (APERD) in collaboration with investment managers
4. Low investment risk, investing through mutual funds means investing in different types of securities. Thus, the risk faced by investors will be smaller than investing in one type of securities.
5. Ease of reselling, investors can resell their mutual fund shares because the mutual fund company is obliged to buy back the issued mutual fund shares (except closed mutual funds).
6. Government protection, in Indonesia, stock mutual fund trading has been regulated in the Capital Market Constitution, which is accompanied by implementing regulations issued by BAPEPAM.

Characteristics of Investment Managers and Investment Strategy

Equity investors are likely to consider the business plan followed, the organization's profitability, the capabilities embodied by the firm's management, and the overall

corporate governance structure. Indeed, the manager's previous success, the stability of personnel, the talents and competence of the investment team, the acceptability of the investment philosophy followed, and the fees connected with hiring the manager's services should all be investigated. While there is a lot of study on how to assess mutual fund performance, empirical research on what factors separate investment returns is still in its early stages. In the United States, Chevalier and Ellison (1997, 1999a, 1999b) were key contributors, analyzing portfolio manager incentives, mutual fund risk, and the relationship between performance and the education and experience of investment managers.

Performance Analysis of Mutual Funds

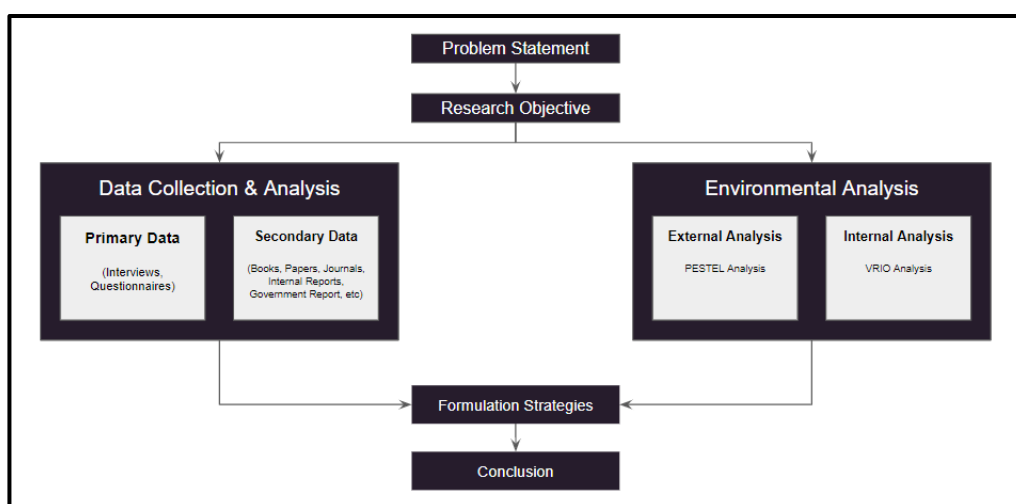
The study on the performance of actively managed funds is extensive, and the overall conclusion is that in terms of risk-adjusted returns, the average active fund cannot exceed appropriate benchmark indices. These findings, which date back to Cowles' (1933) early research, have remained mostly unchanged over the last 70 years. Elton et al. (1993), Malkiel (1995), Ferson and Schadt (1996), Cai et al. (1997), Blake and Timmermann (1998), Dahlquist et al. (2000), and Brown et al. (2001) have more recently supported the notion of capital market efficiency.

RESEARCH METHOD

The methodology section outlines what research method was used, how the data was acquired, and how the data was analyzed statistically or qualitatively to get a better understanding of the results and discussion.

The main goals of this final project are to examine the current business plan and develop a new business strategy to help ZYJM CORP grow, and the conceptual framework will be used to guide this research. The graphic below depicts the study's conceptual framework in greater detail:

Figure 1. Research Flow Diagram



Primary data were obtained by interviewing 11 stakeholders, both internal company's and external, as well as 107 respondents from capital market investors. The research criteria to become questionnaire participants are as follows:

- Is an investor in financial products
- Have an interest in or even familiar with Mutual Fund investment instruments
- Have or have never invested in Mutual Fund instruments

Secondary data was obtained from the collection of published books, journals, articles, internal company documents, and regulations. Environmental analysis conducted by using external analysis using PESTEL framework by categorizing aspects of external factors such as politic, economic, sociocultural, technology, and legal (Rothaermel, 2020) and internal analysis using VRIO Framework.

RESULTS

PESTEL Analysis

1. Political

The government's policy of implementing restrictions on community activities aka PPKM has an impact on the mutual fund industry, PPKM is predicted to be the main cause of the AUM depression last July. Since the announcement of PPKM, the total AUM of the mutual fund industry has fallen by around Rp. 30 trillion (Sari, 2021). This is evidence that there are still many investors who continue to be cautious about this uncertain situation and choose to wait and see with a defensive nature in investing in mutual fund products. Even so, PPKM has the potential to be a catalyst for retail investor participation in the mutual fund market. Investor participation amid this pandemic has seen the number of our retail investors in mutual funds jump sharply beyond the 4.4 million mark, according to data from the Indonesian Central Securities Depository (Malik, 2021). In addition, the Ministry of Health's policy to update the rules regarding the implementation of vaccinations in the context of dealing with the COVID-19 pandemic to increase the coverage of the national vaccination program as stated in the Minister of Health Regulation Number 18 of 2021 is proof of the government's efforts to continue to boost the rate of national Covid-19 vaccination, which is a bright hope for the government. The recovery of the national economy resulted in a rebound in the mutual fund industry.

2. Economic

The Indonesian economy managed to emerge from recessionary pressures in the second quarter of 2021, recording the highest annual growth rate in 17 years. Data released by the Central Statistics Agency (BPS) today stated that Indonesia's gross domestic product (GDP) grew 7.07% in the April-June quarter compared to the same period last year, the highest since October-December 2004 quarter. In addition to describing price stability, inflation also describes how large the amount of demand and supply in the market is. The Central Statistics Agency (BPS) announced Indonesia's inflation data for the July 2021 period. As a result, Indonesia experienced inflation of 1.52% year on year (YoY) in July 2021. This inflation increased from the previous month which was 1.33%, this is quite low compared to the inflation target planned by Bank Indonesia (BI). Based on PMK No. 124/PMK.010/2017 dated 18 September 2017 concerning the 2019 Inflation Target, 2020, and 2021, the inflation target set by the Government for the period 2019 – 2021, respectively at 3.5%, 3%, and 3%, with a deviation of $\pm 1\%$, respectively (Menteri Keuangan Republik Indonesia, 2017).

3. Sociocultural

Mutual fund investors dominate the number of capital market investors, which are 4.93 million people. Mutual fund investors showed an increase of up to 55.27%, compared to the end of 2020 of 3.17 million people (Malik, 2021). The increase in the number of retail investors during the pandemic could be due to the shifting behavior of millennials in spending their money. The travel ban encourages young people to allocate a leisure budget to investment accounts (Sugianto, 2021). However, according to research results released by Tirto in July 2019, it shows that, in general, the millennial generation tends to be more extravagant, finds it difficult to save, and doesn't care about future investment needs. As a result, millennials and generation Z are suspected of facing greater financial risk in the future due to the unhealthy financial management style of millennials and Gen Z.

4. Technology

Investment trends in the digital world are driven by the implementation of appropriate technology by each platform. Good financial literacy and mastery of technology is a combination that can break down the first fortress of a person's reluctance to invest. One of the technologies that have a big impact on the mutual fund industry is the presence of fintech. Fintech is used to describe new tech that seeks to improve and automate the delivery and use of financial services (Kagan, 2020). The fintech industry is growing very rapidly now. At first, Indonesian fintech only moved in two verticals, namely digital payments (e-money) and online loans (peer-to-peer lending). Now growing to include aggregators, innovative credit scoring, financial planners, equity crowdfunding, and project financing. In addition, the trend of artificial intelligence development also plays a role in the mutual fund industry. The technology most often used in the AI field is the recommendation system. Recommendation systems work by taking advantage of several sources of information to predict the preferences of users for items of interest (Bobadilla et al., 2013). This technology is often used in digital APERD to help investors who do not have sufficient knowledge in choosing mutual fund products based on their risk profile. This technology allows investors to minimize their investment risk and make them confident in investing.

5. Ecological

In 2014, around 1.2 billion jobs, accounting for 40 percent of total world employment, were sustained by industries that depend directly or heavily on ecosystem services. If, as a result of a loss of ecosystem services, activity falls in these sectors, they may have a lower capacity to supply inputs to downstream industries and to demand output from upstream industries, indirectly affecting even more jobs (ILO, 2018).

6. Legal

Recently, OJK has issued a new regulation for Investment Managers. Based on OJK Regulation No.3/POJK.04/2021, OJK reaffirms capital rules for investment managers. The authority has also issued a series of rules related to the implementation of GCG for issuers and public companies, securities companies, and investment managers. Most recently, OJK has issued POJK No.3/POJK.04/2021 concerning the Implementation of Activities in the Capital Market Sector.

VRIO Analysis

Table 1. VRIO Table

Resources and Capabilities	Valuable	Rare	Inimitable	Organized	Competitive Implication
Mutual Fund Products	V				Competitive Parity
Branch Office	V				Competitive Parity
IT Infrastructure	V				Competitive Parity
Sales Channel Distribution	V				Competitive Parity
Expert Trader	V	V	V	V	Sustainable Competitive Advantage
Brand Value	V	V	V	V	Sustainable Competitive Advantage
Client Relationship	V	V	V	V	Sustainable Competitive Advantage
People and Organization Culture	V	V	V	V	Sustainable Competitive Advantage

Propensity for Innovation	V	V	V	V	Sustainable Competitive Advantage
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Mutual fund products, branch offices, IT infrastructure, and distribution channels will only bring ZYLM CORP competitive parity because most of these resources are not rare and easy to imitate. In mutual fund products, although it is difficult to imitate because product manufacture involves the expertise of traders so that each product has a unique investment and return composition, this is not rare considering that there are many other mutual fund products on the market. On the other hand, sustainable competitive advantage is obtained through expert traders, brand values, client relationships, people and organizational culture, the propensity of innovation which are generally intangible resources. ZYLM CORP has been established in 1990 and serves various clients for institutions and retailers in achieving their financial goals, which will build a good reputation and trust which is unique and difficult for other investment management companies to have. In addition, ZYLM CORP has expert traders who have unique knowledge of the capital market in maximizing the return of their mutual fund products, which of course the knowledge and experience of this trader are rarely found in other companies, let alone the supply of traders who are competent to manage mutual funds is quite limited in Indonesia. In addition, ZYLM CORP's corporate culture and values both internally and externally to clients by understanding the risks and customer preferences to formulate investment plans and strategies have brought ZYLM CORP to receive awards for its various mutual fund products. In addition, ZYLM CORP also continues to innovate as part of the company's organizational culture, one of its innovations is proven in 2020 ZYLM CORP launched the "Roxez" application, an online trading platform for ZYLM CORP mutual fund products to make it easier for investors to buy their mutual fund products anywhere online.

Questionnaires Results

1) General Questions

the author succeeded in getting 107 respondents to fill out the questionnaire with the following characteristics of respondents:

- Is an investor in financial products
- Have an interest in or even familiar with Mutual Fund investment instruments
- Have or have never invested in Mutual Fund instruments

Below are the results of the questionnaire:

Table 2. Respondent Profiles

Gender	Frequency	Percentage (N=107)
Male	60	56.1%
Female	47	43.9%
Age		
<20	1	0.9%
20-30	82	76.7%
30-40	17	15.9%
40-50	2	1.9%
>50	5	4.6%
Employment		
Employee/Manager	68	63.6%
Student	29	27.1%
CEO/Director	2	1.9%
Entrepreneur	3	2.8%

Others	4	3.7%
Average Monthly Income (IDR)		
<5 Million	24	22.4%
5-15 Million	58	54.2%
15-25 Million	13	12.2%
25-35 Million	5	4.7%
>35 Million	7	6.5%
Percentage of Income that can be set Aside for Investment		
<25%	55	51.4%
25-50%	45	42.1%
>50%	7	6.5%
Level of Investment Loss that can be Borne		
0%	7	6.5%
1-25%	89	83.2%
25-50%	7	6.5%
>50%	4	3.6%
Average Length of Investment Period		
<1 Year (Short-term)	23	21.5%
1-5 Year (Medium-term)	56	52.3%
>5 Year (Long-term)	28	26.2%
Exposure of Information About Mutual Funds		
Smartphone App	52	48.5%
TV Advertisement	8	7.5%
Printed Media	15	14%
Outdoor Media	5	4.7%
Indoor Media	4	3.7%
Social Media	73	68.2%
Referrals (Friend, Family, Colleagues, etc.)	56	52.3%
Influencer	27	25.2%
Website	35	32.7%
Others	7	6.5%
Ever Invested in Mutual Fund		
Yes	86	80.4%
No	21	19.6%
Know about ZYZM mutual fund products?		
Yes, and have seen the mutual fund product information	14	13.1%
Yes, but haven't seen the mutual fund product information yet	20	18.7%
Don't know about the mutual fund product	73	68.2%

The questionnaire was dominated by participants aged 20-30 years or 76.7%, followed by 15.5% participants aged 30-40. In other words, the majority of respondents are millennials. 63.6% of participants are employees and 27.1% are students. The average income of the majority is at 5-15 million rupiah per month or 54.2%.

As many as 83.2% of respondents can accept the risk of investment loss of 1-25% of the total investment, and 51.4% of respondents can set aside less than 25% of their income to invest, while 42.1% of respondents can set aside up to 50% of income. A total of 51.9% of respondents invest in a period of 1-5 years. Seeing this, it can be concluded that the risk profile of most investors tends to be conservative to moderate, or those with low to moderate risk tolerance.

Participants got the most information exposure about mutual funds through social media (68.2%), followed by referrals from various relationships (52.3%), and their smartphone applications (48.5%). 80.4% or around 86 respondents have invested in mutual fund products, while 19.6% or around 21 respondents have not invested in mutual funds.

68.2% or the majority of the respondents don't know about the mutual fund products of ZYZM, this indicating that the product and brand awareness of ZYZM is still low

2) Mutual Fund Investor's Perceptions

Table 3. Mutual Fund Investor's Perceptions

Biggest Encouragement to Invest in Mutual Funds	Frequency	Percentage (N=86)
Product's Return	62	72.1%
Tax Free	18	20.9%
various Levels of risk	31	36%
Liquidity	36	41.9%
Asset Diversification	43	50%
Managed by Professionals	48	55.8%
Safety	42	48.8%
Biggest Factor Considered Before Choosing Mutual Fund Products		
Investment Manager Reputation	64	74.4%
Product's Return	50	58.1%
Underlying Asset / Portfolio	54	62.8%
Transaction / Management Fees	16	18.6%
Product's Risks	48	55.8%
Length of Time for Disbursement of Funds	15	17.4%
Minimum Investment Price	12	14%
Mutual Fund Investment Preference Types	3	3.5%
Money Market	65	75.6%
Equity	59	68.6%
Fixed Income	40	46.5%
Balance Fund	45	52.3%
Structured Fund	6	7%
ETF	4	4.7%
Real Asset	1	1.2%

Channels Oftenly Used to Buy Mutual Funds		
Private Banks	5	5.8%
SOE Banks	13	15.1%
Foreign Banks	4	4.7%
Investment Managers	22	25.6%
Securities	33	38.4%
Mutual Fund Marketplaces	63	73.3%

The three biggest impetuses for investors who have invested in mutual funds to invest in mutual fund products is dominated by the possible returns, managed by professional institutions, to diversify their investment assets. Meanwhile, the 3 biggest things investors consider before choosing their mutual fund product are the reputation of the investment manager, the underlying assets in their mutual fund product, and the return on the mutual fund product.

The three highest preferences of investors towards various mutual fund products are money market mutual funds as their investment vehicle, followed by equity mutual funds, and mixed mutual funds. Most investors buy their mutual funds through the mutual fund marketplace, followed by a securities company, and directly on investment managers

3) Non-Mutual Fund Investor's Perceptions

Table 4. Non-Mutual Fund Investor's Perceptions

Biggest Factor not yet Investing in Mutual Funds	Frequency	Percentage (N=21)
Lack of Trust in Investment Managers	7	33.3%
Lack of Mutual Fund's Information	10	20.9%
Product's Risk	8	47.6%
Lack of Funds	6	28.6%
Expensive Fees	3	14.3%
Biggest Factor Considered Before Choosing Mutual Fund Products		
Investment Manager Reputation	14	66.7%
Product's Return	14	66.7%
Underlying Asset / Portfolio	14	66.7%
Transaction / Management Fees	8	38.1%
Product's Risks	10	47.6%
Length of Time for Disbursement of Funds	5	23.8%
Minimum Investment Price	3	14.3%

The three biggest things that keep them from investing in mutual funds are:

1. Lack of information about investing in mutual funds
2. The risk of returning mutual fund products
3. Lack of trust in investment managers

Factors that non-mutual fund investors consider before investing in their mutual fund products are:

1. The reputation of investment managers

2. Return of mutual fund products
3. Underlying assets of mutual fund products

Interview Results

The future status of mutual funds has the potential to develop because there are still many Indonesians who have not entered the investment business, as well as the significant increase in investor growth in the capital market in 2020. Local investment managers, on the other hand, had substantial hurdles in 2019 because of an insurance company's default case, which dragged several local investment managers into it and lowered investor confidence in local investment managers in general. Investor behavior is more protective during a pandemic, with investors overweighting their portfolios to lower-risk Money Market mutual funds. Before the pandemic, the mutual fund industry, as well as the business cycle of investment managers, tend to rise continuously. Money Market mutual funds will be able to compete with bank savings in the future, as well as improve investor responsiveness to the market and increase investor confidence in local investment managers who are not involved in legal procedures.

Working in the new normal era, less stable product performance, the emergence of other investment products that provide more competitive returns, the socialization of mutual products to the public, and investor behavior that shifts to be more defensive, all result in the redemption of mutual fund investments in ZYJM CORP, resulting in a decrease in AUM.

ZYJM CORP has a strong direct sales force, the most offline presence among investment managers, as evidenced by branch offices in Indonesia's major cities, a strong track record of product performance that has garnered numerous awards, and a stable of investment managers within Indonesia's Top 20 AUM. The online mutual fund sales platform for ZYJM CORP's "Roxez" application is still not perfect, and ZYJM CORP has fewer mutual fund selling agents (APERD) than other investment managers, a restricted marketing budget, low brand awareness, and a sales force with limited mutual fund experience.

Externally, the immense potential of Indonesians who have yet to invest, as well as the increasingly rapid Covid 19 immunization procedure, which can help speed up economic recovery, are both good opportunities for ZYJM CORP. Furthermore, through the ministry of finance, the government is beginning to show interest in the capital market business and mutual funds by promoting the benefits of the capital market to the general public. The risk of a developing pandemic, the growing number of investment instruments with competitive returns, the limited APERD accessible to market mutual fund products, as well as the political climate, and Indonesia's future policy orientation, are all external threats to ZYJM CORP's operations.

Some of the proposed tactics to boost ZYJM CORP AUM and generate distinctive selling advantages include personalized service, portfolio management to provide competitive returns, and marketing force optimization to convert investors.

DISCUSSION

Based on the results of the interviews, questionnaires, and environmental scanning, it is evident that ZYJM CORP requires a new business plan to increase its AUM. This strategy mainly is created using the diamond strategy and new proposed business model canvas drawn based on the proposed diamond strategy:

Diamond Strategy

1. Arena

When we talk about the arena, we're referring to important strategic decisions about where and how our organization will function. Because open-end mutual fund products are more accessible and known to investors than closed-end mutual fund products, open-end mutual fund products must be prioritized in ZYJM CORP's instance. Stock mutual funds, fixed income mutual funds, mixed mutual funds, and mutual funds are all open-end mutual fund products. For example, mutual funds that invest in money markets. In terms of channels, ZYJM CORP needs to increase partnership with digital APERD in Indonesia to extend its digital channel. The majority of investors use the mutual fund marketplace platform in their mutual fund buying and selling activities, according to the results of a survey. ZYJM CORP must also take advantage of its assets, which include direct sales channels supported by a strong direct salesforce, as well as branch offices in major cities around Indonesia to attract as many investors as possible, ZYJM CORP will focus its efforts on these areas.

According to an interview, ZYJM CORP does not have defined market groupings, but its clientele has ranged from retail investors to institutions and enterprises. There are several ways to gain specific target markets, one of them obtained by searching for an opportunity where we can enter and offer a solution with the products, we are selling (Gunawan, F, Ihza, Andrianto, & Schoonderbeek, 2017). Given the recent development of retail investors and the fact that many retail investors have yet to invest in the capital market, the market potential remains very large. ZYJM CORP can focus or increase its salesforce to capture the retail market, particularly the millennial generation, because this generation is the dominant generation in Indonesia's current demographics, and they are also future investors for ZYJM CORP.

The mutual fund transaction process involves internal firms, custodian banks, APERD, investors, and in-house IT integration to offer operational excellence for all parties involved. Furthermore, to create dependable products with high returns, sophisticated in-house trading systems with a variety of trading instruments are used.

ZYJM CORP provides several mutual fund product options with consistent returns, is accessible both online and offline, and has solid corporate governance to protect its clients' interests in terms of value production.

2. Vehicle

1) Internal Development

- Increase the knowledge of sales agents

ZYJM CORP's huge number of sales agents and branch offices, which allow direct selling in particular areas of Indonesia's major cities, is one of the company's strengths. However, not all sales agents have a thorough understanding of the capital market industry, factors affecting mutual fund products, and financial planning, so ZYJM CORP must train its sales agents regularly to improve their knowledge and be able to provide reliable financial solutions and education.

- Enhancement of the Roxez App

Given the enthusiasm of digital investors at the end of 2020 yesterday, as well as the expanding digital APERD, and the penetration of Indonesian smartphones, which is predicted to continue to increase, the performance of the ZYJM CORP mutual fund online sales platform application must be maximized. To make it easier for investors to explore and complete transactions on Roxez, Roxez must constantly improve its UI/UX design and reduce application defects (bugs). Furthermore, because many investors in Indonesia still have limited knowledge of the mutual fund industry, the Roxez app, in addition to selling ZYJM CORP products, can include "market news" features to provide

up-to-date education about the mutual fund industry to the capital market, attracting investors' attention. in addition to possible investors to use the program

- Enhance the company's culture

Some aspects, such as divisional collaboration and communication, as well as the implementation of a research and review plan, are still considered unsatisfactory, posing a risk to business operations and the achievement of company objectives. By minimizing bureaucracy and confusing hierarchies within the organization and increasing collaboration and communication, ZYJM CORP can establish an agile culture that improves communication and cooperation. ZYJM CORP must also build unambiguous SOPs to guarantee that collaboration occurs smoothly and that bottlenecks do not slow or inefficiently slow business processes. ZYJM CORP, on the other hand, has to improve its business strategy review procedure regularly to keep the company on course. ZYJM CORP must also begin to cultivate an analytics culture to aid strategic decision-making.

- Improve Marketing Strategy

To maintain their customers and expand their realm in the mutual fund industry, ZYJM CORP needs to increase consumers' awareness of the company (Pandey, et al., 2021). ZYJM CORP's marketing strategy must be revamped primarily to increase the company's low brand awareness. ZYJM CORP must focus on customer-centric inbound marketing techniques in the contemporary digital world (User Centrics). Customers would come to the marketers since the marketing is full of interesting and useful information for them. ZYJM CORP has begun to engage in inbound marketing activities such as Facebook and Instagram advertising, as well as educational content on Instagram, although it is far from flawless.

- **Marketing and Distribution of Content**, create new content regularly for social media platforms like Instagram, YouTube, Facebook, or even websites/blogs to improve your SEO and increase your chances of being found online. Furthermore, interactive content is frequently employed in content development because it is highly shareable and results in high conversion rates. Quizzes, grades, checklists, and calculators can all aid in the learning process for your visitors. Customers feel more involved in the process, which improves the user experience.
- **Networking**, ZYJM CORP can hold frequent networking events, referral programs to expand customer reach, and Testimonials/Referral Programs to make a general awareness in the whole market (Nair, et al., 2021), build brand recognition, and attract new clients because of social proof is so valuable nowadays. Furthermore, ZYJM CORP can engage in community participation activities such as sponsoring local events, participating in, or holding your events to make your firm known.
- **Social Media**, If ZYJM CORP posts frequently, visitors should be able to see your social media profiles and know you're open for business. Furthermore, by evaluating audience data and providing additional marketing treatment to individuals who look to be interested in acquiring ZYJM CORP things, ZYJM CORP may boost the impact of their paid channel advertising.
- **Exclusive Offers**, for example, launching limited-time deals to create a sense of urgency and promote awareness of ZYJM CORP's limited-time products. In addition, ZYJM CORP can make unique offers to investors who have invested in ZYJM CORP to retain clients and upsell.

For ZYJM CORP to focus on increasing conversion rates, a leveraged analytics mindset in formulating marketing strategies is critical. Customer data obtained from touchpoints from various ZYJM CORP marketing channels, including direct, websites, and social media, is used for later analysis and drawing insights from the data. These data are then utilized to develop targeted marketing tactics for clients who are most likely to convert.

- **Maintain Product Performance**

Because, after all, the return on investment is the most significant factor for those who invest in mutual funds, ZYLM CORP must always maintain a great performance/return on its products. ZYLM CORP needs to be more adaptive in managing its portfolio, especially given the uncertain market conditions caused by the pandemic, by doing thorough market research, reallocating portfolios in response to industry developments, and modifying portfolio strategies.

2) Strategic Alliance

- **Maintain and expand APERD B2B partnerships**

ZYLM CORP will need to collaborate with a range of APERDs to continue to target individual investors, including digital/fintech enterprises, securities firms, and significant financial institutions. Of course, each APERD will have terms and conditions in place so that ZYLM CORP can sell products to them. Apart from meeting these criteria, ZYLM CORP must also develop a compelling partnership proposition that benefits both parties. In addition to aiming to enhance cooperation with various new APERDs, ZYLM CORP must preserve partnerships with existing APERDs. Because APERD sales representatives lack KPIs for selling a certain investment manager Mutual Fund product, one method ZYLM CORP can help is by providing incentives regularly. This incentive is intended to maintain and maximize sales because APERD sales agents do not have KPIs to offer a certain investment manager Mutual Fund product.

3. Differentiations

- **Investing service that is safe and dependable**

The default case involving state-owned enterprises a few years ago, which implicated several local investment managers as suspects, has further eroded public trust in local investment managers, not to mention Indonesians' propensity of trusting international investment managers more than local ones. In light of this, ZYLM CORP must be the only local investment manager that places a premium on security, dependability, and confidence in their services by adhering to and integrating with OJK policies as a regulator. ZYLM CORP has a track record free of legal entanglements and with good Good Corporate Governance (GCG), and this value must be utilized in marketing operations so that it becomes a significant differentiator for ZYLM CORP.

- **Personalized service**

The number of sales and marketing agents is undoubtedly a strength for ZYLM CORP, which must be exploited by prioritizing personalized service based on the characteristics of investors in each region to increase existing customer loyalty and attract new investors through word of mouth from satisfied customers. ZYLM CORP must also improve their personalized service on their web platform, Roxez, by beginning to establish an easy-to-use user experience for all users, as well as implementing trustworthy customer support and customer feedback. ZYLM CORP can improve its personalized service by implementing CRM and Artificial Intelligence technology. CRM and AI technology can help ZYLM CORP find new customers, win their business, and keep them happy by organizing customer and prospect information in a way that allows you to build stronger relationships with them and grow your business faster.

- **Reliable products performance**

Products must be generally accepted by the community and have practical value to boost competitiveness (Wolok, 2021). According to the survey, product returns are very important in attracting investors to invest, so ZYLM CORP must continue to maintain the consistency of its mutual fund performance so that it can optimize its active management portfolio strategy to keep up with market trends, especially during this pandemic. Furthermore, to maintain consistency, ZYLM CORP must set targets to give a greater return than the product's index reference or even equal to the return of Indonesia's top

five investment managers, so that people identify ZYZM CORP since a good product return finally sells itself (Kee, Syakirah, Najihah, Aliya, & Sikumbang, 2021).

- Various mutual fund options

ZYZM CORP must continue to adapt and be aware of the characteristics and preferences of Indonesian investors to provide a diverse range of goods that meet their needs. ZYZM CORP will be able to become a local investment manager with a one-stop solution for each type and investment preference of its investors, along with reliable product returns and customized service, which will, of course, be a significant differentiator for ZYZM CORP.

- Educate the market regularly.

In Indonesia, financial literacy has barely reached 37 percent of the overall population of more than 268 million people or 99.16 million individuals. As a result, the economy's contribution is still not optimal. ZYZM CORP can take advantage of this by actively educating the public about financial literacy by collaborating with government institutions, the media, and creating marketing education content regularly through various social media channels, as well as holding regular and active events both online, such as IG Live and Zoom meetings, and offline, such as gathering events.

4. Staging

ZYZM CORP can begin by developing an active investing strategy for their mutual fund products to provide competitive returns for investors, as well as developing a variety of products to meet the needs and preferences of various investors. ZYZM CORP, on the other hand, must optimize the company's internal business processes, such as creating consistent and clear SOPs for each division, reducing bureaucratic processes to speed up decision-making, and fostering a collaborative and agile culture to promote collaboration and communication. For further development in the sector of commercialization, ZYZM CORP may need to train its sales agents to become competent investment advisors for each type of client, both retail and institutional, to give specialized and dependable services. On the online side, ZYZM CORP must focus on optimizing their various sales funnels, one of which is the Roxez application, by designing the user interface and user experience, as well as registration progress that makes it easier for investors. Additionally, ZYZM CORP must focus on monitoring and maintaining each APERD that has been issued, as well as cooperating or continuing to expand cooperation with other APERDs, particularly those with a large customer base and exposure both online and offline.

Furthermore, ZYZM CORP can adopt a CRM system to organize and optimize ZYZM CORP's relationship with investors, allowing ZYZM CORP to strengthen business partnerships by assisting enterprises in staying connected to consumers, streamlining procedures, and increasing profitability. Furthermore, Artificial Intelligence can be used to offer personalized value for each investor by making various product and service recommendations.

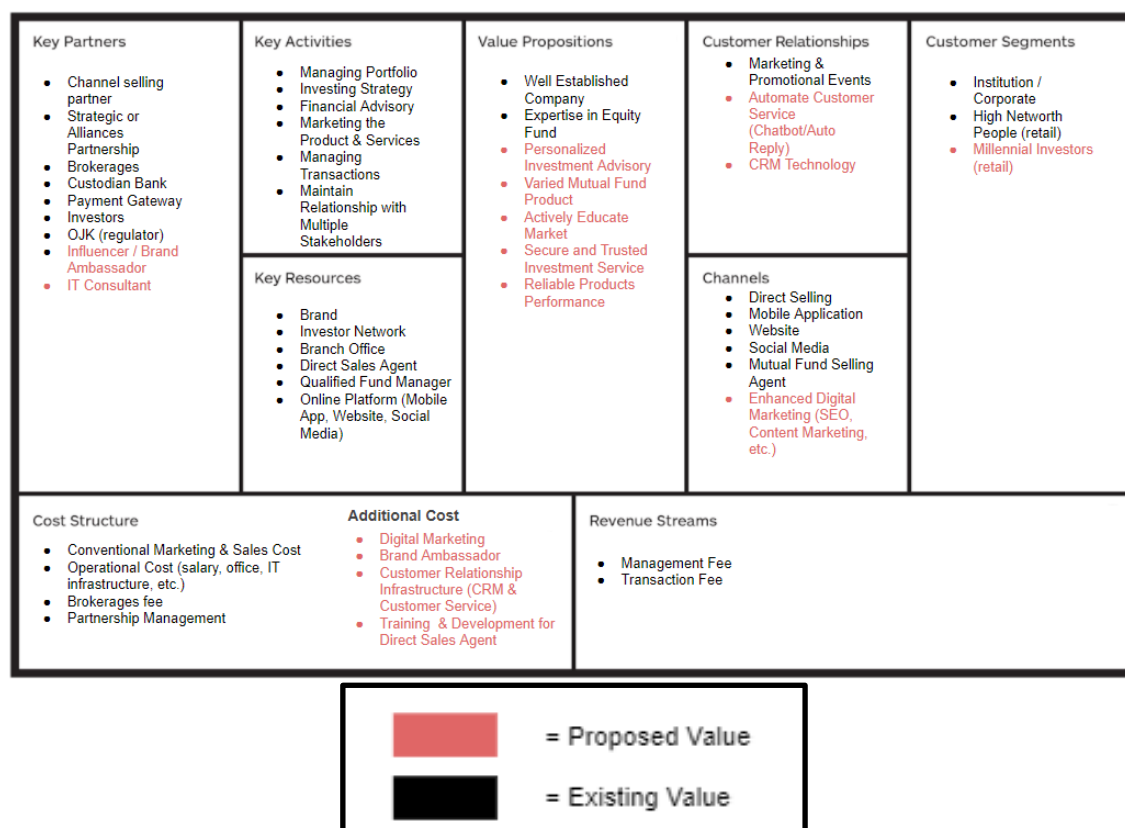
5. Economic Logic

In the case of ZYZM CORP, money will be generated by charging a fair price for high-quality service, both in terms of product reliability, investment security, and the ease of a personalized user experience. This outstanding service will entice many investors to participate in ZYZM CORP, allowing the company to grow its AUM and income.

Business Model Canvas

After conducting internal and external analysis, this generated Business Model Canvas (BMC) aims to enhance ZYZM CORP's competitive advantage by adding suggested value to win the competition along with solving company issues. Below is the BMC the author proposed for ZYZM CORP

Figure 2. Proposed Business Model Canvas



CONCLUSION

The proper business strategy for ZYGM CORP is as indicated in the diamond strategy, based on the survey data obtained from environmental analysis, questionnaires, and interviews:

- Because open-end mutual fund products are more accessible and known to investors than other forms of mutual funds, ZYGM CORP may focus more on growing their open-end mutual fund products, such as equities, fixed income, mixed, and money market mutual funds.
- ZYGM CORP must not only expand their APERD channels, particularly on the mutual fund marketplace channel but also maintain sales on existing APERDs to meet sales targets; additionally,
- ZYGM CORP must develop its customer base to focus on the millennial generation, as the millennial generation is a potential future investor who will make ZYGM CORP mutual fund sales more sustainable.
- ZYGM CORP must focus on raising brand awareness, which is still low in the eyes of investors, through various marketing strategy campaigns such as content marketing, SEO, targeted advertisements, especially on social media channels, referrals, and mobile apps.
- Because ZYGM CORP has a big number of direct sales, they must leverage this strength by deploying CRM technology to preserve client interactions and grow their customer base. ZYGM CORP must also improve their direct sales expertise of mutual funds and investing concepts in general by establishing regular training and development programs so that they can provide individualized investment advice to each customer.

- ZYZM CORP must improve the Roxez application by streamlining the UI/UX design to make it easier for investors to navigate, simplifying the registration and transaction processes, and adding additional features such as news, discussion forums, and educational modules on mutual funds to attract millennial investors who are unfamiliar with the mutual fund investment industry.
- ZYZM CORP must create an agile culture within the organization by minimizing complex bureaucracy, enforcing cooperation, developing clear SOPs to speed up workflow, and focusing on service excellence.
- ZYZM CORP must build, and express clear differentiator values based on retail and institutional investors' needs.

LIMITATION

This research describes the findings based on interviewees from the internal side of the company and a handful of capital market investors. More research can be conducted specifically by adding interviewees from various mutual fund stakeholders and adding the range of filling out questionnaires.

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DECLARATION OF CONFLICTING INTERESTS

The author declares that there are no conflicts of interest in preparing the current article

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