

Canvas+: Proposed New Business Model Canvas to Achieve Profitability and Sustainability Goals in PT Berlin Pharma Indonesia

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ABSTRACT

The purpose of this research is to find out how sustainability goals can support profitability in PT Berlin Pharma Indonesia. The company is committed to achieving sustainability goals while facing the profitability issue in the VUCA world. This study used a simple mixed approach, using a survey of 30 respondents from all departments in the company as a quantitative method and interviews with 5 top management and senior management as a qualitative method. The questions are based on Better Business Scan Framework to understand the gap between the intention and realization of the company as a basis to define the new business strategy. The result proposes that Canvas+ is a new strategy to upgrade the existing business model of the company. The nexus approach can be used to align the work among departments to synergize sustainability effects.

Keywords: *Sustainability Development Goals, Sustainability, Business Model Canvas, Canvas+, Better Business Scan.*

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengetahui bagaimana tujuan keberlanjutan dapat mendukung profitabilitas di PT Berlin Pharma Indonesia. Perusahaan berkomitmen untuk mencapai tujuan keberlanjutan sementara menghadapi masalah profitabilitas di dunia VUCA. Penelitian ini menggunakan pendekatan campuran sederhana, menggunakan survey kepada 30 responden dari seluruh departemen di perusahaan sebagai metode kuantitatif dan wawancara dengan 5 orang manajemen puncak dan manajemen senior sebagai metode kualitatif. Pertanyaan-pertanyaan tersebut didasarkan pada kerangka Better Business Scan untuk memahami kesenjangan antara niat dan realisasi perusahaan sebagai dasar untuk menentukan strategi bisnis yang baru. Hasil penelitian ini mengusulkan bahwa Canvas+ merupakan strategi baru untuk meningkatkan model bisnis perusahaan yang sudah ada. Pendekatan nexus dapat digunakan untuk menyelaraskan pekerjaan antar departemen untuk mensinergikan efek keberlanjutan.

Keywords: *Sustainability Development Goals, Keberlanjutan, Kanvas Model Bisnis, Kanvas+, Better Business Scan.*

INTRODUCTION

The world is grappling with numerous complex and interconnected problems, often referred to as wicked problems. These challenges are characterized by their complexity, uncertainty, and the absence of clear solutions. Issues like the Covid-19 pandemic and global warming are prime examples of such problems that called grand challenge. Solving grand challenges requires a holistic and collaborative approach involving diverse stakeholders because no single entity or sector can resolve them in isolation.

The COVID-19 pandemic, which started in March 2020, had a profound impact on businesses worldwide. The restrictions, lockdowns, and changes in people's lifestyles significantly affected customer behavior and disrupted the market's supply and demand dynamics. Many companies faced challenges in maintaining their profitability as they had to adapt to new operational norms and address changing customer needs. The economic impact of the pandemic was further compounded by the invasion of Russia into Ukraine on February 24, 2022. This geopolitical event had far-reaching consequences for the global economy. One of the significant repercussions was the energy crisis that ensued due to the disruption of energy supplies from the region. Energy markets were severely affected, leading to price spikes and supply chain disruptions in various industries. These interconnected crises highlighted the vulnerability and interdependence of the global economy.

However, any problem always creates opportunity. Sustainability Development Goals (SDG) also can be seen as a set of opportunities that we can use to propel our world's current condition into a better one. SDG and its targets have relations between the goals. The interrelated effect emerges from achieving one goal success is called nexus challenge. A nexus approach is aimed at smartly linking and leveraging relevant social, ecological, economic, institutional, and collaborative aspects, to *synergize* sustainability effects. (Tulder & Mil, 2023, 178).

Berlin Group is a multinational healthcare company, headquartered in Europe. The company has been operated for almost two hundred years that operates in various segments, including hospital care, outpatient market, and homecare. In the Annual Financial Report 2021, even though the sales are growing, the business challenge faced by Berlin Pharma Group is unable to improve profitability because the significant increase in commodities and energy prices further reduced the company's gross profit. Considerable increases in shipping expenses acted as a barrier to achieving greater growth, along with the increment of labor cost and start-up cost from new production facilities. Facing the financial challenges, Berlin Group still try the best effort to continue its sustainability commitment. Berlin Group Sustainability Goals are linked to SDG 3, 4, 5, 8, 12, 13, 17. (Integrated Annual Report, 2022, 19).

The nexus approach can be a useful tool for prioritizing and financing SDG goals. The nexus approach recognizes the interdependencies between water, energy, and food systems, and how actions in one area can impact outcomes in another. This approach can guide decision-makers to identify potential synergies and managing conflicting objectives within the realm of different SDGs and develop integrated solutions that address multiple goals at once. (Tulder & Mil, 2023, 178).

BUSINESS ISSUE AND RESEARCH QUESTIONS

The Berlin Group Headquarter has SDG goals in their targets and expects that each site will also implement them in their strategy. PT. Berlin Pharma Indonesia still has post-covid financial problems, what is their strategy to meet the targets from the headquarter?

How to align the company's resources to support Sustainability implementation in Berlin Pharma Indonesia?

How can sustainability help to solve the problem of profitability of the company?

RESEARCH SCOPE AND LIMITATION

The problems faced by Berlin Group in globally is the same problems faced by one of its subsidiaries in Indonesia, named Berlin Pharma Indonesia. So that the scope of action explained further will be limited to the action of Berlin Pharma in Indonesia. Other factors that might influence the industry as a whole and indirectly affect the energy cost such as government policy, politics, and economic dynamic situation will be excluded in this research. Internal factors such as the decision of top management will also be excluded from this research.

LITERATURE REVIEW

SDG implementation has become a crucial issue in the pharmaceutical industry worldwide, including in Indonesia. The pharmaceutical industry is responsible for ensuring access to affordable and quality medicines, as well as reducing the environmental impact of their operations. Therefore, a literature review aims to explore the current state of SDG implementation in Brazil and Portugal as a reference and especially in the pharmaceutical industry in Indonesia and identify the challenges and opportunities in achieving the SDG targets.

Before the United Nations define the 17 SDG goal in 2015, the paper by Munif Mohammed in 2013 explains at that moment, traditional corporate accountability frameworks have been criticized for focusing solely on financial performance and shareholder value, rather than considering broader social and environmental impacts. This has led to a narrow view of value creation that does not adequately address sustainability issues.

Former UN Secretary-General Ban Ki-moon emphasized that states must fulfill their SDG obligations and lead implementation. He declared that the private sector may drive success. Businesses may innovate, invest, and generate sustainable development solutions. Former UNDP head Helen Clark stressed the importance of business engagement in accomplishing the sustainable development objective. She noted that the SDGs' magnitude and complexity necessitate business sector involvement. Businesses may help through ethical corporate practices, sustainable technology investment, employment development, and government and civil society partnerships. (UN News Centre, 2015).

Research by Rashed, 2021 explores important aspects of the role of the private sector in addressing the challenges related to the achievement of the SDGs. The research highlights several measurement indicators that reflect the challenges faced by the private sector in contributing to the SDGs, including corporate social responsibility (CSR), the circular economy, and environmental initiatives. The private sector faces challenges to achieve the SDGs, such as a lack of strong leadership that needed to set the vision, goals, and

strategies for integrating the SDGs into the organization's operations; a lack of harmonious partnerships to help enhance knowledge sharing, resource mobilization, and collective action towards common goals; a lack of funding to finance initiatives for SDG-related projects, many sustainable projects require upfront investments and may have longer payback periods, short lists of financial options and limited financial incentives can hinder the implementation of sustainability measures;

A lack of monitoring and evaluation techniques for monitoring and evaluating the progress of SDG implementation, which is essential to track performance, identify gaps, and make necessary adjustments; a lack of trustworthy quantifiable indicators to provide a common framework for measuring and reporting sustainability performance; and the private sector needs to navigate this extensiveness and complexity and develop integrated strategies that address multiple goals simultaneously. (Rashed, 2021)

Another research writes about the impact use of Artificial Intelligence (AI), a driven digital technology that has a critical role in innovation in economic, social, and environmental aspects. Therefore, digital technology is a relevant contributor to achieving SDGs. The research located in Brazil and Portugal compares the contribution and barriers of AI-driven Digital Technology usage in both countries. (Pigola et.al. 2021). Because the progress of SDGs implementation around the world is slow, the support from high technology to speed up this effort could be an example for Indonesia, beyond the differences in SDGs priorities, regulations, and culture in each country.

There is a few research about the implementation of SDGs in private sectors in Indonesia. The study of a private sector contribution in achieving SDGs in Kendari, Indonesia explains about the contribution of the power plant in Kendari in achieving SDG-7-clean and affordable energy through cooperation between the power plant in Kendari and State Electricity Company (PLN). The research uses a qualitative methodology and a descriptive research design with approaches for gathering data through interviews and recording. In this study, the idea of Public-Private Partnership (PPP) is used to support the theory of sustainable development. The study's findings indicate that the power plant Kendari will contribute to the achievement of SDG 7 by working with PLN under a 25-year contract, supplying power and developing youth-focused electricity education initiatives. By learning more, this contribution helps the development of sustainable electrical energy. This study into residential power use in the city of Kendari helps to advance the development of sustainable electrical energy. (Sudirman et al, 2021).

The pharmaceutical industry has an important role to play in achieving the SDGs, particularly SDG 3, which aims to ensure healthy lives and promote well-being at all ages. In Indonesia, the pharmaceutical industry is one of the key players in the country's healthcare system and can contribute significantly to achieving the SDGs. One example of a pharmaceutical company in Indonesia that has implemented SDGs is PT ABC Farma Tbk. ABC Farma is the largest pharmaceutical company in Indonesia and has integrated sustainability into its business operations. The company's sustainability strategy is aligned with the SDGs and focuses on four areas: access to healthcare, environmental sustainability, employee development, and community development (ABC Farma, 2021).

In thir Sustainability report 2020, ABC Farma's commitment to the SDGs is demonstrated through its initiatives to improve access to healthcare for underserved communities in Indonesia. The company has established several programs to improve healthcare

infrastructure, train healthcare workers, and provide affordable medicines to low-income communities. For example, ABC Farma has partnered with the Indonesian government to establish health centers in rural areas and provide free medical check-ups and consultations for low-income families. In their Sustainability report 2021, ABC Farma state their internal and external pillars to support for achieving nine SDGs, namely SDG 1, 3, 4, 5, 7, 9, 10, 12, and 16. Where the Goal 3, 'Good Health and Well-being', is a priority for ABC as it aligns with the company's commitment to improving the health of each individual and the Indonesian nation (ABC Farma, 2021).

The other example of a pharmaceutical company that shows commitment to achieving Sustainable Development Goals is PT. XYZ, a pharmaceutical company originated in Europe. Under the executive summary statement, they acknowledged the socioeconomic challenges, such as population growth and aging, wealth disparities, and climate change, as well as technological challenges and advancement, such as the development of digital technology. Companies must not only be financially efficient in this environment of great change, but also be able to articulate how they are fostering these changes and show how they are benefiting society. PT. XYZ contributes in particular to the SDG 3, but also have concern about SDG 4, 5, 6, 7, 8, 9, 10, 12, 13, 15, 16, and 17 (PT. XYZ, 2021).

From both examples, the role of the pharmaceutical industry in addressing various challenges related to SDGs, such as improving access to healthcare, reducing poverty, promoting gender equality, and mitigating climate change are significant contribution of the pharmaceutical company towards achieving SDGs. ("Sustainable Development Goals in the Pharmaceutical Industry," n.d.) The pharmaceutical company plays a critical role in developing and producing drugs, vaccines, and medical devices that are essential for addressing various health issues. Some companies are also focusing on reducing their carbon footprint and adopting sustainable manufacturing practices to mitigate the environmental impact of their operations. Moreover, the industry also contributes to the economic growth of many countries by providing employment opportunities and investing in research and development. ("SDG Industry Matrix," 2020).

SDGs are networks of target shows the complexity of the challenges that called grand challenges. This research will up the issues faced by Berlin Pharma as a multinational pharmaceutical private company that has signed up to the SDGs as its long-term business strategy. The company's intention started from 2015 when SDGs firstly adopted by the United Nations, and since 2018, Berlin Pharma created Sustainability report to express their commitment to these goals. Even though there is a particular team focus on the SDGs implementation within the Berlin Pharma group around the world, the progress is too slow. (UNECE, 2023).

The conceptual framework of SDGs implementation for the Berlin Pharma Indonesia shows in the Fig 2. It is important to identify the ESG topics which can be done by the organization considering the internal and external factors explained ahead. The board of the company then set the ambition and after determines a tool to measure the gap between intention and condition, the board and the top management of countries create a corporate strategy and share it to all sites around the world. The Integrated Annual Report shows the results of financial aspect and the ESG target and use it as a basis for the company's performance and the next target.

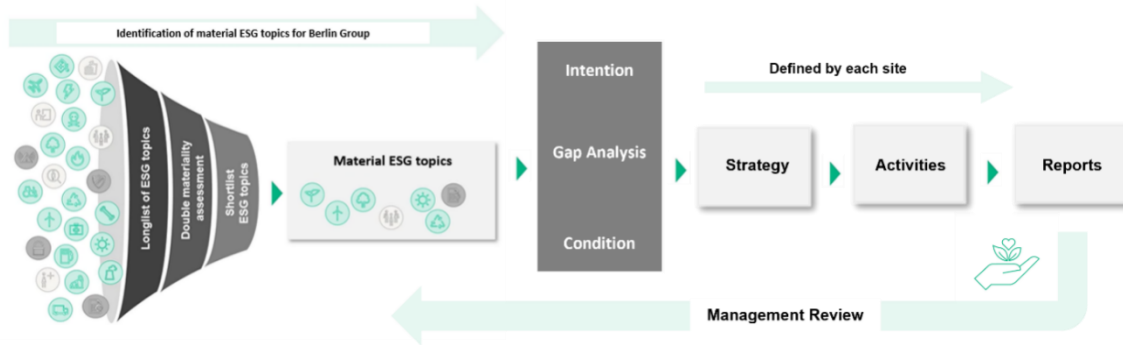


Figure 1: Berlin Pharma Indonesia SDGs Conceptual Framework

To reach the same goals, there are several government factors that can either support or challenge the implementation of the Sustainable Development Goals (SDGs) by private companies. Some of these factors include policy frameworks, regulations, access to resources, infrastructure, political stability, and stakeholder engagement. Considering this, the strategy is made by each site following the regulations of the country.

Methods

Research Design

The study was conducted through steps as shown in Fig 3, starting from identifying a problem that impacts the organization and defining research questions in the introduction, then exploring the business issue, including analyzing external and internal factors that influence the strength and weaknesses of the organization and recognize the opportunities and threat organization. These results combine with primary data and literature review for gap analysis. Knowing the gap will help to create a proposal of strategies that can be considered for implementation in Berlin Pharma Indonesia. Whereas the conclusion and recommendation are present to answer the research questions.

This research uses a simple mixed method approach of quantitative-qualitative data to measure the gap between the current condition and the goals, explore the reason why acceleration is needed, and feasible for Berlin Pharma to provide a proposal of strategy to achieve it. In this study, the research design used is an explanatory sequential mixed methods approach. The initial phase involves conducting quantitative research to analyze the results. Subsequently, qualitative research is employed to further elucidate and provide more in-depth explanations of these findings. This design is termed explanatory because the qualitative data helps to clarify and shed light on the initial quantitative results. The sequential aspect of the design refers to the order in which the quantitative and qualitative phases are conducted, with the qualitative phase following the quantitative phase. One significant advantage of this approach is its capacity to explore the intricate mechanisms and interactions between variables in greater detail through the use of qualitative follow-up, which is considered a fundamental strength of this methodology (Creswell, 2018, 347).

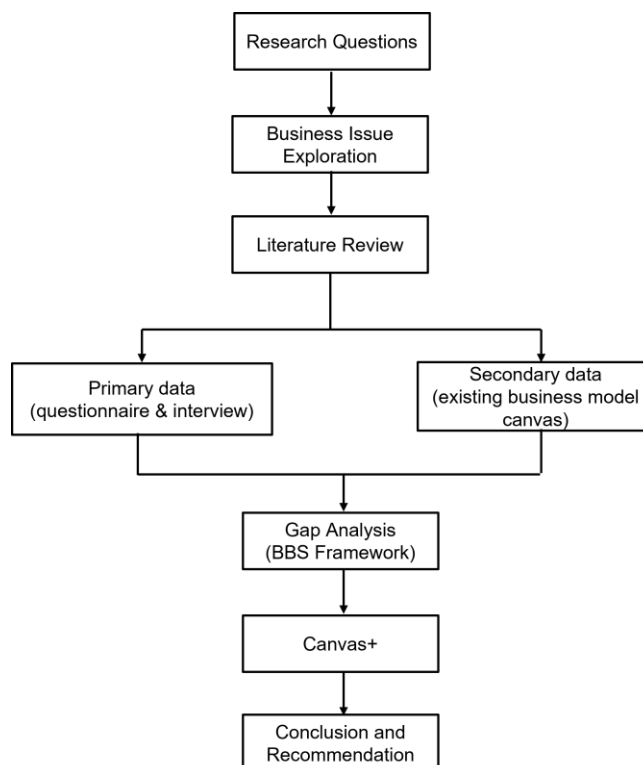


Figure 2: Research Design

Data Collection

The primary data collection proceeds in two distinct phases, survey to the representative of the department calculated quantitative in the first phase and gathering the qualitative data from interviews of selected informants in the second phase. The basic idea is that the qualitative data collection builds directly on the quantitative results, the design's purpose is to follow up on the quantitative results and investigate the results in greater depth.

Based on the Better Business Scan framework, the questions classified into two sections. First part is about the individual opinion about the 17 SDG Goals which express the intention of individuals to manifest the company's sustainability goal and second part is about the respondent's perception about SDGs realization in Indonesia's plant. The validity test using statistical evidence used for questionnaire. The validity test used in the study is a product moment correlation technique. A question item is valid if the value of $r_{count} > r_{table}$ (Turney, 2022). The reliability of a questionnaire is a method of evaluating the quality of the data collection operation. To deem a result valid, the measurement technique must first be trustworthy. Cronbach's alpha calculates the internal consistency or average correlation of items in a survey instrument to assess the questionnaire's reliability (Goforth, 2015). In-depth interview was conducted to get more information from the survey's answer. The interview was conducted to get deeper answer from the survey result, still in the Better Business Scan framework.

Besides survey and interview as primary data source, there is a review of internal data owned by the company and other documents as a secondary data source to support this research. These are considered secondary sources because they were originally created

for a different purpose. The survey group of questions on the web consists of Respondent Information; Opinion and Motivation; and Implementation in the Organization. This is a self-completed survey; The survey was distributed to the selected employees representing mid and top levels in PT Berlin Pharma. The secondary data source used to support the research is the company Integrated Annual Report year 2021 and 2022. These data give the performance overview of the company, the challenges, the strategy of top management to overcome challenges and to align with the proposed strategy as the output from this research.

Data Analysis

In this method, quantitative and qualitative databases are examined separately. Statistical analysis is used to analyze the quantitative data from the survey. Quantitative results were followed by qualitative analysis. The interview was conducted as in-depth semi-structured interviews. Survey questions were divided into personal intention and company actions to find the challenges in implementation.

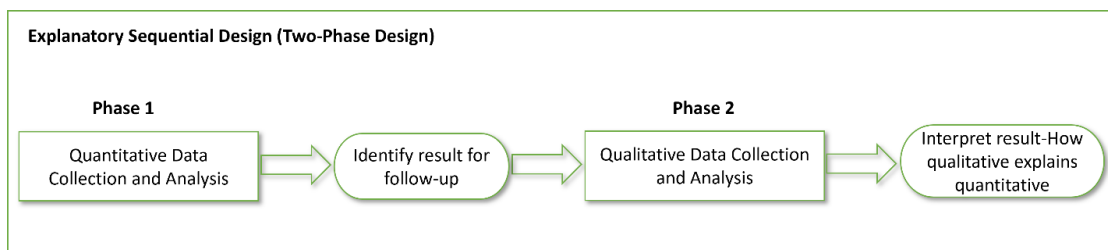


Figure 3: Explanatory Sequential Design
(Source: Creswell, 2018, 343)

RESULTS AND DISCUSSIONS

Result

The survey was shared with the representative of departments in PT Berlin Pharma Indonesia. The total number of respondents is 30 people of middle to top management, which is equal to 100% of the respondent target, with the length of work in PT Berlin Pharma 3 – 13 years. The questions list is divided into two parts, the first is about the personal perception of SDG and the second part is about SDG Implementation in Berlin Pharma Indonesia. The validity test result in table 1 shows all questions are valid. The validity test using statistical evidence used for questionnaire. The validity test used in the study is a product moment correlation technique. A question item is valid if the value of $r_{count} > r_{table}$. The reliability of a questionnaire is a method of evaluating the quality of the data collection operation. To deem a result valid, the measurement technique must first be trustworthy. Cronbach's alpha calculates the internal consistency or average correlation of items in a survey instrument to assess the questionnaire's reliability. The result of validity test seen in the Fig 4. The result shows all r_{count} are bigger than r_{table} , meaning all questions are valid. The result of reliability test attached in the Fig 5 for section 1 - personal question about SDG and Fig 6 for section 2 – SDG implementation in BERLIN Pharma Indonesia. The Cronbach alpha (r_{11}) of section 1 question is 0.716 meaning the reliability is good and data reliable. While The Cronbach alpha (r_{11}) of section 2 question is 0.826 meaning the reliability is good and data reliable.

The survey based on the Better Business Scan (www.betterbusinessscan.org) which consist of two sections with modifications in the form of several questions of the same type grouped into one question. The questionnaire as in appendix 1.

Summary of Validity Test			
Question	rx _y	r _{table}	Status
P1	0.486	0.361	Valid
P2	0.659	0.361	Valid
P3	0.647	0.361	Valid
P4	0.654	0.361	Valid
P5	0.710	0.361	Valid
P6	0.640	0.361	Valid
P7	0.521	0.361	Valid
C1	0.490	0.361	Valid
C2	0.556	0.361	Valid
C3	0.370	0.361	Valid
C4	0.669	0.361	Valid
C5	0.528	0.361	Valid
C6	0.473	0.361	Valid
C7	0.756	0.361	Valid
C8	0.692	0.361	Valid
C9	0.669	0.361	Valid
C10	0.622	0.361	Valid
C11	0.437	0.361	Valid
C12	0.562	0.361	Valid
C13	0.528	0.361	Valid
C14	0.443	0.361	Valid
C15	0.421	0.361	Valid

Figure 4: Validity Test of Survey

ID	Personal Knowledge and Perception about SDG							Personal
	P1	P2	P3	P4	P5	P6	P7	
1	3	3	3	5	5	4	3	26
2	3	4	4	5	3	3	3	25
3	3	4	3	5	5	5	5	30
4	2	3	3	5	5	3	5	26
5	3	3	3	5	4	4	4	26
6	5	5	4	5	5	5	5	34
7	3	5	4	5	5	5	5	32
8	3	4	3	5	4	5	5	29
9	4	5	5	5	5	5	4	33
10	2	5	5	5	5	5	5	32
11	4	4	3	5	4	5	5	30
12	4	5	4	5	5	5	5	33
13	2	4	4	5	5	5	5	30
14	2	3	1	3	3	4	4	20
15	2	5	4	5	4	4	4	28
16	4	4	4	4	5	4	4	29
17	2	4	4	5	4	5	5	29
18	2	4	4	4	4	5	4	27
19	2	5	4	5	4	3	4	27
20	3	4	4	5	4	4	4	28
21	3	4	4	5	4	4	4	28
22	3	3	1	3	4	4	5	23
23	3	4	3	3	4	4	4	25
24	5	4	4	5	4	4	4	30
25	3	4	3	4	5	5	5	29
26	3	5	4	5	4	3	4	28
27	2	4	4	4	3	3	3	23
28	3	3	3	4	4	4	4	25
29	2	4	4	4	4	4	4	26
30	2	3	4	5	5	5	5	29
Item Var	0.783	0.516	0.806	0.455	0.424	0.547	0.437	10.276
Total item var								3.968
Total Var P-Questions								10.276
r11								0.716
Reliability								Good and Acceptable
Interpretation								Data Reliable

Figure 5: Reliability Test of Survey - Personal Knowledge and Perception About SDG

$$\alpha = \frac{n}{n-1} \left(1 - \frac{\sum V_i}{V_t} \right) \quad (\text{Cronbach, 1951, p. 299})$$

Table 3.2 : The Alpha Cronbach Value (Kouting et al., 2009)

Alpha Cronbach Value	Interpretation
0.91-1.00	Excellent
0.81-0.90	Good
0.71-0.80	Good and Acceptable
0.61-0.70	Acceptable
0.01-0.60	Non acceptable

ID	Sustainability Goal Implementation in the Company															Company
	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	
1	2	3	4	4	3	3	3	3	3	3	3	4	3	3	3	47
2	5	4	4	4	4	4	4	4	4	3	4	3	3	5	5	60
3	5	4	4	4	4	4	4	4	4	3	4	4	3	5	5	61
4	3	4	3	4	3	4	4	4	4	3	4	3	3	5	5	56
5	4	4	4	4	4	4	4	4	5	3	5	3	3	5	5	61
6	2	5	4	4	3	5	4	5	4	3	2	4	5	5	5	60
7	3	4	3	4	4	4	3	4	3	3	3	3	4	3	5	53
8	2	4	4	4	4	4	4	4	3	4	5	4	4	3	5	58
9	5	3	4	4	4	4	3	4	4	3	4	3	3	5	5	58
10	2	2	3	1	2	2	1	1	2	1	2	2	2	3	5	31
11	4	4	4	4	3	4	5	5	4	3	4	3	3	5	3	59
12	5	4	3	4	4	4	4	5	4	4	4	3	3	3	5	59
13	4	4	3	4	4	5	4	5	4	1	1	2	2	3	3	49
14	4	4	4	3	4	4	3	4	3	4	4	4	4	5	5	59
15	3	4	4	3	3	4	1	1	1	4	4	4	4	3	3	46
16	2	4	4	4	4	4	4	4	4	2	2	2	2	3	3	48
17	3	4	4	3	3	4	4	4	3	4	4	4	3	3	5	55
18	3	3	2	3	4	4	2	4	3	3	4	3	3	3	3	47
19	3	4	4	4	4	4	4	4	4	4	4	4	4	3	3	57
20	3	4	4	4	4	2	2	2	2	3	5	3	3	3	3	47
21	3	4	4	4	4	4	4	4	4	3	4	4	4	3	5	58
22	2	4	3	4	3	4	3	4	4	3	4	3	4	5	5	55
23	4	4	4	4	3	3	4	4	4	4	3	3	4	3	3	54
24	3	3	4	4	4	4	4	4	4	4	4	4	4	5	5	60
25	4	4	4	4	4	4	4	4	4	4	4	4	4	3	5	60
26	3	4	4	4	4	2	3	3	4	3	5	3	3	5	5	55
27	4	4	3	4	3	4	3	4	3	3	4	4	4	3	5	55
28	3	4	3	4	4	3	3	4	4	3	4	4	4	5	3	55
29	4	3	3	3	3	4	4	4	4	4	3	4	4	3	5	55
30	4	4	4	4	4	4	4	4	4	5	5	5	5	3	5	64
Item Var	0.930	0.303	0.309	0.409	0.309	0.547	0.800	0.924	0.731	0.754	0.976	0.533	0.602	0.993	0.920	43.789
Total item var	10.041															
Total Var C Questions	43.789															
r11	0.826															
Reliability	Good															
Interpretation	Data reliable															

$$\alpha = \frac{n}{n-1} \left(1 - \frac{\sum V_i}{V_t} \right) \quad (\text{Cronbach, 1951, p. 299})$$

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0.71-0.80	Good and Acceptable
0.61-0.70	Acceptable
0.01-0.60	Non acceptable

Figure 6: Reliability Test of Survey - SDG Implementation in BERLIN Pharma Indonesia

The SDGs can support profitability through various means such as creating new business opportunities, improving resource efficiency, enhancing brand reputation, and reducing costs associated with social and environmental risks.

Creating New Business Opportunities: SDG 7 - Affordable and Clean Energy - presents an opportunity for renewable energy companies to broaden their businesses and develop new products and services. Improving Resource Efficiency: SDGs can support businesses in reducing waste, optimizing production processes, and improving resource efficiency. This can lead to significant cost savings and increased profitability. SDG 12 - Responsible Consumption and Production. Enhancing Brand Reputation: SDGs can also help businesses improve their brand reputation by aligning their operations with global sustainability goals. By demonstrating a commitment to social and environmental sustainability, demonstrate the commitment to practice fair labor, companies can build trust and loyalty among consumers, investors, and other stakeholders. SDG 8 - Decent Work and Economic Growth. Reducing Costs Related to Social and Environmental Risks: Berlin Group has main suppliers in Europe and some in China, the climate change can disrupt the supply chain and physical damage to assets. Companies that adopt sustainable practices can reduce the costs associated with social and environmental risks. SDG 13 - Climate Action.

The business model serves as a blueprint or framework that outlines the core elements and strategic choices of a business, guiding how it operates and generates value. It encompasses the entire logic of the business, including how it creates, delivers, and captures value. The nine building blocks of the business model canvas cover the essential components of a business across four main areas: customers, offers, infrastructure, and financial viability. By considering these four areas and the interrelationships between the

nine building blocks, a business can design a coherent and viable strategy that aligns its operations, resources, and financial goals. The business model canvas provides a visual representation of these elements, facilitating analysis, communication, and the development of innovative strategies. (Osterwalder, 2013, 15).

Berlin Pharma Indonesia Business Model Canvas				
Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segments
<ul style="list-style-type: none"> Suppliers of raw materials and packaging materials Non-production suppliers Transportation providers Distributors and hospitals The government or regulators Project partners Local communities Industry association Pharmaceutical wholesaler 	<ul style="list-style-type: none"> Manufacturing Sales and Marketing Customer and Technical service Project development ESG goals and activities Digitalization 	<ul style="list-style-type: none"> Technology driven and high-performance products Sustainable products and services Trusted brand reputation Bundling sales (entire value network) for holistic solutions and benefit 	<ul style="list-style-type: none"> Long-term customer and technical service Training and workshop for users Technology upgrade 	<ul style="list-style-type: none"> Hospital group Healthcare ecosystem which concerns with high performance product and service
	Key Resources <ul style="list-style-type: none"> Intellectual property (patents, trademarks, design, and copyrights) Manufacturing facilities and equipment Brand reputation and customer loyalty 		Channels <ul style="list-style-type: none"> Direct marketing Company's websites and online sales Social media education 	
Cost Structure <ul style="list-style-type: none"> Cost of production and supply chain Sales, Marketing, advertising, merchandising, training expenses Employee salaries and benefits 		Revenue Streams <ul style="list-style-type: none"> Sales of products 		

Figure 7: Current Business Model Canvas

Capturing the full picture of a sustainable business model requires an expanded framework that goes beyond traditional business models. (Fig 4.40), in particular with regards to the value capturing dimension. The key elements of value are designing value, creating value, capturing and scaling value. These elements combine to form a value proposition that aims to establish profitable relationships with the target market. (Tulder & Mil, 2023, 482).

Value design is customer-oriented and involves understanding customer relationships and utilizing various marketing channels to reach specific customer segments. It focuses on creating value that aligns with the needs and preferences of different market segments.

Value creation refers to the actual production process and how key activities are organized internally. It involves leveraging key resources or assets and establishing a partner network of suppliers to support and sustain the organization's core activities.

Value capturing and scaling encompass the financial dimension of the business model. It includes considering the cost structure required for value creation (fixed costs, variable costs, economies of scale, etc.) and identifying revenue streams generated from each customer segment. The net effect of the cost structure and revenue streams determines the organization's profitability. In traditional business models, value capturing is typically defined solely in terms of financial value. Sustainable business models go beyond short-term profit and incorporate social and environmental value creation. This represents a shift towards long-term value creation and encompasses a broader purpose. The aim is to extend the business model's purpose to include social and environmental aspects, in addition to financial goals.

Value destruction occurs when an organization creates negative externalities, such as pollution, waste, layoffs, or other adverse social and environmental impacts.

Value spreading refers to the positive externalities created by an organization, such as increasing employment in the value chain, investing in innovation, supporting climate action, biodiversity protection, and enhancing competitiveness. The cumulative effect of these actions determines the value-spreading potential of a business model.

Co-creating/value sharing occurs when social, ecological, and economic value is generated in collaboration with the communities that make up the business ecosystem. The ultimate ambition of sustainable business models is to design frameworks that aim for shared value creation, integrating the interests of various stakeholders. (Tulder & Mil, 2023, 484).

A successful sustainable business model achieves a positive net-value, considering both financial profits and the added social and environmental value. This achievement is greatly influenced by the organization's relationship with its broader business ecosystem, highlighting the interconnectedness and interdependencies between the organization and its external stakeholders. The business model of Berlin Pharma Indonesia is upgraded to CANVAS+ as in Fig 5.

Customers choose Berlin Pharma Indonesia products because of their value proposition. They select Berlin Pharma Indonesia items because they address the customer's problem or meet the customer's need. Creating value in CANVAS+ is based on a resilient organization's focus on circular value chains rather than Just-in-Time (JIT) and reliant suppliers. See Table 1.

Table 1: Vulnerable Versus Resilient Organizations
(Source: Tulder & Mil, 2023, 489)

Level	Value Dimension	Vulnerable Organization	Resilient Organization
Level 1	Creating value	Just-in-time (JIT), global value chains; specialized and dependent suppliers	Circular and local (or glocal) value chain; diversification
	Designing value	Fast, manufactured demand	Slow; solutions to need
	Capturing value	Shareholder value; stock buyback	Stakeholder value; long-term RoI
	Scaling value	Rapid growth & internationalization; M&A based on external capital, debt-financed	'Evolutionary' internationalization and growth processes; based on own capital and reserves
Level 2	(not) Destroying value	Exploitative business models, in search of and actively creating pollution/taxation/ wage havens	Explorative business models; internalization of costs and 'true pricing' strategies
Level 3	Spreading value	Competitiveness based on scale and specialization only; aimed at 'license to exist'	Competitiveness based on resilience and scope; 'license to operate and experiment'
Level 4	Sharing/co-creating value	Short-term; philanthropic; ad-hoc partnering; marginal activity	Medium-term; SDG priorities; aligned with the national or local agenda; core business; partnering and co-creation

Prioritizing SDG Targets and Managing Interactions: With 17 SDGs and multiple targets within each, it can be challenging for companies to prioritize specific SDG targets and manage the interactions between them. The interconnected nature of the SDGs requires

a holistic and integrated approach. Adopting a "nexus" approach, which considers the interdependencies and trade-offs between different goals and targets, can help companies advance multiple SDGs simultaneously and reduce the risk of unintended consequences. This nexus approach is the answer to research question how to align the company's resources to support Sustainability implementation in Berlin Pharma Indonesia.

SDGs	Purchasing	Operations	Marketing	HRM	Finance
3 GOOD HEALTH AND WELL-BEING		3.9	3.4; 3.5; 3.7; 3.b	3.8; 3.c	3.c
4 QUALITY EDUCATION			4.2; 4.3; 4.7	4.2; 4.3; 4.4; 4.7	4.a
5 GENDER EQUALITY				5.1; 5.2; 5.5; 5.c	
8 DECENT WORK AND ECONOMIC GROWTH	8.2; 8.5; 8.7; 8.8		8.3; 8.9; 8.10	8.3; 8.5; 8.6; 8.7; 8.8	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.a	12.2; 12.3; 12.4; 12.5	12.8		12.6; 12.a
13 CLIMATE ACTION		13.2	13.3		13.1
17 PARTNERSHIPS FOR THE GOALS					17.1; 17.3; 17.5; 17.7

Figure 8: Internal SDGs Nexus Matrix for Berlin Pharma Indonesia

In the CANVAS+ framework, designing value takes a different approach compared to traditional models by focusing on slow motion design and solutions that address existing needs rather than creating demand. The emphasis is on offering products, services, or solutions that align with customers' lifestyle decisions related to health, well-being, quality of life, and being a responsible individual. Adopting the SDGs gives organizations many internal alignment choices. 17 objectives and 169 targets address social, economic, and environmental challenges in the SDGs. Integrating these aims vertically throughout the organization and coordinating sustainability initiatives horizontally, both top-down and bottom-up, provides for synergies, trade-offs, and improved sustainability coherence. This integrated approach helps bridge the gap between intentions and actual realization of sustainability initiatives. ("Transforming Our World: The 2030 Agenda for Sustainable Development | Department of Economic and Social Affairs," n.d.). The CANVAS+ framework emphasizes customer-focused, sustainable value design. Integrating the SDG agenda into the organization's sustainability plan gives a formal framework for internal alignment, helps organizations overcome hurdles, manage trade-offs, and achieve more sustainability coherence and align the sustainability with the profitability problem of the company.

Berlin Pharma Indonesia Business Model Canvas+				
Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> Suppliers of raw and packaging materials, priority to sustainable & eco-friendly supporter in acceptable cost Transportation providers who aware with CO₂ emission reduction Distributors and hospitals The government or regulators Project partners Local communities Industry association Research institutions & circular economy principles for knowledge sharing 	<ul style="list-style-type: none"> Green Manufacturing (energy efficiency) Optimized transportation routes during sales and marketing Innovation for efficiency Digitalization Recycling & waste management Customer and supplier education about sustainability awareness <p>Key Resources</p> <ul style="list-style-type: none"> Intellectual property (patents, trademarks, design, and copyrights) Manufacturing facilities and equipment Brand reputation and customer loyalty Educational materials, awareness campaign for consumer education 	<ul style="list-style-type: none"> Technology driven & innovative products Sustainable products and services Trusted brand reputation Bundling sales from wide range of products High quality products that contribute to environment, social, economic sustainability 	<ul style="list-style-type: none"> Long-term customer and technical service Training and workshop for users Technology upgrade <p>Channels</p> <ul style="list-style-type: none"> Direct marketing Company's websites and online sales Social media education 	<ul style="list-style-type: none"> Hospital group Healthcare ecosystem which concerns with high performance product and service Green consumers
<p>Cost Structure</p> <ul style="list-style-type: none"> Cost of production and supply chain Sales, Marketing, advertising, merchandising, training expenses Employee salaries and benefits Invest in long-term sustainable innovation 		<p>Revenue Streams</p> <ul style="list-style-type: none"> Sales of products Self-owned capital funding as a family company 		
<p>Social Cost</p> <ul style="list-style-type: none"> Mass lay-off (local) crowding-out effects Tax evasion schemes Work safety issues 		<p>Social Benefits</p> <ul style="list-style-type: none"> Job creation Employee's skill development and training Local supply chain and community development Tax revenue 		
<p>Environmental Cost</p> <ul style="list-style-type: none"> Environmental pollutions Habitat destruction Resources depletion 		<p>Environmental Benefit</p> <ul style="list-style-type: none"> Reduction of GHG emissions, pollution prevention Waste reduction, reuse, and recycle Sustainable material sourcing 		

Figure 9: Proposed New Business Model Canvas+

CONCLUSION AND RECOMMENDATION

Conclusion

There is a gap between the SDG goal from Berlin Group headquarters measured in the Company Integrated Annual Report and the SDG goal acknowledged by the respondent of Berlin Pharma Indonesia in the survey. The gap in communication can be overcome by establishing clear communication channels between the home country and the host country. Leverage technology to facilitate regular communication, such as video conferences, virtual meetings or interactive training for knowledge sharing. Foster a culture of open dialogue and feedback between home and host countries to share challenges, perspectives, and suggest improvements to communication processes. Physical visits to immerse themselves in the host country's culture or vice versa can be necessary to build relationships, deepen understanding, and improve communication. Optimizing the function of liaison to act as a bridge is also important to synergize the effort to achieve SDGs goals.

Sustainability can help to solve the problem of profitability of the company by addressing challenges requires strong leadership, stakeholder engagement, collaboration, and a long-term perspective. It is crucial for Berlin Pharma Indonesia to integrate the SDGs into their corporate strategy, embed them into decision-making processes, and foster a culture of sustainability throughout the organization. By doing so, Berlin Pharma Indonesia can better align their core activities with the SDGs, realize the business opportunities inherent in sustainable development, and drive a positive impact on a global scale.

Recommendation

The author may give recommendations to Berlin Pharma Indonesia as follow:

1. Consider upgrading the existing Business Model to Business Model Canvas+ to integrate its sustainability and profit-based activities otherwise it can be left behind by the competitors.
2. Start to educate the customers about sustainability awareness and introduce green products to create a stronger bond with existing customers or to open new markets.
3. Optimizing technology to speed up the progress of SDGs goal for effective communication channels, measuring progress, improving knowledge, and learning success stories from other sites of Berlin Group or from other organizations.
4. Monitoring the nexus approach to synergize the progress of SDG goal implementation, the challenges, and action to overcome.
5. Next research can focus on the challenge of policy regarding SDGs goal implementation by the companies in Indonesia.

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