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# Development Strategy for LS Music Studio Bandung

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business plan; diversification of revenue stream; business model canvas; music studio; financial feasibility.

**Abstract**
LS Music Studio Bandung has operated for seven years in the hilly area of Cimenyan and has established a strong reputation. This research aimed to formulate a business development strategy for LS Music Studio Bandung through the Design Thinking approach, Business Model Canvas, and Timmons Entrepreneurial Process, as well as to assess its financial feasibility. The study employed a descriptive-analytical qualitative method, with data collected through direct observation, in-depth interviews with the owner, sound engineers, and regular clients, as well as literature reviews. The collected data were analyzed using SWOT/TOWS analysis, the Business Model Canvas, and investment feasibility indicators, including Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period, Profitability Index, and Net Profit Margin. The results formulated a business model transformation from one to seven revenue streams, with projected revenue increasing from IDR 982.97 million in the first year to IDR 3.61 billion in the fifth year (2026–2030), supported by a Capital Expenditure (CAPEX) investment of IDR 106 million through a combination of equity financing and Micro KUR financing. The feasibility analysis showed an NPV of IDR 5.34 billion, an IRR of 447.7%, a Payback Period of 3.7 months, and a Profitability Index of 51.37, with a Timmons Model evaluation score of 76.4%. The proposed business plan was considered feasible for implementation and provides practical contributions to transforming LS Music Studio Bandung into a sustainable creative music production hub.

## INTRODUCTION

The global music industry is undergoing one of the most fundamental transformations in its history. The IFPI Global Music Report (2024) reported that global recorded music industry revenues reached US$28.6 billion in 2023, representing a 10.2% increase compared with the previous year, with streaming services accounting for 67.3% of total revenue. The democratization of music distribution has created opportunities for local musicians to reach global audiences at relatively low costs through digital music aggregators such as DistroKid, RouteNote, and TuneCore.

The proliferation of increasingly affordable Digital Audio Workstation (DAW) software and equipment has posed a significant challenge to conventional recording studios (Ashbourn, 2020; Huber et al., 2023). Fortune Business Insights (2024) reported that the global DAW market increased from US$2.71 billion in 2022 to US$2.95 billion in 2024, with a Compound Annual Growth Rate (CAGR) of 9.9%. As musicians can now produce high-quality recordings using accessible platforms such as GarageBand, Reaper (US$60), or FL Studio

(US$99), the fundamental challenge for the professional recording studio industry is determining the additional value that specialized studios can provide beyond basic home-recording capabilities (Kristianto & Suganda, 2025).

Indonesia holds a strategic position within the Southeast Asian digital music ecosystem (Akil et al., 2024; Ikhsano et al., 2024). Luminate Data (2025) reported that the number of music streaming users in Indonesia reached 212.9 million, equivalent to 77% of the total population, positioning Indonesia among the countries with the fastest-growing music streaming markets globally. Katadata (2023) projected that the revenue of Indonesia's music streaming market would grow by 6.4% annually, with a total market value of US$148 million, while the number of active streaming listeners in Indonesia increased by approximately 15% per year. The Ministry of Creative Economy (2024) reported that the creative economy contributed 7.3% to Indonesia's national Gross Domestic Product (GDP), equivalent to IDR 1,414.5 trillion.

**Table 1 Key Indicators of the Global and Indonesian Digital Music Industry**

| Indicator | Value/Data | Source & Year | Relevance to LS Music Studio |
|---|---|---|---|
| Global recorded music industry revenue | US$ 28.6 billion (growing 10.2% YoY) | IFPI Global Music Report, 2024 | Industry grows, demand for quality music content increases |
| Streaming contribution to total revenue | 67.3% of total industry revenue | IFPI, 2024 | Streaming dominates: digital distribution is a necessity |
| New songs uploaded to streaming platforms | 100,000 songs per day | Music Business Worldwide, 2024 | Indie musicians need facilitated production & distribution services |
| Global DAW market | US$ 2.95 billion; CAGR 9.9% | Fortune Business Insights, 2024 | The threat of home recording substitution continues to increase |
| Indonesian music streaming users | 212.9 million people (77% of the population) | Luminate Data, 2025 | Indonesia is a big market & fast-growing, opportunities for local musicians to release digital |
| The growth of Indonesia's streaming market | +6.4%/year (US$ 148 million); +15%/year of active listeners | Katadata, 2023; IFPI, 2024 | The market is growing from two sides: the value and volume of content demand |
| Contribution of the creative economy to national GDP | 7.3% (IDR 1,414.5 trillion) | Ministry of Crafts, 2024 | Recording studios are part of the government-backed creative ecosystem |
| Bandung City Music Subsector (Patrakomala) | 220 perpetrators registered out of 56,075 total creative works | Bandung City Disbudpar, 2024 | Bandung's music ecosystem is real and measurable, a significant local market |

*Source: IFPI (2024); Luminate Data (2025); Katadata (2023); Ministry of Crafts (2024); Bandung City Disbudpar (2024); Fortune Business Insights (2024). Processed by the author.*

Data from Patrakomala, the Creative Economy Information System of the Bandung City Department of Culture and Tourism (Dinas Kebudayaan dan Pariwisata or Disbudpar) (2024), recorded 220 business actors in the music subsector registered in Bandung City out of a total of 56,075 creative economy actors. West Java contributes 20.73% to the national Creative Economy Gross Domestic Product (GDP) (Kemenparekraf, 2023), making it the province with the second-largest contribution after DKI Jakarta. Research conducted by Parahyangan Catholic University (Simanjorang & Pawitan, 2022) confirmed that Bandung's music community has become a significant form of social capital that contributes to shaping the national music ecosystem.

LS Music Studio Bandung is located on Jl. Bojong Koneng Atas No. 22, Cimenyan District, Bandung Regency, a hilly area with an elevation of 700–1,300 meters above sea level. The studio has operated for seven years and provides two recording rooms: Studio A, with a rate of IDR 250,000 per three-hour session, and Studio B, with a rate of IDR 300,000 per three-hour session. However, behind this established track record lies a fundamental business vulnerability: all studio revenue relies on a single revenue stream, namely hourly recording session rentals. Based on this condition, this research was conducted under the title "Development Strategy of LS Music Studio Bandung."

**Table 2 Porter's Five Forces Analysis – Greater Bandung Recording Studio Industry**

| Strength | Intensity | Actual Conditions & Key Factors |
|---|---|---|
| Competition Between Competitors | HEIGHT | 5 competitors were directly identified within a radius of 15–20 km from Cimenyan: Metaljohn Studio, One Villet Studio, Freedom Cell Studio, Harmony Music Studio, and Razzan Studio. Individual home studios are also on the rise as a low-cost alternative. |
| The Threat of Newcomers | MEDIUM | The barrier to entry is relatively low; The initial capital of the basic studio can start from IDR 50–100 million. However, Cimenyan's 7-year reputation and unique location cannot be replicated in a short time. |
| Consumer Bargaining Power | HEIGHT | Lots of studio choices; easily compare prices and reviews via Google Maps. 66% of consumers make price a major consideration (Jakpat, 2023); 74% of Indonesian consumers are worried about their personal financial condition (PwC Indonesia, 2023). |
| Supplier Bargaining Power | MEDIUM | Audio equipment suppliers: the choice of distributors is quite diverse in Bandung. Quality sound engineers: the supply of experienced talent is limited in Bandung. PLN (electricity): the only provider without an alternative. |
| Threat of Replacement Products | VERY HIGH | Home recording setup: an investment of IDR 3–8 million has produced decent quality recordings. Automatic AI mastering (LANDR, DistroKid Mastering): costs US$ 10–20/song. AI generative music (Suno, Udio): medium-long term threat. |

*Sources: Author's analysis based on Porter (1980); Fortune Business Insights (2024); Google Maps (2025). Processed by the author.*

The novelty of this research lies in its integrative methodological approach. This study combines Design Thinking (to identify latent customer needs), Business Model Canvas (to systematically redesign business architecture), and the Timmons Entrepreneurial Process Model (to evaluate the balance among entrepreneurial components) within the specific context of business model innovation in the recording studio industry. This integrated framework has not previously been applied to the Indonesian recording studio sector, thereby providing both theoretical and practical contributions. The research also offers empirical evidence regarding the financial feasibility of studio diversification, demonstrated through projected revenue growth from seven revenue streams and investment feasibility indicators that can serve as benchmarks for other recording studios considering similar business transformations.

Based on the identified problems, the research questions were formulated as follows: (1) How are the Design Thinking approach, Business Model Canvas, and Timmons Entrepreneurial Process Model applied at LS Music Studio Bandung? (2) What development strategy can be formulated for LS Music Studio Bandung based on SWOT analysis, including the formulation of vision, mission, objectives, corporate values, and strategic programs in the areas of marketing, operations, human resources, digital transformation, innovation, risk management, and finance? (3) How feasible is the proposed development strategy for LS Music Studio Bandung based on financial evaluation using Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period, Profitability Index, and the Timmons Entrepreneurial Process Model?

## RESEARCH METHODS

This research employed a descriptive-analytical qualitative approach to examine the development strategy of LS Music Studio Bandung. The study was classified as applied research, aiming to produce a comprehensive business plan as a practical implementation guide for the studio owner.

Following Creswell and Poth (2018), this study applied triangulation by combining multiple data sources and collection techniques to strengthen the validity of the findings. Data were collected through direct observation, in-depth interviews, and literature reviews.

**Table 3 Research Observation Guide**

| Yes | Dimensions | Observed Aspects | Instruments | Relevance of Business Plan |
|---|---|---|---|---|
| 1 | Physical Condition of Facilities | Studio A & B layout; acoustic; accessibility; Support area | Checklist + photo | Operations; Layout; CAPEX |
| 2 | Audio Equipment | Type, condition, age, completeness of the signal chain | Inventory checklist | Value Chain; CAPEX |
| 3 | Operational Flow | Booking to file delivery; SOP | Flowchart; Field Notes | SIPOC; Digitization |
| 4 | HR-Client Interaction | Staff communication; Responsiveness | Narrative notes | Marketing; HR |
| 5 | Administration System | Booking; payment; Existing Digitalization | Document review | Digitalization gap; Finance |
| 6 | Competitive Environment | 5 Competitors: Price, Facilities, Positioning | Mystery observation; Maps | Five Forces; Differentiation |

*Source: Researcher's plan, 2026.*

**Table 4 Profile of Research Informant**

| Code | Role | Main Topics | Duration |
|---|---|---|---|
| I-01 | Owner (Key) | Financial condition & 7 years history; vision; strengths; HR plan; Competitors | 90–120 minutes (2 sessions) |
| I-02 | Sound Engineer | Equipment condition; output standards; Technical Competence Gap | 45–60 minutes |
| I-03a/b/c | Regular Clients | Satisfaction; needs have not been met; loyalty; Comparison of other studios | 30–45 minutes/person |

*Source: Researcher's plan, 2026.*

Operationalization of variables uses the Timmons Model as the main framework. Timmons and Spinelli (2009) stated that the success of a venture is determined by the balance of three interdependent dimensions: Opportunity (quality of opportunity), Founder/Team (team capability), and Resources (sufficiency of resources). Qualitative data analysis is carried out through six sequential but iterative stages as formulated by Creswell and Poth (2018): data organization and preparation, reading the entire data, coding, producing in-depth descriptions, representation of findings, and interpretation of data meaning.

## RESULTS AND DISCUSSION

### *Design Thinking*

The Design Thinking approach is used not as a methodological obligation, but as the most appropriate investigative tool to explore consumer needs that are often hidden behind explicit demands. The five stages—Empathize, Define, Ideate, Prototype, and Test—run iteratively, feed off each other, and often force researchers to revise the initial assumptions held before going into the field.

At the Empathize stage, three in-depth interview sessions with regular clients opened up insights that went far beyond booking data. Indie musicians have to navigate 3–5 different vendors on their own from mixing, artwork, to distribution to Spotify—a fragmentation that has led some of them to choose not to release their work at all. Audio content creators in East Bandung complained about the quality of independent recordings but never considered recording studios because studios felt "too musical," an hourly pricing model considered inefficient. The Define stage reveals the most critical insight: LS Music Studio does not have a quality problem, but rather a problem of an overly narrow value proposition. At the Ideate stage, seven ideas passed the selection based on impact, feasibility, and uniqueness. The Prototype Stage produces a Full Production Package and a Content Creator Package as a Minimum Viable Service that can be run without additional infrastructure investment. The Test Stage confirmed that all three regular clients will immediately use the Full Production Package if available.

### *Business Model Canvas*

The BMC that is prepared represents the target condition after the development strategy is fully implemented. The shift from one segment (indie musicians and bands) to four segments was the most fundamental decision. The key value proposition of a one-stop production partner directly addresses the biggest pain point: the fragmentation of the grueling post-recording process. The transformation from one to seven revenue streams fundamentally changes the risk profile of the business and reduces revenue volatility.

**Table 5 Summary of the Nine Blocks of BMC LS Music Studio Bandung**

| BMC Block | Current Condition (As-Is) | Target Condition (To-Be) | Gaps to Be Bridged |
|---|---|---|---|
| Customer Segments | Indie musicians & bands (only active segment) | 4 segments: indie musicians, content creators, music students, professional artists | Changes in communication and packaging services; No additional physical investment required |
| Value Proposals | Quality recordings; affordable prices; Cimenyan location | One-stop production partner; A unique experience of the Sicilian Empire; Community Ecosystem | Develop end-to-end capabilities; actively articulate Cimenyan values |
| Channels | Word-of-mouth; Google Maps (not yet optimized) | Google Business is optimized; Instagram; TikTok; WhatsApp Business; Structured referrals | Recruit Digital Marketing Staff; Enable consistent content |
| Revenue Streams | 1 stream: hourly rental (Studio A&B) | 7 streams: rental, production package, distribution, content creator, short course, membership, event | Roll out gradually as per Wave 1→2→3; Each stream is validated before the next |
| Cost Structure | Electricity; maintenance; minimum human resources | Scott, Scott; 6 positions; digital platforms; marketing; Honorary Instructor Freelance | An increase in costs is already projected; CAPEX Rp 106 million structured |

*Source: Primary data of observations & interviews, processed by researchers, 2026.*

***Entrepreneurial Process (Timmons Model)***

Timmons and Spinelli (2012) emphasize the balance between three main components: opportunity, team, and resources with the founder as the driving force that integrates the three. Indonesia's music streaming growth of 15% per year is creating a very concrete new demand: musicians who previously only needed a studio to record now need a partner who can take their work from the first recording to the world. LS Music Studio is in a very strategic position to respond to this change with the competitive advantage of the Cimenyan hilly location that cannot be replicated in the short term.

***SWOT Analysis***

SWOT LS Music Studio produces a dynamic picture where the strongest interaction is between S1 (Cimenyan location) × O3 (unserved content creator segment). No other competitor in the region has a relevant combination of natural aesthetic location and audio production capabilities. Meanwhile, the most dangerous interactions are W1 (one revenue stream) × T1 (home recording proliferation), which are existential risks and the strongest arguments for why diversification should be a priority.

**Table 6 SWOT Matrix of LS Music Studio Bandung**

| STRENGTHS (S) | WEAKNESSES (W) |
|---|---|
| Q1: The location of the Cimenyan hills is unique, cannot be replicated<br>S2: Track record of 7 years & reputation of the East Bandung music community<br>Q3: Client-recognized sound engineering technical competence<br>Q4: Two large studios & professional audio equipment<br>Q5: Competitive price with professional quality<br>Q6: Loyal client base and extensive community network<br>Q7: Consistent commitment and integrity of the owner | W1: Dependency of a single revenue stream is susceptible to fluctuations<br>W2: No structured digital marketing strategy<br>W3: The operational system is still manual (booking, bookkeeping, SOP)<br>W4: Insufficient human resource capacity for diversification<br>W5: Digital competency and formal finance gap<br>W6: Limited accessibility for some clients without a vehicle<br>W7: No structured client file backup cloud system |
| **OPPORTUNITIES (O)** | **THREATS (T)** |
| O1: Gap market of one-stop end-to-end production services in Cimenyan<br>O2: >500 Bandung indie musicians who want to release digitally every year<br>O3: The audio content creator segment is not served by anyone<br>O4: Demand for practical music production education in East Bandung<br>O5: Micro KUR access 6% and support from PP Ekraf No. 24/2022<br>O6: The trend of nature studio aesthetics benefits the Cimenyan location<br>O7: Very low-cost flat digital distribution platform (DistroKid) | Q1: The proliferation of home recording with cheap DAWs (free GarageBand)<br>Q2: The development of long-term audio production AI tools<br>Q3: Studio newcomers in East Bandung with larger capital<br>T4: Increase in operational costs (electricity, maintenance, licenses)<br>Q5: High consumer price sensitivity<br>Q6: Dependence on road and internet access in Cimenyan |

*Source: Triangulation of primary data (observations, interviews I-01, I-02, I-03) and secondary data (IFPI, Ministry of Creative Economy, BPS), 2026.*

**Table 7 IFAS (Internal Factor Analysis Summary) LS Music Studio Bandung**

| Yes | Internal Factors | Weight | Rating | WS | Remarks |
|---|---|---|---|---|---|
| | STRENGTHS | | | | |
| S1 | The location of the Cimenyan hills is unique, it cannot be replicated | 0,15 | 4 | 0,60 | Highest VRIN resources |
| S2 | Track record of 7 years & reputation of the East Bandung music community | 0,12 | 4 | 0,48 | 7-year organic trust |
| S3 | Client-recognized sound engineering technical competence | 0,10 | 4 | 0,40 | Key core competencies |
| S4 | Two large studios & professional audio equipment | 0,08 | 3 | 0,24 | Adequate physical capacity |
| S5 | Competitive price with professional quality | 0,07 | 3 | 0,21 | Positioning sweet spot |
| S6 | Loyal client base and extensive community network | 0,06 | 3 | 0,18 | Organic referral sources |
| S7 | Consistent commitment and integrity of the owner | 0,05 | 4 | 0,20 | Foundation of trust |
| | WEAKNESSES | | | | |
| W1 | Dependence on one revenue stream (rental per hour) | 0,10 | 1 | 0,10 | Main disadvantages |
| W2 | Absence of structured digital marketing | 0,08 | 1 | 0,08 | Blocking new client acquisition |
| W3 | Manual operational system (booking, bookkeeping, SOP) | 0,06 | 2 | 0,12 | Bottleneck when volume increases |
| W4 | Inadequate human resource capacity for diversification | 0,05 | 2 | 0,10 | Must be addressed through phased hiring |
| W5 | Digital competency gap and formal finance | 0,04 | 2 | 0,08 | Need to be strengthened through recruitment |
| W6 | Limited accessibility (less public transportation) | 0,02 | 2 | 0,04 | Mitigated with access guides |
| W7 | No structured client file backup cloud system | 0,02 | 2 | 0,04 | Easy to overcome with automatic backups |
| TOTAL | TWS IFAS = 2.87 \| STRONG Internal Position | 1,00 | — | 2,87 | TWS > 2.5 = strong internal position |

*Source: Researcher assessment based on triangulation of primary and secondary data. Rating: 4=Major Strengths, 3=Minor Strengths, 2=Minor Weaknesses, 1=Major Weaknesses.*

**Table 8 EFAS (External Factor Analysis Summary) LS Music Studio Bandung**

| Yes | External Factors | Weight | Rating | WS | Remarks |
|---|---|---|---|---|---|
| | OPPORTUNITIES | | | | |
| O1 | Gap in the market of one-stop end-to-end production services in Cimenyan | 0,15 | 2 | 0,30 | Biggest opportunity but not yet responded effectively |
| O2 | The growth of indie musicians looking to release to streaming platforms | 0,13 | 2 | 0,26 | Current response: zero digital distribution services |
| O3 | The audio content creator segment is not served by anyone in this area | 0,10 | 1 | 0,10 | Completely neglected at the moment |
| O4 | Micro KUR access 6% for CAPEX development | 0,08 | 3 | 0,24 | Planned to be utilized |
| O5 | Cimenyan's nature studio aesthetic trend as a content attraction | 0,06 | 2 | 0,12 | Not yet actively utilized |
| O6 | Demand for music production education in East Bandung | 0,06 | 1 | 0,06 | Short course opportunities have not been responded to |

| Yes | External Factors | Weight | Rating | WS | Remarks |
|---|---|---|---|---|---|
| | THREATS | | | | |
| T1 | The proliferation of home recordings with cheap DAWs | 0,13 | 3 | 0,39 | Mitigation: non-replicable value differentiation |
| T2 | The development of AI tools for long-term audio production | 0,05 | 3 | 0,15 | Make AI a tool |
| T3 | Newcomer studio in East Bandung with larger capital | 0,09 | 2 | 0,18 | Strengthen client loyalty through 7 years of reputation |
| Q4 | Increased operational costs | 0,07 | 3 | 0,21 | Revenue diversification reduces sensitivity |
| Q5 | High consumer price sensitivity | 0,04 | 3 | 0,12 | Value-based packaging provides a higher perception of value |
| T6 | Dependence on road and internet access Cimenyan | 0,04 | 2 | 0,08 | Detailed access guide required |
| TOTAL | TWS EFAS = 2.21 \| External Responses NEED to BE IMPROVED | 1,00 | — | 2,21 | Rating 1–2 on the biggest odds = untouched potential |

*Source: Researcher assessment based on triangulation of primary and secondary data.*
*Rating: 4=Very effective response, 3=Effective, 2=Less effective, 1=No response.*

The combination of TWS IFAS (2.87) and TWS EFAS (2.21) places LS Music Studio in Quadrant V in the IE Matrix Hold and Maintain zone which recommends selective market penetration and product development. In the Grand Strategy Matrix, LS Music Studio is in Quadrant II—a fast-growing market but a competitive position that still needs to be strengthened—with recommendations for market penetration, market development, and product development.

***Strategy Formulation***

The Integrative Differentiation Strategy was chosen as a grand strategy because it takes advantage of Cimenyan's location advantages and the reputation that has been built. The implementation of the strategy is divided into three waves: (1) Foundation Wave (Months 1–4): formation of reserve funds, SOP documentation, recruitment of Digital Marketing Staff and Customer Service Admins, and activation of the online booking system; (2) Expansion Wave (Months 4–9): launch of Full Production Package and Content Creator Package, Short Course, integration of AI tools, and activation of Micro KUR; (3) Optimization Wave (Months 9–12+): launch of Membership Programs, Event Space and Showcase, Remote Mixing services, and the second wave of recruitment.

***Analysis of Financial Aspects***

**Table 9 Projected Revenue per Revenue Stream (Y1–Y5)**

| Revenue Stream | Y1 (2026) | Y2 (2027) | Y3 (2028) | Y4 (2029) | Y5 (2030) |
|---|---|---|---|---|---|
| Rental Studio A & B | IDR 654,534,000 | IDR 926,951,000 | IDR 1,103,813,000 | IDR 1,236,270,560 | IDR 1,335,172,205 |
| Full Production Package | IDR 147,798,000 | IDR 319,770,000 | IDR 524,736,000 | IDR 708,393,600 | IDR 885.492.000 |
| Digital Distribution | IDR 32,844,000 | IDR 87,210,000 | IDR 174,912,000 | IDR 244,876,800 | IDR 318,339,840 |
| Content Creator Package | IDR 49,266,000 | IDR 116,280,000 | IDR 196,776,000 | IDR 255,808,800 | IDR 312.086.736 |
| Short Course | IDR 41.055.000 | IDR 101,745,000 | IDR 174,912,000 | IDR 218,640,000 | IDR 257,995,200 |
| Program Membership | IDR 32,844,000 | IDR 87,210,000 | IDR 153,048,000 | IDR 206,614,800 | IDR 258,268,500 |
| Event Space & Showcase | IDR 24,633,000 | IDR 43,605,000 | IDR 131,184,000 | IDR 183.657.600 | IDR 238,754,880 |
| TOTAL REVENUE | IDR 982,974,000 | IDR 1,682,771,000 | IDR 2,459,381,000 | IDR 3.054.262.160 | IDR 3,606,109,361 |

*Source: Researcher's projections based on historical studio data and TAM-SAM-SOM analysis, 2026.*

**Table 10 LS Music Studio Projected Income Statement (Y1–Y5)**

| P&L Components | Y1 (2026) | Y2 (2027) | Y3 (2028) | Y4 (2029) | Y5 (2030) |
|---|---|---|---|---|---|
| (+) Gross Revenue | IDR 982,974,000 | IDR 1,682,771,000 | IDR 2,459,381,000 | IDR 3.054.262.160 | IDR 3,606,109,361 |
| (−) Variable Cost (12.5%) | (IDR 122,871,750) | (IDR 210,346,375) | (IDR 307,422,625) | (IDR 381,782,770) | (IDR 450,763,670) |
| (=) Gross Profit | IDR 860.102.250 | IDR 1,472,424,625 | IDR 2,151,958,375 | IDR 2,672,479,390 | IDR 3,155,345,691 |
| Gross Profit Margin | 87,5% | 87,5% | 87,5% | 87,5% | 87,5% |
| (−) Fixed Operating Costs | (IDR 525,104,400) | (IDR 528,236,588) | (IDR 561,586,029) | (IDR 597,934,732) | (IDR 636,679,728) |
| (=) EBITDA | IDR 334,997,850 | IDR 944.188.037 | IDR 1,590,372,346 | IDR 2,074,544,658 | IDR 2,518,665,963 |
| EBITDA Margin | 34,1% | 56,1% | 64,7% | 67,9% | 69,8% |
| (−) Depreciation of Fixed Assets | (IDR 18,600,000) | (IDR 18,600,000) | (IDR 18,600,000) | (IDR 18,600,000) | (IDR 18,600,000) |
| (−) KUR Interest Load | (IDR 5,804,507) | (IDR 5,804,507) | (IDR 5,804,507) | — | — |
| (−) Final Income Tax 0.5% Turnover | (IDR 4,914,870) | (IDR 8,413,855) | (IDR 12,296,905) | (IDR 15,271,311) | (IDR 18,030,547) |
| (=) NET PROFIT | IDR 305,678,473 | IDR 911.369.675 | IDR 1,553,670,934 | IDR 2,040,673,347 | IDR 2,482,035,416 |
| Net Profit Margin | 31,1% | 54,2% | 63,2% | 66,8% | 68,8% |

*Source: Researcher's projections. Assumption: fixed cost inflation of 5%/year; variable costs of 12.5% of revenue; depreciation of IDR 18.6 million/year.*

**Table 11 Feasibility Analysis of LS Music Studio Bandung Investment**

| Indicator | Results | Criteria | Status |
|---|---|---|---|
| NPV @ WACC 9% | IDR 5,272,404,295 | NPV > 0 = Eligible | WORTH |
| IRR | 436,4% | IRR > WACC 9% = Eligible | VERY WORTHY |
| Payback Period | 0.33 years (~3.9 months) | < 2 years = Excellent | VERY WORTHY |
| Profitability Index | 50,74 | PI > 1 = Eligible | VERY WORTHY |
| Net Profit Margin | Y1: 31.1% → Y5: 68.8% | Service MSME industry: 10–20% | VERY WORTHY |
| BEP Revenue | IDR 621,376,457 (63.2% of the Y1 target) | Realistic target: 45–65% | SAFE |
| WACC | 9,0% | 50% equity (12%) + 50% KUR (6%) | PRECISE |

*Source: Researcher calculations, 2026. NPV calculated from 5 years of cash flow (Net Profit + Depreciation) discounted at WACC 9%, minus CAPEX of IDR 106,000,000.*

**Table 12 Timmons Scorecard Model LS Music Studio Bandung**

| Dimensions | Evaluation Criteria | Score | Justification |
|---|---|---|---|
| OPPORTUNITY /50 | Market Attractiveness | 9 | Bandung's indie musician ecosystem is very active (>500 releases/year); Unserved Content Creator Segment = Real New Market |
| | Sustainability | 9 | Global streaming +6.4%/yr; Cimenyan's location is permanent, cannot be replicated by competitors |

| Dimensions | Evaluation Criteria | Score | Justification |
|---|---|---|---|
| | Market timing (Timely) | 8 | 3 converging macro trends: streaming, content creators, PP Ekraf—the window of opportunity is wide open |
| | Value-Adding | 9 | Design Thinking's pre-testing confirms the real pain point: the fragmentation of the production process has not been solved |
| | Scalability | 7 | Digital distribution, remote mixing, short course online = skalabel; Physical location limits rental scalability |
| SUBTOTAL OR | 42/50 = 84% — Very strong | 42 | Cimenyan location + integrated service market gap = non-replicable VRIN opportunity foundation |
| FOUNDER/TEAM /60 | Core technical competencies | 9 | 7 years of sound engineering recognized consistently by clients; mastery of modern audio DAW and production |
| | Digital & marketing competencies | 4 | Significant gaps recognized; mitigation: recruit Q1 Y1 |
| | Commitment & integrity | 9 | 7 years of consistency including getting through the pandemic; Excellent reputation for integrity in the music community |
| SUBTOTAL T | 43/60 = 71.7% — Strong in technical core & commitment | 43 | Digital marketing gaps must be filled immediately through the recruitment of Digital Marketing Staff Q1 Y1 |
| RESOURCES /60 | Financial capital | 8 | CAPEX IDR 106 million available (50% equity + 50% KUR 6%); Installment Rp 1.6 million/month is very affordable |
| | Location & environment (VRIN) | 10 | Cimenyan Hills: Valuable, Rare, Inimitable, Non-substitutable—no competitor can replicate it |
| | Network & reputation | 8 | 7 years of reputation in the East Bandung music community; Active and trusted referral network |
| SUBTOTAL R | 43/60 = 71.7% — Cimenyan location (10/10) as VRIN asset | 43 | The financial structure is very healthy; HR and technology gaps are addressed through phased hiring |
| BUSINESS PLAN /50 | Realism, assumptions & financial feasibility | 9 | NPV of IDR 5.27 billion >> 0; PP 0.33 years (3.9 months); NPM 31.1% (Y1) → 68.8% (Y5); PI 50.74 |
| | Risk mitigation & implementation roadmap | 7 | Risk register per function; 3 phased implementation waves; Trigger-based hiring |
| SUBTOTAL BP | 40/50 = 80% — Comprehensive Business Plan | 40 | All guide components are met; Financial figures have been corrected and consistent |
| TOTAL SCORE | 168/220 = 76.4% ✓ VERY FEASIBLE (Timmons minimum threshold: 75%) | 168 | /220 |

*Source: Evaluation of researchers based on triangulation of primary and secondary data, adapted from Timmons & Spinelli (2009), 2026.*

## CONCLUSION

This research successfully formulated the business development strategy of LS Music Studio Bandung through an integrative approach combining Design Thinking, Business Model Canvas, and the Timmons Entrepreneurial Process Model. The findings indicated that the studio had a strong foundation, supported by seven years of reputation, a VRIN (Valuable, Rare, Inimitable, and Non-substitutable) strategic location in the Cimenyan hillside area, and a loyal client base. However, the studio also faced fundamental vulnerabilities due to its dependence on a single revenue stream amid the increasing adoption of home-recording technologies, reflected by the global DAW market CAGR of 9.9%, and the potential disruption from artificial intelligence (AI)-based music production technologies. The formulated Integrative Differentiation Strategy transformed the business model from a single revenue stream into seven revenue streams through three structured implementation phases, resulting in projected revenue growth from IDR 982.97 million in Year 1 (Y1) to IDR 3.61 billion in Year 5 (Y5), supported by Capital Expenditure (CAPEX) of IDR 106 million financed through a combination of equity and 6% Micro KUR financing. All investment feasibility indicators demonstrated highly positive results, including an NPV of IDR 5.27 billion, an IRR of 436.4% (substantially exceeding the WACC of 9%), a Payback Period of 3.9 months, a Profitability Index of 50.74, and a Timmons Entrepreneurial Process Model score of 76.4% (above the minimum threshold of 75%). These results collectively confirmed that the proposed strategy was financially feasible and strategically relevant for implementation. This study recommends that LS Music Studio Bandung immediately execute the Foundation Wave during the first quarter of Year 1, prioritizing the registration of the Business Identification Number (Nomor Induk Berusaha or NIB) and Micro KUR financing, recruitment of Digital Marketing Staff and Customer Service Administrators, implementation of an online booking system, and gradual activation of the seven revenue streams based on market validation. Each new service should be evaluated before introducing subsequent services, supported by strict risk management practices to preserve the seven-year reputation established throughout the transformation process.

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