
Economic Efficiency Through Digital Transformation: A Strategic Approach to Multipurpose Loan Products

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Abstract:

In response to rapid technological advancements in the financial sector, PT. XYZ Finance—a conventional non-bank financial institution—is facing increasing competitive pressure, particularly from the rise of digital financial services (fintech) in Indonesia. One of the most competitive products in this landscape is the multipurpose loan. According to the Financial Services Authority (OJK), outstanding multipurpose loans reached IDR 74.48 trillion as of September 2024, marking a year-on-year growth of 33.73%. This study aims to identify the root causes behind the slow adoption of digital transformation for multipurpose loan products at PT. XYZ Finance and to formulate appropriate business strategies that can enhance its competitiveness. This research employs both qualitative and quantitative methods, combining interviews with internal stakeholders involved in digital lending operations and surveys capturing customer perceptions. Secondary data were obtained from internal company reports and relevant literature. The findings indicate that the slow progress in digital multipurpose loan implementation is primarily driven by the company's deeply rooted conventional culture, low prioritization of digital initiatives, limited investment in technology, and weak promotional strategies. Additionally, intense market competition and the growing threat of substitute products offering faster and more convenient digital loan services exacerbate the challenge. To address these issues, strategic organizational restructuring aligned with a differentiation strategy is recommended, supported by targeted digital product development and improved human resource capabilities across divisions. Digital transformation is thus positioned not only as a technological shift but also as a key economic driver in strengthening PT. XYZ Finance's strategy execution in the evolving loan market.

Keywords: Business Strategy; Digital Transformation; Economic Competitiveness; Multipurpose Loan; Financial Technology

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1. Introduction

Digital transformation has significantly reshaped various industries in Indonesia, catalyzing a shift toward more agile, responsive, and customer-centric business models. Technological advancements—ranging from mobile apps to cloud computing and artificial intelligence—are enabling companies to serve customers more efficiently, create innovative solutions, and maintain competitiveness in an

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increasingly digital economy (Gomber et al., 2018; Baiyere et al., 2020). In particular, customer demands for real-time services, seamless experiences, and rapid financial access have pushed businesses to accelerate digital initiatives (Hitt, 2023). Fintech, notably peer-to-peer (P2P) lending, has emerged as one of the most prominent disruptive innovations in the financial services sector, especially in countries like Indonesia where access to traditional financial services remains uneven (Zakiah, 2021; Oner et al., 2024).

The rapid adoption of P2P lending platforms such as Kredivo, KreditPintar, and Akulaku reflects the increasing customer preference for fast, collateral-free, and mobile-based multipurpose loans. These fintech platforms utilize algorithm-driven credit scoring, real-time verification, and digital onboarding to outpace traditional lenders (Sen et al., 2024). This shift has directly challenged the relevance and agility of conventional financial institutions, such as PT. XYZ Finance, a non-bank financial firm with a long-standing history in automotive lending. Despite its large operational network and affiliation with a leading global financial group, PT. XYZ Finance is struggling to compete in the digitized multipurpose loan (MPL) segment, where fintech firms dominate through innovation and customer-centric models (Vijayagopal et al., 2024).

PT. XYZ Finance, which boasts over 17,000 employees and 460 branches across Indonesia (Annual Report, 2023), has initiated digital transformation by launching a mobile app and digitizing several services. However, its MPL product line continues to rely on manual processes that include form-filling, document submission, and physical collateral—significantly lagging behind the streamlined, app-based loan disbursement systems of its fintech competitors. As reported in September 2024, the uptake and disbursement performance of MPL products at PT. XYZ Finance remains weak, with declining usage despite over 2 million app downloads. This operational inefficiency points to internal challenges in digital integration, organizational adaptability, and innovation strategy (Pousttchi, 2020; Gregory et al., 2018).

This phenomenon exposes a critical research gap in understanding how organizational culture, digital maturity, and strategic alignment affect the successful implementation of digital products in legacy financial institutions (Volberda et al., 2011). While much literature explores fintech success and digital transformation in developed markets (Gomber et al., 2018; Hinings et al., 2018), fewer studies focus on traditional financial companies in emerging economies like Indonesia and their struggle to catch up (Zikmund & Carr, 2012). PT. XYZ Finance presents a unique case of a well-established firm facing pressure to innovate in a highly competitive and digitally advanced landscape. As highlighted by Mavlutova et al. (2023), the transition from traditional finance to digitally inclusive models requires not just technological adoption, but also internal readiness and strategic direction.

What distinguishes this research is its focus on the interplay between corporate culture, digital strategy, and technological deployment within a large, non-bank financial institution attempting to revamp its MPL segment. Previous studies have

largely centered on either fintech disruptors or macroeconomic digital trends (Aurellia et al., 2024; Singh et al., 2024), leaving a gap in empirical research on internal digital adoption among conventional players. Furthermore, existing work underemphasizes the challenges of integrating digital solutions post-COVID-19, where customer behavior and operational priorities have fundamentally shifted (Musahid et al., 2024). This study aims to bridge that gap by assessing the organizational barriers and enablers of digital transformation in the MPL division of PT. XYZ Finance (Avira et al., 2024).

The urgency of this research lies in the evolving expectations of digitally empowered consumers and the aggressive expansion of fintech in Indonesia. Companies that fail to adapt risk becoming obsolete, as digital-first competitors redefine market standards for speed, accessibility, and convenience (Ikhsan & Ginting, 2024). The digital finance space in Indonesia continues to receive major investments, pushing the need for legacy institutions to respond with effective, scalable, and culture-driven innovation strategies (Saunders et al., 2017). As investments in digital financial services reach new heights globally (Vijayagopal et al., 2024), understanding how incumbents like PT. XYZ Finance can reposition themselves becomes not only relevant but urgent.

Therefore, this study aims to investigate how organizational culture influences the digital transformation process at PT. XYZ Finance, particularly in the development of its multipurpose loan product. It will examine how internal resistance, strategic misalignment, and post-COVID operational inertia hinder innovation efforts. The research will also explore potential strategies to enhance digital readiness and customer responsiveness, drawing lessons that can inform other financial institutions navigating similar transitions (Zhang et al., 2023; Mavlutova et al., 2023). Ultimately, this study seeks to contribute to the broader discourse on sustaining digital innovation within traditional business frameworks in Indonesia's rapidly evolving financial ecosystem.

2. Theoretical Background

Resource-Based Model of Above-Average Returns Analysis: This analysis will give a boarder initiatives from understanding and capabilities from internal company. Resources are inputs to the company's production process, such as capital equipment, the skills of individual employees, patents, finances and talented managers. Capability is the capacity for a set of resources to perform a task or an activity in an integrative manner, while core competencies are capabilities that serve as a source of competitive advantage for a firm over its rivals (Hitt, M. 2023). Resource in a firm can be differentiated into two types, tangible and intangible resources. Tangible resources are assets that can be observed and quantified and intangible resources are assets that are rooted deeply in the firm's history and relatively difficult for competitors to analyse and imitate (Hitt, M. 2023).

Value Chain Analysis: Value chain analysis allows the firm to understand the parts of its operations that create the most value for customers and The differences between

each segmentation are the value chain activities are activities or tasks the firm completes in order to produce products and then sell, distribute, and service those products in ways that create value for customers. Meanwhile support functions include the activities or tasks the firm completes to support the work being done to produce, sell, distribute, and service the products the firm is producing (Hitt, M. 2023).

Porter's Five Forces Framework: This technique examines the business domain or industry within which an organisation operates, and identifies the business pressures that may be brought to bear upon that organization (Gomber et al., 2018). Michael Porter divided the potential sources of pressure within an industry into five categories; Industry competitors, New entrants, substitutes, buyers and suppliers. These questions aims to help the management identify the factors within the industry that have the potential impact upon the organization, wither positively or negatively.

The Industrial Organization (I/O) Model of Above-Average Return: This explains the external environment's dominant influence on the choice of strategy and the actions associated with it (Hitt, M. 2023). The logic of the I/O model is that a set of industry characteristics, including economies of scale, barriers to market entry, diversification, product differentiation, the degree of concentration of firms in the industry, and market frictions, determine the profitability potential of an industry or a segment of it as well as the actions firms should take to operate profitably (Hitt, M. 2023).

Personality Traits: Personality traits, such as confidence, risk-taking, forward-thinking, leadership, and task- and goal-orientation, play a significant role in financial management behavior. Avira et al. (2024) indicate that personality impacts financial decisions and management practices. Entrepreneurs with strong leadership qualities and a forward-thinking approach are more likely to engage in effective financial management. Baiyere et al. (2021) define personality traits as a combination of cognitive, perceptual, emotional, and motivational characteristics, which influence an individual's behavior.

3. Methodology

This research will be conducted using primary and secondary data collected through different approaches. Primary data will be collected through in-depth interview with internal management team in digital department and survey with potential customers. This approach aim to gather perspective from each division in digital department and direct standpoint from potential customers in order to have a an appropriate strategy. Secondary data obtained from internal company data such as annual and financial report, product report, and existing business process related to multipurpose product activities. Result from internet survey will be develop market analysis to gain more understanding about public perception and experiences regarding digital multipurpose loan processes in Indonesia. Internal and external analysis using framework above will describe the existing condition in PT. XYZ Finance to gain deeper understanding to develop business strategy according to external factors. Business-level strategy and

corporate-level strategy are used to determine the best strategy that should be adapted to overcome the challenges. This method allows for the examination of the relationship between internal condition and external factors to establish new strategic recommendation for PT. XYZ Finance in the future.

4. Empirical Findings/Result

Market Analysis

Demographic

The majority of respondents (48%) were aged 25–34, followed by aged below 25 with 44% , indicating that most users are working adults in the productive age group and young adult in their early careers or recently graduated. Occupation distribution result shows that top three employment status data are 48% permanent employee, 29% freelancer, and 12% contract workers. It becomes evidence that job stability plays a critical role in finance resilience. Respondents mostly used their mobile device (97%) for accessing digital services including financial services every day (83%). This shows a strong insight for conventional financial institutions like PT. XYZ Finance to drive the strategy through digital platform.

Product Preferences

Buy Now Pay Later (BNPL) was the most chosen payment with 32% votes, then Fintech with 30%, with non-bank institutions (17%) and bank (13%) are the third and fourth chosen platform. 32% of respondents votes for faster process that making this is the number one reason for customers applying for digital multipurpose loan. Digital transformation help customers to access it anytime with available internet connection, this marked as second reason why they choose digital approach. 25% of respondents votes for ‘can be done anytime’ option, and 23% votes that simple requirements are three main reasons on choosing the product. Looking to the business model preferences, 82% respondents prefer digital multipurpose loan without collateral / unsecured (using vehicle registration or property certificate) than with collateral (17%). This percentage aligns with the results showing Buy Now, Pay Later (BNPL) and fintech as the top two preferred digital financial products among respondents and 1% is not sure about their preferences.

Financial Status

we can acknowledge that digital multipurpose loan is quite helpful for market with 57% votes, and a very helpful product with 33% votes. Relating to the global economic condition with survey result, 56% of respondents are facing stable financial condition and 22% facing declined. This percentage suggesting that while many individuals have managed to maintain their financial stability, a significant portion is still vulnerable to macroeconomic pressures.

Competitors

Market find it really easy to get information about this product. 50% and 43% find it really easy and quite easy to find the information before submit the loan application. It takes around 30 minutes mostly with their preference digital multipurpose loan to

have the cash transferred. 37% respondents successfully disbursed the cash under 10 minutes, and other 49% around 10-30 minutes duration. E-KYC is one of the advanced technology implemented as an identity verification when submitting the loan application. 51% of respondents experience a quite smooth process and 37% of respondents seems satisfied with very smooth experience. More than half of the respondents (61%) use a digital signature to complete their application for seamless confirmation process. As faster process gain more percentage, 50% respondent find it quite easy for filling out the application form in digital multipurpose loan (Figure IV.6). 43% respondents find it very easy to fill out application form and more than seventy percent agree that they're more likely to cancel the application if the process too complicated.

Market Satisfaction

59% satisfied and 34% very satisfied with the approval speed from digital multipurpose financing. This percentage shows that customers demand on faster assessment result in order for financial products to compete with current condition. Respondents seems confidence about their personal data stored digitally with 54% votes quite secured, and 21% votes that it is very secured. More than 70% respondents confidence in completing their personal information digitally as a result of comply security regulations from institutions. Factors that pushed customers to use digital platform to disburse instant cash is because faster process (28%), and digital provide easy access to anyone (21%).

Market Segments

Customer segments for digital multipurpose loan is digital savvy young workers until early married status with stable income and preferences of unsecured loan model with faster application process to provide their urgency in financial condition.

Porter's Five Forces

Industry Competitors

OJK has reported that in Q3 of 2023 financial institutions experience a stable condition with fintech P2P lending players saw ongoing expansion (Bambang, et al, 2024). With strong capability in technology and communication, Fintech players can overcome the long process with digital assessment resulting in short cash disbursement process. This condition set the customer's expectation align with faster process from market analysis.

New Entrants

As per December of 2023, OJK stated that over the past 10 years, an average of 55.79% of financing company business activities has been allocated to multipurpose financing (OJK Financing Report, 2024). Comparing to the same industry as a non-bank financial institutions, growth of new player since 2016 has been decreasing until 2023. In 2016 there are 200 financial institutions regulated by OJK and decreased to 147 companies in 2023. Although this decrease was mainly due to COVID-19, the asset and liability values from 2007 to 2021 show a threefold increase.

Substitutes

Digital multipurpose loans are facing increasing pressure from substitute financial products such as Buy Now Pay Later (BNPL), fintech instant loans and other financing model. The preferences for applying to these alternatives often comes from easier application process and instant disbursement.

Buyers

The average share of multipurpose loan financing in 2023 was 55.79%, indicating that buyer demand remains strong. This percentage also shows that multipurpose loan financing is the most attractive, made even more appealing by the rise of digital lending and shifting customer preferences.

Supplier

Unlike bank, financial institutions are not allowed to receive funds directly from public (through current accounts, savings, or deposits) or provide guarantees. Based on OJK report in 2023, Most of the funding sources for financing companies come from bank loans.

General Environment

Based on Central Stastic Agency (BPS) report per mid-2024, Indonesian popultion has been increased to 281.603 million peoples. With targeted segments from market analysis are under 25-34 years old, PT. XYZ Finance has opportunity to more than 44 millions peoples around Indonesia. In the economic side, Indonesia faced decrease in Gross Domestic Product (GDP) in 2022 from 5.3 to 5.0 last year in 2024. Report forecasted that in 2025 – 2026, the value for Indonesia remain the same. This indicates that GDP for Indonesia hold steady with no decrease or growth for the economic prospect.

In political and legal analysis, the financing institutions must comply with OJK regulations. PT. XYZ Finance comply with Peraturan Otoritas Jasa Keuangan (“POJK”) No. 35/POJK.05/2018 on Financing Company Business Operation in Chapter 2 cl 2 stipulates that the business activities of Financing Companies include: a. Investment Financing; b. Working Capital Financing; c. Multipurpose Financing; and/or; d. other financing business activities based on approval from the Financial Services Authority. Meanwhile, Fintech has different regulation and issued by Bank of Indonesia. In sociocultural, the changing human behaviour in emerging technology with significant shift in how people use technology in their daily lives. Younger generation, millennials and gen z, are digital natives that comfortable in using mobile apps and digital platforms for various activities.

In the technological aspect, technology is one of the key aspects that affect company’s opportunity and threats to establish capability and operations. Investing in technology advancement in this era was not a choice but a strategic move to leverage and evolve the business sustainability.

Industry & Competitor Environment

Industry environment in this particular digital multipurpose loan product, is shaped by high competitive rivalry. Products that provide financial solution seems to be attractive in this current Indonesia’s economic condition. Based on the findings,

market demand on faster process that deliver the cash within minutes. This show that multipurpose loan industry current condition in Indonesia is shaped by technological adoption by delivering seamless process. Company should align their strategic action accordance with customer centric strategy to deliver seamless digital process and services. PT. XYZ Finance's multipurpose loan application process require more thorough assessment by requiring documents such as identity card, a salary slip, tax identification number (NPWP), credit history check (BI checking) and require borrower to provide collateral. Rahardyan (2021) found that Akulaku and Kredivo was the most popular cash loan services and Mult finance among 1.500 respondents on a survey conducted by DSInnovative.

Established in 2014, Akulaku has operates it's virtual credit card, ecommerce platform and online wealth management platform and Neobank, a mobile digital bank supported by Bank Neo Commerce. Akulaku aims to have short time assessment by three to five minutes process until the money disbursed. Meanwhile, Kredivo is the leading digital credit platform in Indonesia and Vietnam that gives customers instant credit financing for ecommerce and offline purchases, and personal loans, based on real-time decision-ing. Established since 2015, Kredivo has gain recognition in Indonesia providing a credit financing in almost e-commerce here including multipurpose loan product.

Internal Analysis

The current process of multipurpose loan product in PT. XYZ Finance, specifically in Digital department wasn't comparable with what Fintech companies has already developed.

1. Value Chain Analysis

As a non-bank financial company, PT. XYZ Finance obtains and manages loan application from potential customers by doing a partnerships with dealers, showroom and e-commerce to offer vehicle financing. In the digital side, Digital department has Business, Product, Development, Marketing, User Interface/User Experience (UI/UX) researcher, and operational teams to enhance the digital product. In Digital, PT. XYZ Finance has established own application and website as a digital lending to support leverage the business to digital savvy customers. Currently, multipurpose loan products still face challenges to implement end-to-end disbursement because the customer approval process still using manual approach due to less technology advancement. Marketing approaches in digital department also follow and work closely with marketing for conventional business in PT. XYZ Finance. Online acquisition will be through google advertising and social media such as Instagram, Facebook, Youtube, and Tiktok. Meanwhile the fffline acquisition mostly from events and printed ads when PT. XYZ Finance sponsored or host the event or open a small booths. PT. XYZ Finance also provides follow-up services though call centre, Whatsapp care and email to submit complaints/grievances called *dering* PT. XYZ Finance.

In PT. XYZ Finance, the finance function includes all of the business, administrative, financial, legal and compliance, development and operation divisions. These elements support both conventional and digital business products to ensure operational efficiency, regulatory alignment and financial sustainability. Despite the great

opportunity given from the company, PT. XYZ Finance remains a need for greater investment in the development of digital-specific teams, particularly in areas such as IT, data analytics, and product development in order to accelerate company's digital transformation goals.

SWOT Analysis

1) Strengths

PT. XYZ Finance has a strong support from parent company to leverage their business in Indonesia. Established in 1990 with a core business in conventional automotive loan financing, the company has developed a well-managed business network across Indonesia, including rural areas. PT. XYZ Finance also held a BBB rating from Fitch Ratings and the highest domestic rating of idAAA/Stable from Pefindo.

2) Weakness

Most of the operational process catered by divisions outside digital department, creating high bureaucratic and cumbersome procedure involving multiple layers of authorization across divisions. Company's current business model using collateral-based model that required cash loan with manual assessment process and dependency from legacy systems.

3) Opportunities

Strong synergy between parent company creates an opportunity of collaboration between firms to grab new market segments. PT. XYZ Finance already has plenty of royal customers across generation and data analytics will help to offer or introduce new products. Well-managed marketing strategy in conventional approach has been the key driver of the business strategy. This presents an opportunity for the digital product to adopt a joint marketing strategy with the conventional approach.

4) Threats

Existing and new competitors' capability in implementing digital transformation to a more seamless process will eliminate the firm as a strong contender. Refusal by customers or even the company's own employees may hinder the transformation, driven by comfort with existing processes and resistance to adopting new ones. Furthermore, Indonesian current condition's perception might drive uncertainties; therefore, assessment process should be advanced to deliver accurate results.

Business-Level Strategy

According to Volberda et al. (2011:166), business-level strategy is defined as an integrated and coordinated set of commitments and actions a firm uses to gain competitive advantage by exploiting core competencies in specific product markets. PT. XYZ Finance must create differences between the firm's position and those of its competitors. Hitt, M. (2023) also stated that customers are the foundation of success for all business-level strategies, and firms must continue creating value for their customers if they are to retain them. According to theory above, PT. XYZ Finance current business strategy is Differentiation strategy. Value-creating activities associated with the differentiation strategy

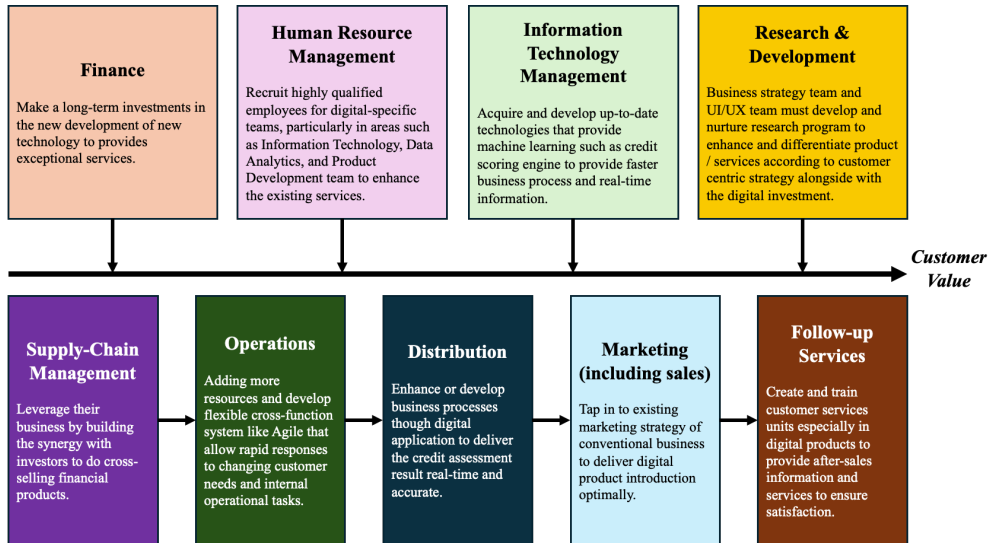


Figure 1. Value-Creating Activities Associated with the Differentiation Strategy

Corporate-Level Strategy

A corporate-level strategy specifies actions a firm takes to gain a competitive advantage by selecting and managing a group of different businesses competing in different product markets (Hitt, M. 2023). PT. XYZ Finance position is on the Dominant-business diversification strategy, because firm generates over 70 percent of its total revenue from consumer financing. Therefore, PT. XYZ Finance should strengthen its core business through digital transformation especially in multipurpose loan product while also exploring possible opportunities.

Functional Strategy

Functional strategy includes strategy for every function which includes research & development, marketing, operations, human resource, finance and technology. Implementing functional strategy as a structure aims to avoid introducing value-destroying bureaucratic procedures since such procedures typically have the potential to damage individuals' efforts to innovate as a means of supporting strategy implementation activities (Hitt, M. 2023). TOWS analysis used to provides additions and detailed plans to organize activities in support of business strategy.

Table 1. SWOT Analysis

| | Weaknesses | Strengths |
|----------------|---|---|
| Threats | 1. Strengthened operational process in digital department by allocating additional resources. | 1. Invest in digital transformation from human resources and technology capability to enhance existing product and establish new product. |
| | 2. Increase the awareness of digital implementation for a sustainable business process in the future. | 2. Leverage existing branches as channels to support the product introduction, starting with the existing customer base. |
| | 3. Establish new model with unsecured / non-collateral loan to enable seamless | |

| | Weaknesses | Strengths |
|---------------|---|---|
| | <ul style="list-style-type: none"> disbursement process to compete with existing and new competitors. 4. Create new dedicated R&D team to focused with digital transformation and enable to deliver uniqueness among competitors. 5. Strengthened quality system to help product introduction process for customers especially in rural area. 6. Develop digital credit assessment based on customer capability to deliver accurate result. | <ul style="list-style-type: none"> 3. Increase brand awareness of digital product to rural area. Strong reputation will help the product introduction. 4. Development of seamless process with digital implementation to enter the digital advancement 5. Global economic condition also create new opportunity, development of advanced credit assessment engine with capability to assess customer's credit history. |
| Opportunities | <ul style="list-style-type: none"> 1. Enhance digitalization to onboarding process to facilitate cross-selling process to own application. 2. Conduct promotional campaign based on data analytics insight. 3. Collaborating with conventional marketing strategy to provide bundling product. 4. Create dedicated R&D division to establish and provide cross-selling product with partnership synergy. | <ul style="list-style-type: none"> 1. Strengthened relationship with investors and parent company to build awareness of the strategic need for future digital investment. 2. Deliver optimal product introduction from existing customers based on analytic insight. 3. Expanding digital product to new segment from potential rural area 4. A strong reputation builds positive brand awareness, supporting both offline and online marketing strategies to attract new customers |

5. Discussion

Based on the findings, PT. XYZ Finance need to shift the conventional process in digital department to seamless process using advance technology implementation. Changes on organizational structure should be made to upgrade the bureaucratic process and support differentiation strategy. Investment on technology should also be made to support the development of new process / product with competent human resources.

1. Human Resource and Corporate Structure

Based on the suggestion to implement differentiation strategy adjusting to current organizational structure, R&D division and Marketing division is the main function for keeping track of new product ideas. New product development is emphasized and most function is decentralized with job roles are less structured. This brings seamless decision making process with limited formalization so that product ideas can emerge easily. Human resource management is important to improve the effectiveness of establishing new product in organization. From the analysis, Author defined key primary role based on each function in digital department using functional strategy (Table 2). As development in digital transformation mainly using Agile methodology, which already implemented in PT. XYZ Finance, Author suggest to divided development progress into three teams focusing on proposed new features.

Table 2. Primary Roles of Different Function.

| Value Creation Function | Primary Roles |
|-------------------------|--|
| Business Strategy | Manage overall project (i.e. manage the development process) Conduct R&D for innovation product Includes Business and Product Managers |
| Marketing Strategy | Provide market information to R&D Work with R&D to develop and introduce new product |
| New Product Development | Execution of new product development Work with other function to maintain and enhance existing product |
| Operations | Responsible for customer services Respond quickly to customers complaints and questions |
| UI/UX | Work with Business Strategy and New Product Development Enhance current user interface and experiences |
| Data Analytics | Work with customer data to develop insight for new product Work closely with Marketing Strategy to find suitable customer approaches |
| Digital Platform | Maintain the digital platform used by Digital department Responsible in forecasting future system errors and security |
| Human Resources | Hire visionary employees and digital engineers Develop program to enhanced employee core competencies to implement customer centricity |

2. Focus Digitalization

Although PT. XYZ Finance has the power in reputation and big range amount of own customer data, shifting can start by implementing product development using Minimum Viable Product (MVP). The MVP is that version of the product that enables a full turn of the Build-Measure-Learn loop with a minimum amount of effort and the least amount of development time. In discovering and building new product using MVP approach, based on competitor analysis, the ideal features required can be divided into three processes. Onboarding, Disbursement and Servicing process will be the three main epic to be develop based on step-by-step application journey.

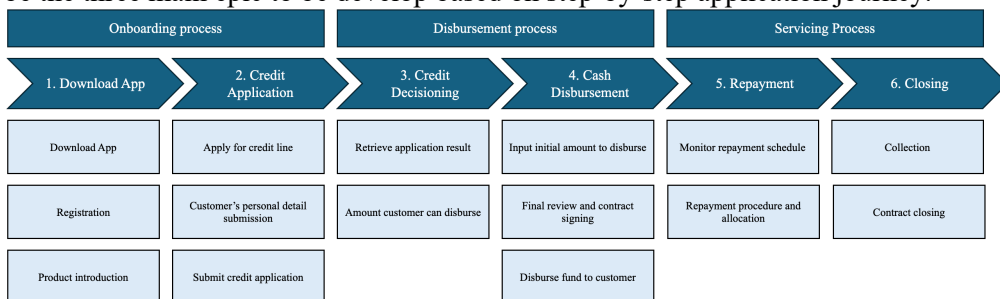


Figure 2. Proposed New Product Process

After identifying the three key processes required to deliver digital multipurpose loans end-to-end, the company needs to conduct a thorough analysis and invest in the necessary technical capabilities.

Table 3. Proposed Technology Solution

| Process | Proposed Technology Solution | Currently Available Feature |
|--------------|---|-----------------------------|
| Onboarding | A security system used mainly internally to ensure that only authorized individuals can log in, confirming that the user is truly who they claim to be. | Yes |
| | Technology that reads and analyzes scanned documents, automatically recognizing and classifying key information such as IDs or forms. | Yes |
| Disbursement | A system that evaluates borrower data using models and scoring tools to determine creditworthiness and make real-time lending decisions. | No |
| | An online tool for sending, signing, and verifying documents, ensuring both authenticity and integrity in digital transactions. | No |
| Servicing | A platform designed to manage the entire loan lifecycle from servicing and payment tracking to reporting and customer support. | No |

3. New Product Development

Company already developed two technical approaches on the onboarding side to help the authentication process. This classification and technical understanding from existing process help author to decide the most basic version that can be launched to validate market demand with minimal features. MVP 1 will be delivering the lowest-simplest-complete features according to existing capabilities. Phase 1 will targeted existing customer, which firm already have the customer information including its collateral documents. MVP 2 will targeting boarder market, which new customers. This release will marked PT. XYZ Finance as the non-bank conventional financial institutions to have unsecured loan product (non-collateral) in straight-through process.

6. Conclusion

PT. XYZ Finance must strengthen its digital transformation capabilities to address increasing competitive pressures and evolving customer expectations in Indonesia's financial services industry. Through comprehensive internal and external analysis, the study identifies a strategic approach centered on differentiation and dominant business diversification. To operationalize this strategy, the company must enhance its functional areas—particularly by refining organizational structure, upgrading human capital, increasing investment in digital technologies, and adopting more dynamic marketing strategies. These initiatives are essential to enable a seamless, customer-oriented digital experience, particularly for the multipurpose loan (MPL) product segment, which is currently hindered by manual processes and regulatory complexity.

To effectively implement a straight-through process (STP) for unsecured MPL products, PT. XYZ Finance should prioritize compliance with regulations governed by Indonesia's Financial Services Authority (OJK), including those outlined by the Financial Sector Technology Innovation (ITSK) and Digital Financial Assets Supervision (IAKD). This regulatory alignment is critical for ensuring legal certainty, managing systemic risks, and facilitating responsible innovation. By integrating advanced digital tools—such as AI-based credit scoring, real-time verification systems, and automated underwriting—PT. XYZ Finance can significantly improve service delivery, operational efficiency, and risk management in the MPL sector.

Future research should explore empirical assessment of digital readiness and cultural resistance within legacy financial institutions undergoing transformation. Studies could also investigate the effectiveness of specific digital strategies (e.g., open banking, data analytics, or platform ecosystems) in enhancing customer acquisition and retention in Indonesia's non-bank financial industry. Moreover, longitudinal research examining the regulatory implications of fintech convergence with conventional financial institutions may offer valuable insights for policymakers and practitioners alike. Understanding how traditional firms can co-evolve with digital disruptors while maintaining compliance and customer trust remains a critical research frontier in the digital finance landscape.

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