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## **BUSINESS STRATEGY ANALYSIS AND DESIGN FOR STEM CELL THERAPY VENTURES**

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### **Abstrak**

Perkembangan teknologi yang pesat dalam hal penggunaan sel punca sebagai salah satu alternatif pengobatan penyakit degeneratif telah mendorong banyak pihak untuk dapat mendirikan usaha rintisan yang baru yang bergerak di bidang penyediaan layanan terapi sel punca bagi masyarakat kalangan berpendapatan tinggi. Bisnis ini terbilang baru, sehingga membutuhkan upaya yang optimal dalam mengelolanya, termasuk memilih strategi yang tepat demi menjamin keberlanjutannya di masa depan. Penelitian ini menyajikan hasil analisis bisnis yang mendalam terhadap salah satu usaha bisnis layanan terapi sel punca yang baru didirikan di Indonesia. Penelitian ini berupaya untuk memberikan pandangan dan usulan berupa strategi bisnis yang layak ditempuh oleh usaha bisnis layanan terapi sel punca di Indonesia. Penggunaan metode deskriptif dengan pendekatan kualitatif dilakukan pada penelitian ini. Peneliti menganalisis kondisi internal sekaligus lingkungan eksternal dari objek penelitian ini. Hasil penelitian menyimpulkan bahwa usaha bisnis terapi sel punca yang menjadi obyek penelitian ini memiliki peluang yang baik untuk berkembang. Terdapat 28 strategi bisnis yang diajukan oleh peneliti berdasarkan hasil observasi, pengumpulan data, wawancara dan hasil analisis SWOT yang mendalam dari usaha bisnis terapi sel punca yang menjadi obyek penelitian ini. Penelitian berikutnya diharapkan dapat mengkaji dan membandingkan seluruh usaha bisnis layanan terapi sel punca yang ada di Indonesia secara komprehensif demi mendapatkan gambaran yang lebih utuh mengenai prospek dan kinerja bisnis usaha yang sejenis.

**Kata Kunci: Analisis SWOT, Strategi Bisnis, UMKM, Terapi Sel Punca**

### **Abstract**

Rapid technological advances in the utilization of stem cells as an alternative treatment for degenerative diseases have prompted numerous parties to launch new start-up enterprises that provide stem cell therapy services to high-income populations. The business is relatively new, it requires optimal management efforts, including the selection of the best plan to assure its long-term viability. This report offers deep findings from a business analysis of one of Indonesia's newly created stem cell therapy service venture. This study aims to provide insights and proposals in the form of viable business strategies for stem cell therapy service providers in Indonesia. This study combined descriptive approaches with a qualitative approach. Researchers investigate both the internal and external conditions of the research object. The study's findings showed that the stem cell therapy company under consideration has promising growth prospects. Researchers presented 28 business ideas based on observations, data collecting, interviews, and an in-depth SWOT analysis of the stem cell therapy business endeavor under consideration. It is envisaged that future study will be able to completely examine and compare all stem cell therapy service businesses in Indonesia, providing a more complete view of their potential and performance.

**Keywords: SWOT Analysis, Business Strategy, MSMEs, Stem Cell Therapy**

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## **INTRODUCTION**

Indonesia is steadily expanding. Despite the global economic slowdown over the last four years, caused by the Covid-19 pandemic and the geopolitical constellation in the European region, Indonesia has been able to become one of the few countries with an economy that has experienced positive growth for three consecutive years after 2020 (the first year of the Covid-19 outbreak). Even from 2022 to 2023, Indonesia's economic growth rate has rebounded to roughly 5% per year, which was the norm before the pandemic. This accomplishment is not without purpose.

Since the first year of government, President Joko Widodo has stated that the government will focus on progress to make Indonesia a better and more stable country (Kementerian Pertahanan Republik Indonesia, 2015). Presiden Joko Widodo's strategy for Indonesia's development is based on three fundamental economic transformations: shifting from consumption to production, changing the BBM subsidy system for infrastructure development, and expanding development beyond Jawa. Despite its enormous wealth potential, our country requires three things in order to break out from the middle-income trap (Nabila, 2024).

In accordance with the strategy outlined in the first aspect of fundamental economic transformation, which is to shift the economy from consumption to production, the government is making every effort to encourage all types of investment in the country, both domestic and foreign. Various new enterprises have also begun to sprout across Indonesia, both with pre-existing business concepts and with new services or goods. The more modern and developed a country's business sector is, the faster its economy grows. Business performance is a decisive factor in Indonesia's economic growth. According to the Minister of Finance, corporate performance supports the government's expectation for ongoing economic recovery (Antara News, 2024).

Stemcell Clinics are one of the new sorts of businesses that have grown quickly in the last three years. Stemcell therapy services have become the primary focus of medical business professionals in recent years. This stem cell therapy can repair numerous types of tissue damage in the body, resulting in improved health and beauty (Yuana, 2024). Stem cell therapy has altered the medical paradigm, providing treatments for diseases previously thought to be incurable (such as lymphoma), as well as a new breakthrough in the treatment of neurodegenerative diseases such as Alzheimer's and Parkinson's, and can repair tissue damage caused by wounds, burns, and osteoarthritis conditions through bone and cartilage regeneration.

In Indonesia, the potential for stem cell development extends beyond health care and has a substantial economic influence. With a big population and growing health-care requirements, Indonesia's stem cell therapy business has the potential to expand fast (Media Indonesia, 2024). Following in the footsteps of developed countries such as South Korea, Japan, Germany, and even the United States, several Indonesian research institutions and universities have conducted a variety of studies and extensive experiments on stem cell applications, particularly for diseases such as stroke, diabetes, and heart disease. One of the primary consequences of these studies has been the establishment of several new stem cell therapy companies that offer a variety of stem cell injection therapies to their customers.

Every new stem cell therapy business, like any other, must apply the appropriate plan to maximize its chances of success. The keyword that dominates this study's discussion is strategy. Management science includes strategy as a subfield. Strategy is a company's theory on how to compete effectively. A strategy is a set of plans or decisions made to assist an organization achieve its objectives (Miller & Dess, 1996). Strategy also views performance as a factor influenced by strategy, because effective competition implies satisfying performance (Barney & Hesterly, 2020).

Management, on the other hand, is an endeavor to coordinate work tasks in order to finish them quickly and effectively with and through other people (Robbins, Coulter, DeCenzo, & Woods, 2021). Strategic management refers to management principles used to establish and implement strategies. In general, strategic management refers to a collection of decisions and actions that result in the creation and implementation of plans to attain goals (Pearce & Robinson, 2010; Alamsyah, Soemantri, & Salamah, 2021). Strategic management implementation is critical for all types of organizations, particularly in the era of digital disruption that has occurred over the last two decades. Every new stem

cell therapy business may continue to deliver the value that its shareholders expect by implementing the correct strategic management (Otuyama, Moraes, Mariano, & Rocha, 2020).

Before establishing the best strategy, a business needs assess its internal and external conditions. SWOT analysis is a popular analysis technique in today's business world, which entails examining the organization's strengths and weaknesses (internal circumstances) as well as the opportunities and threats it faces (external environments) (Hill & Westbrook, 1997). SWOT analysis has been regarded as an efficient framework strategy for managing organizational resources to achieve specific goals over a set period of time (Kumar & B, 2023). Organizations are supposed to use it to build effective and efficient methods for achieving their objectives (Praja, Rofiqi, & Qomariah, 2024).

SWOT analysis is especially essential for a new form of business, such as the Stemcell Clinic, the subject of this study. New company endeavors, also known as startups, encounter difficult obstacles when running their businesses. An successful strategy must be established from the beginning so that the business can function and generate the intended results. Developing the appropriate strategy based on the examination of internal and external elements contained in the SWOT analysis can help a newly founded start-up business make business decisions (Safitri, Junaedi, & Priono, 2023). As with other types of businesses, the final results of a SWOT analysis on a start-up business can be presented in the form of a matrix or tabular form, which combines the four factors and determines the company's strengths and weaknesses, as well as the opportunities and threats that it may face (Taherdoost & Madanchian, 2021).

Several studies have been conducted in recent years to assess the viability and business strategies of stem cell treatment firms. Some of these research have even served to propel stem cell therapy to the forefront of regenerative medicine (Broughton & Sussman, 2016). However, studies have revealed a number of problems about the business's sustainability, including ethical challenges, regulatory impediments, and the high cost of stem cell therapies and goods (Bahari, Mokhtari, & Yeganeh, 2023). Policymakers and regulators are being urged to simplify the difficult process of obtaining regulatory permission for clinical usage in order to stimulate market development for the industry, amidst mounting worries about the growing number of unapproved stem cell treatments.

This study is a pioneer in strategic management for stem cell therapy enterprises in Indonesia. Given that stem cell treatment is still relatively new in Indonesia, and even globally, it is not surprising that there has been insufficient in-depth research on the practice and implementation of strategic management science in stem cell therapy enterprises in Indonesia. Based on this, the goal of this study is to provide insight into the analysis and design of business strategies for stem cell therapy businesses in Indonesia, as well as to assist the main actors in the stem cell therapy industry in managing their operational & business activities in Indonesia. Thus, the author expect that this study can provide significant benefits, both academic and practical, to the development of stem cell therapy startups in Indonesia.

## ***METHODS***

This study uses a descriptive method with a qualitative approach. The descriptive approach is used to explain or describe anything in accordance with the current situation. In this strategy, researchers focus on observation as well as data gathering and interpretation in order to produce a clear description of the phenomenon under study. This study employs a descriptive method, with data collected via observation and interviews. The researcher next analyzes the acquired data qualitatively, depending on its type. A range of theme analysis approaches are used in this data analysis to understand and describe the observed events.

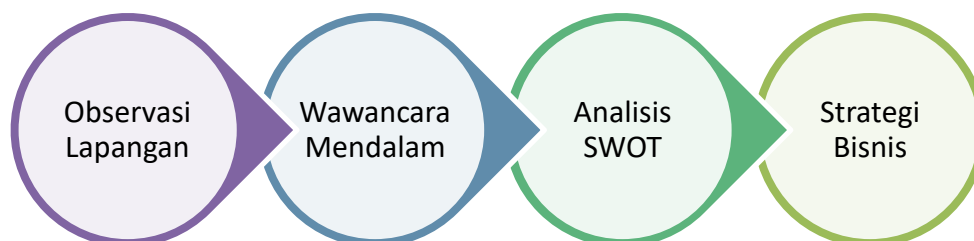
This research does not manipulate variables or explore cause-and-effect linkages. The emphasis is on the description and interpretation of data collected properly and objectively in order to evaluate the business strategies required to run a stem cell treatment business endeavor. Descriptive methods are commonly used in business and economic analysis, population studies, social surveys, market and behavioral analysis, and other qualitative research to paint a clear picture of a scenario or state. Researchers use the descriptive method to avoid making overly judgmental or interpretative statements. The goal is to convey facts with as much objectivity and precision as possible so that readers and other researchers can fully comprehend the topic under study. Researchers' analytical process comprises an

inductive mindset, which is founded on specific facts that are then investigated, analyzed, and concluded so that the problem or solution can be applied more broadly.

This study focused on a stem cell therapy company launched in Jakarta on December 1, 2023. This therapeutic company falls under the MSME group's microbusiness category (Pemerintah Republik Indonesia, 2021), given that the company capital value is less than IDR 1 billion and the expected business turnover is IDR 2 billion. Given that the stem cell therapy business sector in Indonesia has only recently emerged, with a small number of players, the business processes in this sector are relatively similar, so that the stem cell therapy business that is the subject of this study can represent the existing population as a whole. Furthermore, the proprietor of the stem cell therapy business under investigation refused to have his personal identify, team members, or business revealed, except for a few key details that can be studied for the objectives of this study.

The study comprises a qualitative analysis of data gathered from the subject company. This study's data consists of both primary and secondary data. Primary data in the form of interviews with numerous key persons in the stem cell therapy industry (individually or in groups), as well as observation results of a physical object, event, or action observed by the author in this study. Secondary data is a document in the form of initial activity report data from before the stem cell therapy business began, which became the source of the concept for beginning this business and was successfully collected by the researcher during the ongoing research. All data successfully obtained by the researcher stays the property or ownership of the stem cell therapy business that is the subject of this research. The researcher ensures the data's confidentiality.

The research approach for this study will consist of four steps, as shown in Figure 1. In the first stage, the researcher gathered primary data based on observations at the business office as well as interviews with seven important persons from this company (consisting of Shareholders, Consultants, Managers and Staff). The researcher proceeded to the second stage by generating a summary of the interview outcomes with seven key persons from this business enterprise. The researcher performed the interview on different days for each responder. The researcher performed the interview at the time agreed upon by each respondent, taking into account their schedules and daily busyness levels, so as not to interrupt the company's activities.



*Source : reprocessed by the author*

**Figure 1.**  
Research Framework

Following the completion of the Second Stage, the researcher proceeds to the Third Stage. The Third Stage includes a qualitative analysis using SWOT Analysis based on a summary of the previous stage's field observations and interviews. The SWOT analysis in this study was carried out using the most recent framework employed in today's business world, which also takes into account opinions from clients and future customers conveyed indirectly through key staff of this business enterprise (Phadermrod, Crowder, & Wills, 2019). Finally, after the three previous stages have been completed, the Fourth Stage is carried out by determining conclusions and suggestions from the results of this study in the form of strategic recommendations that stem cell therapy business efforts can take to maximize their potential for success.

## RESULTS & DISCUSSION

### Results

The results of observations on daily operating activities, as well as permanent and temporary papers gathered, show that the stem cell therapy firm being studied targets the high-income group as its target market. Data and information were obtained from the researcher's interviews with 7 key personnel in this business regarding the internal conditions (strengths and weaknesses) and external environment (opportunities and threats) of the stem cell therapy business that is the subject of this research, as shown briefly in Table 1.

**Table 1.**  
 SWOT Identification of Stem Cell Therapy Business Ventures

Strength (S)	Weakness (W)	Opportunity (O)	Threat (T)
1. The firm owner possesses substantial commercial experience.	1. Not well-known among potential customers.	1. Targeting upper-class clientele in the market.	1. Regulations governing stem cell therapy are still unclear.
2. Supported by stem cell expert with a solid reputation.	2. Fixed operational costs are fairly substantial.	2. The stem cell therapy sector is now flourishing.	2. There is intense competition from other similar clinics.
3. Supported by stem cell practitioners with specific skills.	3. Inadequate competence of marketing staff.	3. The general public is quite aware of this type of service.	3. The general population is unaware of the risks of the stem cell therapy.
4. Establish supply chain partnerships with Indonesia's leading stem cell manufacturers.	4. Incomplete and inconsistent accounting & financial records.	4. The scope of the business owners' current circle/ association.	4. The biological state of stem cells that are physically and medically limited.
5. Offer competitive service pricing as compared to other stem cell therapy businesses.	5. Lack of experience of the current stem cell practitioners in place.	5. Global-scale stem cell producers have expressed an investing interest.	5. Clients' lifestyles and mindsets toward stem cell therapy supplied by clinics abroad.
6. Establish an operating clinic with a unique layout and a high-end aesthetic.	6. Doesn't have fixed organizational structure or job description.	6. Indonesia's economic growth is currently on an upward trend.	6. The rapid development of new technology in the field of treating degenerative diseases.
7. Establish an operational clinic in a very strategic location.	7. Doesn't yet have a legal form of business entity.	7. Many other types of services can be produced.	7. The frequent piracy of stem cell practitioners (doctors).

Source : Identification outcomes based on observations and interviews

Each of the identified internal circumstances (strengths and weaknesses) and external environment (opportunities and threats) in Table 1 is then evaluated further to determine the right strategy for following up on each component.

### DISCUSSION

Based on the researcher's study of the results of the identification of each SWOT component in Table 1, numerous business strategies can be offered that can be used by the stem cell therapy business, which is the subject of this research, as indicated in Table 2.

**Table 2.**  
 SWOT Strategy for Each Internal and External Condition

Strategy O-W	Strategy O-S	Strategy T-W	Strategy T-S
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1. Assign SMART annual sales target and goals to all staff.	1. Establishing a database of the owner's contacts.	1. Establish an effective business intelligence system.	1. Actively engaging with global stem cell manufacturers.
2. Develop a clear organizational structure and create standard job descriptions for all staff.	2. Creating a system database of "partners" made up of past patients.	2. Work actively with experts in the field of degenerative disease treatment.	2. Create new services that are derivatives of the existing stem cell therapy services.
3. Establish a clear organizational structure and create fixed job descriptions for all staff.	3. Negotiate the purchasing price of stem cells from existing suppliers.	3. Create a large-scale ordering system that includes regular suppliers.	3. Build communication channels with government stakeholders and stem cell treatment business actors.
4. Provide full training on numerous efficient marketing tactics and channels to marketing staff.	4. Enhance doctors' and nurses' capacity to provide optimal customer services and therapy.	4. Promote active education on the benefits and drawbacks of stem cell therapy.	4. Initiate the process of forming a type of business association in the stem cell therapy industry throughout Indonesia.
5. Provide continued training for doctors who practice in the company for the patients.	5. Creating a positive brand image through health seminars.	5. Reorganize all existing working contracts for practicing doctors.	5. Creating new prospects for operational branches in various Indonesian cities.
6. Calculate the cost of goods sold, goal margin per unit, and selling price per product.	6. Establishing an active & advanced website and social media presence.	6. Adhere to & comply with numerous stem cell rules & guidelines.	6. Increase the loyalty of practicing doctors who have served with the organization.
7. Develop & streamline accounting and financial records.	7. Improving the usage of operational spaces.	7. Improve staffing processes and standards.	7. Raise public awareness of the company's expert profile.

*Source : Analysis results based on SWOT component identification*

Researchers developed 28 strategies ideas based on observations, interviews, and analysis of each SWOT component of the stem cell therapy business enterprise under consideration in this study. All of these strategy recommendations are the result of researchers' efforts to obtain systematic, factual, and right conclusions about the truth of the study object by taking into account the facts, qualities, and interactions between the phenomena being examined. These 28 strategies do not need to be applied concurrently or sequentially.

## **CONCLUSION**

The market for stem cell therapy services is expanding quickly these days. Several new businesses that have been founded and are functioning in this industry promise positive business growth, as well as scientific advancements in the field of stem cell therapy services as one of the most recent possibilities in the practice of treating degenerative disorders. Given its great potential, every stem cell therapy service business must identify and implement the best plan for success and sustainability. The stem cell therapy business under consideration in this study was only created in the end of 2023, so implementing a crisp and clear approach is required. Looking at each identified SWOT component, it is possible to conclude that the stem cell therapy business that is the subject of this research has a good opportunity to grow, as long as it applies and implements all of the business strategies (consisting of 28 strategies) presented in this research.

This study presents the findings of observations, data collecting, interviews, and an in-depth SWOT analysis for a single stem cell therapy service business endeavor. Although it is understood that every stem cell therapy service business venture in Indonesia has the same business process, it would be beneficial if future researchers could conduct additional research (qualitatively or quantitatively) and application to comprehensively examine and compare all existing stem cell therapy service businesses in order to obtain a more complete picture of the performance of similar businesses and the prospects in the future.

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