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Designing a Strategic Pivot as a Dynamic Capability: An Integrated VFT–AHP Method in Legacy Media

Danang Waluyajati[1]
[1]Institut Teknologi Bandung, Indonesia, dwaluyajati@outlook.com

Corresponding author: dwaluyajati@outlook.com[1]

Abstrak: Organisasi berita konvensional *(legacy news)* menghadapi runtuhnya struktur model bisnis berbasis iklan seiring beralihnya audiens ke platform berbasis algoritma. Artikel ilmiah ini membahas bagaimana perusahaan semacam itu harus memilih dan merancang poros strategis *(strategic pivot)* di bawah ketidakpastian yang mendalam dan tanpa adanya prakiraan yang andal. Dengan menggunakan studi kasus tunggal pada sebuah perusahaan berita daring di Indonesia (yang disamarkan sebagai SOCA), penelitian ini mengembangkan proses pengambilan keputusan yang terintegrasi dan dapat diaudit: Metode *Value-Focused Thinking* digunakan untuk menggali kriteria keputusan dari jajaran pimpinan, *Analytic Hierarchy Process* digunakan untuk memeringkat tiga kandidat model operasi guna beralih menuju pusat kreatif *(creative hub),* dan pilihan tersebut diimplementasikan melalui struktur organisasi yang tangkas (*ambidextrous*), peta jalan perubahan yang berurutan, serta *Balanced Scorecard.* Seluruh proses ini dimaknai sebagai kapabilitas dinamis—sebuah rutinitas penginderaan *(sensing),* penangkapan peluang *(seizing),* dan *transformasi (transforming)* yang dapat dijalankan kembali oleh perusahaan untuk menghadapi pergeseran di masa depan. Melalui panel yang terdiri dari tiga anggota pimpinan senior, metode ini memilih model hibrida *lean-core-plus-partners* (prioritas agregat sekitar 0,50), yang disetujui secara bulat pada tingkat individu dan terbukti kuat berdasarkan analisis sensitivitas; pemeriksaan silang dari sisi permintaan *(demand-side*) secara independen juga menghasilkan kesimpulan yang sama. Kontribusi dari penelitian ini bersifat metodologis dan praktis: penelitian ini menunjukkan bagaimana sebuah pilihan struktural yang berisiko tinggi dapat diambil secara transparan berdasarkan nilai-nilai kepemimpinan alih-alih asumsi semata, dan yang lebih penting, bagaimana pilihan tersebut dapat ditanamkan sebagai rutinitas penginderaan, penangkapan peluang, dan transformasi yang dapat diulang oleh perusahaan untuk menghadapi disrupsi berikutnya.

Kata Kunci: pivot strategis, kapabilitas dinamis, *Analytic Hierarchy Process, Value-Focused Thinking*, rutinitas organisasi

Abstract: Legacy news organisations face the structural collapse of their advertising-funded model as audiences move to algorithm-driven platforms. This paper asks how such a firm should choose and design a strategic pivot under deep uncertainty and without reliable forecasts. Using a single-case study of an Indonesian online news company (anonymised as SOCA), it develops an integrated and auditable decision process: Value-Focused Thinking elicits the leadership's decision criteria, the Analytic Hierarchy Process ranks three candidate operating models for a pivot toward a creative hub, and the choice is implemented through an ambidextrous structure, a sequenced change roadmap, and a Balanced Scorecard. The whole process is read as a dynamic capability, the sensing, seizing and transforming routine the firm can re-run for future shifts. Across a three-member senior leadership panel the method selects a hybrid lean-core-plus-partners model (aggregated priority about 0.50), unanimously at the individual level and robustly under sensitivity analysis; an independent demand-side cross-check reaches the same result. The contribution is methodological and practical: it shows how a high-stakes structural choice can be made transparently from leadership values rather than from assumption, and, more importantly, how that choice can be embedded as a repeatable sensing, seizing and transforming routine the firm can re-run for the next disruption.

Keywords: strategic pivot, dynamic capabilities, Analytic Hierarchy Process, Value-Focused Thinking, organisational routines

INTRODUCTION

The business model that funded professional journalism for a century, mass attention sold to advertisers, has been dismantled by digital platforms that now capture the dominant share of national digital advertising. In Indonesia, as in most markets, search engines and social networks intermediate the relationship between publishers and their audiences, and they absorb the majority of the advertising spend that once flowed to news organisations. The intensification of these pressures during the industry's recent “media winter” has made the problem existential rather than cyclical. For a legacy news organisation, incremental cost-cutting no longer restores viability. The situation has the character of a burning platform, in which continuing the existing model is more dangerous than changing it.

Yet the strategic-management literature offers far more diagnosis of disruption than guidance on the concrete, high-stakes choices a specific firm must make once disruption is accepted as a fact. Knowing that one is being disrupted does not tell a management team what the organisation should become, which operating model it should adopt to get there, or how to implement that model without exhausting the scarce resources of a firm already under financial strain. These are decisions taken under deep uncertainty, with weak data and strong disagreement about priorities, and they are taken once, with consequences that are difficult to reverse.

This paper addresses that gap through the case of SOCA, an Indonesian online news company confronting two linked problems. The first is strategic irrelevance: as a commodity news producer it holds no durable barrier against global platforms or against a growing population of independent creators who reach audiences directly. The second is operational obsolescence: a siloed newsroom built for high-volume publishing cannot, in its current form, produce the higher-value creative and advisory work that the market will still pay for. The firm's leadership had concluded that it must pivot from a news portal toward a higher-value creative hub, but it lacked a defensible way to decide what that hub should look like in structural terms. The direction of the pivot, toward a creative and agency-style model, was set by the firm's ownership when a new chief executive was appointed, prompted by this market shift; the study takes that direction as given and concentrates on how it should be chosen in detail and executed. The study is organised around four questions. The first concerns positioning: how the firm should frame a pivot toward a creative hub and which customers it should serve. The second concerns the operating model: which of three candidate structures, a fully in-house build, a hybrid lean core with partners, or a mostly outsourced model, best fits the leadership's stated values. The third concerns implementation and measurement: how the chosen model should be sequenced into practice and tracked. The fourth concerns endurance: how the transformation can be designed so that the firm retains the capacity to adapt to the next disruption rather than merely surviving this one.

The contribution is an integrated and auditable decision method rather than a single technique. Value-Focused Thinking surfaces what the leadership genuinely cares about before any option is scored. The Analytic Hierarchy Process turns those values into a transparent, consistency-checked ranking of operating models. The result is then implemented through structure, sequencing and measurement. The entire chain is read as a dynamic capability, a repeatable sensing, seizing and transforming routine, so that the deliverable is more than a one-off restructuring: it is an organisation better able to make the next structural choice. The approach is offered as a replicable template for legacy-media firms and, more broadly, for any organisation facing a values-laden and data-poor structural decision.

The Indonesian setting gives the case additional relevance. The country has a large, young and mobile-first audience, rapid growth in creator-led media, and a digital advertising market in which global platforms capture the majority of spend. These conditions compress the timeline available to legacy publishers and raise the cost of a mistaken structural choice, which is precisely why a disciplined, auditable decision method is valuable. The lessons are not specific to Indonesia, but the urgency is sharpened by it.

METHOD

Research design

The study is a single-case, mixed-methods design aligned to the dynamic-capabilities sequence. A qualitative diagnosis, corresponding to sensing, combines the strategy frameworks described above with primary data from the firm to establish the strategic situation and the firm's internal capability. A quantitative decision stage, corresponding to seizing, applies Value-Focused Thinking and the Analytic Hierarchy Process to choose an operating model. A design stage, corresponding to transforming, specifies the organisational structure, the change roadmap and the performance-measurement system. The case is normative as well as descriptive: it is intended to recommend what the firm should do, not only to record what it has done.

Data

Primary data come from individual semi-structured interviews with the firm's leadership and from a self-administered structured survey completed by leadership and senior staff. The interviews surfaced strategic intent, decision priorities and operating rules; the survey provided the structured pairwise judgments used in the Analytic Hierarchy Process. Secondary data come chiefly from the Reuters Institute Digital News Report across recent years, which documents the migration of attention and advertising and the rise of news avoidance, and from company documents describing services, structure and recent performance. Because the firm is anonymised, identifying details are withheld and quantitative internal figures that would breach confidentiality are not reported.

The decision panel and the AHP procedure

The operating-model decision is made by the three leaders who own it: the Chairman, the Chief Executive Officer and the Chief Operating Officer. Treating these three as the decision panel reflects a deliberate design choice, since in a closely-held firm the people who will live with the consequences of a structural choice are precisely the right respondents for a values-based ranking. Value-Focused Thinking elicited six decision criteria from their stated priorities: cost and runway, control and quality, speed and flexibility, ability to scale, capability-building, and income diversification. The three alternatives generated by the TOWS synthesis are a centralised in-house build, a hybrid lean core supported by partners, and a mostly outsourced model.

The Chief Operating Officer and the Chief Executive Officer each completed a full pairwise comparison on Saaty's one-to-nine scale, weighting the criteria and then scoring the three models against each criterion. The Chairman provided his own priority ranking of the criteria but treated the detailed pairwise scoring as a technical matter for the Chief Executive and the operating team, and deferred to them; his ranking was converted into weights using the rank-order centroid method. The three leaders' judgments were then combined, criterion by criterion, using the geometric mean, which is the standard aggregation of individual judgments in group applications of the method because, unlike a simple average, it preserves the reciprocal property of the comparison matrices. Every matrix was checked for consistency, and only judgments with a consistency ratio below the conventional 0.10 threshold were accepted.
The computation was carried out in dedicated software and verified by an independent hand calculation of one respondent's matrices, which reproduced the software to within rounding.

Because a panel of closely-aligned senior decision-makers can reinforce one another's assumptions, the result was cross-checked against an independent assessment from the client-facing Business Development function, whose stated priorities, growth and capability first and cost last, are close to the opposite of the leadership's cost-first lens. A recommendation that survives both the leadership panel and an opposed demand-side viewpoint is less likely to be an artefact of shared assumptions.

Analysis and Results

Sensing: diagnosis

The external scan confirms a structurally hostile environment. Platforms intermediate distribution, advertising has migrated to global technology firms, and news avoidance is rising among the firm's urban, mobile-first audience. None of these pressures is cyclical, and none is within the firm's power to reverse, which is what makes optimisation of the existing model a losing strategy. The internal VRIO assessment identifies the firm's durable assets as intangible: journalistic credibility and brand, an owned multi-channel distribution network, a creator and community network, and proprietary internal tools developed in-house. Its weak links are the concentration of critical knowledge in a few individuals and a set of support processes that remain immature relative to the firm's ambitions. The SWOT-to-TOWS synthesis converts this diagnosis into the three operating models, which enter the decision stage as genuine options with nothing pre-decided.

Positioning the pivot

Before the operating model can be chosen, the firm must decide what it is pivoting toward, which is the first research question. The diagnosis points away from commodity news and toward a creative hub that sells research-backed, distinctive content and creative services. The market analysis shows that commodity news has lost both audience attention and advertising value, while demand has moved toward formats built for social and creator-led distribution. A renewed value proposition aligns the firm's editorial credibility, data-and-research capability and production skills with two customer groups: strategic business-to-business clients who need credible branded and public-interest content, and the business-to-consumer creator economy that values reach and production quality. Segmentation, targeting and positioning are reset accordingly, moving the firm from a mass-news identity toward a focused and differentiated hub whose credibility is the edge that pure-play content studios lack.

This positioning is consistent with the resource-based diagnosis. The assets that survive the shift to platforms are the firm's intangible ones, and a creative hub is precisely the configuration that monetises them: credibility and brand justify a premium, the distribution and creator networks provide reach, and the proprietary tools support delivery at controlled cost. Positioning and operating-model choice are therefore not independent decisions. The hub defines the value to be created, and the operating model, chosen next through the Analytic Hierarchy Process, defines the most efficient structure for creating it.

Seizing: the operating-model decision

The aggregated criteria weights are cost-led but not cost-only, reflecting a turnaround footing in which preserving runway is paramount while quality and speed remain important. Table 1 reports the panel weights. The criteria repay a brief description. Cost and runway capture the overriding concern with preserving cash during a turnaround. Control and quality reflect the editorial standards on which the brand depends. Speed and flexibility measure the ability to respond to client and market change. Income diversification rewards models that broaden the revenue base beyond advertising. Ability to scale and capability-building, weighted lowest by the leadership, capture longer-horizon growth and skill development that matter but yield to survival in the present. Applying these weights to the option priorities derived under each criterion produces the global ranking in Table 2: the hybrid model ranks first at an aggregated priority of about 0.50, with the fully in-house build and the mostly outsourced model trailing far behind, roughly tied at about 0.25 each.

Table 1. AHP criteria weights (leadership panel, geometric-mean aggregate)

Criterion	Weight
Cost / runway	0.44
Control & quality	0.17
Speed & flexibility	0.16
Income diversification	0.10
Ability to scale	0.07
Capability-building	0.06

Table 2. Global priorities of the operating models

Model	Global priority	Rank
Hybrid (lean core + partners)	≈ 0.50	1
In-house (centralised)	≈ 0.24	2 (tied)
Outsourced	≈ 0.26	2 (tied)

The result is unanimous at the individual level: each leader's own judgment places the hybrid first, even though the Chief Executive rates an owned in-house team highly on speed, control and capability. His own operating rule explains the convergence. He prefers to keep work in-house where possible, then to escalate in strict cost order through borrowed and rented tools, interns, freelancers and external vendors, reserving a permanent in-house hire for last. That rule is, in practice, the lean-core-plus-partners model, which is why a leader who admires in-house capability still ranks the hybrid first once cost discipline is taken seriously.

The choice is robust. A one-way sensitivity analysis, summarised in Table 3, shows that the hybrid remains first across the entire range of the cost weight. It leads even when cost is given almost no weight, because it also leads on income diversification and ties the outsourced model on speed and scale. It is overtaken only if the control weight more than doubles from its panel value of 0.17, a large departure from the leadership's judgment, and the fully outsourced model never ranks first under any single-criterion change. The independent Business Development cross-check, judged on opposite priorities, also ranks the hybrid first at a priority of about 0.50, which indicates that the recommendation does not depend on the leadership's shared cost-first perspective.

Table 3. One-way sensitivity of the ranking

Criterion varied	Base weight	Switching value	Effect on the ranking
Cost / runway	0.44	none	Hybrid first even as the cost weight approaches zero
Control & quality	0.17	≈ 0.44	Hybrid first unless the control weight rises about 2.6 times
Outsourced model	—	—	Never ranks first under any single-criterion change

Transforming: structure, implementation and measurement

The hybrid is operationalised as a Hybrid-Matrix. A lean in-house strategic core holds leadership, editorial standards, business development and governance. Three functional pillars, media, events and creative, deliver the work, and are crossed by cross-functional squads assembled for each engagement, with a scalable outer ring of external partners and freelancers providing capacity. This is the structural expression of ambidexterity: the core exploits the firm's journalistic reputation and relationships, while the squads and partner ring explore service-based markets without committing the firm to a heavy permanent payroll. The design keeps people and capabilities redeployable, which is the resource fluidity that strategic agility requires.

Change is sequenced with Kotter's eight steps. The urgency is already visible in the decline of the legacy model, which lowers the usual barrier to mobilisation. The roadmap forms a guiding coalition around the new model, communicates the shift, removes the structural obstacles created by the old newsroom hierarchy, secures early wins from the first service engagements, and anchors the new ways of working before scaling them. Sequencing matters because the firm cannot fund a simultaneous transformation of every function, and because credibility with staff depends on visible early success.

The roadmap also addresses the firm's specific obstacles. The siloed newsroom hierarchy is the structural barrier to the new ways of working, so dismantling it and standing up the cross-pillar squads is an early rather than a late step. Key-person concentration, identified in the internal diagnosis, is mitigated by building at least minimal redundancy in critical skills and by capturing tacit knowledge in the firm's tools and processes. Because the transformation is staged rather than simultaneous, the firm internalises a function only once a service has proven its take-up and margin, which keeps the change affordable and reversible where necessary.

Performance is governed by a Balanced Scorecard, which translates the new model into objectives across the financial, customer, internal-process and learning-and-growth perspectives and doubles as the instrument for embedding the capability. Because the firm's value lies in intangible assets that financial ratios capture poorly, the financial perspective is anchored on the outcomes the pivot is meant to produce, above all a more diversified, less advertising-dependent revenue base, measured by the share of income from new creative and event services and by reduced client concentration. The customer, internal-process and learning-and-growth perspectives carry the leading indicators: client retention and satisfaction, on-time delivery and rework, utilisation of the partner network, and staff capability and retention. Read through dynamic capabilities, the learning-and-growth perspective matters most, because it tracks the sensing and reconfiguration capacity the transformation is meant to install.

Discussion

The decision routine as a dynamic capability

Read through dynamic capabilities, the study's deeper contribution is not the specific structure it recommends but the decision routine that produced it. The Value-Focused-Thinking-to-AHP chain is the firm's seizing mechanism: a transparent, values-grounded and consistency-checked way to make one high-stakes structural choice, which can be re-run whenever the next disruption arrives. Treated this way, the method is itself a dynamic capability, and the pivot becomes a vehicle for enduring adaptability instead of an end in itself, which directly addresses the question of future-readiness. The convergence of a divergent leadership panel and an opposed demand-side cross-check on the same option is the central evidence of robustness, complementing the formal sensitivity analysis.

The transferability of the routine rests on this same logic. Nothing in the procedure is specific to media; it requires only a decision that is structural, values-laden and short of data, which describes a wide class of strategic choices. A manufacturer weighing make-versus-buy, a service firm choosing between centralised and federated delivery, or a public body selecting a delivery model could use the same elicitation, ranking and stress-testing sequence. What the media case adds is a worked demonstration that the routine survives a divergent panel, an opposed cross-check and a formal sensitivity analysis, which is the evidence a sceptical management team would reasonably demand before trusting it.

This reading also dissolves an apparent tension. The firm's transformation has been under way for some time, in parallel with the study, and the firm has continued to act on its own initiative. It has, for example, set up a permanent Data and Research unit and added commercial staff as new service demand appeared. The unit's work is still mostly inward, tracking the firm's own media and traffic; the study recommends pointing part of it outward, to watch the more mature media markets where new formats and audience habits often appear first. In the language of absorptive capacity, that turns a reporting function into an early-warning capability. The study does not claim to have prompted these moves; the dynamic-capabilities reading gives them a name and a direction, treating the unit as the firm's sensing capability beginning to be institutionalised and the commercial hiring as early demand-side validation. That the firm's own choices and the analysis point the same way is a form of corroboration, and it is what one would expect when studying a live transformation.

Practical implications

For practitioners, the study offers a portable procedure, not a prescription. A management team facing a values-laden, data-poor structural decision can elicit its fundamental objectives, generate options that serve them, rank those options through consistency-checked pairwise comparison, and stress-test the ranking through sensitivity analysis and an opposed cross-check. The same team can then implement the chosen option through a sequenced change roadmap and govern it through a scorecard focused on the outcomes and capabilities the change is meant to build. The value of the procedure is that it makes the basis of a difficult decision explicit and auditable, which improves both the quality of the decision and the legitimacy of the change that follows it.

CONCLUSION

Facing the collapse of its advertising-funded model, a legacy news firm needs more than a diagnosis of disruption; it needs a defensible way to choose and design its next operating model. This study contributes an integrated and auditable process that moves from Value-Focused Thinking to the Analytic Hierarchy Process, frames the process as a dynamic capability, and implements the result through an ambidextrous structure, a sequenced roadmap and a scorecard focused on revenue diversification and the capabilities the transformation builds. Framed this way, the deliverable is not the chosen structure but an embedded dynamic capability the firm can re-run. In the focal case the method selects a hybrid lean-core-plus-partners model, unanimously at the individual level, robustly under sensitivity analysis, and confirmed by an independent demand-side cross-check.

The limitations are those of a single, in-house case. Findings transfer in logic rather than by statistical generalisation. The leadership panel, though complete, is small by design, since it comprises the three decision-owners. The demand side of the value proposition is being validated through an ongoing external client and creator survey, and the competitor analysis relies on representative archetypes rather than named rivals. Future research could test the method in other media firms, extend the demand-side validation, and track the embedded routine over time to see whether repeated use genuinely raises the firm's adaptive capacity, treating the Value-Focused-Thinking-to-AHP routine itself as the real object of study.

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