

ABSTRACT

The current era has known as the disruption era, a phenomenon marked by many new companies that quickly find growth with radical innovations due to the rapid growth of technology that can change the way of doing business. Established companies needing to innovate on business models, changing new ways of doing business to remain relevant and be able to find future growth. PT. Pegadaian (Persero) is a company engaged in the financial industry (financial needs), the competition they face in the current era has changed with the presence of new Fintech (Financial Technology) companies that can be a substitute product. This research aims to find out the disruption phenomenon it faces, as well as to know the factors that cause the disruption and finally provide recommendations for a new business model.

This research is a qualitative research with a case study approach. This study uses in-depth interviews conducted at PT. Pegadaian (Persero) head office. The respondents in this study were people who were involved in the innovation squad division.

The results of this study also found that technological factors, trends, regulations and other external factors affect the disruptions faced and this study has recommended new business models.

Keywords: *Disruption, Innovation, Business Model Innovation, Fintech*