STRATEGY ANALYSIS OF MICRO-SCALE BUSINESS DEVELOPMENT WITH BUSINESS MODEL CANVAS ON BENEFICIARY FAMILY IN SEMARANG REGENCY

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Abstract: The development of businesses with various advantages has made the competition even more challenging, so it requires business people to make particular strategies in dealing with business competition. A business must be able to move forward with its potential and minimize its weaknesses so that it can continue to run and survive in the growing competition. The problems experienced by micro-scale business actors in Semarang Regency are the weak preparation of business strategies and the lack of optimization of their capabilities. The Beneficiary Families (KPM) feel confused about describing their business assets, weaknesses, opportunities, and threats. It causes them to be unable to find the right strategy to run a business during competition and develop the business owned. Given these problems, the aim of this research is that Beneficiary Families can describe and analyze aspects of the internal and external environment to survive in business competition. Qualitative description is used in this study with data analysis techniques, namely Business Model Canvas (BMC). Data collection techniques through interviews, participatory observation, and documentation studies. This study uses a non-random sampling method with a purposive sampling type.

Keywords: Business Model Canvas, Micro-Scale, Beneficiary Family

Abstract: Perkembangan bisnis memiliki beragam keunggulannya membuat persaingan menjadi ketat sehingga memaksa para pelaksana bisnis untuk bisa merancang strategi yang khusus dalam menghadapi persaingan usaha. Sebuah bisnis harus dapat bergerak maju dengan keunggulan yang dimilikinya dan mengurangi kelemahannya agar bisa tetap berjalan dan bisa bertahan dalam persaingan yang semakin ketat. Persoalan yang dialami oleh pelaku usaha mikro di Kabupaten Semarang adalah kurangnya dalam menyusun strategi usaha dan belum optimalnya kecakapan yang dimiliki. Keluarga Penerima Manfaat (KPM) merasa bingung untuk menggambarkan kekuatan, kelemahan, peluang, dan ancaman usahanya. Hal tersebut menyebabkan mereka tidak dapat menemukan strategi yang tepat untuk menjalankan bisnis di tengah persaingan dan mengembangkan bisnis yang dimiliki. Dengan adanya permasalahan tersebut, penelitian ini bertujuan agar Keluarga Penerima Manfaat dapat menggambarkan dan menganalisis segi lingkungan internal dan eksternal agar dapat tetap bertahan dalam persaingan bisnis. Metode deskriptif kualitatif merupakan metode yang digunakan dalam penelitian ini dengan teknik analisis data yaitu Business Model Canvas (BMC). Teknik pengumpulan data melalui wawancara, observasi partisipatif, dan studi dokumentasi. Penelitian ini menggunakan metode Non-random Sampling dalam penelitian ini dengan tipe Purposive Sampling.

Kata Kunci: Business Model Canvas, Usaha Mikro, Beneficiary Family
INTRODUCTION

Background

The Social Entrepreneurship Program is one of the government programs through the Ministry of Social Affairs to empower Beneficiaries of the Family Hope Program (PKH) to strengthen the family economy. The Family Hope Program is a social protection program that provides cash and non-cash assistance to Poor Families (KM) who are designated as Beneficiary Families (KPM). Based on data from the Ministry of Social Affairs, the beneficiaries of this program during 2020 are 1,000 families in five regions; Majalengka Regency, West Bandung Regency, DKI Jakarta, Semarang Regency, and Bantul Regency.

According to Banerjee and Duflo (2012), there is much evidence showing that households have limited knowledge about the actions that should be taken. For this reason, social programs are needed that encourage people to take appropriate actions that will encourage improvements in welfare. Within this framework, various good practices (best practices) from the implementation of the PKH program in the field need to be raised and discussed. The main objective is for Beneficiary Groups (KPM), facilitators, and policymakers to take the value and learn from processes that have been practiced in an area.

It is unavoidable and preventable that there is competition that continues to demand business players to be able to develop. KPM needs to encourage the business to develop further by showing its strengths, uniqueness, and advantages to meet more market needs and survive in the existing market. With the current technological developments, businesses are increasingly advanced, both from the operational activities of their business to the marketing strategy of their products by utilizing this technology. This makes strong businesses grow and vice versa weak businesses get weaker. It becomes a big gap for micro, small and medium enterprises that are still small, traditional, and difficult to develop due to the lack of various internal factors. If this continues, there will be an imbalance in the business world. For this reason, knowledge for micro, small and medium businesses is needed to develop strategies to compete by first recognizing the internal factors in their business, namely the strengths and weaknesses of the business.

In Semarang Regency, many micro-scale business actors produce various products, ranging from selling flowers and goats to selling food and handicrafts. The general problem for KPM groups in Semarang Regency is difficulty designing business development strategies. It has been proven that their business is still running at the same stage for decades, not showing any stage of development. Moreover, from year to year, the business world continues to progress in systems, innovation, technology, and marketing to penetrate foreign markets even if the business is just being built or just running.

From the various challenges and constraints it has, KPM needs to formulate and implement the right business model to increase competitiveness and create effective and efficient micro-scale business development governance. The company can use the business model method to run its business to survive.

Using BMC will make it easier for KPM to conduct a more in-depth, accurate, and focused review or analysis by mapping the current business conditions.

Research purposes

This research is expected to provide benefits (contribution) in developing knowledge in Micro-Scale Business Strategy and can be a source of information or reference for further research. The research that will be conducted aims to:

1. Analyze the business model of the KPM group in Semarang Regency using the BMC approach based on current business conditions.
2. Analyzing strategies and improvement programs that can be made from improving BMC in the business development of the KPM group in Semarang Regency.
LITERATURE REVIEW
Micro-Scale Business

According to Tambunan et al. (2019), Micro, Small, and Medium Enterprises (MSMEs) are independent, productive business units carried out by individuals or business entities in all economic sectors. In principle, the distinction between Micro Enterprises (UMi), Small Enterprises (UK), and Medium Enterprises (ME) is generally based on the initial asset value (excluding land and buildings), the average annual turnover, or the number of permanent workers.

Micro-enterprises are individual business entities that have criteria according to Law (UU) No. 20 of 2008 concerning Micro, Small, and Medium Enterprises, namely: Having assets or net worth of up to IDR 50 million, excluding land or buildings for business premises, sales turnover an annual maximum of up to IDR 300 million.

Business Model Canvas

The Business Model Canvas (BMC) is a strategic tool used to describe a business model and illustrate the rationale for how an organization creates, delivers, and captures value. Business Model Generation, better known as the Business Model Canvas, is a tool that helps us gain a more accurate picture of the type of business we are running or will be running. Turning complex business concepts into simple ones displayed on a single canvas containing a business plan with nine key elements that are well integrated with it, including strategic analysis internally and externally of the company (Osterwalder & Pigneur, 2010). Figure 1 below represents 9 (nine) blocks of the Business Model Canvas.

Figure 1
Business Model Canvas Block
Source: Osterwalder and Pigneur (2010)

The details of the 9 (nine) Business Model Canvas blocks are as follows:

1. Customer Segment: a building block that describes a distinct group of people or organizations the company wants to reach or serve. The customer is at the core of all business models. Without customers (who can make a profit), no company can survive for long.

2. Value Propositions: the building blocks describe the mix of products and services that create value for specific customer segments. A value proposition can solve a customer’s problem or satisfy a customer’s need.

3. Channels: the building blocks that describe how a company communicates with its customer segments and reaches out to them to deliver a value proposition. Communication, distribution, and sales channels link the company and the customer. Channels are customer touchpoints that play a significant role in every event they experience. Channels are customer touch points that play a significant role in every event they experience.

4. Revenue Streams: the building blocks describe the cash a company generates from each customer segment (costs must reduce revenue to generate revenue). If the customer is at the core of the business model, the revenue stream is the lifeblood.
5. **Key Resources**: the building blocks describe the most important assets required for a business model to work.

6. **Key Partnerships**: the building blocks describe the network of suppliers and partners that make the business model work.

7. **Cost Structure**: describes all costs incurred to operate the business model. This building block describes the highest costs of operating a particular business model.

8. **Key activities**: Key activities are your daily business activities to achieve the value proposition.

9. **Customer Relationship**: In customer relationships, you can find out the most effective way to interact with customers and potential customers.

**RESEARCH METHOD**

This study used the descriptive qualitative method. The research data are observations, interviews, and inductive documentation studies. This research was conducted in Semarang Regency. The choice of research location was based on initial observations that there were KPM groups who carried out productive activities and carried out other obligations related to daily activities.

The population referred to in this study is the community that received the KPM program in Semarang Regency, as many as 200 people. This study uses a non-random sampling method, a type of purposeful sampling whereby a group of subjects is selected based on specific characteristics or traits that are believed to be closely related to the characteristics or characteristics of the population under investigation.

**RESULTS AND DISCUSSION**

Previous research on BMC has been conducted in various industrial sectors such as the car rental industry (Rahman et al., 2018) and cafes (Zafriana, 2018) by using BMC. However, from the previous research, there are differences regarding the problems studied, which are outside the scope of the beneficiary family group.

The mapping of 9 (nine) elements of BMC is carried out based on the results of observations and interviews that have been carried out. Interviews regarding BMC were conducted with 200 groups of beneficiary families in the Semarang district. From the survey results, we can see in Figure 2 that the average types of KPM group businesses in the Semarang district are culinary, agriculture, animal husbandry, and grocery.

**Figure 2**

*Types of KPM Business in Semarang Regency*

*Identification of BMC Semarang Regency KPM Group*

The results of other studies say that the Business Model Canvas can be used well by retail businesses, indicating that the Business Model Canvas can be applied to various types of businesses and is an alternative to healthy finances (Rangkuti, 2011). Results from interviews and observations the following are the results of the identification of the BMC of the KPM group in Semarang district:
1. Customer Segment; The KPM group of Semarang Regency is included in the mass market because many customers are in the market with general needs. The company views consumers in the market as having homogeneous needs and wants. To sell products, they only have one marketing strategy.

2. Value Propositions; The values or advantages offered by the Semarang Regency KPM Group to its customer segment are: (1) Lower prices than purchases in traditional markets because most of the Semarang Regency KPM Groups produce their goods at the prices given more competitive with similar products; (2) The quality of the products produced is guaranteed because the Semarang Regency KPM Group is processed with superior personnel and products; (3) The goods produced can be custom because the products or preparations made can be adjusted to the needs of consumers.

3. Channels; For the continuity of product sales as a means of communication in conveying value propositions to customer segments, namely through two ways, the first is: (1) Word of Mouth (WOM); (2) Traditional Markets; (3) Collectors.

4. Customer Relationships; The way the Semarang Regency KPM Group is building and maintaining relationships with its customers so far is by implementing: (1) Consumers deal directly with owners so that consumers feel a closer relationship between consumers and owners; (2) Accepting input and suggestions from consumers; (3) Has formed a sense of trust with customers; (4) Maintain product quality.

5. Revenue Streams; The sources of income or income streams received by the Semarang Regency KPM Group so far have come from: (1) the sales of products and services; and (2) unique order products from consumer demand.

6. Key Resources; The primary resources that support the business operations of the Semarang Regency KPM Group are divided into several categories, including physical assets, intellectual resources, and financial resources. The average physical assets of the Semarang Regency KPM Group are: (1) buildings, tools, and materials; (2) intellectual resources possessed in the form of experience that has been applied so far; and (3) financial resources owned in the form of cash.

7. Key Activities; The KPM group in Semarang Regency has several activities that are carried out critical activities, namely: Doing product production, gardening, raising livestock, trading, and providing services to the customer segment as a form of service.

8. Key Partnerships; So far, the Semarang Regency KPM Group has collaborated with several partners in running its business, namely with: (1) suppliers; (2) craftsmen (housewives); (3) middlemen; (4) traders; (5) suppliers of raw materials.

9. Cost Structure; The cost structure required and issued by the Semarang Regency KPM Group is running its business is divided into 2 (two) categories, namely fixed costs and variable costs: (1) Fixed costs consist of employee salaries and environmental contributions. Meanwhile, (2) variable costs consist of the cost of raw materials, electricity, and firewood.

The results of the identification of BMC Semarang Regency KPM Group in Table 1 further clarify the steps taken by the company. So that it can be seen the costs and other components needed in the development process to then be able to produce an optimal source of income for the KPM business in the Semarang district. This is follows the theory by Hambali and Andarini (2021), and Tambunan and Agushinta (2020) regarding the previously listed business model.
CONCLUSION

The results of mapping the current KPM business conditions in Semarang Regency were found to have covered all elements in the BMC. The research results through the BMC approach provide recommendations for improvements to all key BMC elements to increase the company’s competitiveness. The improvements to each BMC element include customer segments, value propositions, channels, customer relationships, revenue streams, key activities, key resources, key partnerships, and cost structures. The use of the Business Model Canvas analysis of KPM in Semarang Regency is considered capable of planning and developing business strategies for the present and the future. BMC’s research on KPM Semarang Regency resulted in an improvement in the strategy and design of a new business model for developing the company’s business operations. It would be better to work on it and follow up immediately.

REFERENCES


