

Business Model Canvas Analysis on Cual weaving Industry

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Abstract. The purpose of this study was to describe the Business Model Canvas used by the weaving cualmaslina industry in Bangka Belitung. The type of the research used is qualitative descriptive. Data were collected through interviews, observations, and questionnaires. Data analysis was carried out through SWOT Analysis, EFAS/IFAS matrix, SWOT matrix, matrix combination of strategies and business model canvas analysis. This study found that the priority strategy that must be done by weaving cualMaslina is to utilize the product's uniqueness to attract government assistance and make a strong brand image to take advantage of business opportunities that are still wide open (SO). Analysis of Business Model Canvas on weaving cualMaslina found four elements that need to be improved; Customer segment forms a new segmentation, Channels works with business partners to create websites, Key activities form subdivisions of R&D (quality control, design and coloring techniques), Key resources recruits HR Potential.

Keyword. Business Model Canvas; Analisis SWOT; EFAS/IFAS; Matriks SWOT.

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INTRODUCTION

Indonesia is a developed country with the 4th largest population in the world. Poverty and unemployment in Indonesia are the main problems since the colonial era. The solution to solve these problems is to develop organized small and medium enterprises (SMEs) that are directed at creating jobs and increasing and leveling the income of the entire community economy (Fiseha & Oyelana, 2015). (Taiwo, Ayodeji, & Yusuf, 2014), SMEs contribute positively to the development of the Nigerian economy. In 2017, the contribution of the SME sector to gross domestic product increased from 57.84% to 60.34% in the last five years. And labor absorption rose from 96.99% to 97.22% (kemenperin). (Mustafa, 2017) SMEs not only have an impact on GDP but also help people's livelihoods by creating more economic opportunities in Pakistan.

One of the examples of various SMEs with diverse fields of business is woven cloth. Woven Fabric is one of Indonesia's original crafts that has a distinctive style as part of the richness representations of local culture. In Bangka Belitung, the center of regional handcraft woven cloth regency is Pangkal Pinang. Speaking of cloth weaving type, Bangka Belitung region also has a regional weaving that has been developing since the 18th century named Tenun Cual.

Based on interviews with the head of Cooperation and KUKM on cual weaving SMEs, found that the performance of cual weaving SMEs in Bangka Belitung in the past three years had not reached the expected target. Table 1. presents target data for the achievement of business performance of cual weaving SMEs which are still below 100%.

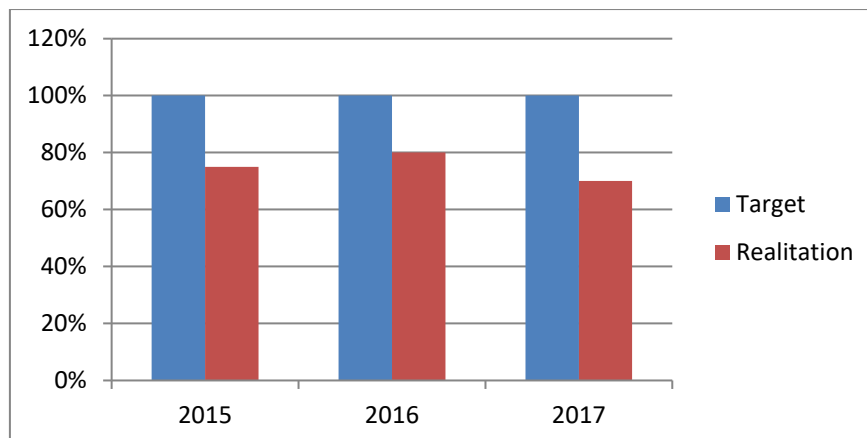


Figure 1. Business Performance of weaving cual industry (2015-2017)
Source: cooperation official and KUKM Bangka Belitung province 2018

The level of achievement of the Cual Weaving SME business performance shows a gap between target and realization. The assumption is that this indicates that the performance of weaving SMEs is not maximal. This can be caused by a lot of factors;(Purwaningsih&Kusuma, 2015) internal and external factors. According to(Xiaoying, Qianqian, &Dezhi, 2008)the factors that influence business performance are information systems, and business strategies.

Internal (IFAS) and external analysis (EFAS) is the beginning of the process of strategy formulation. (Tante, 2013), EFAS and IFAS are analyzes based on the ability to see the strengths and weaknesses of the business from internal and external of certain companies. The aim is to analyze the situation, the conditions in arranging strategy formula of the company.

(Faruq & Usman, 2016)business strategy is an integrated and coordinated sequence of commitments and actions designed to exploit main competencies and achieve competitive advantage. One business strategy that can be used is to choose a business model. A business model is a model that describes the rationale for how organizations capture and create value(Slávík&Bednár, 2014). (Viljakainen, Toivonen, &Aikala, 2013), an established business model, companies are able to determine the direction by identifying in terms of markets, competitors and customers and creating competitive advantage in the market.

One business model that is feasible to use is Business Model Canvas (BMC). Model Canvas Business is one of the business strategies that can design, illustrate to conclude business aspects into a single strategy and map business more simply and efficiently. (Osterwalder&Pigner, 2017),(Nur et al., 215)The Business Model Canvas describes nine block components to design business strategies, they are:*customer segments, value propositions, channels, customer relationships, revenue streams, resources, activities, partnerships, and cost structure*. (Dudin, Kutsuri, Fedorova, Dzusova, &Nमितुलिना, 2015)BMC is a solution in assessing companies and company strategies. (Erlyana& Hartono, 2017)The BMC along with the SWOT analysis explains how the XYZ online store creates, delivers and captures values based on the external and internal environment.

RESEARCH METHOD

This research was conducted at the cual Maslina Weaving located in Pangkal Pinang, Bangka Belitung. This research was conducted using a qualitative descriptive method through a case study approach. The data used in this study are primary and secondary data.

Primary data were obtained from the results of interviews with research informants. The informants consisted of internal companies, who are the owner of weaving cualmaslina, the manager of the store and the external consumers and the surrounding community. The secondary data is in the form of documents, books, journals and internet. Data collection techniques in this study were carried out through 1). Interviews and questionnaires, interview techniques are conducted in the form of discussion and two-way communication by including a list of questions that had been prepared in advance. 2) observation through supervision and records of the agencies involved in the study. 3) documentation obtained through a number of data and information in the field in the form of administrative documents obtained through interviews, observations and secondary data

RESULTS AND DISCUSSION

Tabel 1 SWOT Analysis on the weaving Cual Maslina

Strengths	<ol style="list-style-type: none"> 1. Using premium ingredients quality 2. Having product uniqueness 3. A strong brand image in the community
Weaknesses	<ol style="list-style-type: none"> 1. Expensive price 2. The production process which is still traditional 3. Don't have a website 4. The location is hard to reach
Opportunities	<ol style="list-style-type: none"> 1. Business opportunities are wide open 2. Government assistance to the cual weaving industry 3. Partnering with customer to increase innovation opportunities 4. Shopping tour and education
Threats	<ol style="list-style-type: none"> 1. Technological advancements 2. The rising price of raw materials 3. More competitive competitor products 4. Emergence of new competitor with the same product

The SWOT analysis assists companies in analyzing and identifying internal and external factors to facilitate the company's internal management in developing alternative strategies(Permadi&Nurmalina, 2016)

Tabel 2 matrix EFAS weaving Cual Maslina

Code	External Factor	Weight	Rating	Score
Opportunities				
O1	Business opportunities are wide open	0.17	3	0.51
O2	Government assistance to the cual weaving industry	0.10	3	0.30
O3	Partnering with customer to increase innovation opportunities	0.22	3	0.66
O4	Shopping tour and education	0.11	3	0.33

Sub total		0.5	-	1.80
Threats				
T1	Emergence of new competitor with the same product	0.14	1	0.14
T2	More competitive competitor products	0.06	2	0.12
T3	The Rising price of raw materials	0.14	1	0.14
T4	Technological advancements	0.16	1	0.16
Sub total		0.5	-	0.56
Total		1	-	2.36

Based on the EFAS matrix, the sub score of total strength is 1.80, while the weaknesses in sub-total scores is 0.56, so the total EFAS score is 2.36

Tabel 3 matrix IFAS weaving Cual Maslina

Code	Internal Factor	Weight	Rating	Score
Strengths				
S1	Using premium ingredients quality	0.17	4	0.68
S2	Having product uniqueness	0.15	3	0.45
S3	A strong brand image in the community	0.18	4	0.72
Sub total		0.5	-	1.85
Weaknesses				
W1	Expensive price	0.15	1	0.15
W2	The production process which is still traditional	0.11	2	0.22
W3	Don't have a website	0.15	1	0.15
W4	The location is hard to reach	0.09	2	0.18
Sub total		0.5	-	0.70
Total		1	-	2.55

Based on the IFAS matrix, the score of opportunity total is 1.85, while the score of sub threats is 0.70, so the total score of IFAS is 2.55

Tabel 4 SWOT matrix weaving Cual Maslina

Internal factor (IFAS) (EFAS) External factor	Strength (S)	Weakness (W)
	<ol style="list-style-type: none"> Using premium ingredients quality Having product uniqueness A strong brand image in the community 	<ol style="list-style-type: none"> Expensive price The production process which is stil traditional Don't have a website The location is hard to reach
Opportunities (O)	Strategi SO	Strategi WO
<ol style="list-style-type: none"> Business opportunities are wide open Partnering with customer to increase innovation opportunities 	Utilize product uniqueness to attract assistance from the government Make a strong brand image to take advantage of business	Maintain and attract new customers by establishing good relationships so that market share is not limited to location Business opportunities are wide open both in local and

3. Government assistance to the coal weaving industry 4. Shopping tours and education	opportunities that are still wide open Product with premium ingredients quality are designed into tools to maintain good relationship with customers	international markets where the buyers do not look at price but rather the beauty and quality of weaving.
Threat (T) 1. Technological advancements 2. The rising price of raw materials 3. More competitive competitor products 4. Emergence of new competitor with the same product	Strategi ST Expand market share by utilizing product uniqueness and technological advancements, quality and premium material	Strategi WT Make use of technological advancements to create website as a digital marketing media

Based on the SWOT strategy combination matrix, there are several strategies that need to be applied by the coal maslina weaving industry in Pangkal Pinang, these strategies are from SO, ST, WT and WO strategies.

SO (Strength-Opportunity)

- ✓ S2,O3 (utilize the uniqueness of the product to attract assistance from the government)
- ✓ S3,O1 (make a strong brand image to take advantage of business opportunities that are still wide open))

ST (Strength-Threat)

- ✓ S2,T1 (expand market share by utilizing the product uniqueness and technological progress)

WO (Weakness-Opportunity)

- ✓ W4,O2 (maintain and capture new customers by establishing good relationships so that market share is not limited to location)

WT (Weakness-Threat)

- ✓ W3,T1 (utilize technological advancements to create websites as digital marketing media)

Table 5. Strategy combination planning matrix

Internal factor (IFAS)	<i>Strength (S)</i>	<i>Weakness (W)</i>
(EFAS) External factor		
<i>Opportunities (O)</i>	Strategi SO $1,85 + 1,80 = 3,65$	Strategi WO $0,70 + 1,80 = 2,5$
<i>Threat (T)</i>	Strategi ST $1,85 + 0,56 = 2,41$	Strategi WT $0,70 + 0,56 = 1,26$

The quantitative strategy combination planning matrix table shows that the coal maslina weaving industry in Pangkal Pinang needs to prioritize the SO strategy which has the highest score of 3.65. Then followed by the WO strategy of 2.5, the ST strategy of 2.41

and the WT strategy of 1.26. The respective strategies are utilizing the uniqueness of the product to attract assistance from the government, making a strong brand image to take advantage of business opportunities that are still wide open, expanding market share by utilizing product uniqueness and technological progress, maintaining and capturing new customers by establishing relationships that both so that the market share is not limited by location, utilizing technological advancements to create websites as digital marketing media.

Analysis of the *Business Model canvas* on weaving Cual Maslina

Key Partner Supplier of raw materials Provincial government of Bangka Belitung	Key Activities Design Production Service	Value Proposition Woven cual of the region with distinctive designs and colors	Customer Relationship Discounts on members Personal approach	Customer Segment Banka Belitung government staffs Tourists who are on vacation in Bangka Belitung
	Key Resource Housewives The quality of human resources'IT is low		Channels Regional and national exhibitions	
Cost Structure Employees salary Operational activities cost		Revenue stream Online/Offline sale Workshop/training		

Figure 2. Business Model Canvas of weaving cual maslina

BMC acts as a link in creating value for customers, for companies, and to help companies in scanning external and internal environments (Ahokangas&Myllykoski, 2014; Lynch, 2013), creating a proportion of value from opportunity investment (Jesper C. Sort and Christian Nielsen, 2018)

BMC weaving of cual maslina conditions is obtained based on the results of interviews with informants which then produce accurate information about the Nine BMC elements on cual maslina weaving. The process of identifying the nine aspects involved the owner and head of the Bangka Belitung KUKM office. The resource person is considered to have the capacity to provide accurate information related to the data needed to identify nine BMC elements for the latest portrait of the current business of the Indonesian woven cual business. The current results of the identification of the nine BMC blocks on the cual maslina weaving are as follows:

1. Customer segment

Cual maslina weaving customers in Pangkal Pinang has a different segment, such as the Bangka Belitung Provincial Government and tourists.

2. Value proposition

Value proposition offered by cual maslina weaving in Pangkal Pinang is a distinctive design and color.

3.Channels

Cual maslina weaving industry in Pangkal Pinang utilizes exhibitions provided by the government and the private sector in delivering its value proposition.

4. Relationship customer

The way cual maslina weaving industry method at Pangkal Pinang maintain good relations with its customers, is by giving discounts to customer members, and personal approaches.

5. Revenue streams

Cual maslina weaving industry income in Pangkal Pinang, weaving training workshops, online and offline sales.

6 Key resource

Important resource that are needed by the cual maslina weaving industry in Pangkal Pinang are human resources; housewives, and the improvement of IT of human resources.

7. Key activities

The activities carried out in operating the cual maslina weaving business are still running including designing product, manufacture and sales service.

8. Key partnership

Cual maslina weaving industry business associates in Pangkal Pinang currently are suppliers of raw materials, and provincial of Bangka Belitung government.

9. Cost structure

Costs incurred by the cual maslina weaving industry are employee salaries, raw materials, and costs operational industrial activities such as joining the exhibition, logistics etc.

CONCLUSION

1. Based on the results of the discussion on, SWOT Analysis, TOWS Matrix and EFAS / IFAS on weaving cualmaslina, concluded that the priority strategy that must be done by weaving cualmaslina is to utilize the product's uniqueness to attract government assistance and make a strong brand image take advantage of business opportunities that are still wide open (SO)
2. Based on the results of discussions on Business Model Canvas on woven cual maslina there are several aspects that need to be improved, they are:
 - a. Customer segment is still limited to local government officials and tourists, while its competitors already have a wider market share
 - b. Channels work with business partners to create websites
 - c. Key activities form a subdivision of R&D (quality control, design and coloring techniques)
 - d. Key resources recruit potential HR

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