

# Analysis of Business Model Implementation Using Business Model Canvas in Appropriate Engineering Machinery Technology Business

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**Abstract:** This study aims to determine other action plans as a type of business improvement technique in CV. Various Different Technics utilize the Business Model Canvas. The type of examination used is descriptive qualitative. The research results from the Business Model Canvas can be the right business progress system decisions for CV. Assorted different Technics. The customer segment is divided into demographics and psychographics. Value proposition is Performance and Customization. Channels through industrial facilities, verbal, business cards, Facebook, WhatsApp, and Youtube. Customer Relations CV. Aneka Technics uses personal assistance and co-creation. Revenue streams are asset sales. Key resources are physical power and human resources. Key activities are creation based on advertising target planning and training, human asset enhancement, and limited time training. Key partnerships are larger suppliers, resellers, similar businesses. Cost structure is fixed costs, variable costs and fixed costs are directed to reduce variable costs.

**Keywords:** Model Bisnis, Business Model Canvas, Current BMC, Future BMC

## I. INTRODUCTION

Producing a manufacturing business is an important part of a country's or local economy. Various manufacturing development efforts have been carried out, one of which is by generating and increasing new people or entrepreneurs in the manufacturing sector, so that rural communities are also given skills in the hope that these skills will become imaginative businesses that help the economy of the country and local cities. In addition, these creative efforts can also open up new opportunities and job opportunities for the community (Ananda & Susilowati, 2019)

According to the Indonesian Iron & Steel Industry Association (IISIA), the Indonesian economy in 2020 ultimately experienced a decline or growth contraction as a result of the prolonged COVID-19 pandemic. The Official Gazette of the Central Statistics Agency (BRS) Semester-IV of 2020 submitted by the Central Statistics Agency (BPS) on February 5, 2021 recorded a decline or withdrawal in aggregate development of 2.07% (c-to-c) compared to 2019. The value the Indonesian economy in 2020 which is estimated by the Gross Domestic Product (GDP) on the basis of current costs to reach a value of Rp. 15,434.2 trillion. For the time being, GDP

per capita has reached IDR 56.9 million or US\$ 3,911. One of the sectors engaged in by entrepreneurs is the manufacturing industry sector. The manufacturing industry business sector is one of the business sectors that never dies along with the times, and continues to grow following the trend of consumer needs in Indonesia because it is one of the creative industry sectors that will never run out of ideas for innovation (Anton H and Tiolina E. 2022)

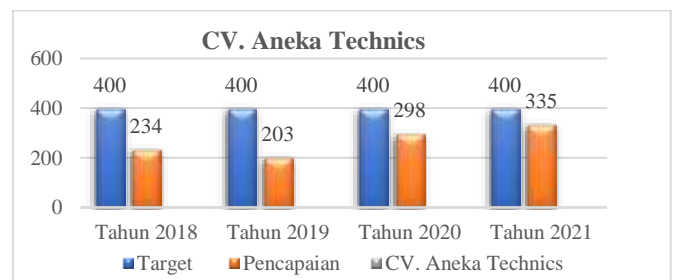
Gambar 1. Grafik Indonesian Industry Development 2020



Sumber: Indonesian Iron & Steel Industry Association IISIA (2020)

Based on the data above, Indonesia's industrial development is dominated by 3 sub-sectors out of 9 existing sub-sectors, namely health (11.60%), information & communication (10.58%), and mining & quarrying (1.95%). and the processing industry (2.93). The manufacturing sector is the second dominant sector of the 9 existing sectors. It is undeniable because the processing industry is a business for human needs that is definitely needed and there will definitely be demand.

Gambar 2. Grafik The Development of Various Technics Businesses Fluctuated from 2018-2021



Sumber: Database CV. Aneka Technics 2021

From the graphic explanation above, the researcher sees that

the development of various technics companies only provides focus to achieve the targets that have been applied in each period and are still far from the expected number of product sales targets. In 2018 the total target of 400 units only reached 234 units, in 2019 there was a decrease from the total target of 400 units only getting 203 units, then in 2020 there was an increase again in the total target of 400 units getting 298 units, then in 2021 it also increased from total target of 400 units to obtain 335 units. This is deemed insufficient to advance an appropriate iron tool industry business which in fact is a medium-sized company.

The lack of planning and calculations to execute a business that is not mature, makes various technics businesses experience a level of sales that is just like that without any development to spread their wings to consumers evenly, both outside the city and outside the island. Aneka technics only serves consumers who often order their products regardless of the size of the market available in various regions throughout Indonesia (Anton H and Tiolina E, 2022).

Based on the explanation of the background above, the main problem raised is how the action plan will be applied to the CV. Aneka Technics as a type of business progress system by utilizing the Business Model Canvas.

## II. LITERATURE REVIEW

### *Business Model*

There are very diverse definitions of what a plan of action means. The definition is separated into 3 parts, namely an action plan as a technique or technique, an action plan viewed from its parts (components), and an action plan as a business procedure. Understanding the plan of action as a strategy is a technique or strategy, especially to create an incentive for a business. The meaning of the action plan seen from its parts, for example, is that the action plan consists of collecting items, profits and payments, or buyers, resources, and knowledge as well as content structure, and governance. While the business model associated with business strategy is a tool used to plan business methodologies. As a rule, an action plan is a description of the relationship between the benefits and assets of the organization, as is the practice adopted for earning and creating self-esteem, which empowers the organization to create benefits.. (Tim PPM Manajemen, 2012).

“The Business model concept has an enormous practical power and it offers managers a coherent way to consider their options in uncertain, fast-moving and unpredictable environments. To be useful, a Business model framework must be reasonably simple, logical, measurable, comprehensive and operationally meaningful” (Ojasalo & Ojasalo, 2018).

### *Business Model Canvas*

In their book entitled "Plan of action Generation" (2010), Osterwalder and Pigneur make a plan of action structure as material and consists of nine boxes containing interrelated components. According to Osterwalder and Pigneur (2010),

the business model canvas is described as 9 elements that can be useful for mapping what is available in a business. Consist of *Value Propositions, Cost Structure, Key Partnerships, Key Resources, Key Activities, Customer Segments, Channels, Customer Relationships, dan Revenue Streams*. Here's the explanation:

#### 1. *Customer Segments*

*Customer segments* or customer segments are parties who take advantage of the administration / results of the association and people who contribute to creating wages for the association (Hermawan & Pravitasari, 2013).

#### 2. *Value Propositions*

*Value propositions* determine why a product or service deserves to be chosen by customers. This method is used to provide an increase in the advantages that a company has compared to its competitors (Royan, 2014).

#### 3. *Channels*

The development and expansion of channels or channels is needed by distributors to expand their sales network. Not only as a product distribution network, but has become a media that supports distribution and promotion activities (Royan, 2014).

#### 4. *Customer Relationship*

*Customer relationship* development aims to acquire new customers, retain existing customers, and offer new and existing products to customers. (Tim PPM Manajemen, 2012).

#### 5. *Revenue Streams*

*Revenue streams* are the flow of funds or income received by distributors when distributing. There are two types of income generated, namely transactional and expenditure. Transactional in nature, such as the sale of goods and services, while the expenditure is in the form of asset rental, subscriptions, and memberships (Royan & Tim PPM Manajemen, 2012).

#### 6. *Key Resources*

*Key resources* can be resources that determine the effective activities of the action plan. These resources can be actual assets (structures, hardware, vehicles), cash, scientific resources (brands, copyrights), and human resources. Of the four sources, the most significant are scientific sources, because they cannot be imitated or taken by various groups (Tim PPM Manajemen, 2012).

#### 7. *Key Activities*

*Key activities* are basic exercises that must be carried out by associations or organizations to provide additional benefits appropriately. Each action plan has a key exercise. As with distinct advantages, core exercises are expected to create and offer client offerings, gain a share of the industry as a whole, and create revenue. Also, key exercises are based on an action plan (Hermawan & Pravitasari, 2013).

8. Key Partnership

Key partnerships are the main accomplices in the business, eg providers, so that the action plan can work. Organizations enter into associations for various reasons and these organizations construct the premise of several plans of action. Organizations create coalitions to advance their plans of action, reduce harm, or acquire assets(Tim PPM Manajemen, 2012).

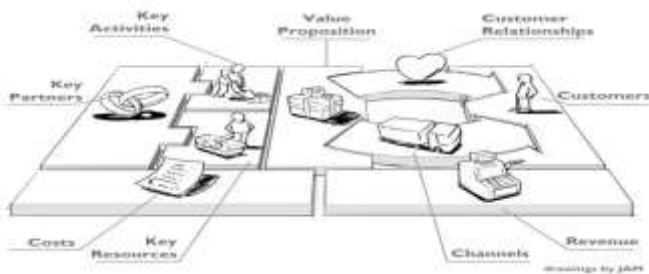
9. Key Partnership

Cost structure is part of the costs used so that the association or organization can run according to the action plan. Creating and increasing added value, interacting with clients and getting paid really remembers to share the cost. Some part of the cost can be determined once the organization knows key resources, key activities, dan key partnerships(Hermawan & Pravitasari, 2013).

Business Model Canvas Design

Nine Business Model Canvas building blocks starting from customer segments, value propositions, channels, customer relationships, revenue streams, key resource, key activities, key partnerships, dan cost structure mapped in the following picture:

Gambar 3. Business Model Canvas



Sumber : (Business Model Generation 2010)

In practice, the nine elements Business Model Canvas These are applied to the fields that can be filled in by the company as follows:

Gambar 4. Business Model Canvas



Sumber: (Osterwalder & Pigneur 2010)

III. RESEARCH METHODOLOGY

This research is included in the research using qualitative descriptive research. Qualitative analysis is used if the analysis

carried out in the field also has a qualitative nature. It should be seen how the morphology and construction of the examination factors and exploration objectives should be achieved. According to Ma'ruf Abdullah, spellbinding examination is an exploration which means describing something that happened when the examination was directed and examining the cause of a certain manifestation.(Andih, 2018).

- Proses Penelitian

Based on the research focus, the research process is carried out by interviewing, observing and documenting.

- Interview

Interviews were conducted by asking questions to the owner of the research object. Questions are asked directly based on a list of questions asked by researchers as a guide for data sources.

- Observation

Observations are made to get closer and can see directly the object of research. So that you can understand better the condition of the company.

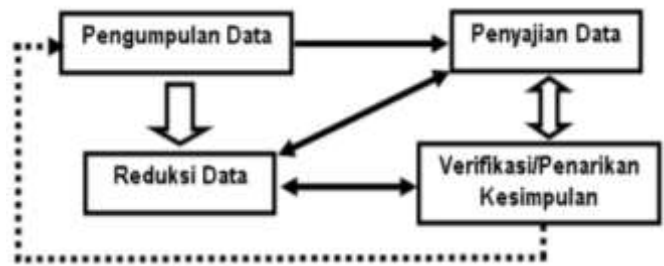
- Documentation

Documentation is used to strengthen research results in the form of real evidence.

- Data Analysis Process

In processing the data analysis in this study, the authors use information inquiry using the Miles and Huberman model which has gone through three cycles, namely information decline, information display, and achievement of determination or confirmation. Next is a picture of information checks and smart models as per Miles and Huberma(Sugiyono, 2013).

Gambar 5. Model Analisis



Data reduction

Data reduction is a process of exposition, focusing on simplification, abstraction, and transformation of coarse information that emerges from written notes in the field. According to Miles and Huberman, information reduction is a form of analysis that will be carried out, classifying, directing, removing unnecessary and organizing information so that final conclusions can be drawn and verified by the transformation of rough data that emerges from written notes in the field.

Data reduction includes:

- a. summarize data,
- b. coding,
- c. browse themes,
- d. create a task force.

The trick: strict selection of data, summaries or brief descriptions, and classifying them into a broader pattern.

- Data presentation process

Data presentation is a structured collection of information that gives the possibility of drawing conclusions and taking action. After the data is reduced, the display data makes it easier for researchers to understand what is happening and see the picture in part or in whole of the research. Presentation of data is done by describing the results of interviews which are described in the form of descriptions and supported by documents as well as photographs and pictures.

- The process of drawing conclusions and verification

As Miles and Huberman point out, it matters only for one act of the total setting. The tip is also checked during the review. Confirmation may be quite brief as a re-evaluation through the examiner's (scientist) mind as he writes, audit of field notes, or it may be intensive and relentless by looking within and conceptualizing among partners to encourage intersubjective arrangements or simply as a broad attempt to locate duplicate findings. in different collections of information. Simply put, the implications that arise from different information must be tested for accuracy, sincerity, and fairness, which is its legitimacy..

This process is carried out continuously during the exploration cycle. In this review, the objective is drawn by taking the essence of the progress of the examination process in view of meeting information, perceptions and documentation.

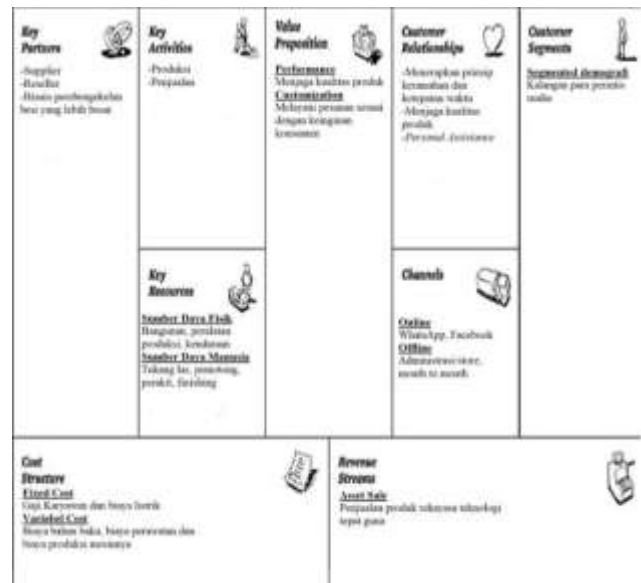
IV. EMPIRICAL RESULTS

In this discussion, the researcher raised the initial strategy model of the canvas business model in the form of Current (current) and Future (future). In the Current section, only black writing, while in the Future section, it involves blue writing. However, for adjustment it is necessary to have several blocks that have been developed on the theoretical basis above. Then, this adjustment stage is refined again by what current factors exist today and then have an impact on the future along with existing theories or data in some scientific readings. To see how high the level of recommendation given to each block is, the following analysis is applied:

1. Current Business Model Canvas Aneka Technics

- (1) Customer Segments,. Business pioneers.
- (2) Value Propositions, Maintain product quality.
- (3) Channels, Online in the form of whatsapp, facebook and offline in the form of administration/store, mouth to mouth.

- (4) Customer Relationship, The principle of friendliness, punctuality, maintaining product quality, personal assistance.
- (5) Revenue Streams, Sales of appropriate engineering technology tools.
- (6) Key Resources, Buildings, equipment, production, vehicles.
- (7) Key Activities, Production and sales.
- (8) Key Partnerships, Suppliers, resellers, larger iron workshop businesses.
- (9) Cost Structure, Fixed cost in the form employee salaries, electricity costs and variable cost in the form of raw material costs, maintenance costs, machine production costs.



2. Future Business Model Canvas Aneka Technics

- (1) Customers Segments, By style by adapting to lifestyle.
- (2) Value Propositions, Adding production items (milling machines) ordered in quick time.
- (3) Channels, Online in the form of YouTube, websites and offline in the form of brochures, business cards.
- (4) Customer Relationship, Co-creation in the form of testimonials and positive impressions as well as discounts and guarantees.
- (5) Revenue Streams, Sales of appropriate technology to open stalls/stores.
- (6) Key Resources, Adding a division or marketing department.
- (7) Key Activities, Marketing and branding, employee training and development.
- (8) Key Partnership, Domestic company business.
- (9) Cost Structure, Fixed cost and variable cost for value driven





V. CONCLUSION

Based on the identification of the business model that Aneka Technics is currently running, Aneka Technics has implemented Business Model Canvas which is reflected by Current Business Model Canvas company, but Aneka Technics has not paid attention to every element in the Business Model Canvas and have not done the mapping in writing. Customer Segments Aneka Technics only focus on demographic segmentation that maps customers according to business pioneers. Value Propositions What is given is to maintain the quality and service of the production, only one item to be able to produce in the amount you want. Channels which is used is the method online and offline, but the two methods are not perfect. Customer Relationships What is built is to apply the principles of friendliness and punctuality and try to maintain the quality of its products. Revenue Streams is only one product that is the focus of its production and sales. Key Resource found in physical resources and human resources but not yet perfect. Key Activities company is a production and sales activity. Key Partner Aneka Technics currently is reseller, supplier, and larger similar businesses. Cost Structure consists of fixed costs and variable costs.

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