

# Implementation of Business Model Canva in Micro, Small, and Medium Enterprises (MSME) Wall Panel Furniture as an Effort to Increase Production to Expand Market Share

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## ABSTRACT

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The panel furniture business is one of Indonesia's quite widely practiced industries. This makes panel furniture business activists have to innovate to create good business models and create panel furniture with high aesthetic value and good business processes in business continuity that can compete with MSMEs throughout Indonesia. This study aims to support the sustainability of business processes by implementing the Business Model Canvas. Data collection methods used in this study were interviews and observation. From the research that has been done, it is found that the implementation of the Business Model Canvas makes business processes run better than before. This is because the business processes that occur run more regularly.

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## 1 Introduction

One of the forest products with high economic value is wood. Wood is formed because there is cellulose and lignin in cell walls in various stem tissues. One of economic activities whose main material used wood is the furniture business. Furniture is a pretty big business to do in Indonesia, considering that Indonesia still has a lot of wood. Furniture has a function to build an impression on a room and become a balancing bridge between the room and its users (Maximillian et al., 2022). In Indonesia, the home industry has mushroomed with various creative business models (Fazizah et al., 2015), such as many people do the wall panel furniture business so it makes the business competition is getting tougher. The reason people choose panel furniture is because wood panels are part of the integrated wood processing industry to improve the efficiency of wood utilization (Dwiprabowo, 2009). Therefore, this panel furniture business needs to develop business model innovations to make a difference with other businesses, so there are things that can make the business more unique than others.

In terms of producing panel furniture, the business run by Mr. Mulyono requires a lot of product innovation to compete with competitors and expand market share. On the other hand, since its establishment, this business has not implemented a business strategy, so it is hoped that business model innovation can be useful in collecting and processing creative ideas. Then the creative ideas can become informative innovations to be implemented in business effectively and efficiently. The business model is a method of doing business to generate income to maintain its existence (Surjogondokusumo, 2016). According to Djunarko (2017) the business model is useful in the modern business environment because it allow organization to understand the future value of the organization and how the company in general operates. Furthermore, Hermawan and Pravitasari (2013) The concept of a business model has a function to provide an understanding of how companies interact with suppliers, partners and customers. A good business model can create more comfortable

working conditions so that everyone will work according to their respective expertise more effectively (Abidin et al., 2021). This will also motivate business users to implement planned processes (Budiman & Akhlis, 2021). In addition to implementing a business model, it is also necessary to apply a strategic management model. The strategic model is a management tool to help organizations identify what they want to achieve and how to achieve it in industry 4.0 (Noor, 2020). Strategic models can also be used to analyze conditions that will occur in the future (Budiman & Ifriza, 2021).

In previous research conducted by Handoko (2017) on PT. Rosander Putra Perkasa, engaged in the same field as the furniture business, used the PDCA and Seven Tools approach as innovations to control the quality of the products produced. Optimization strategies included in marketing strategies can make business processes more effective and efficient (Subhan et al., 2021). Beside that, business actors need to understand the description of the business model they are pursuing to determine the right competitive strategy for their company (Warnaningtyas, 2020). In addition, MSME actors are expected to understand deeply about their business to avoid problems that are often faced by MSMEs (Rezqi & Ghina, 2015). Therefore, in this study, the author tries to implement the Business Model Canvas for the panel furniture business owned by Mr. Mulyono.

## 2 Method

This research was conducted at Mr. Mulyono's house on Jl. Sumber-Rembang, Sekarsari, Sumber, Rembang Regency, Central Java, is used as a place for the production of wood panels. This research is a descriptive research conducted by collecting information related to phenomenon, explaining the objectives to be achieved clearly, planning the approach to be used (Jayusman & Shavab, 2020). Conducting purposive sampling based on certain considerations and objectives then using interviews as a data collection method. An interview is a communication between two or more parties that can be done face-to-face. One party acts as an interviewer, and the other party acts with a specific purpose (Fadhallah & Psi, 2021). In this study, the interviewee act as the party who knows best about the condition of the wood panel business.

## 3 Results and Discussion

From the results of direct interviews with the owner of this wall panel furniture business, it can be concluded that when starting a business, the Business Model Canvas has not yet been implemented, so it is still difficult to reach market segmentation. According to Dewobroto (2012) the Business Model Canvas logically describes how an organization creates, delivers, and derives value. The Business Model Canvas is also a tool that can measure the sustainability of a business. By using this, the wood panel business can take an approach so that it is easier for business organizations to interpret to make improvements, changes or improvements, or just reviewing business models, so that a new business model is realized that is more suitable and feasible to use. by company.

This Business Model Canvas can be reviewed with 9 main elements: Customer Segment, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. The implementation process can execute system integration between these elements (Budiman et al., 2021). The analysis results from the elements of the Business Model Canvas are obtained through primary data by conducting interviews with informants who are the owners and manufacturers of panel furniture who best understand in detail the business process conditions so that accurate results can be obtained. It shows the wood panel business run by Mr. Mulyono is still new and the market segmentation is wide. In addition to the domestic market segment, this wood panel is also widely exported abroad. These are the results of interviews conducted and the Business Model Canva has created.

### a. Customer Segment

A customer segment is part of a group that contains other people or organizations, which is a business goal to be achieved or served. The customer segment in this company focuses more on the introduction, understanding, and perception of the company's sales targets. From the output of interviews have been made with the owner of the panel furniture business, Mr. Mulyono, it has a broad market segmentation, specifically the property company PT Persero, to foreign countries.

b. Value Proposition

The value of product benefits offered by MSMEs to customers is known as the Value Proposition. Value Proposition combines several services and products that create value for specific customer segments to solve problems or meet customer needs. In other words, encourages customers to prefer this business product or service compared to other businesses. The value proposition in this business research is the added value provided to potential customers.

Based on the results of interviews that have been conducted with the panel furniture business owner, Mr. Mulyono, it shows that this business provides added value in the form of inventory control. The added value provided by the panel furniture business to customers is the profit earned by the business. These advantages result in an inventory control strategy that aims to optimize the company's entire inventory and achieve customer satisfaction. This inventory control strategy can be applied to manage inventory levels, storage warehouses, conduct periodic inventory audits, and make inventory estimates.

c. Channels

Channels show how businesses can connect and communicate with customers. Channels are tools used for companies or businesses to communicate, attract customer segments, and deliver value propositions. Channels in this study focus on distribution. From the results of interviews with all informants in the panel furniture business, it uses indirect distribution. In this indirect distribution, the panel furniture business provides post-sales support in the form of product returns. In this case, the panel furniture business serves returns within reasonable limits if an error occurs on the panel furniture business. Returns can occur if the resulting panel furniture product is damaged both in production and during shipping. It aims to give trust to customers.

d. Customer Relationship

Customer Relationship is a company strategy to build good relationships with customers. It can help businesses attract sales prospect, encourage potential customers and retain foreign customers. The customer relationship that has been carried out in this business focuses on the relationship between the panel furniture business and customers, how the panel furniture business forms and maintains a good relationship with customers. This business relationship is built with Minangkabau customers as business partners.

From the output of interviews and observations that have been made with the owner of the panel furniture business, Mr. Mulyono, he always tries to build a good relationship by establishing good communication with customers, namely realizing it by always asking for needs or problems related to products in the panel furniture business. In this case, the panel furniture business always tries not to disappoint customers, fulfill their needs and solve these problems. Maintaining a good relationship with customers aims to get new customers and retain old customers. The panel furniture business also hopes that customers will become loyal to the business by establishing this good relationship.

e. Revenue Streams

The representation of the profit streams that a business receives from each segment is called Revenue Streams. From the output of interviews have been made with the panel furniture business owner, Mr. Mulyono, it is clear that the income from the panel furniture business can replace all costs that have been incurred so far, as evidenced by the maximum profit achieved by the panel furniture business.

f. Key Resources

All the resources needed by a business in operating business processes and company operations are called Key Resources. Key Resources demonstrates the substance of key business resources needed to make the Business Process Model run and function properly. The resources used by the panel furniture business in carrying out business processes daily business operations are wood, glue, labor, finance, and machinery. From the output of interviews that have been conducted with the panel furniture business owned by Mr.

Mulyono, it was found that so far, the machinery and wood resources owned are adequate and support the implementation of business processes.

g. Key Activities

The activities run by an ongoing business value to manifest a product value proposition that can add value to its customers are called Key Activities. The panel furniture business has several business processes, such as production and distribution. Production process activities include woodcutting, gluing wood, cutting fireplaces, and finishing. From the output of interviews have been made with the panel furniture business owner, Mr. Mulyono, it can be concluded that production activities as the main actors have been running well, effectively, and efficiently to generate maximum profit.

h. Key Partnership

Stakeholders who become partners in a business are called Key Partnerships. This key partnership illustrates all the partners and suppliers that operate the business model. This research focuses on partners who supply the resources needed in the panel furniture business. The key partnership in the panel furniture business owned by Mr. Mulyono consists of waste wood suppliers and adhesive glue suppliers.

The output of interviews is show that this panel furniture business has tried to build good relationships with suppliers. In this case, the panel furniture business owner has trusted the supplier of the main raw materials used in the production process because the supplier has the appropriate specifications, such as prices that match the quality. This panel furniture business always selects selectively when choosing suppliers because choosing the wrong raw material will improve product quality.

i. Cost Structure

The costs incurred to operate the business model are called the Cost Structure. In spending costs, this business minimizes unnecessary costs but still maintains the products' quality. The costs incurred in this business are in the form of variable costs, such as raw material costs and machine maintenance costs, as well as operational costs, namely electricity costs. These costs must be incurred during the business process.

After implementing the Business Model Canvas, a Business Process Model was created to focus on the panel furniture business activities.

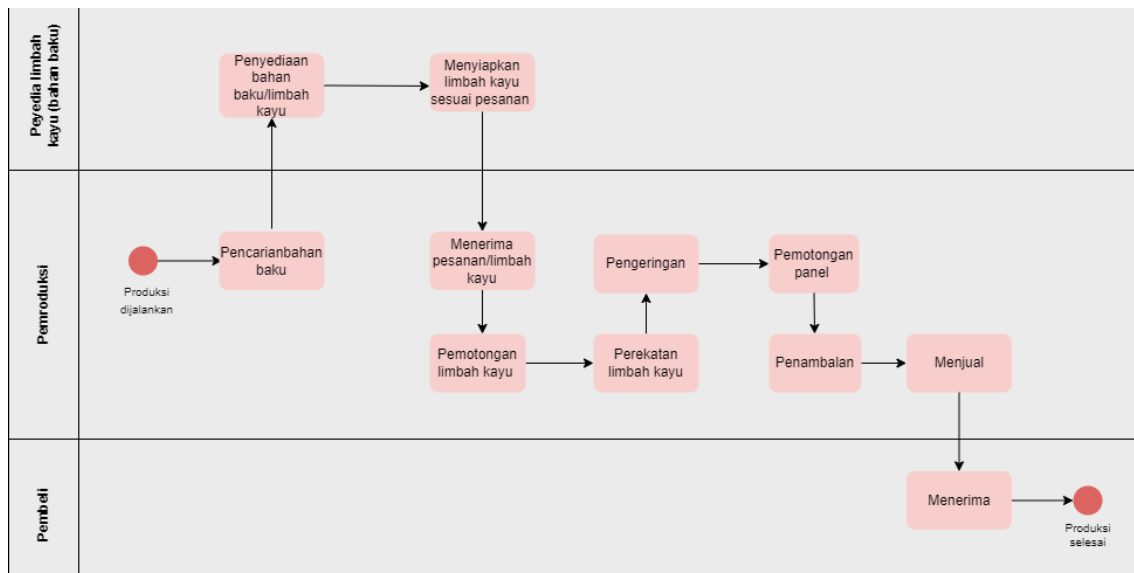


Image 1. Business Process Model

This business model makes it easier for producers to carry out their production processes. When they start a business or when a business will be run, producers will find it easier to determine the flow (production flow).

- The process of finding raw materials (wood waste)  
This process model will provide an overview of producers to find suppliers of raw materials needed. When this process is planned, producers can determine suppliers of raw materials that can meet their production needs.
- The process of cutting, gluing/gluing, drying, cutting the edges and base of panels, and patching or putting tying holes in panels  
This process model is a core part of the production process. By designing this process model, the producer can make a target to complete the product produced.
- Timber sales  
In this process model, manufacturers only sell their panels to collectors, not to customers at large. So that at this stage, the business and production processes are completed.

#### 4 Conclusion

The Business Model Canvas is a tool that can measure the sustainability of a business. This study tries to implement the Business Model Canvas to support the continuity of business processes that occur to expand market share. By representing each element of the Business Model Canvas in this panel furniture business, it can be seen that the production process is running better than before. This shows that the Business Model Canvas makes business processes orderly.

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