

CHAPTER I INTRODUCTION

I.1 Background

The island of Sumatra is a tourist destination that cannot be missed when visiting. Besides being rich with a myriad of tourist attractions, Sumatra Island also has a lot of potential natural resources that can be developed to improve the quality of existing resources. Roadside food is one of the tourists' choices to be used as a culinary tour, one of which is sate. Sate is a popular food product from the early 19th century which is made from meat. The presence of sate now we can find in various regions. Sate has a great opportunity in the business development process to compete with other roadside foods. Sate is very popular with the wider community, unfortunately the business strategy used by several small industries sate is not considered up to date. Small and micro businesses are agents of change that are able to advance society in bringing innovation with continuous change, so that it has an impact on increasing the creativity of business actors (Dhewanto et al., 2015). The small industry sate needs to design a business strategy model to develop the business. Business Model Canvas offers modern business strategies to deal with problems in business. In the process, the business model canvas is assisted by the use of SWOT analysis to complement the strategic planning process in creating a more mature business concept. So that the business model that is carried out is getting stronger and more sensitive to changes in market conditions. The reality shows that the small business sector has been able to absorb labor and even some regions in Indonesia can become a buffer from the impact of the economic and monetary crisis. Taking into account the importance of the role of small businesses, efforts to grow small businesses are imperative, both by the government, medium and large entrepreneurs and the community itself (Novianti, 2010: 3) In Bengkulu City, the small industrial sector is quite developed. The number of small industries in Bengkulu City from 2000 to 2012 is shown in Table 1.1. the following :

Table I.1 Data on the Number of Businesses in Bengkulu City, 2000 – 2012

Source : Badan Pusat Statistik Kota Bengkulu

Year	Number of Small Industries (Unit)	Development (%)
2000	2.192	-
2001	2.203	10,05
2002	2.310	10,48
2003	2.376	10,28
2004	2.440	10,27
2005	2.589	10,61
2006	2.696	10,41
2007	2.711	10,05
2008	2.734	10,08
2009	2.965	10,84
2010	3.355	11,31
2011	4.002	11,93
2012	5.012	12,52

NO	Daftar Menu	Jumlah Penjualan/bulan					
		AGS	SEP	OKT	NOV	DES	TOTAL
1	Sate Kambing polos(daging)	820	856	900	910	926	4412
2	Sate Kambing Sineureut	910	905	1030	1070	1080	4995
3	Sate Kambing campur (lemak)	880	950	910	970	1158	4868
4	Sate Ayam	512	554	560	585	596	2807
5	Sate Sapi	455	486	492	504	510	2447
6	Gule Kambing	308	380	400	420	436	1944
Total		3885	4131	4292	4459	4706	21473
Selisih		-	246	161	167	247	821
Persentase perbulan		0,00%	5,95%	4%	3,75%	5,25%	18,95%

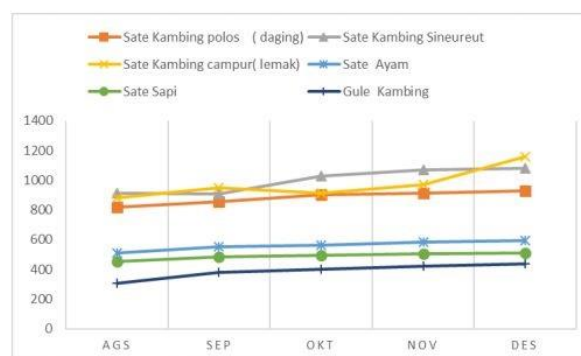


Figure I.1 Satay sales demand data

The development of small industries in Bengkulu City based on Table 1.1., Has fluctuated from year to year. The development of small industry in Bengkulu City during the 12 years period occurred in 2012, which was 12.52%, while the smallest small industry development in Bengkulu City was in 2001 and 2007 which was 10, 05%.



Figure I.2 Business of Sate Urang Awak

Sate Urang Awak is one of the culinary SMEs, especially selling satay in Bengkulu City. Sate Urang crew in Bengkulu City was initially opened in Padang City which then moved to Bengkulu City in 2014 so that year after year Sate Urang Awak started its business and grew rapidly through the taste of its cuisine. Judging from several phenomena that occur such as increasing demand for good sales, the growth rate in the culinary industry that continues to increase is the main target for MSMEs that continue to grow positively and have positive trends that provide great opportunities for MSMEs to develop and have promising business prospects. However, based on the results of interviews conducted with the owners of Sate Urang Awak, there are several problems related to competition in the culinary industry and internally Sate Urang Awak. First, the large number of competitors who offer other types of satay such as Madura satay and Taichan satay with the

differences and uniqueness of these satays with these differences making competition in the culinary industry very tight. Then there are differences in the facilities provided by Sate Urang Awak and competitors such as place services, free wifi, and innovations for cafe-worthy drinks that make the trend of young people increasingly volatile. A business model is a description of how a company creates added value in the world of work, including the combination of products, services, image, and distribution and resources and infrastructure. Similarly, the concept of a business model has taken place between the inputs used by firms to obtain economic outputs. (Osterwalder and Pigneur, 2012). This business model can help Sate Urang Awak in determining effective business activities and ultimately making Sate Urang Awak products successfully compete in the market. The business model canvas was chosen because it is simpler, and it is very easy to describe the problems that occur in Sate Urang Awak and it is easy to relate to existing solutions.

There are many variations in mapping business models, such as the Value Network business model developed by Verna Allee, the Henry Chesbrough business model, the Diamond strategy business model, the Business Model Navigator by Oliver Gassmann, and the Seizing The White Space business model by Kastelle. Among the many business models developed, the business model that is most often used to represent a business by practitioners is the Business Model Canvas which has been developed by Alexander Osterwalder. Osterwalder and Pigneur (2012) say that business models can be explained very well through nine basic building blocks that show a way of thinking about how companies make money. The nine building blocks are placed in an arrangement called the Business Model Canvas. The Business Model Canvas is divided into nine main sections, namely: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources), Key Activities, Key Partnerships and Cost Structure. Then these parts are further divided on two sides, namely the left side (logic) and the right side (creativity).

The Business Model Canvas was chosen to solve the problems faced by Sate Urang Awak because it can represent the business model more simply, visualize the nine blocks of business aspects clearly and simply and also facilitate the evaluation process because the linkages and correlations between aspects can be

easily understood. The Business Model Canvas can help Sate Urang Awak make it easier to identify Customer Segments, Value Proportions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structures as an evaluation step to improve company performance even better. **"Designing a Business Model on Sate Urang Awak Isong a Business Model Canvas Approach".**

I.2 Problem Formulation

The formulation of the problem based on the above background is as follows:

1. How do you describe the business model used in the current Sate Urang Awak business when viewed using the Business Model Canvas approach?
2. How is the SWOT analysis on the Sate Urang Awak business?
3. What strategy will Sate Urang Awak implement based on the results of the SWOT analysis conducted?
4. What is the value proposition canvas for the Sate Urang Awak business?
5. How is the proposed business model suitable for the Sate Urang Awak business using the Business Model Canvas approach?

I.3 Research Objective

Based on the formulation of the problem above, this research goals to:

1. Mapping the existing condition of the Business Model Canvas in the Sate Urang Awak Industry
2. Analyzing the Environment and SWOT of the Sate Urang Awak Industry
3. Designing the development of the proposed Business Model Canvas to the Sate Urang Awak Industry

I.4 Research Limitation

Based on the problem formulation above, the problem boundaries used in conducting this research are:

1. This research was conducted only up to the proposal step not to the validation step
2. This research was only conducted in a small industry making sate in Bengkulu City.

3. This study only uses the BMC approach and SWOT analysis to determine the strengths, weaknesses, opportunities and threats of the sate business.

I.5 Benefit of Research

This research is expected to provide benefits, including the following:

1. The results of this study will help the sate business in developing a business model to increase competitiveness.
2. The results of this study can be used as a reference for further research and gain insight into BMC.
3. The results of this study contribute to an understanding of BMC which can have an impact on improving business ventures and increasing competitiveness.

I.6 Writing Systematics

This research is described by the systematics of writing as follows:

Chapter I Intoduction

This chapter contains a description of the research background, problem formulation, research objectives, research limitations, research benefits, and writing systematics.

Chapter II Literature Study

This chapter contains literature relevant to the problem under study and also discusses the results of previous research. The second part discusses the relationship between the concepts that are the research study and describes the research contribution.

Chapter III Problem Solving Methodology

This chapter describes the research steps in detail including: the step of formulating research problems, formulating hypotheses, and developing research models, identifying and operationalizing research variables, compiling research questionnaires, designing data collection and processing, conducting instrument tests, designing data processing analysis .

Chapter IV Integrated System Design

All activities in the framework of designing an integrated system for problem solving can be written in this chapter. Activities carried out can be in the form of data collection and processing, data testing, and solution design.

Chapter V Analysis and Evaluation of Design Results

This chapter is to give an analysis on the data that has been collected and obtained from the previous section and, hence, could be considered as company's recommendation.

Chapter VI Conclusion and Suggestion

This chapter is to give a conclusion on the entire research elaboration from the previous sections and suggestion for the next research

