

# CHAPTER I INTRODUCTION

## I.1 Background

One form of business that contributes to the Indonesian economy and development is MSMEs. MSMEs are able to create extensive employment opportunities and provide economic services to the wider community. In addition, MSMEs also play a role in reducing inequality and increasing community income, encouraging economic growth, and participating in national development. MSMEs have the potential to drive community economic activities and become the main source of income for most people in improving welfare. (P Hastuti et al., 2020).

One of the main drivers of Indonesia's economic growth is the Micro, Small and Medium Enterprises (MSMEs) sector, which plays a strategic role in the national economy. Therefore, the government continues to strive to improve the quality and capacity of MSMEs so that they can compete in the global market, provide added value to the economy, and create more jobs. MSMEs have a significant contribution to Indonesia's Gross Domestic Product (GDP), which is around 61%, or equivalent to Rp9,580 trillion. In addition, MSMEs also absorb almost the entire workforce in Indonesia, which is around 97% of the total workforce. Data from the Ministry of Cooperatives and SMEs shows that there are 65.5 million MSMEs in Indonesia, which make up the majority of business units in the country. (Kementerian Perekonomian, 2023).

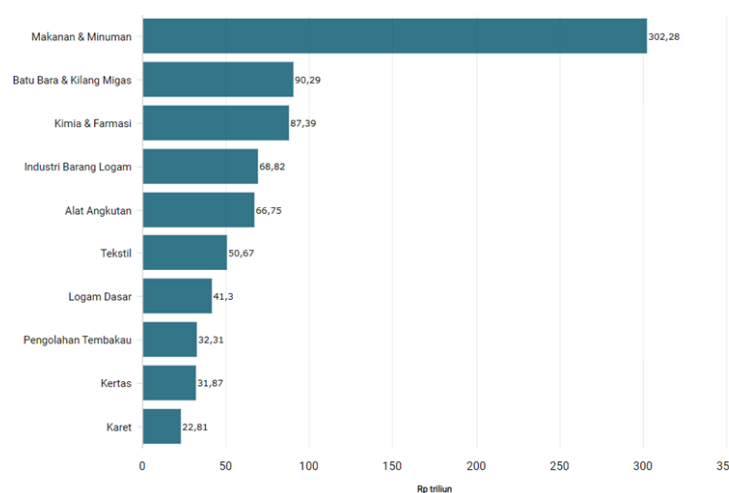


Figure I. 1 Contribution of Food and Beverage Industry to GDP (Kementerian Perekonomian, 2023)

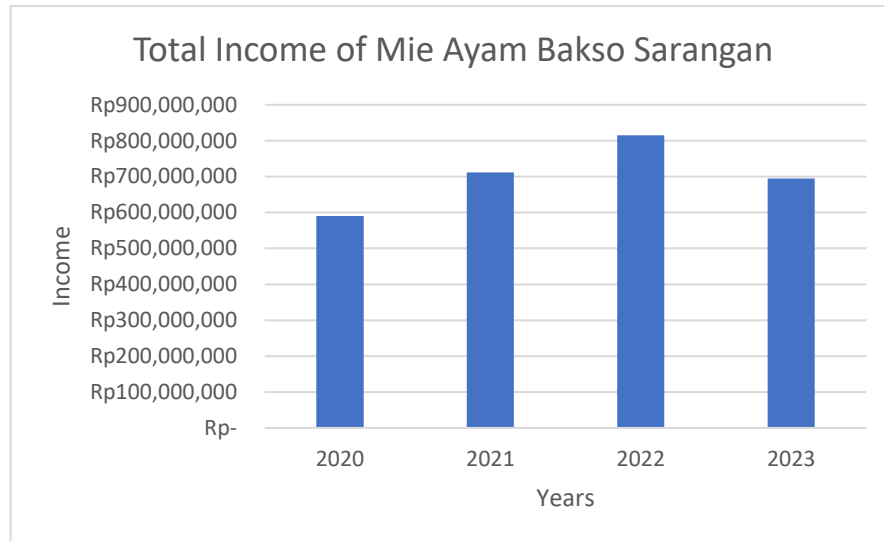
From Figure I.1 it can be seen that the contribution of the food and beverage industry has the greatest contribution on Gross Domestic Product (GDP) compared to other types of industries. Based on quantitative data, the food and beverage industry contributed a presentation of 34.44% or reached IDR 302.28 trillion in rupiah value. This is relatively large because other types of industries such as coal & oil and gas refineries only reach 10.29% or in rupiah value reaches Rp. 90.29 trillion. From this situation, the researcher decided to discuss the food and beverage industry Mie Ayam Bakso Sarangan is one of the food and beverage industries originating from Indonesia, precisely in the Bekasi area.



Figure I. 2 Mie Ayam Bakso Sarangan

In carrying out its business processes, Mie Ayam Bakso Sarangan supplies noodle raw materials from noodle agents in the Pondok Ungu Permai Bekasi area, then chicken raw materials from the broiler market in the Bekasi Pejuang market area, while meatball raw materials are obtained from the meat market before being processed by the workers themselves. Likewise, the raw materials for chicken noodles are also processed directly by the workers after procurement. The finished product of Mie Ayam Bakso Sarangan starts to be sold during operational hours, namely 09.00 - 21.00 WIB which is open every day for consumers, this product covers the general market, ranging from small children to adults. In consuming it, most people choose to eat on the spot rather than wrapped, because many consumers think that packaged products are not in a standard state for consumption, such as product temperatures that are no longer warm.

Table I. 1 Total Income of Mie Ayam Bakso Sarangan



It can be seen in Table I.1 above that the revenue generated from Mie Ayam Bakso Sarangan in 2020 received revenue of IDR 600,000,000.00, in 2021 received IDR 700,000,000.00, in 2022 received IDR 800,000,000.00, and in 2023 received IDR 600,000,000.00.

According to revenue data on Mie Ayam Bakso Sarangan from 2020 to 2023, the largest revenue was in 2022, which amounted to IDR 800,000,000.00. However, based on the data graph of revenue generated by Mie Ayam Bakso Sarangan from 2020 to 2023, it can be concluded that there was a decrease in revenue in 2023 due to high competitors. Competition in the chicken noodle and meatball food business is increasing, with a variety of chicken noodle and meatball businesses so that the stronger the business competition. In addition to the problem of decreasing the number of consumers, there are several problems faced by Mie Ayam Bakso Sarangan which have been obtained from distributing questionnaires and interviews with the owner of Mie Ayam Bakso Sarangan which are described in the form of a fishbone diagram, the following is a fishbone diagram that has been made:

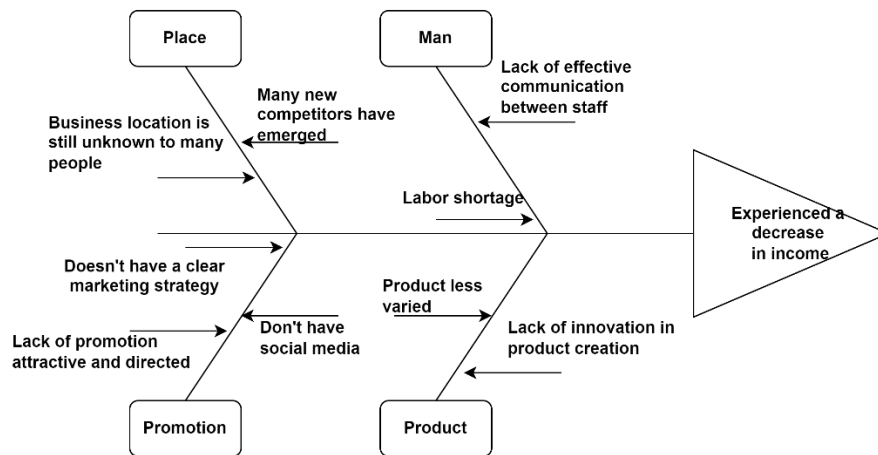


Figure I. 3 Fishbone Diagram

Based on figure I.3 above, there are several factors that cause problems for Mie Ayam Bakso Sarangan which has decreased revenue, namely as follows:

1. Man factors

For the man factors, Mie Ayam Bakso Sarangan have labour of 6 people that have 4 different job desk which 2 as cooker , 2 as server, 1 as drink maker, and 1 as dish washer. The labour has shortage because there are still waiting line on Mie Ayam Bakso Sarangan. Customer order will be remembered by the cooker and it will be said to server, the payment will be done to cooker. Among those labour their communicate by shouting, no writing on paper. So they often get the wrong order and its can be said as ineffective communication.

2. Place factors

Mie Ayam Bakso Sarangan actually located in medium traffic area but around this location emerged several competitors that make the market share decrease. These factors make Mie Ayam Bakso Sarangan not the top of mind of customer anymore and need to be more widely known.

3. Promotion factors

Mie Ayam Bakso Sarangan barely promote their brand and only using word of mouth from customer which cannot track the range and target customer of this business. This condition means that there is no penetration to the market through another marketing strategy such as social media, promotion or advertisement.

#### 4. Product factors

Mie Ayam Bakso Sarangan only offer chicken noodle and meatball combination with limited type of meatball. From the observation of competitors, they have more varied product such as yamin, many types of noodles (straight, curl, flat, etc) and another relevant product variation. This condition means that Mie Ayam Bakso Sarangan have less varied product and need innovation of product creation.

Table I. Alternative Solutions

No.	Root Causes	Potential Solutions
1.	Lack of effective communication between staff	Addition and evaluation of performance in the workforce
2.	Labor shortage	
3.	Business location is still unknown to many people	Designing a marketing strategy
4.	Many new competitors have emerged	
5.	Doesn't have a clear marketing strategy	
6.	Lack of promotion attractive and directed	
7.	Don't have social media	
8.	Product less varied	Evaluation and design of a new business model at Mie Ayam Bakso Sarangan
9.	Lack of innovation in product creation	

In the problems that have been written in the fishbone diagram above and alternative solutions, according to why the author raises the problem is that the revenue of the Mie Ayam Bakso Sarangan business has decreased in 2023, the revenue of the Mie Ayam Bakso Sarangan business has decreased in revenue by approximately Rp 100,000,000.00 In 2022 Mie Ayam Bakso Sarangan got an annual income of Rp 800,000,000.00 Therefore the author wants to describe the business model at the Mie Ayam Bakso Sarangan business and then provide a

formulation of a development strategy for Mie Ayam Bakso Sarangan so that the business can continue to run well.

## **I.2 Problem Formulation**

Based on the background that has been described above, the problems that occur at Mie Ayam Bakso Sarangan can be formulated as follows:

1. What is the business model of Mie Ayam Bakso Sarangan when described with the Business Model Canvas?
2. How to formulate a business development strategy for Mie Ayam Bakso Sarangan to increase income ?
3. What is the proposed business model of Mie Ayam Bakso Sarangan if described with Business Model Canvas ?

## **I.3 Research Objectives**

The following are the research objectives based on the formulation of the problem that has been determined, namely:

1. Describe the business model of Mie Ayam Bakso Sarangan with the Business Model Canvas to know the existing business model of Mie Ayam Bakso Sarangan.
2. Formulate a business development strategy for Mie Ayam Bakso Sarangan to optimize income/profit of Mie Ayam Bakso Sarangan.
3. Design a proposed business model for Mie Ayam Bakso Sarangan using the Business Model Canvas to improve business performance of Mie Ayam Bakso Sarangan.

## **I.4 Benefits of Research**

The benefits of this final project are as follows:

1. For company  
The results of this final project research can be used as a source of information in improving business development strategies so that the company can develop and compete with other competitors.
2. For researchers  
The results of this final project research can be a useful addition to knowledge and increase knowledge about problems in business using the

Business Model Canvas approach. In addition, it can be used as a reference source for other research and final projects.

## **I.5 Systematics**

### **CHAPTER I BACKGROUND**

This chapter discusses the general description of the object discussed, the background of the problem, problem formulation, research objectives, research benefits, and the systematics of writing the Final Project.

### **CHAPTER II LITERATURE REVIEW**

This chapter contains all the theoretical basis used in carrying out research as well as relevant literature on the object of research obtained through books and journals.

### **CHAPTER III RESEARCH METHODOLOGY**

This chapter describes the approaches, methods, and techniques used in the process of collecting and analyzing data to solve problems.

### **CHAPTER IV COLLECTION AND PROCESSING OF DATA**

This chapter describes the data collection process, which once collected will be processed through the Business Model Canvas framework. With the support of SWOT analysis, this process aims to identify innovative strategies that can be used to solve the problem.

### **CHAPTER V ANALYSIS**

This chapter presents a review and assessment of the results obtained from the design discussed in the previous chapter, with the aim of identifying and understanding any aspects that may still be imperfect from the design.

### **CHAPTER VI CONCLUSIONS AND SUGGESTIONS**

This chapter describes the conclusions and suggestions resulting from the completion of this final project as a whole.