

# Application of Business Model Canvas in MSMEs in Karangwuni Village

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## Keywords

*Application, Business Model Canvas, Business, MSMEs*

## ABSTRACT

This qualitative research, employing a literature review approach, examines the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in fostering economic development amidst the ongoing wave of globalization. Specifically focused on Karangwuni Village, the study elucidates how the adoption of the Business Model Canvas framework positively impacts MSMEs, fortifying their operational infrastructure and catalyzing avenues for sustainable expansion, thereby underscoring the significance of strategic frameworks in bolstering the resilience and growth trajectory of MSMEs within the broader economic landscape.

## INTRODUCTION

In the era of economic globalization that continues to grow, the role of Micro, Small and Medium Enterprises (MSMEs) has become very important in advancing a country's economy (Mukherjee, 2018). Karangwuni Village, as a representative of village life in Indonesia, has great potential in the development of MSMEs as a pillar of the local economy. However, in the midst of this potential, the main challenge faced by MSMEs in Karangwuni Village is the effectiveness and efficiency of their business management (Ahluwalia et al., 2022).

One tool that can be key in optimizing MSME performance is the Business Model Canvas (BMC) (GS & Istanti, 2022). BMC offers a visual approach that allows businesses to detail the key elements of a business, helping them design and develop a solid business model (França et al., 2017). Although BMC has been widely applied in various business sectors, its application in the context of MSMEs in villages is still an undertouched research area.

This research aims to bridge the knowledge gap, focusing on Karangwuni Village. By detailing the potential and constraints of implementing MSMEs (Nugroho, 2018), it is hoped that this research can provide deeper insight into how MSMEs in the village can improve their business competitiveness and sustainability (Bhat et al., 2021).

Through this research process (Barahama et al., 2019), we plan to actively engage with MSME owners (Mahmoud et al., 2024), village governments, and other relevant parties to gain a comprehensive understanding of the local business environment (Jane, 2019). Thus, the results of this research are expected to make a practical contribution for business people and policy makers in the development of adaptive and sustainable business strategies at the village level (Jagustović et al., 2019).

The research framework involves analyzing literature related to BMC and its application in MSMEs (Fitriasari, 2020), identifying the unique characteristics of Karangwuni Village (Bawole, 2021),

and collecting qualitative and quantitative data through interviews and surveys can(Jain, 2021). By using this approach, we hope to make a significant contribution to the development of relevant and competitive business models for MSMEs at the village level (Groot et al., 2019).

Overall, this research is expected to present a better understanding of the potential application of BMC in improving the competitiveness and sustainability of MSMEs in Karangwuni Village (Supriyanto & Hana, 2020), as well as provide a foundation for further research in this field (Plouffe et al., 2024).

The problem concerns the business canvas structure within Micro, Small, and Medium Enterprises (MSMEs) in Karangwuni Village. It is crucial to understand the advantages and threats village-based MSMEs face. The research objectives entail analyzing the business model canvas within MSMEs, identifying the potential and threats of each MSME in Karangwuni Village, and scrutinizing the marketing strategies implemented by MSME actors. Hence, this study aims to provide a deeper understanding of the business structure, potential, threats, and marketing strategies of MSMEs in Karangwuni Village.

## METHODS

This research uses qualitative methods with a literature review approach. Literature review is a systematic, explicit and reproducible method for identifying, evaluating and synthesizing research works and thoughts produced by researchers and practitioners. The step in writing this review literature begins with the selection of topics. Search libraries or sources from Google Scholar, CINAHL, Proquest, Ebsco, or National Library databases to gather relevant information. Determine keywords or keywords for journal searches. After the data is collected, it is processed, analyzed and conclusions drawn.

## RESULTS

### MSME Pineapple Lina

Table 1.

<b>S</b>	:	Many enthusiasts because this food business lasts a long time if stored properly
<b>W</b>	:	Products at risk of damage during shipping or long-distance purchases
<b>O</b>	:	The target market is broad because there are many snack enthusiasts in the form of pineapple cakes
<b>T</b>	:	Increasingly fierce business competition

Starting diploma that only graduated from junior high school and high school then, it was difficult to find a job, therefore taking the initiative to make a business, namely Peanut Cake Snacks, Mr. Sujono established his business because he saw that there was no business opportunity in Karangwuni village, Sedong District, no one had opened the cake business.

The business's basic material is Papaya, which is used as pineapple jam. Some so many farmers grow Papaya that Mr. Sujono intends to produce a food made from Papaya as Jam.

The advantages of the products are that they taste good, are savoury, and are free of preservatives. How to make it is not too difficult and profitable to use as a business field. The business is named in the hope that it can attract consumer interest and easily remember the name of the business so that the wider community more quickly recognizes it and increases family income.

### Production Material

Table 2.

No	Production Material Name
1	Flour
2	Papaya

3	Margarine
4	Sugar
5	Egg
6	Food Flavorings

### Number of Employees

The Business Voter of "Nastar Lina" is Mr. Sujono and has a number of employees, consisting of 4 people including the Production, Roasting, and Packing Department.

### Corporate Culture

Corporate Culture carried out by "Nastar Lina" Business is a Community Culture Category. Where the Company Owner Hires Employees who in fact still have a sibling bond with the Company Owner.

### Target Market

This business produces at home, precisely in Karangwuni Village. The target market is wholesale pastry shops, such as distributing them to the market.

While the target consumers are covering all circles of society, both the lower middle class and the upper class. In terms of the age of children, adolescents, adults and even parents.

### Marketing

Sales Methods Sales from these companies include:

#### Sold directly

Can sell products directly to the public and consumers directly

#### Deposited at the Wholesale Cake Market

Can leave it in the Wholesale Cake Market so that this "Pineapple Lina" product can be known by the wider community. For example, in Cirebon Plered Cake Market

#### Sold Online

Offering Products via Whatsapp and Social Media (Only During the Covid Pandemic)

The ways of promotion of "Nastar Lina" include:

1. Word of mouth of society
2. Utilizing social media internet technology such as Facebook, Whatsapp
3. Providing Tester when Consumers Buy Directly to the Production Site

### MSMEs Lepeut

**Table 3.**

<b>S</b>	:	Proceeds from Lepet's sales profits to support the family
<b>W</b>	:	If there are remaining unsold sales, the rest is given Not to be sold again Raw materials are difficult to obtain, including rare items
<b>O</b>	:	People can get to know what lepet is, a traditional food in Karangwuni Village
<b>T</b>	:	Covid 19 pandemic Scarce Raw Materials New competitors emerging

Lepet is a traditional Central Javanese food made from glutinous rice, shredded coconut and salt. The mixture of ingredients is put on the sleeve of janur leaves (young coconut leaves) that have been rolled before, tied with bamboo rope and boiled for 3-5 hours until cooked.

The price of Leupeut sold is Rp. 800 / Pcs to be sold to the Market, and Rp. 1,000 / Pcs to be sold to the General Public.

### Production Materials

No	Production Material Name
1	Glutinous Rice
2	Grated Coconut
3	Coconut Leaf / Janur

4 Salt

### **Number of Employees**

Mrs. Kati's slow business does not have a permanent number of employees but only employs family members.

### **Corporate Culture**

The Corporate Culture carried out by Mrs. Karti is a hereditary business culture. Where the business is the business of the third generation of his family.

### **Target Market**

This business produces at home, precisely in Karangwuni Village. The target market is traditional markets and vegetable shops and places that sell breakfast.

While the target consumers are covering all circles of society, both the lower middle class and the upper class. Regarding the age of children, adolescents, adults and even parents.

### **Marketing**

#### **Sold directly**

Can sell products directly to the public and consumers directly. Leave it in the market so the wider community can know Mrs. Karti's Lepet products. For example, it is sold in Sedong Market.

### **Discussion**

Business Model Canvas is a strategic management tool used to describe, design, test, and integrate the key elements of a business or project. It consists of nine blocks covering various aspects of the business.

### **Business Points Model Canvas**

#### **Customer Segments:**

Identify the main target groups of MSMEs in Karangwuuni Village, such as locals, tourists, or online customers.

Review the needs, preferences, and expectations of potential customers.

#### **Value Propositions:**

Explain the products or services of MSMEs in Karangwuuni Village.

Focus on the unique advantages and added value offered to customers.

#### **Distribution Channels:**

Determine how customers will reach the product or service.

For example, direct sales, physical stores, websites, or online platforms.

#### **Customer Relationships:**

Explain how MSMEs build and maintain relationships with customers.

Factors such as customer service, support, or loyalty programs may be included.

#### **Revenue Streams:**

Identify key revenue sources, such as direct sales, subscriptions, or an ad-based model.

Review pricing policies and discount strategies if any.

#### **Key Resources:**

Mention assets and resources that are crucial to running an MSME business, such as labor, equipment, or technology.

#### **Key Activities:**

Describe the main activities required to operate the business, such as production, marketing, or customer service.

#### **Key Partners:**

Identify potential partners who can help MSMEs in Karangwuuni Village, such as suppliers, distributors, or local support institutions.

#### **Cost Structure:**

Detailed the costs involved in running a business, such as production, distribution, marketing, and administrative costs.

By detailing these elements, MSMEs in Karangwuuni Village can comprehensively understand how they can design, manage, and optimize their business. Furthermore, this business model canvas can be a foundation for further strategy development and decision-making.

## CONCLUSION

Implementing the Business Model Canvas in Karangwuni Village contributes positively to the development of MSMEs, strengthens their business foundation, and opens opportunities for sustainable growth. By optimising the application of the Business Model Canvas, MSMEs can continue to grow and positively impact the local economy.

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