

Business Model Canvas (BMC) Training to Support The Strengthening of Student Entrepreneurship

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ABSTRACT

The Indonesian government prioritizes policies aimed at fostering entrepreneurship across all segments of society. This initiative aims to promote the attainment of the sustainability development goals (SDGs), which have been introduced through various initiatives and are projected to be accomplished between 2015 and 2030. Entrepreneurship remains a less favored means of earning a living among certain Indonesians. Particularly among the youth, there is a prevalent belief that pursuing entrepreneurship is not their primary ambition or aim. The correlation between entrepreneurship and economic growth has been well-established. Consequently, studying entrepreneurship education becomes a compelling endeavor to foster entrepreneurship, particularly among aspiring entrepreneurs. The business model canvas (BMC), enables users to synchronize earnings with objectives, including environmental and social dimensions. The purpose of this training exercise was to establish the following objectives are to enhance comprehension and effectively employ the Business Model Canvas (BMC) in the process of business planning, to enhance proficiency in creating BMC as a means of managing business plans and to promote the adoption of BMC as a solution to the business planning challenges faced by entrepreneurial students. The implementation of community service (PkM) aims to foster international collaboration between lecturers and students from UNJ and UMS. It is expected to enhance understanding, knowledge, and make a constructive impact on the business planning and development of BMC with the business community.

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INTRODUCTION

The Indonesian government prioritizes policies aimed at fostering entrepreneurship across all segments of society. This initiative aims to promote the attainment of the sustainability development goals (SDGs), which have been introduced through various initiatives and are projected to be accomplished between 2015 and 2030. According to the Indonesian Central Bureau of Statistics (BPS), the number of entrepreneurs in Indonesia exceeded 56 million by mid-2023. Compared to other countries in Southeast Asia, such as Singapore with an entrepreneurship ratio of 8.76%, and Malaysia with 4.7%, this number can be considered rather low. The entrepreneurship percentage in Indonesia stands at 3.47%. In 2023, the population of entrepreneurs aged 20-24 in Indonesia is projected to reach 2,065,164, which accounts for approximately 3.7% of the overall number of entrepreneurs in the country (Yonatan, 2024)

Entrepreneurship remains a less favored means of earning a living among certain Indonesians. Particularly among the youth, there is a prevalent belief that pursuing entrepreneurship is not their primary ambition or aim. The government is actively increasing its efforts to foster entrepreneurial pursuits among individuals (KemenkopUKM, 2023). One method is the issuance of Presidential Decree No. 2 of 2022, which pertains to the development of entrepreneurship. The presidential decree outlines the government's objective of establishing a conducive entrepreneurial environment and attaining a national entrepreneurship ratio of 3.95 percent, along with a 4 percent increase in entrepreneurial growth. Efficient implementation of National Entrepreneurship Development can be achieved by including key components of the Entrepreneurship Ecosystem, specifically Human Resources (HR).

The correlation between entrepreneurship and economic growth has been well-established. Consequently, studying entrepreneurship education becomes a compelling endeavor to foster entrepreneurship, particularly among aspiring entrepreneurs. Novice entrepreneurs refer to individuals who are self-employed and also those who receive assistance from temporary or unpaid workers (Ahdiat, 2023a). However, in the present day, startups necessitate significant alterations in strategic cognition, managerial methodologies, and commercial procedures that influence the manner in which service and product ideas are conceived, cultivated, and introduced to the market (Carvalho et al., 2019). Currently, the business model canvas is widely utilized as a valuable instrument for crafting new ventures and has significantly enhanced the adoption of business models in a contemporary and beneficial manner.

The purpose of this training exercise was to establish the following objectives: 1) To enhance comprehension and effectively employ the Business Model Canvas (BMC) in the process of business

planning; 2) to enhance proficiency in creating BMC as a means of managing business plans, and 3) to promote the adoption of BMC as a solution to the business planning challenges faced by entrepreneurial students.

The implementation of community service (PkM) aims to foster international collaboration between lecturers and students from UNJ and UMS. It is expected to enhance understanding, knowledge, and make a constructive impact on the business planning and development of BMC with the business community. This initiative is valuable in enhancing the economy and business prospects for entrepreneurial students

LITERATURE REVIEW

According to Presidential Regulation No. 2 of 2022, an entrepreneur is an individual who manages, establishes, and/or enhances a firm (Ahdiat, 2023b). Wina & Kodrat define entrepreneurship as a cognitive process that involves evaluating and taking action on business prospects, adopting a comprehensive strategy, and exhibiting balanced leadership. Entrepreneurship has the potential to create employment possibilities for individuals seeking work or in need of labor. Additionally, it can contribute to the government's efforts to alleviate unemployment in Indonesia. Entrepreneurship significantly contributes to the expansion of the Indonesian economy by fostering creativity and self-reliance among its population. The presence of entrepreneurship has fostered greater creativity among Indonesian individuals in expressing their thoughts through the things they manufacture. Entrepreneurial endeavors empower individuals to establish their own business ventures, providing employment chances for job searchers. In the event that their business generates revenue, it is subject to taxation, so contributing to the state's funds (Ibrahim et al., 2022).

The business model canvas (BMC) as presented by Osterwalder and Pigneur, enables users to synchronize earnings with objectives, including environmental and social dimensions. Hence, the economic focus tends to overshadow the environmental and social considerations, prioritizing profit (Daou et al., 2020). The Business Model Canvas (BMC) is a strategic instrument utilized to delineate business models and elucidate the business conduct of businesses in terms of how they generate, provide, and acquire more value for their firm. The representation of the Business Model Canvas (BMC) can vary in dimensionality and may exhibit differences between entrepreneurs and managers (Keane et al., 2018). BMC simplifies complex business principles, making them easily implementable and evaluable amidst dynamic corporate transformations. The Business Model Canvas (BMC) consists of nine essential components that are strategically integrated for both internal and external purposes (Ostewaidler & Pigneur, 2010). The Business Model Canvas (BMC) consists of nine essential components: value proposition, client segments, channels, customer relationships, key resources, key activities, key partnerships, revenue streams, and cost structures.

8 <i>Key partners</i> (hubungan dengan mitra kerja utama yang dapat menunjang bisnis)	6 <i>Key activities</i> (aktivitas utama)	2 <i>Value propositions</i> (proporsi nilai/ manfaat dari barang)	4 <i>Customer relationship</i> (hubungan dengan pelanggan)	1 <i>Customer segments</i> (segmen/target pelanggan)
	7 <i>Key resources</i> (sumber daya utama bisnis)		3 <i>Channels</i> (saluran/media)	
9 <i>Cost structure</i> (struktur biaya yang dikeluarkan dalam bisnis)		5 <i>Revenue streams</i> (sumber pendapatan)		

Figure 1.

Business Model Canvas (BMC) Matrix

Source: Wallin et. al. in (Yulianto & Iryani, 2024)

Below is a comprehensive breakdown of the nine essential components of the Business Model Canvas (BMC) as outlined by Yulianto and Iryani (2024):

1. Customer segments

Customer segments refer to specific groups of customers that organisations identify and focus on, taking into account their common features, needs, or behaviours. Businesses enhance their ability to categorise their consumer base more efficiently by employing market segmentation. Segmenting customers enables the customisation of products, services, and marketing approaches to meet the distinct needs and preferences of each group, resulting in corporate expansion and the optimisation of customer contentment.

2. Propositions of value

The value proposition is the fundamental concept of exchanging value between a business and its consumers. It serves to succinctly and effortlessly express and communicate business ideas or concepts. The value proposition refers to the unique value that a business provides to specific groups of clients.

3. Channels

Channels refer to the mechanisms by which a business conveys information, products, or services to its customers.

4. Customer relationship

Customer relationships refer to the specific form of connection that a business establishes with its customers. Customer relationships encompass all efforts made by individuals inside an organisation to cultivate customer confidence and loyalty, with the ultimate goal of increasing business income.

5. Revenue streams

The revenue streams are components of a business model that outline the sources through which a business generates income from its various customer segments. These revenue streams encompass the money earned from customers, taking into account the costs incurred, in order to determine profitability.

6. Key activities

Key activities, which are crucial for attaining corporate objectives, encompass goals, values, customers, customer connections, and resources. The key activities can be classified into three main categories: production (involving product development, manufacturing, and delivery), problem solving (focused on resolving unique and specialised issues), and platforms (comprising networks, software, and brands that are consistently developed and operated, along with customer services provided).

7. Key resources

Key resources refer to the primary assets owned by a business that contribute to its competitive advantage. Key resources encompass both real resources, such as equipment, buildings, or specific machineries required for the creation of goods or services, as well as intangible resources. (such as: knowledge, skills, and leadership). Efficiently developed and effectively maintained key resources are essential for supporting business plans and gaining a competitive edge.

8. Key partners

Key partners refer to external resources that are necessary for carrying out key tasks and providing value to customers. Key partners refer to companies or persons that provide assistance to the organisation in accomplishing its business objectives.

9. Cost Structure

The cost structure of refers to the expenses incurred in running its business, encompassing the costs associated with utilising resources, such as fixed costs and variable costs. The cost structure enables the organisation to comprehend the impact of costs on its profitability and capabilities.

MATERIAL AND METHOD

This team consists of instructors and students from the Faculty of Economics at Universitas Negeri Jakarta and the MBA Programme at Universiti Malaysia Sabah. The objective of this solution is to enhance partners' comprehension of business planning using the Business Model Canvas (BMC). Organising instructional workshops on the formulation and construction of Business Model Canvas (BMC) to provide aspiring entrepreneurs with the necessary resources to enhance their economic and business endeavours.

From an academic perspective, this PkM activity significantly enhances collaboration among students with a shared interest in entrepreneurship, both domestically and globally. It enhances the understanding of the strategies mentioned in the BMC (Business Model Canvas) for students in Malaysia and Indonesia. Given the advancements in digital technologies and the global industrial landscape, it is imperative for aspiring business owners to have the requisite knowledge and skills to develop BMC business strategies. This is essential for bolstering both the economy and the business sector.

An analysis was conducted by studying the situations and circumstances faced by entrepreneurial students in Jakarta. This is carried out to determine the partners' proficiency in strategic business planning. The data reveals that entrepreneurial students have a restricted utilisation of business planning techniques. Hence, it is crucial for the implementation team to organise BMC business

planning training to bolster economic growth and cultivate collaborations with enterprises.

The training material provided by the implementation team, align with the requirements of PkM participants. The implementation team creates activity materials based on the findings of the participant scenario analysis. These materials will cover two main areas: a) providing an introduction and knowledge of BMC business planning, and b) training participants to design a BMC business plan that aligns with contemporary advancements in digital technology

The implementation method involves providing direct (offline) training by 8 postgraduate students from Universiti Malaysia Sabah, who serve as experts, and a committee from the Faculty of Economics (FE) to the student community engaged in entrepreneurship. The activity takes place at Raden Ajeng Kartini Building, 8th floor, Universitas Negeri Jakarta, located on Rawamangun Muka Street, East Jakarta. The form of community service activity involves providing training on the implementation of the Business Model Canvas to enhance the management of business planning for 80 entrepreneurial students.

This service activity is carried out through several stages as follow:

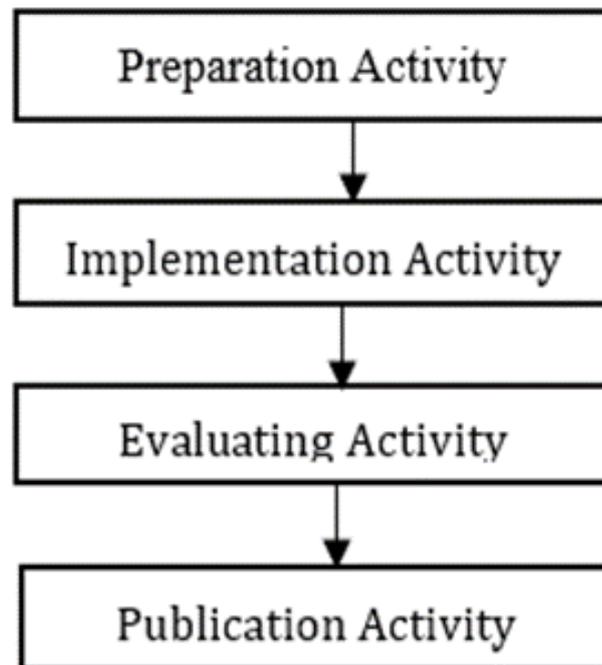


Figure 2.
Community Service Activity's Stages

1. Preparation Activity

The community service implementation team undertakes several preparations, such as:

- a. Collaborating with the institution to thoroughly examine needs and ascertain the location, timing, and duration of activities.
- b. Gather and compile participant data.
- c. Establish communication and collaborate with sources affiliated with UMS.
- d. Undertake diverse administrative tasks.

2. Implementation Activity

This community service was held on Monday, February 12th, 2024, with 80 entrepreneurial students participating.

3. Evaluation Activity

This training activity evaluated by looking at achievement indicators

- a. All participants have a comprehensive understanding of the planning and development of the BMC business planning model.
- b. Participants in the training can effectively design and execute a BMC (Business Model Canvas) business strategy.
- c. The training participants delivered presentations on the BMC business plan and received feedback from experts.

4. Publication Activity

During this phase, the committee compiles a community service report. The results of the activity are disseminated by a press release issued in the mass media, a video uploaded on YouTube, and a community service paper published in a reputable national journal.

RESULT AND DISCUSSION

Strategic business planning that is tailored to the digital era is crucial for effectively marketing the long-term viability of a business, particularly for enterprises involved in both offline and online buying and selling. The Business Model Canvas (BMC) serves as a crucial framework for establishing, enhancing, and upholding the standing of a business in both physical and digital realms. BMC has the capacity to simplify intricate business principles, enabling entrepreneurs to effortlessly adopt and assess them in response to dynamic company fluctuations.

The collaboration between the Faculty of Economics, Universitas Negeri Jakarta (FE UNJ) and Universiti Malaysia Sabah in community service activities, specifically through Business Model Canvas (BMC) training, has had a highly favourable impact on the participants, particularly the students of FE UNJ. This training aims to assist students in efficiently and expeditiously developing business proposals by comprehending and implementing nine crucial components in business model planning. These components include Customer Segments, Value Propositions, Distribution Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partners, and Cost Structure. During this process, students are instructed on how to create and refine comprehensive and practical business strategies.



Figure 3.

Presentation of BMC (Business Model Canvas) Training Materials

As part of the training, students are organised into teams in order to create and refine their own business models. Every team engages in thorough deliberations to identify the appropriate client groupings, distinctive value propositions, and efficient distribution routes. In addition, they must also contemplate strategies for cultivating consumer connections and identifying viable sources of long-term revenue. In addition, the team must also ascertain the necessary resources, outline the primary activities to be undertaken, establish essential partnerships to support the firm, and develop an efficient cost structure. These discussions not only enhance their comprehension of the business, but also foster teamwork and communication skills within the team.



Figure 4.

BMC (Business Model Canvas) Making Group Discussion

Upon the conclusion of the programme, each team delivered a presentation showcasing the outcomes of their business planning to a panel of academics and fellow students. These presentations provide them the chance to hone their presentation abilities and gain valuable feedback. Several teams demonstrated inventive and sophisticated business ideas and developed product brands with distinct names, showcasing a profound comprehension of the BMC concept, namely the 9 characteristics outlined in the table analysed by the participants. This collaboration has the potential to enhance pupils' intellectual prowess. The outcomes of this activity demonstrate that BMC training can serve as a potent instrument in equipping students with the necessary skills to tackle the demands of the actual business environment.



Figure 5.

Presentation of Final Result BMC (Business Model Canvas)

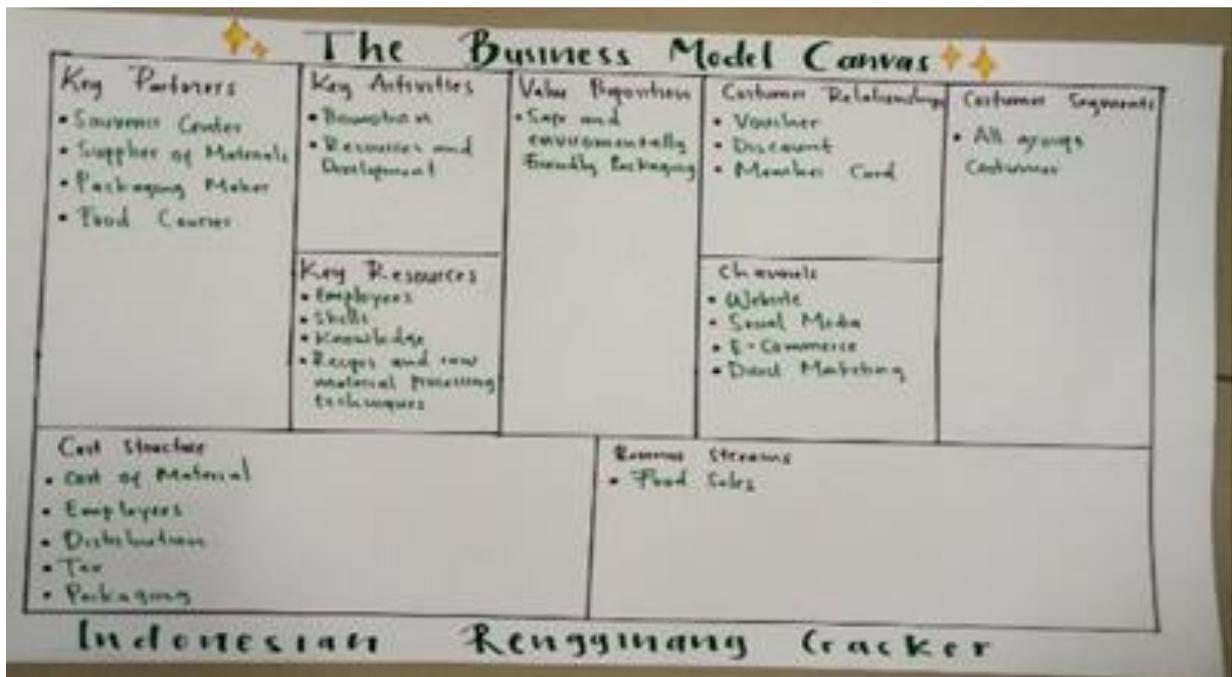


Figure 6.

Example of Final Result of BMC (Business Model Canvas) Work by Participants

CONCLUSION AND RECOMMENDATION

International collaborative community service activities between the Faculty of Economics, Universitas Negeri Jakarta (FE UNJ), and Universiti Malaysia Sabah (UMS) have had a positive impact on participants, namely entrepreneurial students. Participants were able to improve their abilities in designing business plans through Business Model Canvas (BMC) training. In this way, entrepreneurial students are able to formulate and develop comprehensive and applicable business strategies.

Future community service can enhance the effectivity by combining BMC with technology, design thinking, and sustainability, a more comprehensive approach can be achieved. Gaining insight into the cultural disparities between Indonesia and Malaysia can enhance the effectiveness of programme ideas.

In order to enhance the learning experience, it is also recommended to broaden the scope of partnership for community service by involving additional universities and institutions from various nations. Offering continuous assistance and guidance, such as follow-up meetings and mentor access, will aid participants in executing their business strategies. Creating sophisticated training modules focused on financial planning, marketing, and digital transformation can further increase skills. Enhancing the frequency of interactive seminars and practical sessions would enhance individuals' problem-solving skills. Involving the local community in student entrepreneurial initiatives helps establish a nurturing ecology. Regular evaluations of the impact of community service activities can guarantee that programmes are able to meet the changing requirements of the community. Establishing a joint resource pool between FE UNJ and UMS, which grants access to research materials and business tools, would promote collaboration and the exchange of knowledge between two institutions or more in the future.

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