

Business Model Design Using Lean Canvas-Based on Culinary and Crafts Startup at Super Priority Tourism Destinations in North Minahasa District

Agustinus Walansendow

Business Administration Dept. Manado State Polytechnic E-mail: walansendowagus@gmail.com

Abstract

This study aimed to determine the application of Lean Canvas to the development of Culinary and Gift & Souvenir SMEs in Likupang as a super priority tourism destination in North Minahasa regency. A startup is an organization designed to find new business models to earn big profits. According to forbes.com, there are 90 % startups failed in their business due to many reasons such as failure in predicting market needs, internal conflicts, running out of funds, team disharmony and poor corporate patterns. A startup is an organization designed to create a product or service under uncertain conditions. Successful startups do not come from successful predecessors but can be learned and can be taught. The purpose of this study was to design a lean canvas business model that is suitable for SMEs in North Minahasa Regency then determine the Canvas Business model map for Culinary SMEs and Souvenir SMEs after that explain the use of the Canvas Business Model for Culinary SMEs and Souvenir SMEs. Culinary SMEs and Souvenir SMEs as one of the pioneers in the food and beverages as well as souvenirs and giveaways offer convenience and provide marketing that has been provided by using Lean Canvas in determining ideas and documentation in stepping and deciding the target market so that it will make SMEs and also customers from these SMEs will get a lot of convenience and save more costs. The application of business models such as Business Model Canvas and Lean Canvas in startups Culinary SMEs and Souvenir SMEs aims to represent the operation of company and it can illustrate the relationship from technology developers that can generate economic value. Lean Canvas is more problem-focused and as a tool for simplifying and documenting business models and measuring progress in the business.

Keywords— Business Model, Lean Canvas, SMEs, Model

INTRODUCTION

Today, the development of startup business in Indonesia is very rapid. The emergence of new startups makes fierce competition in their field. The development of this startup business is supported by the development of the era that is increasingly rapidly developing and becomes very common with the Indonesian people who are also now starting to be difficult to separate from their devices. It increases the demand that all existing facilities are more practical and easy to achieve without leaving the house. In the startup business, many developers have techniques or methods to make their startups sell well and not be easily displaced by other startups. One of the ways to optimize the performance of a startup is to use the canvas model. The Canvas model can provide an overview of the framework that is easier to understand. It is very important for a startup company in developing the products. It is because the model canvas provides a visualization of the business model so that it fits and can meet the targets of the startup company.

LITERATURE REVIEW

The inside-out method of the business model canvas entails investigating chances for innovation by seeing the company through several sorts of ideal business models, or archetypal business models [1] . This Firm Model Canvas also features nine model blocks, each of which defines the link between the blocks. In today's startup, many individuals utilize the Business Model Canvas since it is easier to comprehend and more adaptable in building their business if the business model employed changes. In addition to the traditional Business Model Canvas, there are additional canvas models, such as the Lean Canvas, which has significant distinctions and is focused towards startup development. Even though it is based on the same principles as the traditional Business Model Canvas, there are several changes that startup developers who utilize Lean Canvas to achieve a business goal should be aware of. According to the findings of [2] research, the team is particularly significant for the success of a company, and the quality of human resources, talents, and coding abilities, strongly influences the success of a business. Making an initial hypothesis and then validating it to consumers directly and indirectly are the phases done in the canvas business model (on line). Confirmation is accomplished via testing the problem and the solution on customers and product sales [3]. Figure 1 depicts the nine business components that comprise the business model canvas.



Fig. 1. Business component in business canvas model [4].

The team is crucial in a company; it is the most significant asset. Teams are an important part of every startup. From the perspective of a venture capitalist, the team is the most significant factor in determining whether or not an investor would invest [5]. High business rivalry surely motivates business players to improve productivity and the system they presently have. Business rivalry is becoming increasingly fierce, and every organization must constantly evolve. Creating new strategies is one method utilized by corporations or business players to compete and develop. However, a strong and good business model that is appropriate for the organization is required in addition to the strategy. Business model canvas (BMC) provides advantages in business model analysis, such as being able to figure out the present state of a firm based on consumer categories, value supplied, value offering channels, customer connections, income streams, critical assets, partners, and the cost structure they have [6] According to [7] research, the business model canvas (BMC) comprises 9 (nine) aspects that are crucial in assisting to identify business models for different MSMEs and identifying elements that require change to aid with future company continuity. The business model canvas may also be used to generate new business model concepts.

METHOD

Data collection used a descriptive method with a case study approach. The method used business model canvas approach through interviews and FGD (focus group discussions) conducted on informants. The first step in the canvas business model is to make an initial hypothesis and then confirm it to the consumers directly and indirectly (on line). Confirmation is done by testing the problem and test the solution to consumers and product sales [2]. The business model canvas consists of nine business components among others:

Customer segment (CS). It is to determine the target customer segment of the Food and Souvenir & Gift production to be developed,

Value proposition (VP). It is estimating customer needs that have been identified in the customer segment,

Customer relationship (CR). It defines the relationship between the business sector and customers,

Channel (CH). It is a way to reach customers,

Revenue stream (RS). It is a representation of the money receipt path that will be received from each customer segment.

Key resource (KR). It is the main resource that describes the most important assets needed in creating a business model,

Key activities (KA) are the main activities,

Key partners (KP) are key partnerships that define the network of suppliers and partners,

Cost structure (CR) is a cost structure that describes all costs incurred

The sampling technique used was purposive sampling. The sampling must be based on certain main characteristics of the population, so the sources used were Souvenir & Gift product customers. The direct survey at this stage used 10 potential customer informants to test problems and test solutions. Informants for testing problems and testing solutions consisted of 4 MSMEs and 6 informants from Culinary MSMEs. The data analysis technique used in the Souvenir & Gift business determination plan refers to the theory from Moleong (2012), namely: 1) Collecting all data obtained from various sources through interviews; 2) Data reduction, making abstractions in the form of summaries of the research, processes, and statements essence that are in accordance with the research objectives; 3) Categorization. The researchers are required to compile data into categories based on certain views, opinions or criteria; 4) Checking the validity of the data to show that the contents of the research data are truly original or valid by using triangulation techniques

RESULTS AND DISCUSSION

Collection of Idea of Lean Canvas of Culinary SMEs startup and Gift & Souvenir SMEs

A popular method for generating the ideas is the group brainstorming technique that follows rules. At brainstorming stage, the goal is to collect as many ideas as possible to be applied to the available blocks. After getting an idea, each member will present the ideas collected and put them together. To fill in the available blocks, the team members will write each idea issued into a flipchart or sticky note to document the ideas that have been generated. emerge and can be used as a stimulus for the emergence of other ideas because the more ideas found, the better the determination of block filling.

The Process of Illustrating the Lean Canvas of Culinary SMEs startup and Gift & Souvenir SMEs

The process of illustrating the blocks in Lean Canvas and Business Model Canvas is very similar, there are only differences in some of the titles in the available blocks. This process is carried out twice because before using Lean Canvas it must be developed and accommodate the ideas obtained in determining the ideas of each block in the Business Model Canvas. Some of the changes are described in Figure 2 below:
Fig. 2. Canvas Change (Data processing 2022)

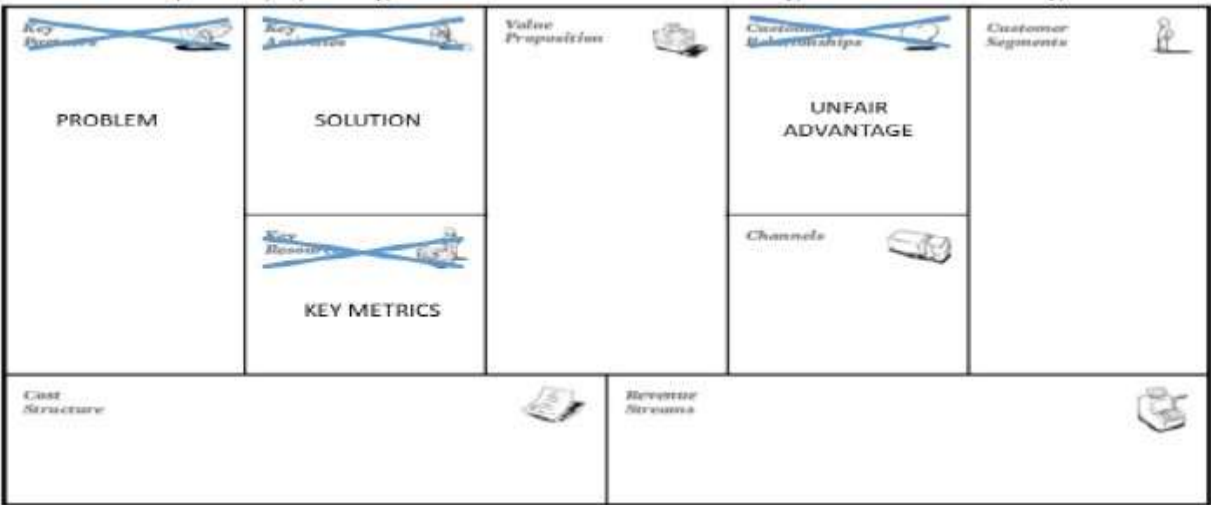


Figure 2 shows the changes in the existing blocks in the Lean Canvas that can be explained in Table 1 below:
Table I. The Change of Business Model Canvas to Lean Canvas

BMC	Description	Lean Canvas	Description
Key partner	As a business development partner	Problem	Problems faced by consumers
Key Activities	As the main activity for the business model to function and operate	Solution	A possible solution to the block problem
Key Resources	Key resources needed to make a business model work	Key Metrics	The main activity that will be used to track solution usage
Customer Relationship	Customer relationship is how a company can establish and maintain the relationship with customers.	Unfair advantage	true advantages cannot be easily copied by competitors

Source : Data processing , 2022

Market Target

The target market is an activity that contains and assesses one or more market segments that a company will enter. If the company wants to determine the market segment it will enter [8]. In ideas development from startups of Food and Souvenir & Give, market determination is carried out to ensure the right marketing on target and in accordance with the ideas in the Customer Segment block. It is important to increase sales and as a measure of the level of success, the main

target of startups for Souvenir & Give SMEs are customers who are in Likupang, the selection of this target market is because Likupang is a super priority tourism destination from 5 priority destinations in Indonesia and it is a natural thing if needed customers evenly, to meet the needs of food and souvenirs. It can be seen from the data that has been obtained where the number of culinary and souvenir SMEs in the Likupang tourist destination area that is limited and can be an opportunity for the target market. Based on the adjustment of ideation in the Lean Canvas block. In the interview stage, it was found that two informants who matched the criteria applied to the purposive sampling technique and worked from different Culinary and Craft SMEs. To validate the ideation at the brainstorming stage to suit the customer, the conclusions can be seen in table II.

Table II; The Summary of interview Results

Question	Purpose	Results
Opinions regarding Culinary and Crafts SMEs management services	To know opinions regarding Culinary and Crafts SMEs management services	Many informants answered that they did not know and doubted the rest, and having an unsatisfactory opinion
Informants' knowledge of Culinary and Craft SMEs management services	To know the informant's knowledge of Culinary and Crafts SMEs management services	Many informants knew about management services, but did not understand. Followed by those who really know and the rest who at least did not know and did not understand
Knowledge of informants related to manual management services	To Know the suitability of the idea in the problem block, from the customer / customer side.	Many informants did not know, then hesitated, the rest knew the service was still manual.
Informants' assessment of the management of Culinary and Crafts SMEs manually and digitally	To Know the suitability of ideas in the solution block.	All informants preferred a digital system
Assessment of the effectiveness of Culinary and Craft SMEs management, between digital/system and manual	To Know the suitability of ideas in the solution block.	Many informants vote systemically, and the rest did not know

Source: Data processing, 2022

From Table II, it is found that the response from the target prospective users regarding the ideation applied to validate the filling of each block in the Lean Canvas, are sufficient in accordance with the problems and solutions offered by Culinary and Crafts SMEs and get some suggestions that are considered important for potential users. To support and strengthen the ideation that has been carried out regarding the available blocks, a questionnaire was also distributed targeted to general users who have the potential to be the customers of Culinary and Crafts SMEs. Table IV shows the conclusions from the results of the questionnaire

Table III. Summary of Questionnaire Results		
Question	Purpose	Results
Opinions regarding Culinary and Crafts SMEs management services	To know opinions regarding Culinary and Crafts SMEs management services	Many informants answered that they did not know and doubted the rest, and having an unsatisfactory opinion
Informants' knowledge of Culinary and Craft SMEs management services	To know the informant's knowledge of Culinary and Crafts SMEs management services	Many informants knew about management services, but did not understand. Followed by those who really know and the rest who at least did not know and did not understand
Knowledge of informants related to manual management services	To Know the suitability of the idea in the problem block, from the customer / customer side.	Many informants did not know, then hesitated, the rest knew the service was still manual.
Informants' assessment of the management of Culinary and Crafts SMEs manually and digitally	To Know the suitability of ideas in the solution block.	All informants preferred a digital system
Assessment of the effectiveness of Culinary and Craft SMEs management, between digital/system and manual	To Know the suitability of ideas in the solution block.	Many informants vote systemically, and the rest did not know

Based on Table IV it is known that many potential users or customers from Culinary and Crafts SMEsdo not know and do not understand the system provided to facilitate services, but all informants chose that if a digital system was provided, it would be more helpful and efficient in management and service. Implementation on Lean Canvas is the stage of implementing the designdescribed previously in the Lean Canvas planning block. The filling is generated from brainstorming and designs that have been prepared previously that is supported by validation at the interview stage with several informants and questionnaires resulting in a design as seen in Table IV

Table IV shows the findings :

Table IV. Design Implementation

Problem	Solution	Unique Value Proportion	Unfair Advantage	Customer Segments
Less efficient customer data	Provide Digital Financial Customer Data Platform that can be easily accessed by customers	Simple design		Culinary and Crafts Customer
Complaints from customers about manual service in the service process		The information system that must be in detail		
Less transaction tracking				
	Key metrics		Channels	
	- Visiting the SMEs Web		Advertisement	
	- Login		Story Telling	
	- Filling service needs		Demo	
Cost Structure			Revenue Streams	
- Promotion			The source of income from the available subscription f	
- Advertising costs				
- Development				
- Maintenance				

Source: Data processing, 2022

Customer Segment

The customer segment targeted by Culinary and Crafts SMEs is tourism due to the large number of Culinary and Crafts SMEs in Indonesia. and Crafts dare to target Culinary and Crafts SMEs as the main target market because there are many available, especially startups who are just starting

out and have not used the system to help the management of Culinary and Crafts SMEs managed.

Problem

In this block, several problems were found as the result of brainstorming stage by distributing online questionnaires to ensure the idea was feasible and in accordance with the problems faced by the customer. The problems are:

Lack of efficient customer data that is strengthened by the results of interviews. Informants gave the opinion with lack of efficiency in management and input and it is an obstacle that must be overcome because it is a problem that affects performance.

Complaints from customers about the manual service process, this problem is reinforced from the results of interviews and questionnaire. Many informants from customers prefer digital services to manuals. 3. Lack of transaction tracking. This problem is strengthened in the interview process where the Informant argued that data input could be done digitally but still inputted by Culinary and Crafts SMEs employees, while for file collection it still used a manual process with the customers had to come directly to provide the files required. It appears that many interview informants and questionnaires prefer to use the system rather than using manuals and assess that using the system can that work easier than manual management.

Solution

The solution block is obtained from the efforts to solve problems faced by customers, then the result is the provision of a customer data platform of digital finance so that it can be accessed easily and applied in the marketing mix stage.

Unique Value Proposition

The Unique Value Proposition is developed from solving problems that occur in the problem block by providing a solution block to achieve or realize the goals or added value possessed by Culinary and Crafts SMEs, namely in this block a Unique Value Proposition was obtained from Culinary and Crafts SMEs.

Channels

Channels are bridges to convey the company value proposition to customers. In this block, Culinary and Crafts SMEs filled it with advertisements, demos and testimonials as a means so that the products delivered to the Customer Segment. Value Proposition owned by Culinary and Crafts SMEs. The filling is based on brainstorming and marketing mix design at the promotion stage by filling out channel blocks, namely:

Advertising is a marketing tool that must be carried out by company in offering its products, in advertising Culinary and Craft SMEs products based on the marketing mix using means in the form of digital promotion, namely by using social media, websites, and relationship marketing.

Demo in marketing strategy, the demo will be given a trial period of one month to try the system developed with limited features. After one month running, if it is interested in extending, the product will be rented out. Testimonials are an effective form of marketing because they use feedback from customers to attract other customers, but there is also a risk that occurs if the customer gives bad

feedback, but behind bad feedback it can make development more focused to solve the problem

Revenue Streams

Revenue Stream compiler is the embodiment of the company success in offering a value proposition to its customers so as to get an advantage. In this block, Culinary and Crafts SMEs were filled in according to a pre-agreed plan and strengthened by the use of the plan at the time of the price marketing mix (Price) based on price comparison. The payment for services is based on a marketing strategy about the price that has been set based on the price of competitors or startupssimilar to Culinary and Crafts SMEs, then it is set for the price of subscriptions or services for Culinary and Crafts SMEs.

Cost Structure

It is proposed to explain the structure of costs incurred to operate the business model, in Culinary and Crafts SMEs that includes:

Promotion. It is one of the elements of the marketing mix in carrying out the strategy, of course, must incur costs such as advertising costs in print media, online media.

Salary, it is certain that a company incurs costs in the payroll of employees who work in the company including salaries in developing systems.

Maintenance, is a cost that must be incurred maintenance including, existing facilities and infrastructure, the cost of maintaining the office or building used.

Key Metrics

Key Metrics function as the main steps or activities that must be carried out in Culinary and Craft SMEs, therefore, several main activities that must be carried out among others :

Visiting the Culinary and Crafts web;

Login to access the features and pages that dMrs put in the system;

Filling the service needs as required. In filling out this block, it is based on the stages carried out so that users can use Culinary and Crafts SMEs.

Unfair Advantage

Unfair Advantage determines the characteristics that is difficult for other companies to imitate. Culinary and Crafts SMEs were new startups to the business because they are still do not know the special characteristics and advantages that other companies really cannot imitate, we will continue to try to fill this block while continuing to develop Culinary and Crafts SMEs so that they become startups that can solve problems and have something that other companies cannot imitate.

The implementing factors of Lean Canvas on Culinary and Craft SMEs startups

The Lean Canvas, along with the Business Model Canvas, are tools used to implement business concepts in a corporation. Lean Canvas also serves as a guide in the processes of establishing a business, and both models will evolve in tandem with the firm or startup that employs them. The focus on identifying challenges and solutions is critical in using Lean Canvas for the development of Culinary and Crafts SMEs. The Lean canvas concept is to eliminate unneeded information and time-consuming processes.

CONCLUSION

The application of Lean Canvas in Culinary and Craft UMKM startup is caused by the idea development. It focuses more on problems, for supporting facilities for startups such as Culinary and Handicraft SMEs so that the development of Culinary and Craft SMEs is in the direction needed by customers. Lean Canvas and Business Model Canvas are the same entity with a different focus and scope. Lean Canvas focuses on problems and some changes in the block such as problems, solutions, key parameters, and competitive values, but it can also be used to measure business risks and uncertainties. The application of Lean Canvas to Culinary and Handicraft SMEs:

Channels of Culinary and Craft SMEs are advertisements, demos and testimonials.

Cost Structure of Culinary and Craft SMEs consists of promotion, salary, and maintenance.

Customer Segment is Culinary and Craft SMEs

The key metric of the Culinary and Craft SMEs is visiting the Culinary and Craft UMKM web, logging in, and filling out service needs.

The Problems from the Customer Segment analyzed are less efficient customer data collection, manual service, and difficulties in tracking transactions.

Revenue Stream from Culinary and Craft SMEs is a subscription

The solution offered by Culinary and Craft SMEs to solve problem blocks is to provide an easy to access digital management platform for Culinary and Craft SMEs.

Unique Value Proposition of Culinary and Craft SMEs is a simple design system, detailed and informative information to facilitate the management of Culinary and Craft SMEs.

Lean Canvas and Business Model Canvas will continue to grow and can change following the startup development. The application of Lean Canvas in the development of Culinary and Craft UMKM startups obtained several suggestions with key point

It is important and needs the special attention to the problem block because it is one of the most important blocks in conformity with customers.

It is important and needs to be considered that using Lean Canvas and Business Model Canvas simultaneously because it is not necessarily the same block and does not change the purpose and content will remain the same.

For the use of Lean Canvas and Business Model Canvas, it needs more attention because the usage depends on the suitable scope and needs

References

- A. Joyce and P.L Raymond. “The Triple Layered Business Model Canvas: A Tool to Design More Sustainable Business Models.” *Journal of Cleaner Production* 135:1474–86. doi: 10.1016/j.jclepro.2016.06.067. 2016.
- B. M.A. Jaya, F. Ridi and F. Silmi. “Analisis Faktor Keberhasilan Startup Digital Di Yogyakarta”
C. . 2017
- D. S. Blank and B. Dorf. *The startup owner's manual: The step-by-step guide for building a great company*. BookBaby, 278-288. 2012.
 - a. Osterwalder, et.al. *Business Model Generation* John Wiley & Sons, Inc., , Terjemahan Sihandri, N.R, PT.Elex Media Komputindo, 2012
- E. Uzzaman. *Startup Pedia*, Jakarta: Bentang Pustaka. 2015.
- F. Rainaldo M., Wibawa, B.M., Rahmawati, Y. 2017. Analisis business model canvas pada operator jasa online ride-sharing (Studi kasus Uber di Indonesia). *Jurnal Sains dan Seni ITS*, 6 (2): 235-239.
- G. S. Euis, S. Hubeis, and A. Maulana. Analisis model bisnis pada KNM fish farm dengan pendekatan business model canvas (BMC). *Jurnal Sosek KP*, 9 (2): 185-194. 2014.