



Implementation of the Business Model Canvas (BMC) and Projection of Financial Analysis as a Solution for the Continuity of Home Industry Activities

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Abstract—In the midst of very tight similar business competition, a business is expected to be able to meet market desires. When opening a new business, of course, an entrepreneur needs careful calculations and proper market analysis. This study aims to analyze the implementation of the Business Model Canvas (BMC) and projection of financial analysis as a solution for the continuity of home industry activities. The method used in analyzing the data is the Internal Rate of Return (IRR) and Net Present Value (NPV). The result of this study showed that with the Business Model Canvas (BMC) analysis, Freshy Salad Bali can find out how a business model in developing strategies in achieving company goals. There are 9 elements of the Business Model Canvas described below. The business feasibility proposal based on the projected financial analysis in this study obtained positive NPV results of Rp. 91,505,796 and a value and IRR greater than WACC, namely with a value of 64% which can be concluded that the Freshy Salad Bali business is feasible to run. The company hopes that this "Freshy Salad Bali" business can raise the spirit of entrepreneurship for the Indonesian people, especially the younger generation of Indonesia, because if a country has many entrepreneurs, the country's economy will undoubtedly grow rapidly.

Keywords: Business model canvas; business feasibility; financial analysis projection; home industry

I. INTRODUCTION

The Covid-19 pandemic, which has hit the entire world community for the past two years, has resulted in many changes. One of them is in the activities of people who used to only rely on their main job to survive, then opened a home industry as an activity to increase income. This activity is in great demand in addition to increasing income, it can also channel hobbies that are owned which can actually increase income and help the family's economy.

Opening a new business is not an easy thing, it needs a lot of careful calculations and proper market analysis. If MSMEs that have been established for decades can go out of business due to the impact of the pandemic,

especially the fate of home industry business actors who are in the low-class category in the future (Diana & Laila, 2020). According to Law No. 3 of 2014 concerning Industry, generally home industries fall into the category of the informal sector that produces goods or services uniquely and creatively and prioritizes local wisdom (Law No. 3 of 2014). Small businesses that are run at home have the same goal as an already large business, which is to obtain maximum profits at the most efficient sacrifice possible (Sari, 2019).

When opening a new business, of course, an entrepreneur has the goal of making a profit and thinking about the period of return of the initial capital invested in the business so that before the business is run it will really be able to return the money invested and provide the

expected financial return (Dewobroto, 2012a). One of the strategies for strengthening the business so that the business can be sustainable is by conducting a business feasibility analysis and planning a directed business strategy so that it becomes the basis for making the right business decisions (Nainggolan, 2017).

Freshy Salad Bali is one of the home industries engaged in processing fruits into fruit salads that are ready to be consumed by the community as a healthy lifestyle choice for all people who are now aware of the importance of a healthy life who do not want to bother cutting and peeling their own fruit at home. This fruit salad business is not just a fruit salad but a company that makes and sells fruit salads with the concept of "can choose by yourself", where consumers can choose what fruit they want. As can be found in fruit salad shops in the Denpasar area that sell ready-made ones and consumers cannot choose what fruit they like. Sometimes there are some people who do not like certain fruits. In this way, companies can attract more consumers with a wider market reach.

Adwiyah (2021) conducted a study that analyze the business plan using Business Model Canvas (BMC) on the modern fish market in Bandung Regency, Jawa Barat. The study result of Adwiyah (2021) showed that from the BMC analysis, Sabulungan modern fish market has a value proportion, namely prioritizing hygienic production without using chemicals to preserve fish. In addition, Widyastutik et al. (2021) also conducted a similar study that analyzed the development of a rattan handicraft business model in peatlands and the evaluation of the rattan handicraft business in peatlands. The study results of Widyastutik et al. (2021) indicated that based on the analysis, 9 elements of the canvas business were identified as several critical points in the existing canvas business model of rattan MSMEs in Pulang Pisau Regency. Some of these critical points include: [a] technical aspects of improving skills, especially making up-to-date rattan handicraft designs which still need guidance, [c] access and market reach that are still not broad, (d) difficulties in access to banks (e) constraints on export procedures, (f) ability to do branding. The business valuation shows a positive Net Present Value which indicates that this business has a significant economic impact with a high positive value. IRR has a value greater than the rate of return, Net B/C above 1 and a payback period that is less than the life of the project (assuming the project life is 5 years).

The purpose of this study is to answer the problems faced by Freshy Salad Bali through a business canvas model and business feasibility study based on financial analysis projections, consisting of Net Present Value (NPV) and Internal Rate of Return (IRR) values. By comparing income and expenses such as capital, availability of funds and the ability of the business to repay the capital within a predetermined period of time to assess whether the business can develop and sustain (Saptopriyono, 2020). Therefore, this study aims to analyze the implementation of the Business Model Canvas (BMC) and the projection of financial analysis as a solution for the continuity of home industry activities.

II. CONCEPT AND HYPOTHESIS

Business Model Canvas (BMC)

Business Model Canvas is a business model that provides an overview of how an organization or company creates, delivers, and captures value (Osterwalder & Pigneur, 2010). Business Model Canvas is one of the models that companies can use to support strategy development, especially in the industrial sector (Fitriani et al., 2020). This BMC is visualized in 1 page in which there are 9 important components that can be described as follows:

Customer Segments (CS), that is, classifying the target consumers that the company will set. In determining a better target consumer, companies should group segments based on consumer behaviour, consumer needs and others. So, with this grouping, companies can make decisions about which segments are viewed and served and which segments need to be ignored

Value Proposition (VP), that is, solving consumer problems or satisfying consumer needs or in other words, the company knows how its business benefits its consumers by describing the advantages offered by the products or services sold to its consumers.

Channels (CH), is an intermediary medium between the company and consumers in distributing information about the advantages of the product or service that has been made.

Customer Relationship (CR), is how companies interact and keep consumers from becoming repeat customers and not turning to competitors.

Revenue Streams (RS), that is, describing the source of income derived from the company's business activities. Companies must

know what more value a product or service has that consumers are willing to pay for. So thus, the source of income can be achieved through each target consumer.

Key Resources (KR), is a resource that a company has and needs to stay competitive in doing business. Resources can be physical, financial, intellectual and human resources

Key Activities (KA), that is, the main activities carried out by companies that operate successfully in accordance with market demand

Key Partnership (KP), that is, networks related to the company for example raw material suppliers and cooperating partners. This element discusses the resources outside the company that are needed to achieve key activities in conveying the value proposition to the customer

Cost Structure (CS), that is, all financing related to business activities. Creating and delivering company value, and maintaining good consumer relationships costs money. Business expenses can be calculated easily after classifying key resources, key activists and key partnerships.



Figure 1. Business Model Canvas

Source: Business Model Generation page 44

Financial Analysis Projections

Financial analysis is an estimate of investment costs, operating costs, working capital, maintenance, and income estimates and displays the calculation of net present value (NPV) and Internal Rate of Return (IRR), profit and loss projections, cash flow projections and business impacts on the community's economy (Dewobroto, 2012). After the business model canvas is created, then a financial analysis projection can be made of Jesus (2012). The type of business that is established has an effect on financial analysis because different types of business will be different in the calculation of financial feasibility analysis, especially for businesses

that are still new. In Kusuma & Mayasti (2014), business model canvas, there are two elements used to make financial analysis projections, namely revenue stream and cost structure so that businesses can maximize the profits obtained (Prameswari & Nurhidayah, 2020).

III. METHOD

This study examines two sub-sections, namely the first study of the Business Model Canvas of the fruit salad business and the second looking at the feasibility of the business in terms of finance, namely on the revenue stream and cost structure on the Business Model Canvas that has been made previously. The method used in analyzing the data is the Internal Rate of Return (IRR) and Net Present Value (NPV).

IV. RESULT AND DISCUSSION

Business Model Canvas (BMC)

In making this business strategy, an analysis is carried out first on the Freshy Salad Bali business which can be explained respectively in each element below:

Customer Segment (CS)

Freshy Salad Bali is a business engaged in healthy culinary so for the target consumers are all circles of society, especially people who are dieting.

Value Proposition (VP)

The more value offered by Freshy Salad Bali is as a producer of healthy snacks that are attractively packaged in the form of fruit salads and consumers can choose for themselves the fruit to be used as a fruit salad according to their individual tastes.

Channels (CH)

In conveying information about products to consumers, Freshy Salad Bali uses social media in the form of Instagram, Tiktok, Facebook and Whatsapp. In addition, it also uses food delivery applications, namely Gojek, Grab and ShopeeFood.

Customer Relationship (CR)

To maintain a good relationship with old and new consumers, Freshy Salad Bali offers discounts on certain days such as Mother's Day, Galungan and Kuningan Holidays, 12.12 events, and others. In addition, it also holds a giveaway with attractive prizes for those who follow it.

Revenue Streams (RS)

The source of income for this business is all the proceeds from the sale of fruit salads and there are sales of other products such as vegetable salads, fruit juices, fruit and vegetable chips, and others

Key Resources (KR)

The resources that support this business are main ones are skills/abilities in producing fruit salads and serving consumers, human resources in the form of employees and raw materials for making fruit salads

Key Activities (KA)

The main activity of this business is to create processed fruits with delicious taste, selling at affordable prices to all circles of society and consumer-friendly, fast and satisfying.

Key Partnership (KP)

This business is supported by local fruit farmers, imported fruit suppliers, suppliers of food packaging and raw materials as well as celebgrams/influencers in introducing and disseminating information about the products sold

Cost Structure (CS)

Expenses in this business in the form of raw materials and local fruits and fresh imports, employee salaries, product processing processes, marketing costs, packaging and packaging costs

Here is the business model canvas of Freshy Salad Bali:

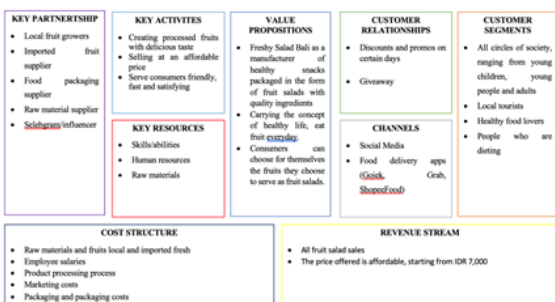


Figure 2. Business Model Canvas Freshy Salad Bali
Source: Data Processed

Financial Analysis Projections

In analyzing the financial feasibility of Freshy Salad Bali, the author will first calculate the need and use of funds and income statement then after that the financial analysis projections are measured using the Net Present Value and Payback Period methods.

The need and use of funds

To meet business needs, this business uses its own capital and the funds are allocated to meet all fund needs for all activities, amounting to RP 54,617,000

Projected profit

The following author compiles a monthly income statement of Freshy Salad Bali

Table 1. Profit/Loss Statement Plan Freshy Salad Bali

Information	per month
Sales percup@15,000	90,000,000
HPP	48,000,000
Gross Profit	42,000,000
Operating Expenses:	
salary burden	2,400,000
depreciation costs	
	775,330
electricity costs	200,000
The cost of generator fuel	1,248,000
Promotion Costs	2,000,000
miscellaneous costs	1,000,000
amount of operating costs	7,623,330
Profit before interest and taxes	34,376,670
0.5% tax	171,883
Net profit	34,204,787

Source: Data Processed
Information:

The table above shows the Profit / Loss plan targeted by this business per month with a production target of 6000 cups of fruit salad per month with a target of increasing production every month by 2-5%. Miscellaneous costs can be venue permit fees/security fees, and other incidental charges.

Table 2. Profit/Loss Statement Freshy Salad Bali

KETERANGAN	Bulan 182	Bulan 184	Bulan 186	Bulan 188	Bulan 190	Bulan 192	Total
penjualan	90,000,000	91,800,000	93,636,000	96,445,080	100,303,893	105,318,027	577,501,999
HPP	48,000,000	48,960,000	49,936,200	51,437,376	53,494,871	56,169,635	308,001,062
Labas Kotor	42,000,000	42,840,000	43,699,800	45,007,704	46,809,022	49,148,392	269,500,937
biaya operasional:							
biaya gaji	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	14,400,000
biaya depresiasi	775,330	775,330	775,330	775,330	775,330	775,330	4,651,980
biaya listrik	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
biaya bahan bakar generator	1,248,000	1,248,000	1,248,000	1,248,000	1,248,000	1,248,000	7,488,000
biaya promosi	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000
biaya lain lain	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Total Biaya Operasional	7,623,330	7,623,330	7,623,330	7,623,330	7,623,330	7,623,330	45,738,980
EBT	34,376,670	35,064,203	35,765,487	36,838,412	38,311,989	40,227,589	220,584,989
Pajak	171,883	4,128,637	4,291,275	4,420,566	4,597,835	4,827,308	22,456,105
EBT	34,204,787	30,935,566	31,474,212	32,417,846	33,714,154	35,400,281	198,128,884

Source: Data Processed

Financial Analysis Projections

To ascertain whether a business is worth continuing or not needs to be financed, it is very much dependent on the future prospects of the business. The future of business no one can be sure of, but the future can only be estimated. To estimate the future, what needs to be considered is in determining various realistic assumptions, both assumptions about market conditions, technical aspects and other aspects. After the assumptions based on current experience have been established, the

next step is to analyze the financial aspect.

The method used here is the Internal Rate of Return (IRR), which is a method of calculating investment calculations by calculating the interest rate that equates the present value of the investment with the present value of net cash receipts in the future. IRR has a function that is to measure the rate of return on investment which states if operational activities in any form can be evaluated at the rate of return accurately. When a new business is built, capital is needed to develop the business. Funding a new business can be said to be efficient if the capital structure set is optimal which can be interpreted as a capital structure that minimizes the weighted average cost of capital (WACC) (Wananda et al. 2021).

Another method used is Net Present Value (NPV) is a method that is carried out by comparing the present value of net cash inflows (proceeds) with the present value of the cost of spending an investment (outlays).

The following is a calculation using NPV and IRR:

Table 3. NPV & IRR Freshy Salad Bali

Total cashflows	-54,617,000	35,152,000	37,912,000	36,887,200	38,160,856	39,960,058	42,300,415
NPV	91,505,796						
IRR	64%						

Source: Data Processed

In the NPV calculation above, you get Rp. 91,505,796 which is a positive result and it can be concluded that this business is feasible because the PV is positive Rp. 91,505,796.

In addition, the number of IRRs above is 64%, which is greater than WACC: 14% which means that this business is feasible to run.

V. CONCLUSION

The "Freshy Salad Bali" business can be concluded that this business is feasible to run based on positive NPV results of 91, 505,796 and an IRR greater than WACC with a value of 64%. Although it is a new business, but with its own characteristics, namely displaying fruits in stores so that consumers can choose for themselves the desired fruit and the company's products that are refreshing and healthy, the company hopes that the company's products can become a mainstay and can compete with other products, especially fruit salad products that have been circulating in the community. The company has high hopes for this business so that it can be known to the wider community and many enthusiasts. With the advantages that the company has, namely

the company's raw materials consisting of fresh, quality and healthy fruits, the company believes that the purpose of this business besides making a profit, namely to meet the needs of a healthy lifestyle for each community is met. The company hopes that this "Freshy Salad Bali" business can raise the spirit of entrepreneurship among the Indonesian people, especially the younger generation of Indonesia because if a country has many entrepreneurs, the country's economy will undoubtedly grow rapidly. In addition, with this business profit, it is hoped that it can help the capital of the "Freshy Salad Bali" business in the future.

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