ANALYSIS OF THE BUSINESS DEVELOPMENT PLAN FOR GAMBIR PRODUCTS USING THE CANVAS MODEL

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Abstract The purpose of this study is to analyze the design of gambir product business development using the canvas model, with a focus on identifying and analyzing the main components in the canvas business model that can be applied to the development of gambir product business, formulating appropriate business development strategies to increase the competitiveness of gambir products in the market and providing recommendations for sustainable gambir product business development based on canvas business model analysis. This study uses a qualitative descriptive research method that is used so that researchers can explain more deeply and comprehensively about the description of the case that occurred in the field. Data collection methods by observation, interviews and documentation of gambir product business research in Bongkaras village, Silima Pungga-Pungga district, Dairi district, North Sumatra Province. The results of the Gambir product business research in Bongkaras village were found to have covered all the key elements of the Business Model Canvas (BMC) to increase competitiveness. However, additions were made for improvements to several elements of the Canvas Model such as Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure

Keywords: business development; gambir, Canvas Model.

INTRODUCTION

This gambir latex primarily contains catechin compounds that are highly needed in the pharmaceutical, cosmetic, batik, paint, and other industries. According to Zebua, the main functional compound expected from gambir is catechin [1]. Other uses include chewing, leather tanning, and dyeing. The use as a medicine is primarily for diarrhea, dysentery, burn treatment, and oral thrush. Indonesia is a country rich in agriculture, with abundant natural resources and a highly skilled workforce, and it is one of the largest agricultural producers in the world. With the fertile land in Indonesia, there are many different types of agricultural crops, one of which is Gambir farming. According to the Coordinating Ministry for Economic Affairs of the Republic of Indonesia in 2021, Indonesia is the supplier of 80% of gambir commodities in the global market, making Indonesia the largest producer of gambir in the world [2]. rural residents who are still living below the poverty line. The agricultural sector has become a reliable priority in the recovery of the economy, both at the regional and national levels. One of the leading and main commodities from the plantations in Dairi Regency is the gambir plant (Uncaria gambir Roxb). Gambir is a dry extract taken from the leaves and branches of the plant known as Uncaria gambir (hunter) Roxb, a plantation crop that is widely obtained through community plantations as a daily livelihood. According to [3], Gambir can be harvested

well after 2.5 years, with a frequency of 2 to 3 times a year, and remains productive until the age of 20 years or more.

According to research [4], the issue faced by Gambir farmers is their dependence on middlemen, so the strategy recommended in this study is a cluster and partnership approach. According to research [5], ambir farmers have not maximized their management of gambir; they sell it directly in the form of "raw gambir" and there are no product variations. The research produced recommendations for development strategies in gambir businesses using the SWOT method, with results derived from the SWOT approach. Additionally, gambir farmers are still receiving low prices, so this research requires strategies to enhance gambir enterprises. This study employs the SWOT approach to determine the appropriate strategies. The difference between those studies and the author's research is that this study determines the strategy using the Business Model Canvas approach. According to [6], business development is a vital process in enhancing a company's performance and profitability. It involves a thorough analysis of the business environment, a deep understanding of customer needs, and innovation in products or services. By utilizing effective marketing strategies and expanding partnership networks, companies can identify and pursue new business opportunities. According to [7], business planning and development strategies are defined as activities aimed at improving the

performance and profitability of the company. This involves the analysis of technology and innovation.

The Business Model Canvas (BMC) is one of the most popular business models used today. The Business Model Canvas is depicted through nine basic building blocks that illustrate the logic of how a company intends to generate revenue. These nine blocks encompass four main business areas: customers, offerings, infrastructure, and financial viability [8]. ccording to Rainaldo, as cited by [9], the Business Model Canvas (BMC) has advantages in business model analysis, as it can simply and comprehensively represent the current condition of a company based on consumer segments, the value offered, value proposition channels, customer relationships, revenue streams, key assets, partnerships, and the cost structure.

Key Partnership	Key Activities	Value propositions	Costomer relationship	Customer segment
	Key Resources		Channels	
Cost Structure			Revenue streams	

Figure 1 Business Model Canvas Framework

However, the gambir industry still faces several challenges; the main issues in gambir farming to this day are the low production and quality. In addition, the quality of the results and the products is not uniform. The low quality of the products is due to the simple processing methods, a lack of attention to cleanliness, and the inefficiency of the processing, as well as the low levels of catechu tannate. In addition, to increase the quantity of the yield, a mixture of soil and bran is often added, which results in a decrease in quality and purity. Therefore, further analysis and more effective strategies are needed to enhance competitiveness and develop the gambir business. One approach that can be used is the Canvas Model, which allows for a more systematic and effective analysis and design of businesses. The Canvas Model is a tool used to analyze and design businesses, enabling the examination of fundamental business elements such as customer segments, value proposition, channels, and more. By using the Canvas Model, gambir businesses can enhance their competitiveness and develop more effective strategies to increase revenue and customer loyalty.

The utilization of gambir in Indonesian society is very diverse, both as a leather tanner, textile dye, raw material for medicine, and as an ingredient for betel chewing [1] Gambir can also be found in almost all provinces on the island of Sumatra. It is an important plant in North Sumatra, and one of the main production centers of gambir in Indonesia is North Sumatra. According to BPS data from 2021, the area of gambir cultivation in North Sumatra is 1,661 hectares, with a production of 1,634 tons. Gambir cultivation in Dairi is a tradition that has been passed down through generations and continues to grow. According to BPS data from North Sumatra in 2021, the area of community gambir cultivation in this region is still much lower compared to Lima Puluh Kota Regency in West Sumatra, which reached over 17,536 hectares in 2022, and slightly lower than Pak Pak Bharat Regency, which directly borders Dairi and reached 1,156 hectares in 2021. However, in the last five years, there has been an increase in the area of gambir cultivation in Dairi, which has reached 471 hectares in 2021. This happens because the prices are favorable for the community compared to other agricultural products that require months to harvest, as well as the fertility of the soil and the supportive climate.

RESEARCH METHODS

This research uses a qualitative descriptive approach. According to Sugiyono in [10] qualitative research is a method used in natural conditions, with the researcher acting as the primary tool for data collection. Writing an article using an inductive approach by combining field data collection to obtain grounded theory and prioritizing the understanding of meaning to produce the theory used. The nature of the research is explanatory and is a field study conducted in Bongkaras Village, Silima Pungga-Pungga District, Dairi Regency, North Sumatra. The data sources in this research consist of primary data, which includes interviews and observations, and secondary data, which includes literature studies and documentation. The population in this study consists of gambir farmers in Bongkaras Village, Silima Pungga-Pungga District, Dairi Regency, North Sumatra Province. From that population, a sample was taken from the "Sada Ukur" Farmers Group, which is considered representative of the gambir farmers in Bongkaras Village. The Sada Ukur farmer group consists of fifty (50) members and is led by Mr. Kombih Sitakar. This farmer group is the most active and has the largest number of members compared to other farmer groups. The Sada Ukur farmer group also frequently engages in discussions about the issues that arise, ensuring that communication remains strong, which is one of the potentials for the advancement of gambir farmers. Data analysis consists of data reduction, data presentation, and drawing conclusions. The analytical technique used is the BMC. Osterwalder and Pigneur in [11], state that the Business Model Canvas is a visual graphic template in the form of a table that includes nine building blocks designed to develop innovative businesses. These nine basic elements encompass four main areas of business: customers, offerings, infrastructure, and financial viability.

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RESULTS AND DISCUSSION

A. Existing Conditions of the Business Model Canvas for Gambir Products in Bongkaras Village

Mapping of the 9 (Nine) elements of the BMC was carried out based on the results of observations and interviews that have been conducted. An interview regarding the Gambir product BMC was conducted with the SADA UKUR Farmers Group, which consists of 50 farmers considered to represent Gambir farmers. Here is the identification of the business model for the gambir product from Bongkaras Village as shown in Figure 2.

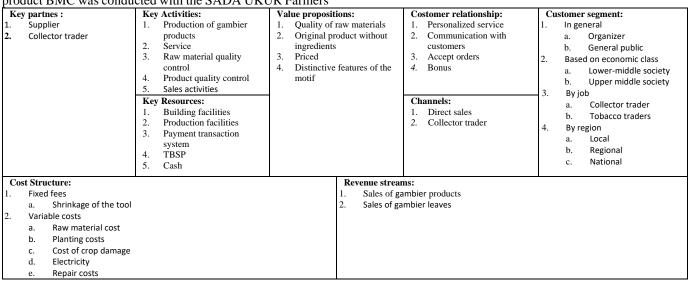


Figure 2. Existing Conditions of the Business Model Canvas for Gambir Products from Bongkaras Village

a) Customer segment

It has been identified that the customer segments consist of (1) distributors, general public; (2) lower-middle-class, upper-middle-class society; (3) collecting traders, tobacco traders; and (4) local, regional, and national.

b) Value propositions

The value or advantages offered by the Gambir Desa Bongkaras product business to its customer segment are (1) quality of raw materials; (2) authentic products without additives; (3) affordable prices; and (4) distinctive patterns.

c) Channel

The channels used by the gambir product business in Bongkaras village as a means of communication to convey value propositions to the customer segment are through traditional methods only, namely (1) Direct Sales at the market; and (2) selling to Collecting Traders.

d) Customer Relationship

The way the gambir product business in Bongkaras village has built and maintained relationships with its customers so far is by implementing (1) direct personal service; (2) always communicating with customers; (3) not disappointing customers by accepting their desired orders; and (4) providing additional product bonuses to customers.

e) Revenue Streams

The sources of income or revenue streams received by the gambir product business in Bongkaras village so far come from (1) sales of gambir products; and (2) sales of gambir leaves.

f) Key Resources

The main resources that support the operational business of gambir products from Bongkaras village are divided into several categories, including physical assets, human resources, and financial resources. The physical assets of the gambir product business consist of (1) building facilities; (2) production facilities; (3) payment transaction systems. Human resources consist of (4) farmers. And the financial resources available include (5) cash.

g) Key Activities

Key activities or the most important things carried out in the operational business of gambir products from Bongkaras village include (1) production of gambir products; (2) service to the customer segment as a form of service; (3) controlling the quality of raw materials; (4) controlling the quality of products; and (5) sales activities.

h) Key Partnerships

So far, the gambir product business in Bongkaras village has established partnerships with two (2) partners in



running its business, namely (1) suppliers; and (2) collecting traders.

i) Cost Structure

The cost structure required and incurred by the gambir product business in Bongkaras village in running its operations is divided into two categories: fixed costs and variable costs. (1) Fixed costs consist of equipment depreciation and seed depreciation; (2) Variable costs include raw material costs, electricity, food, and repair costs.

B. Proposal for Improvement of the Business Model Canvas for Gambir Products in Bongkaras Village

Identifying the BMC based on the situation and conditions of the gambir product business is very important to do first in order to understand the condition of each element of the business model blocks. After that, it will be very easy and clear to identify if there are any business model blocks that need improvement. The results of the formulation of the improved BMC can be seen in Figure 3 as follows.

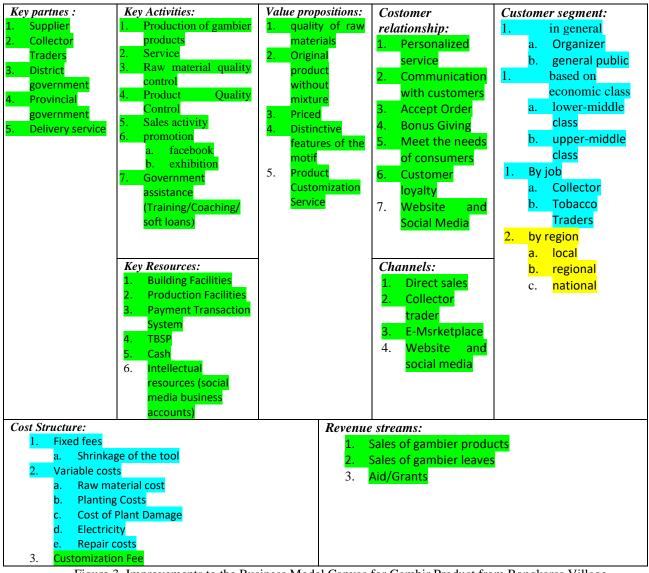


Figure 3. Improvements to the Business Model Canvas for Gambir Product from Bongkaras Village Color description: (created, enhanced, maintained)

a. Customer Segment

According to [12], a customer segment describes a group of people or organizations that are the target audience being reached or served. Starting from that, the proposal for the Business Model Canvas of the

Gambir product from Bongkaras village is to maintain the customer segments that have been reached and to expand customer segments based on region.

b. Value Propositions

- c. Value propositions are the values found in the products offered to customers. Value propositions represent the uniqueness of a product, which is why it is chosen by customers [13]. Based on that thinking, the proposal for the Business Model Canvas for the gambir product from Bongkaras village is to maintain the original product without any mixtures and at an affordable price. Then a product customization service was created. To support the strength of those values, the quality of raw materials and the distinctive characteristics of the motifs must be further improved.
- d. Channels

Channels are customer touchpoints that have a significant influence on product selection decisions. The importance of the channel has prompted the proposal of a Business Model Canvas for the Gambir village of Bongkaras to sustain the existing channels. According to [14] the demand for digital transactions, including digital payments and electronic health services such as online training courses and virtual doctor consultations, continues to rise. This is in line with the creation of E-Marketplaces and online sales to attract consumers from outside the regions that have been reached so far. The utilization of information technology will help increase sales revenue, as the interest in online purchasing is currently on the rise. According to D. Rahmi and Aditya in the article [15], Online media encourages consumers to shop more frequently and boosts product sales. Digital marketing can reach the entire community wherever they are without any geographical or temporal limitations.

e. Customer Relationship

Customer relationships describe the various types of connections that a company builds with specific customer segments. A company must clarify the type of relationship it wants to establish with its customer segments [16]. This encourages the proposal of the Business Model Canvas for the Gambir product from Bongkaras village to maintain the existing customer relationship and enhance personal services. BMC for the Gambir product from Bongkaras village also creates fulfillment of consumer desires, ensuring customer loyalty to the Gambir product, and maintaining ongoing connections through online communication.

f. Revenue Streams

The proposed Business Model Canvas for the Gambir product from Bongkaras Village is to maintain the existing revenue streams. Also propose grant or assistance funds as part of the revenue streams that can be utilized to support activities aimed at enhancing revenue streams in a business, such as investment in product or service development, financing operational activities, and developing infrastructure and capacity.

g. Key Resources

Key Resources explain the most important assets of the company that are necessary for the business model to function effectively [17]. The proposal for the Business Model Canvas for the Gambir product from Bongkaras Village is to enhance the existing key resources. Overall, the production activities and sales locations are owned, which minimizes costs since there are no rental expenses. The Business Model Canvas also creates intellectual resources that can provide significant benefits such as knowledge and expertise, data and information, as well as networks and relationships.

h. Key activities

Key activities are all the activities carried out by all departments within the company to conduct business operations so that the company can profit from the ongoing activities [18]. he proposed Business Model Canvas aims to enhance the existing Key activities that have been implemented. The Business Model Canvas also creates promotions through owned social media and booths at cultural exhibitions, as well as government assistance in the form of training, mentoring, and soft loans. According to [19], social media plays a valuable role in fostering social relationships. This simplifies various activities of society and also leads to the emergence of new patterns in communication and interaction.

i. Key partnerships

The Business Model Canvas in this block indicates that the existing Key partnerships need to be enhanced. According to Osterwalder and Pigneur in the book [20], companies form alliances or collaborations for various reasons. Typically, companies create strategies to optimize their business, reduce the occurrence of risks, and maintain a high level of competitiveness against their rivals.According to [21], companies form alliances or collaborations for various reasons. Typically, companies create strategies to optimize their business, reduce the occurrence of risks, and maintain a high level of competitiveness against their rivals.According to [21], companies form alliances or collaborations for various reasons.

j. Cost structure

According to the opinion of [22], Cost Structure is the component of operational costs that organizations or companies use to realize the value they provide to customers. The business model in this segment is that the existing cost structure must be maintained. Then a customization fee was created.

C. Challenges and Solutions in the Analysis of Business Development Design for Gambir Products

The solution is to establish farmer institutions. The challenge in developing the Gambir Product Business is the long supply chain, where gambir must go through a lengthy



trade chain before reaching the hands of exporters. This causes the economic value of gambir to not be enjoyed by gambir farmers, but rather by traders at various levels in the trade chain. Then, the gambir product is still very minimally absorbed by the domestic market because there are few domestic users who utilize gambir as a raw material for their products. This has resulted in the domestic gambir market not developing. Then, gambir farmers often depend on collectors/moneylenders to finance the processing of gambir,

I. CONCLUSIONS

From the research and analysis conducted on the business model of gambir products in Bongkaras Village using the Business Model Canvas approach, the mapping of the current business conditions of gambir products in Bongkaras Village has covered all key elements of the Business Model Canvas to enhance competitiveness. Improvements were also made to several elements, such as the Value Propositions element, by introducing product customization services. The recommended improvement elements for Channels include the utilization of E-Marketplaces and the use of websites and social media. The customer relationships element focuses on creating services to meet consumer desires, using websites and social media as efforts to maintain and nurture relationships with customer segments, as well as to gain customer loyalty. In the Revenue Streams element, the improvement consists solely of government assistance/grants to ensure that gambir production or agriculture receives more attention, making it easier for the community to enhance production. The Key Resources element has improvements in the scope of intellectual resources. In the key activities element, the improvements include promoting on social media and setting up stands at each cultural exhibition, as well as government assistance in the form of training, guidance, and soft loans for proper and good gambir production. For the key partnerships element, the improvement is to establish cooperation with the district government, provincial government, and shipping services for the delivery of products from out-of-area orders. And in the cost structure element, the improvement recommendations only cover the costs of product customization.

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so the gambir produced must be sold to those lenders at a price below the market rate.

Strong gambir can improve the quality of gambir and cut the marketing chain. This institution can take the form of a cooperative or other business entities that will enhance the bargaining position of farmers. Then develop the domestic market to absorb gambir production and increase farmers' income. Then using gambir as a raw material in local industries such as pharmaceuticals, cosmetics, and so on.

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