Business Model Development Using Lean Canvas Within Design Thinking Method at PT. Sumber Pangan Jaya

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Abstract. PT. Sumber Pangan Jaya is a sausage producing company. Based on the results of observations and interviews found a problem in the form of a decrease in sales of the company’s sausage products, therefore, the company needs a new business model that is expected to increase company sales and provide new innovations that are adaptive to pandemic conditions.

The business model design methods include Design Thinking, Empathy Map, Lean Canvas, Value Proposition Canvas, Blue Ocean Strategy, and Marketing Mix 4P as well as Breakeven point calculation. The study begins with knowing the consumer’s desires for sausage products, namely healthy sausage products without the addition of preservatives, dyes without the addition of preservatives, dyes, and MSG at an affordable price and easy to obtain. From the Value Proposition Canvas, the results provide healthy sausages that are practical and at affordable prices and are easy to find by selling using carts. At the Prototype stage using Lean Canvas. Based on the Blue Ocean Strategy analysis, it was found that the differentiating factors between Yamaso’s products and competitors in the cart sausage seller market. In the calculation of Breakeven Point units per year, the figure is of 4,715 units and the Rupiah breakeven point per year is Rp. 51,869,670. Finally, the 4P marketing Mix was also carried out to determine market penetration steps for Yamaso products.

Keywords: Design Thinking · Lean Canvas · Blue Ocean Strategy · Breakeven Point · Marketing Mix 4P

1 Introduction

During Covid-19 pandemic, there are many obstacles faced by small, medium and large-sized companies in ensuring the continuity of their business. Every company must be able to find the most effective and efficient way to adapt quickly and survive.

Likewise with PT. Sumber Pangan Jaya is a company that sells frozen food products under the Bulaf brand. This Bulaf product has been running for 12 years. They didn’t experience a significant increase, in fact, there was a decrease in the number of sales of...
sausage products by 25%, so they want to develop additional adaptive business models by maintaining the old business model so as to increase sales.

Business model development for PT. Sumber Pangan Jaya is also needed to find new revenue streams or new sources of income. One way to increase the income is by launching new products and channels that can expand new markets.

So, this research was designed to get additional business model development from the current one that can increase company sales with new adaptive innovations.

2 Theoretical Background

5 Why Analysis is a way of solving problems by discussing and finding the root of the problem at hand, this way of finding the root of the problem is done by making several why questions related to the problems that have been stated at the beginning to reach the root of the problems encountered [1].

Design Thinking is a method of identifying and solving problems from the point of view of humans or users in experimenting, creating, or redesigning a solution. The concept of business development using the Design Thinking method can be described as a series of activities used by an individual or an organization to find consumer needs with appropriate technology and business strategies to turn those needs into value for consumers and new market opportunities [2].

SWOT analysis is a tool used to design and manage company strategy. Aspects that affect the company consist of two, namely internal factors and external factors, internal factors themselves consist of Strength and Weakness, and external factors consist of Opportunity and Threat. The Strength factor in this SWOT analysis contains the positive characteristics of the company that shows an advantage compared to existing market competitors, then there is the Weakness factor which contains the weakness of the company or the lack of competence of a company to do something and provide losses for the company, the third factor is Opportunity, this factor describes conditions that are favorable and can be utilized for the company to develop, and the last is Threats which refers to a bad condition of the company’s external environment that can provide losses for the company [3].

According to Alexander Osterwalder and Yves Pigneur, a business model is a picture of the foundational thinking about the process of creating, delivering, and capturing value from an organization. It’s a kind of a management strategy designed to describe the ideas and concepts of a business in a visual form, so it would make it easier to see an overview of business ideas and also their realization quickly. It is composed of nine elements, that is: customer segments, value proposition canvas, channel, customer relationship, revenue streams, key activities, key resources, key partners and cost [4].

Lean Canvas is basically an adaptation of the Business Model Canvas (BMC) created by Ash Maurya, Lean Canvas also promises a business plan that can be developed in the future and a more focused and detailed entrepreneurial process [5].

In the process of introducing a product to a new market, the product requires a marketing strategy so that the product can be accepted in the market. Companies need to create a 4P marketing strategy or marketing mix consisting of Product, Price, Place, Promotion. This strategy divided into two parts, the first is to determine which market the
company wants to target with the products it produces, then the company will develop marketing procedures with the 4P components [6].

According to Fleisher and Bensoussan [7], Competition analysis is a management tool used to analyze the strengths, weaknesses, and potential of business competitors. Competition analysis is a management tool used to analyze the strengths, weaknesses, and potential of business competitors so that companies can find out what strategies are used by competitors. Based on this analysis, the company has an idea in creating innovations that are different from its competitors.

Blue Ocean Strategy is a business strategy that focuses on existing markets and has competitors selling similar products. This strategy has been used to expand and develop new markets and create new value [8].

Breakeven Point analysis is the result of analysis of the relationship between fixed costs, variable costs, and income, Breakeven Point shows a point that will show the point of balance between expenses and income which can be determined by calculation graphs that can be made and arranged in a simple form [9].

3 Method

In the preliminary stage of this research, observations and interviews with the company have been carried out.

The first stage is the Empathize stage, this stage aims to find out what problems are being faced by sausage consumers and how consumers feel about sausage products.

The next stage is the Define stage, at this stage interviews were also conducted with the President Director as well as stakeholders from PT. Sumber Pangan Jaya and distributing online questionnaires to consumers of sausage products to determine the Jobs-to-be-done (JTBD) of the problems faced by consumers.

The Ideate stage, which is carried out using the Value Proposition Canvas, begins by collecting Pains and Gains data or the losses and benefits felt by consumers from the Empathy Map that has been created in the Empathize stage.

The next stage is the Prototype stage, at this stage the development of a new business model concept using Lean Canvas, there are nine elements that make up a Lean Canvas, these elements are, Problem, Solution, Unique Value Proposition, Key Metrics, Channel, Customer Segment, Unfair Advantage, Cost Structure, and the last is Revenue Stream.

The last stage that must be done is the Test/Validation stage, at this stage testing of the solutions that have been made in the previous prototype stage. At this stage, the unit BEP calculation is also carried out in the form of rupiah (Fig. 1).

4 Result and Discussion

The problem that occurs in the company is the decline in sales of sausage products belonging to PT. Sumber Pangan Jaya was caused by the decrease in the number of visitors to the company’s sausage outlets and modern market visitors due to changes in the lifestyle of sausage consumers during the pandemic.

SWOT Analysis

Based on the report of the company owned by PT. Sumber Pangan Jaya, field observations
of consumer and competitor products, as well as interviews then it can be found some internal and external factors that influence companies are presented (Fig. 2) SWOT analysis.

Based on the SWOT analysis as shown in Fig. 2, it is found that four business strategies that can be run by PT. Sumber Pangan Jaya with healthy sausage products, that is:

1. Development of ready-to-eat product variants serving that is practical and healthy in a way easy to add types of sausage products found by consumers and affordable prices without compromising the health quality of the product the sausage. (S2, O2, O3)
2. Development of new forms of business that can deliver the company’s healthy sausage products closer to the consumer so that the product can sold before the sausage product is out of time enactment. (W1, O2)
3. Product introduction process development new ones, namely Yamaso for the middle market and middle to lower by bringing the concept sausage products with good health quality guaranteed. (S1, S2, T1)
4. Development of good promotion methods in order to create a good product image in consumers’ eyes and can compete with sellers which came first. (W2, T1)
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**5 Why Analysis**

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**Design Thinking**

First stage (Empathize), consumer data collected by distributing questionnaires online in the form of google form to 64 respondents to find out what they feel by consumers as well as the Pain and Gain faced by the consumer of the product.

Define Stages of the Design Thinking method used to define Jobs-to-be-done (JTBD) of the problems faced by consumers who have been determined based on Empathy Map, and determine Customer Persona from Yamaso sausage products.

Ideate stages in the Design Thinking method it is used to collect all ideas solving problems faced by consumers, stages the search for a solution to this problem is carried out based on the Pain and Gain column listed in the Empathy Map. Next done preparation of the Value Proposition Canvas for determine what added value can be provided by companies to consumers through products new to be formed.

In the prototype stage using Lean Canvas to build products that focus on the problems faced by consumers.

Then Test stage is used to identify competitors using Blue Ocean Strategy. The next step in this Test stage is perform validation tests on solutions using a questionnaire distributed to consumers by online.

Furthermore, the business feasibility calculation phase is carried out starting with the calculation of the detailed costs for each Yamaso product, followed by the detailed
calculation of the total fixed and variable costs. Then BEP calculation of Yamaso products.

The final step in this research is the determination of the 4P Marketing Mix with the results of the products offered by Yamaso, namely, sausage bread, grilled sausage, and frozen food sausage. PT. Sumber Pangan Jaya has determined the price of grilled sausage products at Rp. 8,000/pcs and sausage bread for Rp. 11,000/pcs, as well as Yamaso’s frozen food sausage products which are sold in packages containing 7 pcs at a price of Rp. 22,000/pack. With a selling location close to residences that are crowded with residents or in front of other minimarkets which are the center of activity for residents living in the area. Promoting products and selling locations through advertisements on social media and word-of-mouth, so that Yamaso’s trade carts are also made with attractive designs and colors to help consumers easily identify Yamaso’s trading carts (Fig. 3).

5 Conclusion

Based on the research conducted, the following conclusions can be drawn:

1. The root of the problem being faced by the company is sausage consumers who are afraid to visit sausage outlets and supermarkets for fear of being exposed to Covid-19 and do not have time to go out because they have to work at home during the pandemic.
2. In the Value Proposition Canvas, the value that can be offered to consumers is in the form of selling sausage products in the form of frozen sausages and processed sausage foods such as sausage rolls and grilled sausages with a cart model so that consumers can buy sausages with good quality and healthy without having to travel far to supermarket.
3. In designing Lean Canvas for Yamaso’s products, it was found that the Unique Value Proposition sells sausages at affordable prices and guaranteed quality without
preservatives, dyes, and MSG with Yamaso’s distinctive taste and products that are easily available.

4. Based on the Blue Ocean Strategy, there are improved factors in the form of sausage variants sold and promotions or advertisements through social media, and the factors created are frozen sausage products sold by cart and bonus discounts on products and Buy 1 Get 1 promos to attract consumers.

5. From the cost calculation, the total combined cost of fixed and variable costs is 144,837,000/year, Variable Cost/Unit is 2,972, Unit BEP is 4,715 and Rupiah BEP is 51,896,670. Yamaso’s profit/year is 148,896,000.

References


