

Business Model Canvas Innovation at Luki Mas Fish Business in Bandung City

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Abstract

LUKI MAS is a business engaged in fisheries located at Jalan Pasir Impun Bandung. Based on research in the field, researchers raised problems in company activities that have not succeeded in the business model used by LUKI MAS. The purpose of the research conducted was to provide the right strategy and business model to LUKI MAS based on the Business Model Canvas, Know the Business Model Canvas applied to LUKI MAS and know the right business model design for LUKI MAS. The research method used is a descriptive qualitative method. Primary data collection techniques use source triangulation through participatory observation, structured interviews, audio and visual materials, while secondary data collection is carried out by literature studies. Data analysis techniques use the Miles and Huberman model through the process of data collection, data reduction, data presentation and conclusions. Based on the data obtained from the results of the study, that the description of the LUKI MAS business model using the Business Model Canvas in general can be said to be quite good and based on the results of the evaluation using SWOT analysis produces recommendations for new business strategies, the business model that is currently running is able to meet the nine elements of the Business Model Canvas Building blocks. The results of the Business Model Canvas Analysis on the LUKI MAS customer segments have target customers from children to adults.

Keywords: *Business Model Canvas, Business Innovation*

1. Introduction

Economic development in Indonesia at this time, especially in the city of Bandung has directed a business climate that encourages business actors to have the ambition to compete with each other in introducing their identity and products produced by companies by utilizing information technology that occurs at this time, so that their business can be known by the wider community. This makes competition between businesses increasingly tight. Likewise in the business world engaged in the sale of freshwater fish / goldfish. As is known, the production of freshwater fish and marine fish in West Java and generally in Indonesia has great potential because Indonesia is a country that has the largest water area or 25% of the world's waters. This situation requires business people engaged in the fisheries sector to formulate and implement business strategies so that they can not only survive and develop their business but also compete in capturing and controlling market share.

A business model is a way to create added value in the world of work, including a combination of product, image, distribution and resources and infrastructure. This business model concept is positioned between *the inputs* used by a firm to obtain economic *output*. This business model is very important to know by every business actor who runs a business, because the business model serves as a tool to help understand the main mechanisms of business. By understanding the basic business mechanism, these business people organize business structures and operations so that they can be better and in accordance with the goals to be achieved. The business model can also help in identifying factors that are strengths and weaknesses of a business being run. One business model that has succeeded in maturing a business concept that is difficult to understand to be easily understood is the *Business Model Canvas* (Osterwalder and Pigneur, 2010).

Small and medium businesses need effective tools to overcome the ups and downs of their business to achieve targets after several years from starting. The Business Model Canvas (BMC) is suitable for the purpose of mapping current activities using patterns to success. The Business Model Canvas is a management and entrepreneurial tool, because through it it can be possible to describe, design, challenge, create, and design a business model. Meanwhile, research conducted by those using elements of customer segments, value propositions, key activities, or key partnerships performs much better in the competition. The application of BMC helps business people to adopt a dynamic approach in developing business models that will reflect the reality of their competitive business environment.

Meanwhile, strategic management helps companies in planning and implementing the right business strategies to achieve long-term business goals. Strategy management is a set of managerial decisions and various activities that determine the success of the company for the long term.

These activities include strategy formulation/planning, strategy implementation/implementation, and evaluation (Hunger & Wheelen, 2001). Thus, *Business Model Canvas* and *Strategic Management* are two concepts that are interrelated and mutually reinforcing in the development of effective and efficient business strategies.

For a business person, seriousness is needed in choosing the right business strategy to be applied in a business where the business person must be able to see the situation and market conditions first to assess the position or position of the business venture. This can be done with a SWOT analysis. The analysis needs to be done to match between internal resources and the external situation of a company.

LUKI MAS is a business engaged in fisheries that stores and sells carp that is still in fresh condition because it is directly harvested in the lake and sold to fishing businesses. The target market of this business is a fishing business where in that place there are fish that will be fished by anglers to get certain satisfaction. This business seems to be rarely talked about by people but competition in this business is actually quite fierce. Based on preliminary research conducted on the LUKI MAS fishery business, there was a decrease in turnover in the 2017-2022 period as follows

**Table 1. LUKI MAS Turnover
Period 2017-2022**

No	Year	Turnover	Percentage (%)
1	2017	IDR 430,000,000	100%
2	2018	IDR 324,012,000	25%
3	2019	IDR 310,000,000	4%
4	2020	IDR 303,012,000	2%
5	2021	IDR 280,000,000	8%
6	2022	IDR 160,000,000	43%

Source: LUKI MAS 2017-2022

Based on the table above, there was a decrease in turnover at LUKI MAS. The biggest drop in 2022, the decline reached 43%. Researchers conducted an early stage study, then it can be known that there are problems faced by LUKI MAS, including:

1. Promotion is still manual because it is still carried out by Word of Mouth (WOM), has not promoted through social media.
2. Raw materials are only obtained from one place, so there is often a mismatch between demand and shipping the size of fish sent from fish farmers in the Cirata reservoir.
3. Raw materials that are difficult during the rainy season with high intensity pose a threat to *Upwelling* (a phenomenon in which water that is colder and has a density greater than the seabed moves to the surface due to wind movement above it) which causes fish to die in large numbers. Such a thing has an impact on unexpected price increases.

This study wants to further examine the problems faced by LUKI MAS using a canvas business model approach, so that later this business can remain competitive with competitors and can be further developed because researchers will provide input to LUKI MAS in order to innovate its business model through *Business Model Canvas*, which allows the company to know the company's condition, evaluate the state of its market position and then adjust to the current market conditions.

Based on the table above, there has been a decline in turnover at LUKI MAS. The biggest decline will be in 2022, the decline will reach 43%. Researchers conducted initial stage research, so they could find out the problems faced by LUKI MAS, including:

1. Promotion is still manual because it is still done using Word of Mouth (WOM), not yet promoting via social media.
2. Raw materials are only obtained from one place, so there is often a mismatch between demand and the size of fish shipments sent from fish farmers in the Cirata reservoir.
3. Raw materials that are difficult to obtain during the high intensity rainy season pose a threat of *Upwelling* (a phenomenon where water that is colder and has a greater density from the seabed moves to the surface due to the movement of winds above it) which

causes fish to die in large numbers . Things like that have an impact on unexpected price increases. Problems 2 & 3 are similar and the main problem is still up in the air

This research wants to examine further the problems faced by LUKI MAS by using the canvas business model approach, so that later this business can remain competitive with competitors and can be developed further because researchers will provide input to LUKI MAS so that it can innovate its business model through the Business Model Canvas which allows companies to know the company's condition, evaluate the state of its market position and then adjust to current market conditions.

2. Theoretical Framework

1. Strategy Management

An organization should carry out a strategy in running the wheels of its organization, strategy relates to the "big" decisions faced by the organization in doing business, relates to consistent behavior, and should be able to create a competitive advantage of the company. Strategy is very important to determine the success of the organization, so this is the reason strategy is very useful and promising for business actors. According to Strategic management is the planning, monitoring, analysis and continuous assessment of everything that an organization needs to meet its goals and objectives. Changes in the business environment will require organizations to constantly evaluate their strategies for success. The strategic management process helps organizations take stock of their current situation, formulate strategies, disseminate them, and analyze the effectiveness of implemented management strategies. The goal of strategic management is to take advantage of new and different opportunities for the future. While according to the definition of strategic management consists of two words, namely management and strategy, the definition of strategic management in general is as follows: Arman Paramansyah (2022) Nataliningsih, et al (2018)

1. *The set of decisions & actions that results in the formulation & implementation of plans designed to achieve a company's objectives.* (a set of decisions and actions conceived and implemented for a purpose).
2. Six Dimensions of Strategic Decisions:
 - a. Requires top management decisions.
 - b. Requires a large amount of resources.
 - c. Affects long-term well-being.
 - d. Future-oriented.
 - e. Multifunctional and multi-business consequences.
 - f. Requires the company to consider the external environment.

Strategy management is a planned activity with stages that have been planned to achieve goals. Thinking strategically can produce a solution that is more creative and different forms, the more forms of solving solutions, the smaller the level of errors that may arise in the future. The stages of strategy management include:

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An organization must implement a strategy in running its organization, strategy is related to the "big" decisions faced by the organization in running a business, is related to consistent behavior, and must be able to create the company's competitive advantage. Strategy is very important to determine the success of an organization, therefore strategy is very useful and promising for business actors. According to Strategic Management, it is planning, monitoring, analyzing and continuously assessing everything that an organization needs to achieve its goals and objectives. Changes in the business environment will require organizations to continually evaluate their strategies for success. The strategic management process helps organizations understand their current situation, formulate strategies, deploy them, and analyze the effectiveness of the management strategies implemented. The goal of strategic management is to take advantage of new and different opportunities in the future. Meanwhile, according to the definition of strategic management, it consists of two words, namely management and strategy, the general definition of strategic management is as follows: Arman Paramansyah (2022) Nataliningsih, et al (2018)

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Strategic management is a planned activity with planned stages to achieve goals. Thinking strategically can produce more creative and different forms of solutions. The more solutions there are, the smaller the level of errors that may arise in the future. The stages of strategic management include:

- STRATEGY FORMULATION; mission, *value*, and vision; SWOT analysis; Long-term goals; alternative strategies.
- STRATEGY IMPLEMENTATION: annual objectives, programs and policies; leadership and motivation; resource allocation.
- STRATEGY EVALUATION: measuring achievement; corrective actions needed.
- STRATEGY FORMULATION; mission, values, and vision; SWOT analysis; Long term goals; alternative strategy.

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- STRATEGY EVALUATION: measuring achievements; corrective action is required

Business Model

According to Osterwalder and Pigneur (2010) Business model is a clear and logical description of how an organization can create, deliver and capture value from its customers. A business model is a tool for describing, designing, testing and implementing an effective and efficient business model.

The business model not only talks about how the company generates revenue, but also about how the company creates value for its customers and how the company can maintain a competitive advantage in the market. Therefore, the business model must also be able to face the challenges and changes of the growing market.

A business model is one of the easiest and simplest ways to describe a business in mind. Usually, a business model describes thinking about how a company creates social, economic or other forms of value. A business model is actually a *frame* of a business plan by thinking about how the company will benefit or opinions by taking into account all components of the business. The business model is also one of the main cores of the company because a company must have a way to get profit that is used for survival and can also be used for long-term investment.

Business Model Canvas is a visual representation of a business model in the form of sheets of paper. There is a detailed explanation of the strategies needed in BMC that will help someone achieve success in the market. By pouring business ideas in a *business model canvas sheet*, it will be easier to identify the advantages and disadvantages of the product to be sold to master the marketing strategy launched. Understanding business ideas through *the business model canvas* will mature the concept in order to meet consumer expectations accurately. When unfurled, the right part of the BMC is provided to obtain the external conditions of the business that include consumers. While the left part focuses on internal situations related to business and products. It goes on to Osterwalder & Pigneur (2010) say that a business model describes the rationale of how organizations create, deliver, and capture value. *Business Model Generation* explains how a company can actually respond quickly to customer desires by providing the best values in a company. This *Business Model Canvas* explains very simply through the visualization displayed on how companies can make money through 9 building blocks arranged into one. Therefore, it can be concluded that the *Business Model Canvas* is a business model that is able to describe simply where an organization provides and captures value from business activities carried out to make money.

There are nine (9) building blocks in *the Business Model Canvas* as follows:

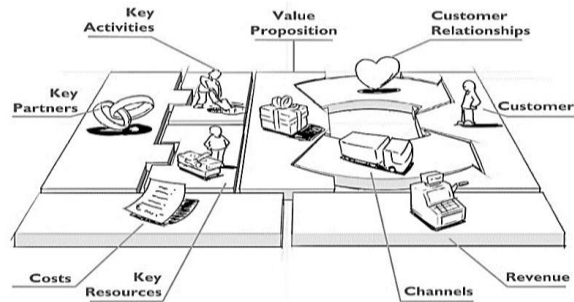


Figure 1: Nine Block Business Model Canvas

Source: Osterwalder and Pigneur 2018

SWOT Analysis

Rangkuti (2016: 13) suggests that the now popular model for analyzing situations is SWOT analysis. SWOT analysis in the context of strategy has the aim of knowing how the conditions in a company and where in that case the internal conditions in running its business. Then this SWOT analysis aims to find out how the actual external conditions faced by the company so that the company can maximize the advantages of its internal factors to deal with the external conditions that will be faced. Furthermore, it was stated that the SWOT Matrix is a tool used to clearly describe how external opportunities and threats faced by the company which can be adjusted to their strengths and weaknesses. This matrix can produce four possible strategic alternative cells.

Table 2: SWOT matrix

EFAS IFAS	Strengths (S) Determine the factor of internal forces	Weaknesses (W) Determine the factor of internal weaknesses
	Opportunities (O) Factor in external opportunities	SO STRATEGY Create strategies that use power to seize opportunities
Threats (T) Determine external threat factors	ST STRATEGY Create strategies that use power to address threats	WT STRATEGY Create strategies that fix weaknesses and avoid threats

Source: Freddy Rangkuti, Techniques for Dissecting SWOT Analysis Business Cases

Furthermore, a matrix of external factors and internal factors is calculated that will produce a state of affairs about various things related to the activities of a business, namely as follows:

1. Internal Strategy Factor Matrix (IFAS)

The internal strategy factor matrix or IFAS (*Internal Strategic Factors Analysis Summary*) table contains company identification by looking at the internal factors owned by the company. Overall, the method of calculating the internal strategy factor matrix (IFAS) is almost the same as the way the external strategy factor matrix (EFAS) is calculated, which distinguishes it in column 1 in the IFAS table formulates internal strategy factors in terms of company strengths and weaknesses, not in the framework of opportunities and threats as in the EFAS table.

2. External Strategy Factor Matrix

The external strategic factors matrix is often referred to as the EFAS (*External Strategic Factors Analysis Summary*) table. This table is used to analyze the external environment of the company, so that we can find out various possible opportunities and threats that will occur. Before creating a matrix of external strategy factors, we need to know first formerly External Strategy Factors (EFAS).

3. Methodology

The research method uses qualitative methods, namely research methods based on a philosophy that believes that the only true knowledge is based on actual experience (positivism philosophy) and is used to examine a natural object condition, where the researcher is the key instrument, this data collection is carried out *purposively* (data source sampling techniques with certain considerations). Collection techniques with source triangulation (combined) where researchers use the same data collection techniques to obtain data from different sources, using participatory observation, in-depth interviews, and documentation for the same data source simultaneously, data analysis is inductive/qualitative. Data analysis techniques use the following stages: data collection, data reduction, data display and conclusion drawing (Sugiyono: 2018)

4. Result and Discussion

LUKI MAS is a business engaged in fisheries which is located at Jalan Pasir Impun RT 01 RW 12, Kelurahan Karang Pamulang, District Mandalajati Kota Bandung. This business has a concept like a middleman in rice because this business stores and sells carp that is still in fresh condition because it is sent directly by farmers in the lake and sold to fishing businesses. The name LUKI MAS is taken from "goldfish" which is varied with the name of its owner, Mr. Luki Bahtiar so that it becomes "LUKI MAS".

The stages of the production process carried out at LUKI MAS start from purchasing raw materials, unloading, receiving orders, making payments, selecting fish ordered, weighing fish, *packaging*, and shipping / marketing.

In purchasing raw materials and unloading cargo in the production process is not always done because it adjusts to existing fish stocks. In the activities of selecting fish, weighing, and *packing* carried out by employees who are competent in their fields. While

the marketing of fish products sold is carried out through the business owner's mobile phone channel, word of mouth and through whatsapp media.

LUKI MAS is a business operating in the fisheries sector which is located at Jalan Pasir Impun RT 01 RW 12, Karang Pamulang Village, Mandalajati District, Bandung City. LUKI MAS started his business on August 6 2008. The establishment of this business started with Mr. Luki who saw his friends succeed in the fisheries sector, who was finally motivated to try to get involved in the world of fisheries by first learning about fisheries science from his friends. This business has a concept like a rice middleman because this business stores and sells gourami fish that are still fresh because they are sent directly by farmers to the lake and sold to fisheries businesses. The name LUKI MAS is taken from the word "goldfish" which was varied with the owner's name, namely Mr. Luki Bahtiar, so it became "LUKI MAS".

The stages of the production process carried out at LUKI MAS start from purchasing raw materials, unloading, receiving orders, payment, selecting the fish ordered, weighing the fish, packaging, and shipping/marketing. Purchasing raw materials and unloading during the production process is not always carried out due to adjustments to existing fish stocks. Fish selection, weighing and packing activities are carried out by employees who are competent in their fields.

Meanwhile, marketing of fish products for sale is carried out via the business owner's cell phone, by word of mouth and via WhatsApp. LUKI MAS' business location can be searched on Google Map so it is not difficult for certain parties who are in need of the fish sold by LUKI MAS to find it. Based on the research data obtained, the 9 elements contained in BMC LUKI MAS can be explained as follows:

1. Customer Segments

The first element that must be owned in a canvas business model is to determine which customer segments will be the target of the business. Customer segmentation is the activity of dividing markets into different groups of buyers, where each group has the same characteristics. Consumer market segmentation can be done based on geographic, demographic, psychographic and consumer behavior (Osterwalder & Pigneur, 2020). *Customer segments* describe various community groups or organizations that are targeted by LUKI MAS Bandung to be served. Without customers, LUKI MAS Bandung would not be able to spread its wings as far as it is today. Based on the results of interviews conducted by researchers with the owner of LUKI MAS, it can be seen that customer segmentation consists of children, adolescents, adults, the surrounding community and fish fishing.

2. Value Propositions

The second very important element in a business model canvas is *value propositions*, describing products and services that create value for specific customer segments. *Value propositions* are the reason why customers switch from one company to another.

The main task of LUKI MAS is to sell fish where this involves customers to choose the type of fish, size and number of fish to be purchased to suit what they want. For the price element sold by LUKI MAS, it is superior to other similar competitors, because the price sold by LUKI MAS tends to be cheaper and also the best quality of fish which is always maintained optimally by Mr. Luki himself.

3. Channels

The third element that is important in other canvas business models is *channels*. This channel has an important role which is how companies communicate their products by reaching customers to provide *value* from the company.

The way buyers find LUKI MAS Bandung is by phone, *whatsapp*, and also WOM (Word of Mouth) and follow fisheries organizations and LUKI MAS sales points located on Jalan Pasir Impun Bandung City. The place is the second strategic place after the first location, which is right on the side of A. H. Nasution street in Bandung. In addition, the ease of buyers knowing LUKI MAS is registered on *google maps*.

4. Customer Relationships

The fourth element that needs to exist in a business model canvas is *customer relationships* or relationships with customers. The motivation of *customer relationships* owned by LUKI MAS Bandung is to increase sales because all services provided are to attract more customers and increase turnover. Based on the results of an interview with Mr. Luki Bahtiar as the owner of LUKI MAS Bandung has a good way of relationship with its customers, namely always maintaining communication with customers who are in direct contact with employees and providing promotions by means of WOM (Word of Mouth), cellular phones and also *whatsapp*.

5. Revenue Streams

The fifth important element in a business model canvas is *revenue streams*. *Revenue streams* describe the revenue streams generated by a company from individual customers. The flow of opinion is at the core of the business model. Based on the results of the researcher's interview with Mr. Luki Bahtiar as the owner of LUKI MAS explained that getting income is obtained from product sales, that the average sales for *weekdays goldfish* is 3-5 quintals and weekends reach 7-9 quintals, for value fish only on *weekends* with an average sales of 40 kg. At the unit price of carp Rp30.000,- and tilapia Rp35.000,- with 30-31 working days, the turnover in one month reaches Rp25.000.000,- up to Rp50.000.000,-.

LUKI MAS Bandung products consist of various types of fish and different sizes at different prices, namely Goldfish for Rp30,000, - while Tilapia for Rp35,000,-. Most buyers buy goldfish, because goldfish are more suitable for fishing while value fish are not suitable for fishing but consumption. Here is the price list of LUKI MAS:

Table 3: List of selling prices of fish at LUKI MAS

Types of Fish	Price
Carp	IDR 30.000
Tilapia	IDR 35.000

Source: Processed by researchers, 2023

6. Key Resources

Key resources are the sixth important element in a business model canvas. These key resources describe the critical assets needed for a business model to function. In the book

Business Model Generation the main resources can be physical, financial, intellectual or human either property or rent.

Human resources owned by LUKI MAS as many as 2 people have duties on the OPM (*Operational Manager*), Head of Accounting, *Marcom* (Marketing Communication), *Packaging* and Cashier. For physical resources, LUKI MAS currently rents locations that are currently used as private homes and points of sale. The production equipment owned by LUKI MAS consists of oxygen cylinders, black crackle plastic, special plastic, rubber, baskets, scales, water pumps, and small buckets. As for intellectual resources, LUKI MAS has a brand that is rarely owned by people or other fish entrepreneurs even though it has not been in legal form.

7. Key Activities

Key activities are the seventh element that must be present in a business model canvas. This key activity is an illustration of what things must be done by the company in order for its business model to work. Activities that can support the delivery of value propositions to customers, create customer relationships so as to earn revenue. Based on the results of the researcher's interview with Mr. Luki Bahtiar as the owner of LUKI MAS Bandung, the main activities carried out by LUKI MAS are buying raw materials, packaging carp / tilapia and marketing / selling carp / tilapia.

In purchasing raw materials, LUKI MAS buys original fish raw materials directly harvested from Cirata dam suppliers. Quality fish seeds and a strategic location for fish breeding in Cirata produce quality fish so as to satisfy customers who buy fish from LUKI MAS.

8. Key Partnerships

The eighth element of the ninth business model canvas that also needs to be run is *key partnerships*, which describe the network of suppliers and partners that make the business model work. LUKI MAS forms partnerships with various considerations and these partnerships become the foundation of various business models.

Based on the results of the researcher's interview with Mr. Luki Bahtiar as the owner of LUKI MAS, one of the things that can be invited to work together is the provider of raw materials for carp and tilapia. In addition, the partners established with LUKI MAS are as follows:

Table 4: List of LUKI MAS Suppliers

No	Key Partner	Friend
1	Mr. Dandi	Lister
2	Cirata Dam	Raw material provider
3	Oxygen Commar	Raw material provider

Source: Processed by researchers, 2023

9. Cost Structures

The ninth element that is the last element of the building blocks in a business model canvas is *cost structures*. This element describes all costs incurred to operate a business

model. In this element, it is explained that the most important costs arise when operating certain business models, creating and providing *value*, maintaining customer relationships, and generating revenue, all of which cause costs, consisting of fixed costs which include the cost of renting a place, electricity costs, water costs, and employee salary costs which currently have 2 employees including the owner himself. Variable costs from LUKI MAS include raw materials such as carp and tilapia taken from direct partners at the Cirata Dam, gas cylinders taken from one of the partners at the Komar Gas store. In addition, the cost of production equipment. The last cost is operational costs.

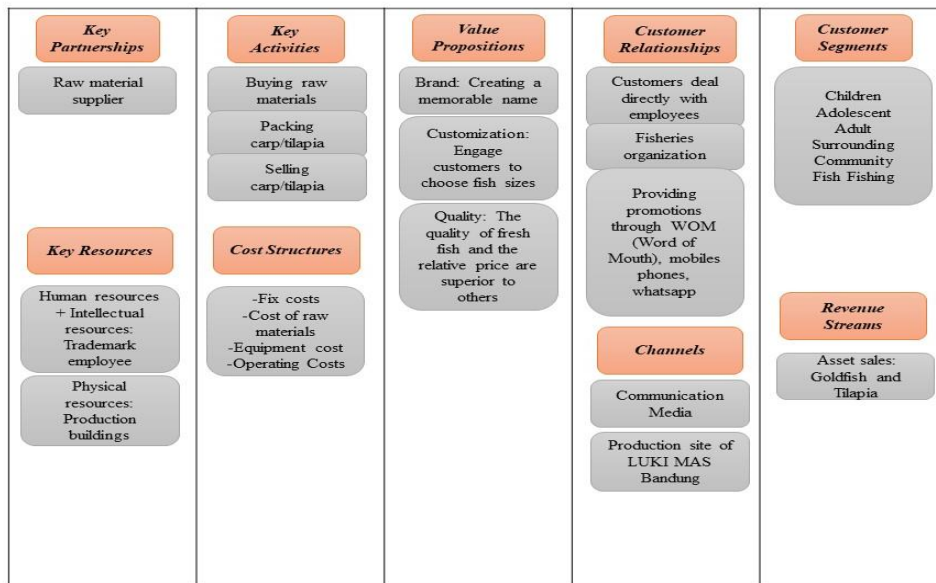


Figure 2: Business Model Canvas LUKI MAS
 Source: Research results processed by researchers, 2023

2 SWOT Business Model Canvas Analysis LUKI MAS

Internal Environmental Analysis

Identification of the company's internal environment is needed to be able to find out the situation that is being faced by the company today. Here are some things that can be identified as internal factors in LUKI MAS.

Table 5: Strength of LUKI MAS

<i>Strength</i>	
S1	LUKI MAS's value proposition is aligned with customer needs.
S2	LUKI MAS customers are very satisfied with the products provided.
S3	LUKI MAS's customer base is well segmented.
S4	LUKI MAS uses fresh and quality fish from Cirata.

S5	There is a strong synergy between LUKI MAS products and services.
S6	LUKI MAS enjoys good working relationships with key partners.
S7	LUKI MAS business location is very strategic.

Information:

S1 LUKI MAS value proposition aligned with customer needs

The strength of the *value propositions* of LUKI MAS is that the value provided by LUKI MAS is in accordance with customer needs, because the company's value will have an impact on market expansion. LUKI MAS has a value proposition that can be offered to customers including the quality of fresh fish and prices are relatively superior to others plus the packaging is very good.

S2 LUKI MAS customers are very satisfied with the products provided

Product quality is a very important thing that continues to be improved by LUKI MAS to date, besides that service to customers also continues to be improved, the purpose of doing these two things is none other than to provide satisfaction to customers both for their products and services.

S3 LUKI MAS customer base is well segmented

Based on the experience and ability of Marcom (*Marketing Communication*) owned by Mr. Luki Bahtiar as the owner of LUKi MAS is one of the strengths possessed in determining which customers will be the main target.

S4 LUKI MAS uses fresh and quality fish from Cirata

Fish seeds and fish sold by LUKI MAS are original from the Cirata Dam and are still fresh where this is more point and makes the advantages of LUKI MAS

S5 There is a strong synergy between LUKI MAS products and services

One of the strengths of LUKI MAS is the strong synergy between the products and services provided by LUKI MAS to its customers. This shows that LUKI MAS in delivering *value propositions* both products and services is very good so that customers are satisfied with what is provided by LUKI MAS.

S6 LUKI MAS enjoys good working relationships with key partners

LUKI MAS always strives to establish good relationships with its business partners such as being friendly, it is none other than for the continuity of LUKI MAS's business, so that as much as possible LUKI MAS always enjoys working relationships with each of its partners.

S7 LUKI MAS business location is very strategic

The location of this LUKI MAS business is located at Jalan Pasir Impun RT 01 RW 12 Kelurahan Karang Pamulang, Mandalajati District, Bandung City, the business location is very strategic because it is on the side of the road and not far from the main main road, namely Jalan A. H. Nasution. The location is also close to fishing in the East Bandung area.

Table 6: Weakness of LUKI MAS Bandung

<i>Weakness</i>	
W1	The key activities of LUKI MAS are easy to replicate.
W2	The main resource of LUKI MAS is easy to replicate competitors.
W3	Several times there was a <i>turnover of</i> LUKI MAS employees.
W4	Products from LUKI MAS provided are only 2 types.
W5	LUKI MAS channel is less integrated

Information:

W1 Key activities of LUKI MAS are easy to replicate

The first drawback of LUKI MAS is the ease of imitation of key activities. Any company can now do the same selling carp to fisheries.

W2 Key resources LUKI MAS easy to replicate competitors

The second weakness possessed by LUKI MAS is that the main resource of LUKI MAS itself is selling carp species which are easily imitated by other business competitors so that it becomes a weakness of LUKI MAS.

W3 Several times there was a *turnover of* LUKI MAS employees

The third weakness of LUKI MAS is that there have been several changes in LUKI MAS employees, because most of those who worked before were teenagers who were not married and eventually quit because they wanted to settle down. This is a weakness of LUKI MAS.

W4 Products from LUKI MAS provided only 2 types

The fourth weakness is that the fish products provided are only 2 types, namely carp and tilapia where customers who come sometimes want ornamental fish to be displayed in the aquarium.

W5 Channel LUKI MAS less integrated

The last weakness that LUKI MAS has is that the channel is considered not optimal enough and only uses telephone, whatsapp and WOM (*Word of Mouth*), and we see now everywhere is intensively promoting whether it is done by social media such as Tiktok, Instagram, Website, Facebook while what is done by LUKI MAS is only through the MHM system.

External Environment Analysis

Identification of the company's external environment is needed to find out the situation that the company is currently facing. Here are some things that can be identified as internal factors in LUKI MAS.

Table. 7
Opportunity (LUKI MAS Bandung Opportunity)

<i>Opportunity</i>	
O1	Technology can support the improvement of the efficiency of LUKI MAS business activities.
O2	LUKI MAS can serve customers better through better segmentation.
O3	Stronger collaboration with partners can help LUKI MAS in its business activities.
O4	LUKI MAS can strengthen relationships with customers.
O5	Fish products are suitable for all groups from children to adults.

Information:

O1 Technology can support the improvement of the efficiency of LUKI MAS business activities

Currently technology is dominating the business world, it has a positive impact and also a negative impact. LUKI MAS as a business actor must be able to take advantage of technological developments for the progress and sustainability of their business in the culinary support world.

O2 LUKI MAS can serve customers better through better segmentation

The current market condition in the world of fisheries continues to increase, this is an opportunity for LUKI MAS to increase its customer segmentation and of course by continuing to improve services and maintain the quality of LUKI MAS Bandung fish.

O3 Stronger collaboration with partners can help LUKI MAS in its business activities

With the development that occurs, LUKI MAS must open opportunities to collaborate more with its business partners because with the collaboration LUKI MAS can get new insights from business partners. LUKI MAS is also required to be able to think in a different way, so this can trigger creativity, gain new perspectives and ultimately will help LUKI MAS solve problems more effectively.

O4 LUKI MAS can strengthen relationships with customers

LUKI MAS has the opportunity to create a close relationship with customers. One of them is by providing discounts or promos and certain THR (Holiday Allowance) to LUKI MAS customers.

O5 Fish products are suitable for all groups ranging from children to adults

LUKI MAS provides types of fish that can be purchased and consumed by children to adults. For example, carp can be fished and consumed by softening its bones and also the price is cheaper than tilapia. However, tilapia bones are not as small as goldfish so it is more delicious to consume than fishing because it has sharp fins.

Table 8: Threats LUKI MAS Bandung

<i>Threats</i>	
T1	Increase in raw material prices LUKI MAS.
T2	LUKI MAS customers move to competitors

T3	Competitors threaten LUKI MAS fish market share
T4	There is a possibility for LUKI MAS partners to collaborate with competitors in business activities
T5	The LUKI MAS channel is in danger of becoming irrelevant to customers

Information:

T1 Raw material price increase LUKI MAS

When various prices of goods began to creep up, not only consumers began to panic, some entrepreneurs also turned out to panic and feel the impact. Moreover, those who participated in the increase included business raw materials due to unfavorable weather conditions, causing the difficulty of raw materials. This makes entrepreneurs work hard to rack their brains in order to adapt to these conditions.

T2 LUKI MAS customers move to competitors

The second threat faced by LUKI MAS is that customers who buy LUKI MAS products will move to become competitors. Because it could be that customers who often buy will imitate the concept of LUKI MAS so that competitors increase.

T3 Competitor threatens LUKI MAS fish market share

Business actors in East Bandung generally have different suppliers with different prices and qualities. This is one of the threats to LUKI MAS Bandung in its business activities.

T4 There is a possibility for LUKI MAS partners to collaborate with competitors in business activities

Developments that occur in the world of fisheries cause business actors in it to compete with each other to get business profits, one of which is a threat to LUKI MAS is the shift to find new partners to support its business.

T5 Channel LUKI MAS is in danger of becoming irrelevant to customers

The last threat is that entrepreneurs are currently intensively building various channels to make it easier for customers to get information, communicate and transact. In addition, this is done to bind relationships so that customers feel recognized and cared for their existence. LUKI MAS only has *whatsapp* to interact with customers.

Internal Matrix of LUKI MAS

Table 9: IFAS matrix

Internal Strategy Factors	Weight	Rating	Weight*Rating
Strength			
LUKI MAS's value proposition is aligned with customer needs.	0,11	4	0,44
LUKI MAS customers are very satisfied with the products provided.	0,08	4	0.32
LUKI MAS's customer base is well segmented.	0,08	3	0,24

LUKI MAS uses fresh and quality fish from Cirata.	0,11	4	0,44
There is a strong synergy between LUKI MAS products and services.	0,08	3	0,24
LUKI MAS enjoys good working relationships with key partners.	0,08	4	0,32
LUKI MAS business location is very strategic.	0,06	4	0,24
Total	0,6		2,24
Weakness			
The key activities of LUKI MAS are easy to replicate.	0,06	1	0,18
The main resource of LUKI MAS is easy to replicate competitors.	0,06	1	0,18
Several times there was a turnover of LUKI MAS employees.	0,06	3	0,24
Products from LUKI MAS provided are only 2 types.	0,11	3	0,44
LUKI MAS channel is less integrated	0,11	2	0,33
Total	0,4		1,37
Total IFAS	1,00		3,61

Source: processed by researchers, 2023

LUKI MAS External Matrix

Table 10: EFAS Matrix

Internal Strategy Factors	Weight	Rating	Weight*Rating
Opportunity			
Technology can support the improvement of the efficiency of LUKI MAS business activities.	0,07	4	0,28
LUKI MAS can serve customers better through better segmentation.	0,10	4	0,4
Stronger collaboration with partners can help LUKI MAS in its business activities.	0,10	4	0,4
LUKI MAS can strengthen relationships with customers.	0,07	4	0,28
Fish products are suitable for all groups from children to adults.	0,10	4	0,4

Total	0,44		1,76
Threats			
Increase in raw material prices LUKI MAS.	0,14	1	0,14
LUKI MAS customers move to competitors	0,10	2	0,2
Competitors threaten LUKI MAS fish market share	0,10	2	0,2
There is a possibility for LUKI MAS partners to collaborate with competitors in business activities	0,10	3	0,3
The LUKI MAS channel is in danger of becoming irrelevant to customers	0,12	1	0,12
Total	0,56		0,96
Total EFAS	1,00		2,72

Source: processed by researchers, 2023

Based on the results of the IFAS and EFAS matrices above, the sum of IFAS and IFAS weights should not exceed a total score of 1.00. The total IFAS score at LUKI MAS Bandung of 3.61 shows that LUKI MAS has a strong internal position and the total EFAS value at LUKI MAS Bandung of 2.72 illustrates that there is attention to opportunities and threats that exist quite well or above average.

Table 11: Internal and External Value Calculation

Internal Factors	External Factors
X = Strengths – Weaknesses	Y = Opportunity – Threat
X = 2.24 – 1.37	Y = 1.76 – 0.96
X = 0.87	Y = 0.8

Source: processed by researchers, 2023

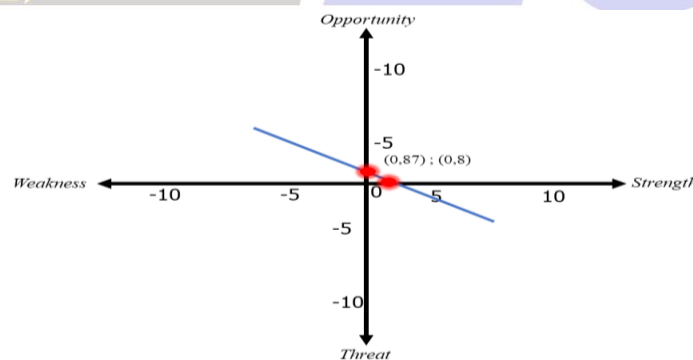


Figure 3: Internal and External Diagrams

Source: Processed by Researchers, 2023

Furthermore, to find out the position of the LUKI MAS Bandung quadrant based on the SWOT matrix and IFAS and EFAS analysis and to provide a clear picture that the strategy designed in the SWOT matrix is appropriate and appropriate based on the quadrant. To find

out the position of the quadrant, the sum of the IFAS table (the number of strengths minus weaknesses) is (2.24-1.37) as the X axis is 0.87. While the Y-axis is 0.8 the result of (1.76-0.96) i.e. subtraction of the number of opportunities and threats from the EFAS table. The cutoff point obtained is in quadrant 1, which is the growth position. This strategy supports at aggressive stages, to continue to develop all aspects in the organization because it is considered to bring optimal benefits if you make the right strategy. An example is by continuing to maintain and improve the quality of LUKI MAS fish in order to immediately carry out a market *penetration strategy*. Keep old customers satisfied and encourage them to continue buying and adding to the quality of their purchases. As well as looking for potential new customers to expand the market reach that is still widely available. One of the steps is to compile a structured and progressive promotional design, empowering all media facilities that can support the existence and expansion of the name LUKI MAS Bandung is widespread. Furthermore, the SWOT Diagram Analysis table along with the Business Model Innovation picture recommended at LUKI MAS is based on related diagram analysis, which is as follows:



Table 12: SWOT Diagram Analysis

	IFAS	<p style="text-align: center;">Strengths (S)</p> <ul style="list-style-type: none"> • LUKI MAS's value proposition is aligned with customer needs. • S2 LUKI MAS customers are very satisfied with the products provided. • LUKI MAS's customer base is well segmented. • LUKI MAS uses fresh and quality fish from Cirata. • There is a strong synergy between LUKI MAS products and services. • LUKI MAS enjoys good working relationships with key partners. • LUKI MAS business location is very strategic. 	<p style="text-align: center;">Weaknesses (W)</p> <ul style="list-style-type: none"> • The key activities of LUKI MAS are easy to replicate. • The main resource of LUKI MAS is easy to replicate competitors. • Several times there was a <i>turnover of</i> LUKI MAS employees. • Products from LUKI MAS provided are only 2 types. • The LUKI MAS channel is less integrated.
	Opportunities (O)	<p style="text-align: center;">SO STRATEGY</p> <ul style="list-style-type: none"> • Maintaining and developing the quality of LUKI MAS Bandung products such as adding types of fish, such as catfish, ornamental fish, etc. • Develop and establish better cooperation with customers, partners and potential customers. • Optimizing employee performance and quality in business activities. 	<p style="text-align: center;">WO STRATEGY</p> <ul style="list-style-type: none"> • Increase sales promotion. • Utilizing existing technology. • Increase new innovations that are not easily imitated by competitors.

<i>Threats (T)</i>	ST STRATEGY	WT STRATEGY
<ul style="list-style-type: none"> • Increase in raw material prices LUKI MAS. • LUKI MAS customers moved to become competitors. • Competitors threaten LUKI MAS's fish market share. • There is a possibility for LUKI MAS partners to collaborate with competitors in business activities. • The LUKI MAS channel is in danger of becoming irrelevant to customers. 	<ul style="list-style-type: none"> • Establish good relationships with new partners. • Maintaining quality and price to be the choice of the community while maintaining good relationships with suppliers for raw material efficiency. • Increase business creativity. 	<ul style="list-style-type: none"> • Restarting LUKI MAS marketing especially on social media. • More vigorous in utilizing channels to increase potential. • Improve company performance

Source: Processed by Researchers, 2023

<i>Key Partnerships</i>	<i>Key Activities</i>	<i>Value Propositions</i>	<i>Customer Relationships</i>	<i>Customer Segments</i>
Raw material supplier	Buying raw materials	Brand: Creating a memorable name	Customers deal directly with employees	Children Adolescent Adult Surrounding Community Fish Fishing
Establishing cooperation through online delivery services, restaurants, and markets.	Packing carp/tilapia	Customization: Engage customers to choose fish sizes	Fisheries organization	Increasing customers from outside the city of Bandung
Increasing suppliers for various types of raw materials	Marketing activities through social media, including photos and videos of fish from LUKI MAS Bandung	Quality: The quality of fresh fish and the relative price are superior to others	Providing promotions through WOM (Word of Mouth), mobiles phones, whatsapp	
		Developing fish packaging using specialized colored plastic	Implementing a member card system	<i>Revenue Streams</i>
		Adding additional types of fish, such as catfish, ornamental fish, and others	Expanding communication channels through social media platforms (Instagram, Facebook, TikTok, etc.)	Asset sales: Goldfish and Tilapia
		Maximizing fast service in all conditions		Selling member cards

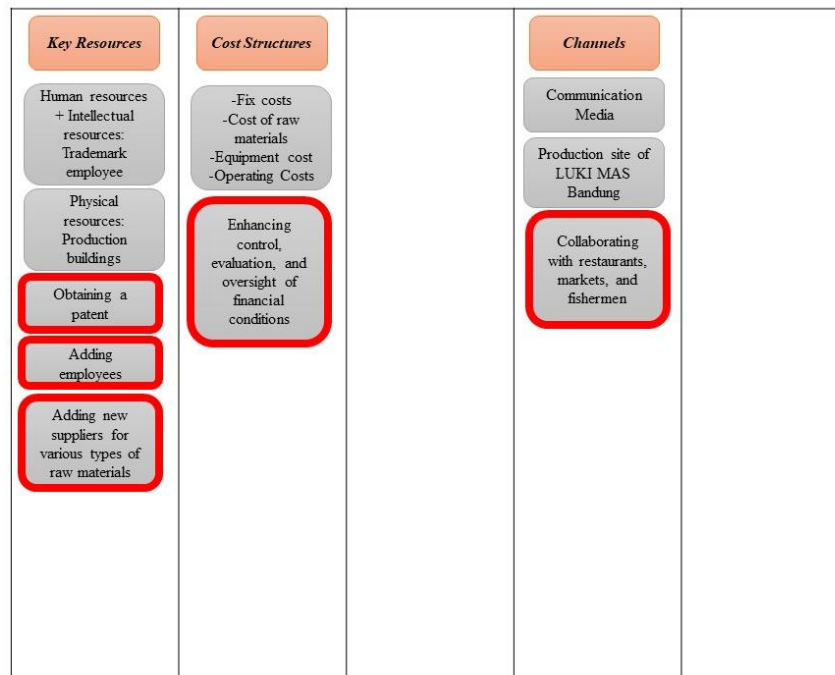


Figure 4: Recommended Business Model Canvas innovation

Source: Processed by Researchers, 2023

Explanation of figure 4:

Customer Segments

In the customer *segments* element that can be developed is to increase customer segmentation because the potential already exists, increase customers from outside the city so that LUKI MAS can expand their market scope because there are already quite a lot of customers who buy fish at LUKI MAS, namely from anglers outside the city. In addition, LUKI MAS always participates in certain fishery events organized by the community to increase experience and also introduce the name LUKI MAS more widely.

Value Propositions

The value *propositions* element that can be developed is that product packaging is made to be more unique, for example from the special plastic color of the fish to be seen by consumers. In addition, adding to the type of fish, because of the phenomenon that occurs not a few customers who want other than carp and tilapia for consumption, and of course this will be a new innovation for LUKI MAS. LUKI MAS always maximizes service even in conditions of many orders in order to provide comfort to customers.

Channels

In this element, the channels used need to be improved to reach more customers, for example, it needs to be considered again that product sales should not only sell from the LUKI MAS production site. It would be nice for LUKI MAS to cooperate with restaurants in the city of Bandung and work with anglers because considering that one of LUKI MAS's *customer segments* is an angler. LUKI MAS can enter the market through anglers who sell

garung fish (used fishing fish). In addition, LUKI MAS can open stores in areas that have high business opportunities.

Customer Relationships

In this *customer relationships* element, employees are always better at communicating with customers because in maintaining customer loyalty not only by communicating and providing understanding between company and customer personnel, one example that can be used is with *member cards*. With the *member card*, of course, the owner of the card will get benefits that can be in the form of discounts, or get bonuses. The advantage obtained by the company is to bind customers to buy LUKI MAS products again. Another way to maintain good relations with customers is to increase media to communicate with such as placing advertisements in newspapers that are often read by customers. You can also use social media such as *Instagram, TikTok, Facebook*, etc. to capture customers to more easily get information through social media.

Revenue Streams

The revenue *streams* element that can be developed is to expand the benefits of LUKI MAS member cards. Consumers are willing to pay to get the *member card* if the benefits that will be obtained by consumers are also many and certainly attractive.

Key Resources

In the *key resources* element, more weaknesses emerge such as main resources that are easily imitated by competitors, and human resources need to be added to overcome the overwhelm in serving many customers. So that the resources owned by LUKI MAS are not easily imitated by competitors, intellectual property rights are also needed, namely in the form of patents for LUKI MAS. Then constraints in the supply of fish raw materials can be overcome by adding new *suppliers* for fish so that LUKI MAS Bandung has a reserve if the main supplier *cannot meet the needs of LUKI MAS Bandung*.

Key Activities

In this element LUKI MAS has 3 main activities. But the need for additional activities such as marketing activities that can be done with promotions on social media, newspapers, magazines, and so on. Activities carried out can be in the form of uploading photos of fish, telling the freshness of fish from LUKI MAS and others.

Key Partnerships

According to the results of SWOT analysis regarding opportunities to reach customers through channels owned by partners, LUKI MAS can reach customers from anywhere if LUKI MAS collaborates with other partners such as restaurants and markets as well as delivery such as go-boxes or other online delivery services. LUKI MAS also always adds new *suppliers* for raw materials so that LUKI MAS Bandung has a reserve if the main *supplier* cannot meet the needs of LUKI MAS Bandung.

Cost Structures

In the element of *cost structures* that can be developed is to continue to control, evaluate, improve financial conditions at LUKI MAS Bandung, such improvements as increasing selling prices and saving part of sales proceeds for unexpected costs. Based on this explanation, it can be seen that business people need to pay attention to the business environment that will affect the business activities they are involved in, such as: market share and customer segmentation, product value propositions that need to be maintained in

the minds of consumers, financial management and profits obtained in order to rotate properly, the legal and regulatory environment issued by the government and the need to adapt themselves in following The development of information technology that affects the pace of business run.

5. Conclusion

The description of the business model in LUKI MAS using the Business Model Canvas approach has *been broadly applied and has fulfilled the nine building block elements in the Business Model Canvas*. Meanwhile, through the results of the SWOT analysis evaluation on the nine elements of the canvas model building blocks regarding strengths and weaknesses, opportunities and threats owned by LUKI MAS produce innovations that can be recommended for LUKI MAS in order to improve the existing business model. Based on the results of the study, researchers recommend additions aimed at several building block elements including *Customer Segments* by increasing customers from outside the city of Bandung and always participating in fishery events organized by certain parties. *Value Propositions* with product packaging efforts are made more unique by giving color to plastic in particular, adding types of fish such as catfish, ornamental fish. *Customer Relationship* by establishing a closer relationship in maintaining customer loyalty by implementing a *member card system*. *Product sales channels* can cooperate with restaurants, markets and fishing grounds in Bandung City or outside Bandung City. *Key Activities* with innovations in fish species and the addition of marketing activities to promote LUKI MAS through social media. In the *Key Resources* element, LUKI MAS should be able to add employees to perform maximum service. Finally, the *Key Partnerships* element is by adding new partners who can assist in supplying raw materials.

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