Communicating the move towards social entrepreneurship:
The role of key partners for women empowerment initiative in East Java

Mengkomunikasikan perubahan menuju kewirausahaan sosial:
Peran mitra utama dalam pemberdayaan perempuan di Jawa Timur

Suko Widodo1*, Sulikah Asmorowati2, Anita Dewi3, Calvin Nathan Wijaya4, & Charisma Husniati2

1Communication Department, Faculty of Social and Political Science, Universitas Airlangga
2Public Administration Department, Faculty of Social and Political Science, Universitas Airlangga
3Monash Herb Feith Indonesian Engagement Centre, Faculty of Arts, Monash University
4Reformed Center for Religion and Society

Address: 1-2Jalan Dharmawangsa Dalam, Airlangga, Kec. Gubeng, Surabaya City, East Java, Indonesia 60286
3Wellington Road, Clayton, VIC 3800, Australia
4Jalan Boulevard Bar. Raya, West Kelapa Gading, Kelapa Gading, North Jakarta City, Indonesia 14240
E-mail: suko.widodo@fisip.unair.ac.id

Abstract
The empowerment as well as welfare impact of the implementation of the Feminisation of Poverty Alleviation Program (PFK Program) on its beneficiaries – the underprivileged Female Household Heads (KRTPs)- in East Java, can be considered as range from low to moderate. In this, there is a need for furthering the empowerment impact of the program, which can be done, amongst other, through the adoption a social business model, namely Business Model Canvas (BMC). This study aims to examine key partners’ role in supporting the adoption of Business Model Canvas (BMC) elements for a government-initiated entrepreneurship program at the grass-roots level. The study employs qualitative case study research using observation, document analysis and interviews with 98 key partners in four districts (Banyuwangi, Lamongan, Nganjuk, and Trenggalek). The key partners are divided into three categories, namely local governments, KRTPs, and local institutions/communities. The study finds that to further the empowerment impact of the PFK Program, Trenggalek is the readiest among the four districts, followed by Nganjuk, Lamongan, and Banyuwangi, to adopt Business Model Canvas (BMC). It is further argued that the application of Business Model Canvas (BMC) can contributed to an adequate description of key partners’ readiness to support the program by establishing the customer segments, value propositions, channels, revenue streams, customer relationships, key resources, and managing the cost structure that accelerate the role of key partners in moving towards social entrepreneurship.

Keywords: key partners; Business Model Canvas; inclusive development; social business

Abstrak
Dampak pelaksanaan Program Penanggulangan Feminisasi Kemiskinan (PFK) terhadap kelompok sasaran yaitu Kepala Rumah Tangga Perempuan (KRP) prasejahtera di Jawa Timur masih tergolong rendah. Oleh karena itu, inisiatif untuk meningkatkan pemberdayaan KRP dengan mengadopsi Model Bisnis Canvas direkomendasikan. Studi ini bertujuan untuk mengkaji peran mitra kunci dalam mendukung elemen Business Model Canvas (BMC) untuk program kewirausahaan yang diprakarsai pemerintah. Penelitian ini menggunakan metode penelitian kualitatif berbasis studi kasus melalui observasi dan wawancara dengan 98 mitra kunci di empat kabupaten (Banyuwangi, Lamongan, Nganjuk, dan Trenggalek). Mitra kunci ini dibagi menjadi tiga kategori, yaitu pemerintah daerah, KRP, dan lembaga/masyarakat setempat. Studi ini menemukan bahwa Trenggalek adalah yang paling siap di antara empat kabupaten, diikuti oleh Nganjuk, Lamongan, dan Banyuwangi, dalam mengadopsi Business Model Canvas (BMC) untuk memajukan dampak pemberdayaan Program PFK. Studi ini berargumen bahwa penerapan Business Model Canvas (BMC) dapat berkontribusi dalam memberikan deskripsi yang memadai tentang kesiapan mitra kunci untuk mendukung program dengan...
Introduction

This research explores the potential adoption of a social business model using Business Model Canvas (BMC) to further the empowerment impact of the Feminisation of Poverty Alleviation Program (Program Penanggulangan Feminisasi Kemiskinan or PFK) implemented in East Java. As found in previous research by one of the authors, PFK, which assists female heads of household or in the program known as Kepala Rumah Tangga Perempuan (KRTPs) of 2.5 million Rupiahs (equivalent to about USD 200), has a relatively little to moderate impact on the empowerment and more specifically on the welfare of the target groups (i.e., female heads of households) (Asmorowati & Schubert 2018, Asmorowati et al. 2019). In response to this finding, the authors suggest the adoption of BMC. This model can presumably strengthen the empowerment and welfare of the PFK’s target group by increasing the sustainability of micro-enterprises owned by the KRTPs, created in the program.

Alexander Osterwalder introduced BMC in 2004 to simplify complex and complicated business processes. At a later stage, Osterwalder and Pigneur (2013) developed the model as a Business Model Innovation (BMI) that assists entrepreneurs in starting and conducting their business activities systematically, efficiently, and effectively. BMC consists of several elements that build the business model comprehensively and systematically. These elements include key resources, key partners (in this study are key stakeholders), key activities, value proposition, customer relationship, customer segment, and cost structure. The model can be seen in Figure 1.

<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Key Activities</th>
<th>Type of Intervention</th>
<th>Segments</th>
<th>Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>What resources will you need to run your activities? People, finance, access?</td>
<td>What is the format of your intervention? Is it a workshop? A service? A product?</td>
<td>Beneficiary Value Proposition Impact Measures</td>
<td>Customer</td>
<td>How will you show that you are creating social impact? Customer Value Proposition</td>
</tr>
<tr>
<td>Partners + Key Stakeholders</td>
<td>Channels</td>
<td>Who benefits from your Beneficiary intervention? Customer</td>
<td>Who are the people or organisations who will pay to address this issue?</td>
<td>What do your customers want to get out of this initiative?</td>
</tr>
<tr>
<td>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permission?</td>
<td>How are you reaching your users and customers?</td>
<td>Surplus</td>
<td>Revenue</td>
<td>What are your biggest expenditure areas? How do they change as you scale up?</td>
</tr>
<tr>
<td>Cost Structure</td>
<td></td>
<td>Where do you plan to invest your profits?</td>
<td>Break down your revenue sources by %</td>
<td></td>
</tr>
</tbody>
</table>
Referring to the mentioned elements above, this paper argues that key partners or key stakeholders are essential for BMC and social entrepreneurship success. This argument was built by considering that key partners or key stakeholders will be the perpetrators and determinants for the successful implementation of the model. Therefore, to ensure the feasibility of adopting BMC in implementing PFK, this research focuses on analysing each key stakeholder or partner element’s supporting role. By knowing each key stakeholder or partner’s roles and support, it can be identified whether the adoption of BMC enables stronger impacts on empowerment from the implementation of PFK. By furthering their roles and potential in supporting and developing social business, the welfare and independence of the target group (female heads of households) will be improved. This research’s ultimate goal is to adopt BMC as a social business model appropriate to the local context and is supported by all elements of society and government in the target districts to ensure inclusive development.

Social business as a model and academic field of study is closely related to social entrepreneurship and social responsibility, non-profit management, and global economic development. As asserted by Yunus, being the pioneer of the social business model, the social business model is a unique, non-loss, non-dividend model between traditional business and charity (also called “third-way” business) (Yunus 2007). In short, social business is a new form of business that lies between a profit organisation and a non-profit organisation. Further, the primary purpose of social business is to serve the community (Thompson 2002, Yunus et al. 2010:308-325, Braga et al. 2014). More specifically, the characteristics of social business are relatively similar across the world, with a difference in its particular emphasis on the focus of social aspects. In Europe, for example, social business has a characteristic that focuses on governance and institutional forms. Meanwhile, in the United States, the emphasis is on the entrepreneurs’ “individual” profile and capacity to deliver social innovation (Defourny & Nyssens 2012).

Social business can also be understood through the social business means of offering contributions to the social aspects. The first method is based on the idea of providing products and/or services with special social objectives, while the second method is based on the business idea of being owned by the poor or other disadvantaged sections of society, who earn their income by receiving direct dividends or indirect benefits (UNDP 2015). In addition, social business has an explicit social mission. Therefore, a social business is a business that uses entrepreneurial behavior, business practices, and the market to fulfill explicit social goals, such as serving the public interest and common good for the benefit of society (Defourny & Nyssens 2012).

The social business approach reflects the background of Grameen Danone’s establishment, a collaboration between Grameen and Danone food companies in providing nutritious food at affordable prices. Certo and Miller (2008) define social entrepreneurship as a process involving recognizing, evaluating, and exploiting opportunities to generate social values. Social values are insufficient for basic needs such as food security, health, and education. Social entrepreneurship is an activity that emphasizes the achievement of shared goals (Steinerowski et al. 2008). It is also emphasized that social entrepreneurship is carried out in social, economic, environmental, and cultural contexts (Dacin et al. 2010). According to Ashoka (in Brock & Steiner 2010), an effort is referred to as social entrepreneurship when covering the following items: changing the system, featuring innovative quality, functioning as replicable, empowering beneficiaries, scaling social impact, measurable and ultimately, sustainable. Meanwhile, the main difference between commercial and social entrepreneurship is their main focus: the first focuses on profit/economy, while the latter focuses on social return. Business model innovation is an effort to generate new sources of profit by discovering new value propositions or combinations of value constellations. The specifications of the social business model are: (1) Favoring social profit-oriented shareholders (in favor of social profit-oriented shareholders), (2) Specifying social profit objective (clearly determining the purpose of social profit).

As previously mentioned, Osterwalder initially created the BMC to simplify complicated business concepts, and at a later stage, with Piegneur, he further developed it. There are nine elements that make the main factors when one runs a business, namely: (1) Customer segments (objects identified as
consumers of products/services), (2) Value propositions (values applied to products/services, which explain why the produced products/services may be different from those of others), (3) Channels (the media in distributing products/services, which also include media promotion and sales), (4) Revenue streams (the origin of funding flows, whether they only come from profits or other sources. This is necessary to anticipate unexpected expenses), (5) Customer relationship (the means through which media can be connected with customers or consumers), (6) Key resources (the primary resources that support business or small business. For example, if the KRTP business is engaged in stitching, then KRTP as a designer, sewing machine and fabric are the primary resources), (7) Cost structure (system of financing, money or funds that are owned to be spent or budgeted for a business or small business) (Mader 2015), and (8) Key partners and key partnerships (in running a business, one needs other parties to help both in terms of production and distribution or sales. These parties are referred to as key partners). In this study, key partners are all actively involved and passively related stakeholders in the implementation of PFK Program. This includes all elements from the Community and Village Empowerment Office, KRTP, district/village assistants, and related local institutions, such as Village-Owned Enterprises (BUMDes), Women’s Cooperatives, Village Empowerment Agencies (BPD), PKK, and Village Cadres.

In alleviating the feminization of poverty, Bornstein and Davis (2010) delineate that social entrepreneurship functions as a process by which citizens build or transform institutions to advance solutions to social problems, such as poverty, illness, illiteracy, environmental destruction, human rights abuses, and corruption, in order to make life better for many. As social entrepreneurship is a concept that deals with an abundance of unknowns and uncertainties, it demands innovative operations to pursue its mission and remain sustainable in the market. It can be achieved by adequately defining their business model before creating any innovation, one of which is by employing BMC. Significantly, BMC must be inclusive as it determines the provision of satisfying essential goods such as clean water, nutritious food, health care service, and safe housing. It also benefits the poor communities by increasing productivity, as access to electricity and the internet drives the ability to utilize tools for organizing opportunities in becoming small-scale businesses and acquiring new skills when integrated as suppliers or entrepreneurs.

Research Method

This research investigated the implementation of PFK in Trenggalek, Lamongan, Nganjuk, and Banyuwangi, all located in the province of East Java. This research employed qualitative case study research to obtain a comprehensive picture of the role of key partners and their support for the adoption of BMC (Yin 2003, 2009). The methods include (Bowen 2005, Creswell 2013): (1) Qualitative observations on key partners’ activities that are associated with the development of BMC. (2) Qualitative interviews involving unstructured and open-ended questions, which were designed to reveal views and opinions of informants or research participants (which in this study are key partners or key stakeholders). (3) Analysis of relevant documents including secondary documents in the form of reports, and documents such as images and tables.

Using a purposive sampling method, a total of 98 informants were selected to provide profound data appertaining to the key partners’ (i.e., local government, KRTP, and local institution) activities in supporting PFK implementation in four districts. The qualitative data analysis comprises data reduction (i.e., classification of the data into relevant BMC elements), data interpretation, data tabulation (as seen in Table 1, 2 and 3), and conclusion. This research performed data triangulation by assessing the data sourced from interviews, observation, and document analysis to warrant the validity of the data (Miles & Huberman 1994).
Table 1.
Role of local governments in supporting elements of BMC by region

<table>
<thead>
<tr>
<th>Key partners</th>
<th>BMC element</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Banyuwangi</td>
<td>Lamongan</td>
</tr>
<tr>
<td>Local Government</td>
<td>Customer segments</td>
<td>Providing socialization</td>
</tr>
<tr>
<td></td>
<td>Not many can be implemented</td>
<td>to all heads of village</td>
</tr>
<tr>
<td></td>
<td>Value propositions</td>
<td>Training by the Office</td>
</tr>
<tr>
<td></td>
<td>Limited village and district assistants;</td>
<td>of Community Empowerment</td>
</tr>
<tr>
<td></td>
<td>lack of innovations</td>
<td>and Rural Lamongan</td>
</tr>
<tr>
<td></td>
<td>Channel</td>
<td>Information dissemination</td>
</tr>
<tr>
<td></td>
<td>Procurement activities of SMEs exhibition</td>
<td>through the website</td>
</tr>
<tr>
<td></td>
<td>outcomes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue streams</td>
<td>Capital loans through</td>
</tr>
<tr>
<td></td>
<td>Dinas KUMKM and cooperatives</td>
<td>No form of support</td>
</tr>
<tr>
<td></td>
<td>Customer relationship</td>
<td>No realization of support</td>
</tr>
<tr>
<td></td>
<td>No realization of support</td>
<td>KRTPs involvement in an</td>
</tr>
<tr>
<td></td>
<td></td>
<td>exhibition held by the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>District Government</td>
</tr>
<tr>
<td></td>
<td>Key resources</td>
<td>Village facilitators,</td>
</tr>
<tr>
<td></td>
<td>Village facilitators, especially in</td>
<td>especially in KRTPs that</td>
</tr>
<tr>
<td></td>
<td>KRTPs that already have a specific</td>
<td>already have a specific</td>
</tr>
<tr>
<td></td>
<td>initial business</td>
<td>initial business</td>
</tr>
<tr>
<td></td>
<td>Cost structure</td>
<td>No support cooperation in</td>
</tr>
<tr>
<td></td>
<td>Not much can be done</td>
<td>managing cost structure</td>
</tr>
</tbody>
</table>

Source: Interview data
<table>
<thead>
<tr>
<th>Key partners</th>
<th>BMC element</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRTP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer segments</td>
<td>Tend to miss their target surroundings</td>
<td>Banyuwangi</td>
</tr>
<tr>
<td></td>
<td>Cannot determine market segmentation</td>
<td>Predominantly cannot determine market segmentation; prospective businesses, e.g., shuttlecock and lontong production, have identified well</td>
</tr>
<tr>
<td>Value propositions</td>
<td>Experience problems</td>
<td>Difficult to compete</td>
</tr>
<tr>
<td>Channels</td>
<td>Limited space for KTRPs chosen type of business</td>
<td>Create many channels</td>
</tr>
<tr>
<td>Revenue streams</td>
<td>Not much can be done</td>
<td>Very vulnerable to sudden expenditures</td>
</tr>
<tr>
<td>Customer relationship</td>
<td>Not much can be done</td>
<td>Not much has been done</td>
</tr>
<tr>
<td>Key resources</td>
<td>Facilitated by various consultations held by village assistants</td>
<td>Deliberation of citizens</td>
</tr>
<tr>
<td>Cost structure</td>
<td>Managed by each KRTPs; no clear cost structure</td>
<td>Managed by each KRTPs; the most advanced cost-structure manage by the landscaping business</td>
</tr>
</tbody>
</table>

Source: Interview data
<table>
<thead>
<tr>
<th>Key partners</th>
<th>BMC element</th>
<th>Region</th>
<th>Banyuwangi</th>
<th>Lamongan</th>
<th>Nganjuk</th>
<th>Trenggalek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Institutions/Communities</td>
<td>Customer segments</td>
<td></td>
<td>Not widely seen</td>
<td>Not widely seen</td>
<td>Not widely seen</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value propositions</td>
<td></td>
<td><strong>BUMDes</strong> are not yet ready to work together</td>
<td></td>
<td></td>
<td>Various forms of support either directly or indirectly</td>
</tr>
<tr>
<td></td>
<td>Channels</td>
<td></td>
<td>Branding owned by community organisations in Wanar Village; face difficulties in other villages</td>
<td>No support shown</td>
<td>Branding owned by community organisations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue streams</td>
<td></td>
<td>Not much can be supported</td>
<td><strong>BUMDes</strong> and women's cooperatives engaged in the savings and loan business</td>
<td><strong>BUMDes</strong> and women's cooperatives engaged in the savings and loan business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer relationship</td>
<td></td>
<td>Surrounding community groups encourage the creation of good customer relationship</td>
<td>Surrounding community groups encourage the creation of good customer relationship</td>
<td>Surrounding community groups encourage the creation of good customer relationship</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Key resources</td>
<td></td>
<td>Quite promising</td>
<td>No form of support</td>
<td>No form of support</td>
<td>The active role of <strong>BUMDes</strong>, women's cooperatives, and the PKK</td>
</tr>
<tr>
<td></td>
<td>Cost structure</td>
<td></td>
<td>No form of support</td>
<td>No form of support</td>
<td>No form of support</td>
<td>Not much can be done</td>
</tr>
</tbody>
</table>

Source: Interview data
Results and Discussion

Role of key partners or key stakeholders in supporting elements of BMC in Banyuwangi

This section concentrates on analysing the role of three key partners in supporting the elements of BMC in Banyuwangi

Local governments. To support the customer segment elements, not many can be implemented by local governments (district, sub-district, and village governments). District and village assistants or facilitators are supposed to assist in optimizing the value propositions, with the latter being expected to enhance the competitiveness of products from KRTP. However, due to the limited number of village’s facilitators, there is the lack of innovative development of the KRTP’s products. From the district government, efforts for channels development can only be found through procurement activities of SMEs exhibition. Meanwhile, the local government efforts are reflected in the role of the Cooperation and Micro, Small and Medium Enterprises District Official Unit (Dinas KUMKM) and cooperatives related to capital loans to support revenue streams. However, this is one of the specific natures as it does not only apply to small enterprises of KRTPs in PFK. To support customer relationships, there is no tangible form of support shown by local governments. In the implementation of PFK, especially in KRTPs that already have initial small businesses, the presence of village facilitators is beneficial in helping to channel key resources, but, in terms of cost structure support, not much has been done by the local government.

KRTP. Most KRTPs tend to miss their target (i.e., customer) surrounding their habitation. Mainstream businesses such as planning cannot see much of their customer segmentation. Most farming KRTPs experience problems associated with value propositions as many developed variables may affect the value propositions of farmed livestock. To support channels, the limitation of space for the types of businesses chosen by KRTPs also influences the ability to support marketing channel creation for their business products. There is not much that KRTPs can do to support revenue streams. To support the customer relations element, not much can be done by KRTPs either because the chosen business is a medium-term business. In support of key resources, they are facilitated by various consultations held by village assistants. Each KRTP generally manages the cost structure. There are no specific benchmarks for expenditure, capital, or other forms; hence the cost structure is unclear.

Local institutions. For the district of Banyuwangi, there is almost no role shown by local institutions, such as BUMDes and Women’s Cooperative. BUMDes is generally a new initiative and is still in its development stage; thus, it cannot help other programs such as PFK. Likewise, Women’s Cooperative has also just begun to be intensively developed in recent years; hence its members and organizational forms have not been well developed and have not supported BMC elements.

The draft implementation of BMC’s full support is indicated in local government and KRTPs. Regarding capability, the local government provided verbal support through its government structure, and KRTPs expressed support for implementing BMC. However, there is no actual form of support for KRTP businesses. Likewise, considering the readiness of key partners in elements within BMC, most of them have not gained good support from local government and KRTPs themselves. Although the local government alone could not solve the issue of poverty (Yunus 2007, Hoque 2011), the government agency still plays an important role to awaken the incapable and passionless micro-enterprises owner. Yunus (2010:78) agrees that there is “an alternative model”, namely “giving full or majority [business] ownership [from profit-maximizing companies] to the poor.” In other words, the social business is not always originated or initiated by the poor, but also the big companies. Infomed by Yunus’s (2010) alternative model to social business, this paper argues that the government agency could serve as the maker or enabler of the alternative model (forms of government role will be discussed in the Trenggalek section). This argument also supported by empirical research that found the togetherness in the social business, where “all the sectors of an economy-like government, businesses and non-profit organization
under the same roof” (Akter et al. 2019). Further question should be addressed is the capability of the government agency itself, particularly in Banyuwangi, to provide the model.

**The role of key partners or key stakeholders in supporting elements of BMC in Lamongan**

The section below concentrates on analysing the role of three key partners in supporting elements of BMC in Lamongan

*Local governments.* The Office of Community and Rural Empowerment (Dinas Pemberdayaan Masyarakat dan Desa or PMD) supports customer segment elements by providing socialization to all heads of villages in the Lamongan District. Their villages are the target location of the PFK that related to KRTP business market segmentation, enabling heads of villages to forward socialization results to KRTPs as business actors. The Office of Community and Rural Empowerment also shows a significant contribution through various training activities conducted to help developing KRTP and supporting the value propositions efforts. The government website presents much information related to the village-featured products, which also helps KRTP’s enterprises to create channels, particularly for KRTP’s superior products of a villages.

In terms of revenue streams, support from local governments as the key stakeholders has not been found. Yet, there is one concrete step taken by PMD Office towards the customer relationship element that involves KRTPs. That is, KRTPs’ products are invited to participate in the Micro, Small, and Medium Enterprises (SMEs) exhibition held by the District Government in cooperation with relevant government agencies. Appertaining to key resources, Lamongan District Government provides periodic consultations to KRTP in which the support started from the initial implementation to the completion of the program. The enterprises or businesses chosen by KRTP is also more focused on micro-businesses such as grocery stores, that it does not support cooperation to manage cost structure.

*KRTP.* For the KRTPs, their enterprises cannot see much market segmentation. However, more prospective efforts, such as farm seed production, can already be identified with the segmentation of customers who have been there. Most KRTPs who choose more mainstream small businesses find it is challenging to maintain their businesses, as they may indirectly compete with established similar businesses. Most KRTP mainstream businesses can create many channels for their business because of the limited scope of the business to support the channel’s element. To support revenue streams, almost all KRTPs’ businesses are very vulnerable to sudden expenditure. To support customer relations elements, no KRTP business has been able to build relationships with its customers. Finally, in terms of cost structure, all KRTPs and selected businesses are generally individual. As such, the cost structure is generally managed by the KRTPs themselves.

*Local institutions.* In an effort to support the customer segment elements, there is almost no role of the local institutions in Lamongan districts. Most BUMDes have only been inaugurated in the last five years, so that not many BUMDes have been able to be oriented to collaborate with the micro businesses developed by KRTPs from the PFK Program. In supporting the value propositions element, BUMDes are not yet ready to work together to a sufficient level that the existence of a community organisation can cover it. This result was exemplified by an organisation called Taruna Tani in Wanar Village which accommodates Wanar Village residents who work in the gardening industry, including KRTPs in the realm of landscaping. The aim is to be managed and assisted to continue to have market share and develop their capacity and business landscape. To support the channel elements, branding owned by community organisations is beneficial for Wanar Village. However, for other villages, it can be said that there is a problem with the channel. In Lamongan District, for instance, not much support can be provided for the revenue stream element.

The financial limitations of each party prevent the emergence of revenue streams for KRTP businesses from other sources. To support the elements of customer relationship, community groups can also encourage the creation of good customer relationships between efforts developed by KRTP with the community itself. To support the elements of the key resources for Lamongan, which are quite
promising for existing fertilizer industry from BUMDes farm village would probably be an exciting combination for BMC to be developed later. Last, it can be said that there is no form of support shown by local institutions/communities to the KRTP businesses in the Lamongan District to support the \textit{cost structure} element.

The local government’s support in developing elements of BMC is comparatively less. The role of the Lamongan local government in developing the PFK may occur, with training and cooperation with private sector, but only in the direction for training and not social business. Through its various organisations and village assistants, the village government shows better support, particularly in the development and sustainability of PFK and on the aspects of other elements of BMC. The support is reinforced by village officials’ constant attention to KRTP, who receive PFK. BUMDes, Women’s Cooperatives, and organisations programs in the villages are not integrated with the PFK. Nevertheless, there was one village within the district where the local institutions developed the potential recipient of the village and business programs and co-integrated it with PFK. In Lamongan, the actual action of KRTP to support other elements in BMC is still inadequate. This lack of support by KRTP was evident because, although there is attention from the government in both villages and regions, most of these KRTPs cannot read opportunities for business development, so most businesses stop and do not develop until they bankrupt. A recapitulation results from a Datinawong village assistant (who oversees 19 KRTP-owned businesses) reinforce this evidence, by which only three KRTP program businesses are still running. The same circumstances also occur in other villages.

The finding from Lamongan posits a unique norm that not all the government aid could serve as enabler for the micro-enterprise owners to strive on their business. While Yunus (2010) confidently claimed the social business could “create a world without poverty” by enabling entrepreneurial potential of the poor, the case in Lamongan delineates another consideration: sometimes the problem of poverty alleviation is on the government agency; however, it could also be pinned to the poor. Nevertheless, it is not fair to put the burden into the marginalized community; therefore, it could be the approach for the government is not fit with the circumstances of the poor. This means that the government agency needs to reconstruct the meaning of “helping the poor” (Patten 2005). Corbert and Fikkert’s (2014) \textit{When Helping Hurts} challenges the superiority of the helper and notes that sometimes the methods of helping the poor are unconsciously hurting them more by dictating the what to do and applying a “one-size-fits-all” response to the issue of poverty. Otherwise, “asset-based community development” strategies are needed to understand the needs of the poor case-by-case, person-by-person, and how the poor could find their own solution. In other words, the duty of the government is helping them (the poor, micro-enterprise owner) to help themselves (Arslanalp & Henry 2004).

\textbf{The role of key partners or key stakeholders in supporting elements of BMC in Nganjuk}

\textit{The section concentrates on analysing the role of three key partners in supporting elements of BMC in Nganjuk}

\textit{Local governments}. In Nganjuk District, the monitoring program from the local government is minimal. Regarding \textit{customer segmentation}, there was inadequate support by the local government. District and village counterparts should be able to optimize \textit{value propositions} that increase the competitiveness of products from KRTP. Unfortunately, the limited number of village facilitators and the broad scope of district facilitators create deficiencies in KRTP business product development. The regional governments (the village, sub-district, and district of Nganjuk) cannot develop the media for marketing products in the government area. Besides, there is no support from key stakeholders in the local government to develop \textit{revenue streams} yet, because most businesses by KRTP are 100\% developed through KRTP’s capacity and capability. Furthermore, the \textit{customer relationship} element also experienced no support from the local government. In implementing the PFK Program, especially for KRTPs that already have a start-up business or particular abilities, the presence of village facilitators is beneficial for \textit{key resources} that support KRTP business continuity. Finally, there is not much the local government can do to support the \textit{cost structure} element due to a lack of human resources to cover all aid-receiving parties.
KRTP. For KRTPs, mainstream business planning provides inadequate potential market segmentation. However, in more prospective businesses such as the production of shuttle-cock and lontong (rice cake), it has been identified quite well with existing customer segmentation. Most KRTPs that chose mainstream business found it difficult to maintain their business, as it may indirectly compete with similar already established businesses. The shuttlecock KRTP craftsmen experienced the same thing because they faced more competition from various parties. Meanwhile, KRTP of lontong production may be more stable because they manually made the product and maintained market segmentation.

Regarding the channel’s element, most KRTP mainstream businesses cannot create many channels due to the limited scope of business. To support the elements of revenue streams, almost all individually established businesses are very vulnerable to impulsive spending. No KRTP business has been able to build relationships with its customers to support the customer relations element. The inability, however, does not mean that no one has the potential to do so. In supporting the key resources element, KRTPs in Nganjuk are facilitated by the provision of deliberation. Further discussion will be conducted concerning procurement efforts to ensure that most businesses are run by KRTP based on their capabilities. All KRTPs in the selected businesses are generally individual, resulting in the cost structure being more likely managed by KRTPs. For instance, the shuttlecock business may be the best management in terms of cost structure because the owner’s business has been running on a relatively grander scale, allowing this business to hire some day laborers to assist the production process.

Local institutions. To support the element of customer segments, the role of the local institutions in Nganjuk District is not widely seen, as the effort developed by most BUMDes and cooperatives dwell on savings and loans that do not support market segmentation. To support value propositions, the fact that BUMDes do not support the production process of goods/services is exacerbated by the presence of Women’s Cooperatives, which does not facilitate KRTPs in developing their businesses. The financial assistance offered by Women’s Cooperatives and BUMDes can be a boomerang for KRTP’s business continuity. In terms of channels, the state BUMDes and Women’s Cooperatives have created a hostile business climate for KRTP beneficiaries in the PFK Program. Indeed, only the revenue stream element is visible in the presence of BUMDes and Women’s Cooperatives, as they are engaged in the savings and loan business.

BUMDes and Women’s Cooperatives can help fund businesses run by KRTPs. To support the customer relationship element, the surrounding community groups can also encourage good customer relationships between businesses developed by KRTPs and the community, both as consumers and distributors of KRTP business products. Meanwhile, in terms of key resource elements, there is no form of support provided by local institutions/communities for the development of KRTP businesses in Nganjuk. Similarly, in terms of cost structure, there is no form of support shown by local institutions/communities to the KRTP businesses in Nganjuk. Considering this is a limitation of the form of business carried out by KRTPs, the cost structure does not open up opportunities for cooperation with other parties.

The support of the Nganjuk District regional government in other elements to develop the adaptation of the BMC (through the Office of Community Empowerment and District Assistance) is not optimal. The village government may be the key partner instrumental in Nganjuk because it is the closest relation between government institution and subject (KRTP) in implementing the PFK Program. However, this does not necessarily mean that the role indicated by the village administration in Nganjuk District is optimal. There is a widespread view that the source of funds is a grant, so there should be no program monitoring. This paradigm results in a minimal village government monitoring role. BUMDes and other organisations also do not play any role in local communities. The limitations of each organisation eliminate support for the development of BMC going forward. Furthermore, amongst KRTPs, it is the object that receives this assistance. In Nganjuk District, significantly developed businesses are already established KRTPs-owned businesses. Simply put, the PFK Program is merely an extra effort. Most of the new businesses that start with the PFK Program are not able to continue.
As has been discussed in the previous section, Corbert and Fikkert (2014) liberate us from the mainstream notion that there are “us” (the helper and superior) and “them” (the poor and inferior). The case in Nganjuk gave us an illustration of the ineffective assistance—which helping is actually not helping—as the micro-enterprise owners have their own business and experience; therefore, they actually do not need assistance. Instead of applying “one-size-fits-all” approach, the government agency must attend first to the need of the beneficiaries. In this case, the “need-based” approach (Patten 2005) is more appropriate to be applied.

The role of key partners or key stakeholders in supporting elements of BMC in Trenggalek

The section below concentrates on analyzing the role of three key partners in supporting elements of BMC in Trenggalek

Local governments. In implementing the PFK Program, the local government manages routine monitoring, which is aimed to assist KRTPs in identifying business market segmentation. One of these village governments is Dongko village. The relationship between the village governments and KRTPs continues through the active organisation of village government meetings with KRTPs of the PFK Program beneficiaries. To support this element of value propositions, they have been represented through the roles of village facilitators and district facilitators. These two parties provide business motivation to KRTP, particularly those who did not previously have their businesses open. The value propositions are also supported by various forms of institutional cooperation built by the District Government. In this case, various forms of collaborative training have facilitated KRTPs in developing their ability to run a business.

The local government has also started vigorously implementing various activities and cooperations in Trenggalek and other regions. This action is mainly geared to help businesses developed by KRTP through implementing the PFK and Micro, Small and Medium Enterprises (SMEs) Program, the extent of which began to appear in the past few years in the Trenggalek District. Most KRTP development efforts are thoroughly made by themselves, without any financial assistance from the local government. If supported or developed by the Regional Government, another assistance is more directed toward training targeted at KRTPs as business actors. Several forms of support can be identified in the customer relationship element, such as development efforts to some particular parties. For example, there has been cooperation with institutions for training with the implication of expanding market share and strengthening the relationship between businesses developed by KRTP, market segmentation, and its customers. The support of the local government regarding key resources through the role of the village and district assistant is observable. In implementing the PFK Program, especially in KRTPs that already have an initial business or specific capabilities, village facilitators are very helpful in channeling key resources. Finally, to support the cost structure element, not much can be done by the local governments. However, the cost structure of some businesses carried out by KRTP, such as crafts and goods, including soybean production, can be monitored.

KRTP. Most KRTPs in the sub-district vary in their choice of businesses being developed. Businesses such as chips and tempe production can develop quite nicely in Trenggalek, which is inseparable from the successful identification of market segmentation conducted by the KRTP. Businesses such as laundry have a comprehensive enough segmentation to reap significant success. Most KRTPs actively participate in training provided by the regional government and other parties to support the element of value propositions. Therefore, the value of the resulting product is higher than that of similar products. Besides, labeling is also widely sought by local governments. They encourage micro-business products carried out by KRTPs to have good quality, particularly to businesses that become the priority of exhibitions, such as chips and tempe, which are also widely developed by KRTP recipients of the PFK Program. To support the channels element, most businesses developed by KRTP follow the channels that have been built by the local government.

Moreover, some businesses have also started to be established before the PFK Program’s channels to sell their business products. For instance, a chip-making business can build new channels so that the
market scope of products becomes increasingly expansive. To support the elements of revenue streams in Trenggalek District, most KRTPs develop savings efforts for themselves. The savings must be regularly put aside by these KRTPs themselves. KRTPs in Terri Sub-district, for example, are very active and help to participate in all members of Women’s Cooperatives and take charge of BUMDes. Furthermore, several KRTP businesses successfully build relationships with their customers, including chips and tempe business venture production, both of which existed before the availability of assistance of the PFK Program, and hence already have regular customers. Trenggalek facilitates KRTPs through meetings among the village government, PFK Program beneficiaries, and the Office of Community Empowerment in supporting the key resources element. In these meetings, procurement efforts are discussed. While most KRTPs and selected businesses are individual, Terris sub-district’s involvement in exhibition participation is most frequently focused on the cost structure. With the help of a savings mechanism, the KRTPs claimed that the cost structure of their businesses became more monitored, which also applies to the active involvement of KRTPs in Women’s Cooperatives and BUMDes, as they participate in the cost structure development and management.

Local institutions. To support the elements of customer segments, the local institutions do not play many visible roles. Most BUMDes are engaged in savings and loans, so they cannot influence or support other elements in BMC. Meanwhile, the Women’s Cooperatives can generally help identify the segmentation of the existing markets and take part in the business products market of KRTPs. Disclosure of Women’s Cooperatives and participation of KRTPs in Terri sub-districts provides appropriateness for discourse development of the Social Business Model Canvas. To support the elements of value propositions, various forms of support shown by various parties of institutions/community development and business continuity of the PFK Program in Terri either directly or indirectly impact the quality of products of businesses KRTPs. To support the elements of channels, branding owned by community organisations may be beneficial for KRTPs. The intended community organisation is the existence of farmer groups that also play a role in creating channels for KRTP businesses, as they help significantly in the marketing efforts of KRTP products. To support the revenue stream, the good participation of Women’s Cooperatives and BUMDes in the Terri sub-district opens up new potentials.

Loan enterprises that commonly develop BUMDes and Women’s Cooperatives can become sources of capital assistance to businesses developed by KRTPs. To support the element of the customer relationship, the surrounding community groups can also encourage the creation of good customer relationships between businesses developed by KRTP and the community itself, both as consumers and as distributors of KRTP business products. To support key resource elements, Trenggalek District local institutions/communities can be developed through the active roles of BUMDes, Women’s Cooperatives, and the PKK’s motivation boosters and assistance. A public opinion poll carried out at the meeting of the organisations has become a medium that sufficiently facilitates KRTP business continuity. Concerning cost structure element, it can be said that not much can be done by local institutions/communities in Trenggalek, as matters related to business cost structure do not generally become public consumption.

The role of stakeholders ranging from the district, sub-district, and village governments, to KRTP is considered mutually supportive of existing innovations. Some examples include Gertak Program (Look Down Movement) and KEPEL (Weak Economic Development Group) in Trenggalek. A study conducted in Dongko and Sumberbening villages of Trenggalek revealed that the government also plays a key role in addition to Women’s Cooperatives, Farmers Group, and BUMDes. Women’s Cooperatives and BUMDes help the service delivery savings and loans utilized as capital development by KRTPs. They also help motivate people to turn saving into a habit.

In addition, Women’s Cooperatives and Farmer Groups also play a role in general community empowerment and KRF in the PFK Program by providing training to improve the entrepreneurial motivation of the community. The empowerment includes producing cassava chips and banana chips, recycled goods, tempe, and janggelen. Village companions help to motivate and assist so that KRTPs can run businesses. Providing goods or raw materials for KRTP businesses also supports KRTP business marketing by depositing in shops or stalls in the village. KRTP beneficiaries of the PFK
Program develop diverse businesses with the assistance received. The established businesses are diverse; many KRTPs open grocery stores, produce tempe, chips, janggelan, and laundry service. The marketing means are diverse, from independent door-to-door marketing to opening a shop at home and utilizing social media such as Facebook. District and village governments also help market products of KRTP owned businesses by utilizing their websites; however, the content therein remains minimum and is focused on promoting the tourism potential of rural nature. In addition, the government also provides marketing assistance through bazaars on certain days to help KRTPs marketing their business products.

While the findings in Trenggalek stand in opposition with Banyuwangi, both findings echoed the same principle: there is a positive relationship between the support of government agency to micro-enterprise owner and the ability of the poor to run their business. This denotes the significance of government agency as we have discussed in Banyuwangi section. The experience in Trenggalek emphasizes another essential principle, namely the companionship of government agency to the poor. The government as companion to the poor has variety of forms from macro and micro level. First, companionship in macro level means the provision of legal framework that affects directly or indirectly to the micro-enterprises own by the poor.

Since the political reforms in Indonesia, there has been a new regulation that democratizes local-level politics and village institutions (Antlöv 2003) that later has been operationalized specifically into 2014 Village Law (Antlöv et al. 2016). Although this legal framework has a basis for resource flows to the local level, as Antlöv et al. (2016) argued, it is not an firm foundation for effective local service delivery. Therefore, the government must not satisfy for just accompanies the micro-enterprise owner in the macro level. This notion brings us to the second form of companionship, which is in the micro level, namely the actual presence of government agency within the process of social business. It could take many forms, for instance, as we found in Trenggalek, the presence of village companion to motivate, train, and empower the poor. Deliberation forums, as Damayanti and Syarifuddin (2019) noted, also could be taken into consideration for micro level form of companionship as deliberation will help to translate the voice of the needy and address micro-enterprise owner needs. Both of the companionship forms, macro and micro, must be actively engaged by the government to further enhance the ability of micro-enterprise owner to run their business.

Business Model Canvas: Examining and accelerating the role of key partners in supporting entrepreneurship program

While previous researches in entrepreneurial studies incline to apply the BMC as a map or guideline to analyse the benefits of business modelling (Leschke 2013), methods approach of teaching in financial areas (Jackson et al. 2015), firm types (Gabriel & Kirkwood 2016), perceptions of business and economics students (Türko 2016), as well as developing a business model (Kalair et al. 2021) and integrating business model with demand response (Hamwi et al. 2021), this research focuses in analyzing the role of key partners in supporting a government-initiated entrepreneurship program. This focus has contributed to an adequate comparative description of key partners’ readiness to support the program, hence giving a comparative empirical-based argument for accelerating key partners’ role in moving toward social entrepreneurship.

Using BMC as its framework, Table 1, 2 and 3 (summarized in Table 4) reveal the role of local government, KRTP, and local institutions/communities in four districts to reinforce the PFK Program. This result also can be interpreted as key partners’ readiness. Among four districts, Banyuwangi is the least ready because many of its KRTP businesses are mainstream businesses that are not prospective for supporting business models. Furthermore, many elements in BMC cannot be fulfilled, especially the lack of local institutions/communities’ roles. The second-lowest in the rank is Lamongan. It has low prospects for the development of BMC as many KRTPs failed and cannot continue. Most businesses are of a less promising business model for social entrepreneurship, and there is a lack of support from the local government as visualized in the BMC.
In Nganjuk, there are many continuing KRTP businesses. While the local government and other institutions supports are promising, they are less suitable for BMC application because some vital elements such as channels and value propositions are not optimal. Trenggalek district has the most potential BMC because of its good integration between key partners. Besides, there are many KRTP continuing and further developing businesses. The local government, KRTPs, and local institutions/communities are also supportive. While not all elements of BMC can be fulfilled, the integration between key partners has enabled it to be implemented in Trenggalek District. In other words, Trenggalek is the most prospective area for developing BMC in the future. These comparative results have simplified the analysis of readiness of an identical program in a different geographical setting. Furthermore, those comparative results are beneficial in examining the success and failure in each district. The district with low readiness can obtain lessons from other districts with higher readiness.

**Table 4.**

<table>
<thead>
<tr>
<th>Key partners</th>
<th>Banyuwangi</th>
<th>Lamongan</th>
<th>Nganjuk</th>
<th>Trenggalek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local government</td>
<td>Verbally (not tangible) supported through the structure of the government</td>
<td>Less support from local government; better support from village government</td>
<td>No optimal support from either regional or village government</td>
<td>Mutually supportive, ranging from the district, sub-district, and village governments</td>
</tr>
<tr>
<td>KRTP</td>
<td>Support with several problems</td>
<td>Lack of support from KRTPs</td>
<td>Already established business; most business starts with PFK Program are not able to continue</td>
<td>Develop diverse business with assistance from local government and institutions</td>
</tr>
<tr>
<td>Local institutions/communities</td>
<td>No role shown by local institutions/communities</td>
<td>Almost all local institutions programs are not integrated with PFK Program</td>
<td>No role shown by local institutions/communities</td>
<td>Support KRTPs’ capital development and provide training</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration

This research contributes to the potential adoption of social business model (the BMC) in government-initiated entrepreneurship programs. While most of BMC research focused on the private sector (Benjaminsson et al. 2019) and the use of BMC in the public sector (Johnson et al. 2008), this research emphasized the adoption of BMC in the government-initiated entrepreneurship based program at the grass-roots level, and highlighted the advantages of doing so. According to Peters et al. (2013), the key partners provide an important contribution to the value proposition. This is because the key partners will assist in the realization of the values associated with the parties concerned. Furthermore, this paper proposes shifting from business models as devices of sheer value creation to business models as devices that organize and facilitate stakeholder relationships and corresponding value exchanges (Freudenreich et al. 2020). Table 4 shows the importance of support from key partners to influence the implementation of programs. For some regions, the minimum support from key partners somehow makes the program implemented ineffectively. As Li et al. (2016) note, the role of the multi-actor on local agency in BMC is vital to enhancing innovation in the context of social entrepreneurship because they would help give the amount of funds, and the market value will be captured through the interest between actors. In short, local agencies will help to gain the sustainability of the program in the long term as its nature of BMC.
Conclusion

This paper has discussed that the moderate empowerment and welfare impacts of the PFK Program on its target groups can be strengthened by applying the Social Business Model called Business Model Canvas (BMC). This paper has examined the key partners’ role in PFK Program in supporting the program and the adoption of BMC. In so doing, seven elements of the program are identified to be working hand in hand and being supported to the PFK program implementation. These seven elements include (1) customer segments, (2) value propositions, (3) channels, (4) revenue streams, (5) customer relationships, (6) key resources, and (7) cost structure. As this study finds, the different capacities, capabilities, and environments in various regions studied in this research also lead to differences in developing the Social Business Model Canvas. Meanwhile, the rank of opportunities or the readiness for developing the Social Business Model Canvas, based on the roles and support of key partners, starts from Banyuwangi as the lowest, to Lamongan, Nganjuk, and Trenggalek as the readiest. It is also argued that the role of key partners’ readiness to support the application of Business Model Canvas (BMC) can contribute to an adequate description of establishing the customer segments, value propositions, channels, revenue streams, customer relationships, key resources, and managing the cost structure that in turn can accelerate the role of key partners in moving towards social entrepreneurship.

Based on the above conclusion, there is a need for communicating and accelerating the role of key partners in support of the adoption of Social Business model, Business Model Canvas (BMC) for government social entrepreneurship program like the PFK. In this paper’s case study context, the full role and support of key partners and key stakeholders, are needed for the developing and sustaining micro, small and medium businesses or enterprises owned KRTP’s so that their businesses sustain from bankruptcy. Ultimately, short-term and long term supports from the local government are amongst the significant. The short-term support can be done, such as, by providing ease process and access to non-interest loans from Women’s Cooperatives and village enterprises (BUMDes), while long-term supports can be in the form of businesses or enterprises network development, and assistance to create a business product branch, label or certification, including setting up new enterprises.

References


