

Designing Business Model by using 4I-Framework for the Community of Persons with Disabilities in Bandung

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Abstract: Disability is a problem that affects many lives in the world. Disability people are closely related to poverty. They are often facing discrimination in accessing employment that forces them to work in individual or household businesses. PT. BioFarma provides employment opportunities by providing an incubator business. This incubator business is called Creative D'Pro and currently engaged in the fashion business. The main problem is the market of Creative D'Pro is limited and other challenges like the emergence of new competitors, sophisticated technology, and increasing competition in innovation. The purpose of this research is to create a new and viable business model design for Creative D'Pro to remain competitive. This research is using 4I-Framework. This research is a qualitative research, and collect the data by using interviews, observations, and focus group discussion methods. The findings will be indicated by the form of a new business model design for Creative D'Pro.

Keywords: Entrepreneurship, Business Model, Business Model Innovation, Persons with Disabilities

1. Introduction

Disability is a problem that affects many lives in the world. In Indonesia, persons with disabilities (PWD) have lower levels of education, worse levels of health, and fewer economic opportunities. Disability is closely related to poverty, persons with disabilities are often socially ostracized, and face great discrimination in accessing employment.

The unemployment rate of persons with disabilities in Indonesia is remain high. The Ministry of Social Affairs (Kemensos) assigned to empower persons with disabilities to become independent entrepreneurs through vocational training. The Indonesian government also passed several laws as a commitment to eradicate discrimination against people with disabilities.

PT. Bio Farma supports government programs by providing employment opportunities for people with disabilities by creating a business incubator. This incubator includes a series of funding, training and coaching that is expected to help the development and welfare of the surrounding community, especially for persons with disabilities.

This business incubator is called Creative D'Pro and currently engaged in the fashion business. During these years, there have been some drawbacks experienced by Creative D'Pro. The market segment of Creative D'Pro is limited and no longer profitable, the business activities do not support the progress of Creative D'Pro. Accordingly, Creative D'Pro must develop a new business model

following the new market segment to remain competitive.

2. Literature Review

2.1 Strategic Management

The strategy holds a crucial part in any organization, the term strategy is closely related to the efforts of an organization in improving its performance. According to Hitt et al. (2006: 6), Strategic management process demonstrates the complete determination, settlements, and the steps needed to create a sustainable competitive advantage. According to David & David (2015:40), strategic management can be defined as the activity of characterize, execute, and evaluate the managerial decision in the organization to achieve the organization's purpose.

2.2 Business Model

The business model does not only discuss the matter regarding products or services, but it acts as the basic structure of a business. Jones & Hill (2013:7) stated that the business model works as the repository that governs the way strategies collaborate so the organizations able to gain a competitive advantage.

Johnson (2018:6) explains that a business model resembles the perpetual effort of an organization to create and convey its value both for the customer and for the organization itself. In line with Fitzroy & Hulbert (2005:44) who underline the business model as the way of the firm to compete which has a series of guidelines to generate revenues and

profitand but at the same time delivering value to customers, this underlines the way of the firm to compete.

2.3 Business Model Innovation

Gassman et al., (2016:30) generate a business model navigator to facilitate the business model innovation. The Business Model Navigator is an action-oriented method that allows any company to break through the logicofits dominant industry and then innovating the business model. There are four main dimensions to design a business model namely Who, What How and Why. Gassman et al (2016:36), classify the business model innovation process into four main processes:

1) Initiation

The initiation stage begins by describing the current business model and observing the ecosystem of the business that constantly changing.

2) Ideation

Ideation is the core process of business model innovation. The main focus in this stage is to outlined problems and challenges that are identified in the initiation stage and formulating the solutions.

3) Integration

At this stage, a new business model is being formed. The big picture of the business new model can be completed by putting the ideas generated in the ideation stage to the four main dimensions of the business model.

4) Implementation

The implementation stage is an important process requires big decision from the organization due to the evaluation and assessment toward the new business model that has been successfully integrated in the integration stage.

2.4 Entrepreneurship

According to Barringer & Ireland (2008:5), the word and meaning of entrepreneurship depend on the confusion that exists in the individual. The term itself comes from the French word *entreprendre*, which means "to undertake", or "to do something". The word entrepreneurship also can be used by someone to define a "risk-taking" activity that happened between sellers and buyers or to describe someone who "undertakes" tasks when starting a new business. Inclusive entrepreneurship is an effort to deal with unemployment problems that generally occur for people with disabilities who are less fortunate and receive inequality in opportunity to seek employment. (OECD, 2010).

2.5 Fashion

Based on Martin (2009:15), fashion is a social phenomenon that occurs because there are changes in society dresses that have been revised periodically. Fashion first appeared in the West alongside the emergence of modernity during the fourteenth century, which subsequently flourishing due to capitalism such as market trade, and technology development.

2.6 Persons with Disabilities

International Classification of Functioning (ICF) (2001:221) defined disability is a general term for problems with human functioning. They categorized it into three interconnected areas. Disability refers to the negative sides of the individual's health condition towards all three areas functioning as follows:

- Impairments as the problem that concerns the body functions; including a mental function or even changes in body structure such as paralysis and blindness
- Activitylimitation as to the difficulty in completing the task and to perform daily lives like eating, and walking.
- Limitationto participate as an issue related to the association in every part in daily lives; especially in the society, for example in employment, education, or even public facility.

3. Research Methodology

This research is using qualitative methodology. Creswell (2014:4) stated that qualitative research is closely linked to individuals or groups. It is an endeavor to distinguish problems that occur in society. To compile this research, the author using the single case study approach. RobertYin explained that the case study depends on various sources of evidence obtained through the triangulation technique to guide data collection and analysis. (Yin, 2018: 15)

To describe the audience's journey through a certain time, it is necessary to use cross-sectional design research to accommodate the need to space a set of interviews over a group of individuals in a certain period. According to Vaus (2001:185), the analysis of cross-sectional relies on the comparison between phenomena, cases, or groups at a fixed point. FGD (Focus Group Discussion) was also used to determine the final components of Creative D'Pro's business model after we asked the members of Creative D'Pro to individually and separately brainstormed about the likely component of the business model of Creative D'Pro. The sequence of the research method is captured in Figure 1.

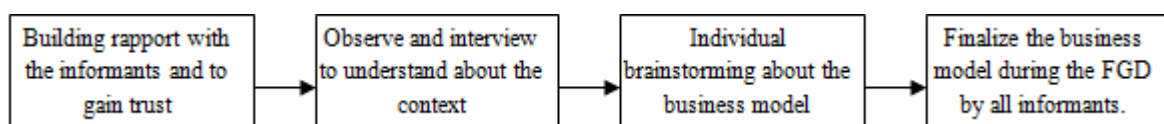


Figure 1: The Sequence of the Primary Research Activities

4. Research Result and Discussion

4.1 Research Result

4.1.1 The Existing Business Model of Creative D'Pro

In this study, the business model contains 4 major components as follows:

- Who.** This component discusses the target market of Creative D'Pro. The result shows that Creative D'Pro has PT. Bio Farma as its main customer.
- What.** This component covers the products of Creative D'Pro. To fulfill their customer's needs, Creative D'Pro produces lab coats for employees. The lab coats are ordered by PT. Bio Farma through the pre-order system.
- How.** This component explains the business activities that exist in the Creative to create and deliver value to their customer. The business activities of Creative D'Pro start from the material purchasing, pattern making, tailoring, packaging, and quality controlling until the product delivered to the customer.
- Why.** This component is useful to analyze the source of income of Creative D'Pro and how they gain profit. As the result, their main income is come from the direct sales of their products. The net profit is income is 40% after deducted by fixed cost for rent expense and electricity cost, and variable cost for material and accessories cost to produce their product.

4.1.2 The Potential Target Market of Creative D'Pro

Based on the results that obtained through the initiation process the main factors that influencing the changing in the target market of Creative D'Pro is because their market does not be able to grow. This happened because they still rely on PT. Bio Farma. There is a major trend that appear in the market among the female community that they like to wear matching clothes with the member in the community. Moreover, the development of technology also provides opportunities for Creative D'Pro to reach wider market through social media and e-commerce marketing system.

4.1.3 The Proposed Business Model of Creative D'Pro

The proposed Business Model of Creative D'Pro is consist of:

- Who:** Compared to the previous business model, the target market change from PT. Bio Farma as the main customer is female members of several communities like communal Qur'an reading, Himpunan Wanita Disabilitas Indonesia or HWDI, and student's parent association in the kindergarten, and elementary school. However, Creative D'Pro also has a secondary target market for men with age over 25 years old.
- What:** The value that they serve to their customer also changes from lab coat as their main customer to the Muslim Fashion like Gamis dress, Mukenah, and Hijab. They also provide alteration and tailoring services to make community uniform, and couple clothes. Moreover, they also sell batik and sport shirt for men.
- How:** Compared to the previous business model, Creative D'Pro will be focus on producing Muslim attire, especially for women. The activities starting from purchasing the material, updating the pattern and design, product making, quality controlling, and the

most important activity is online marketing through social media and e-commerce platform.

- Why:** In this component, the content is the same as the previous component that they will get 40% profit from their sales after deducted by fixed and variable cost. The difference is that they generate sales from outright sales through online selling and personal selling.

4.2 Research Discussion

The result shows that the proposed business model of Creative D'Pro has women as its dominant segment and men with age over 25 years old is secondary target market. The business targeted women community that has tendency to use clothes with the same model and color in perceiving the unity and solid-looking group. To solve the customer's problem, Creative D'Pro provides community uniforms and other matching products that will be promoted via online.

5. Conclusion and Suggestion

5.1 Conclusion

Based on research findings the most significant change is the change in the target market. With changes in the target market, the value provided to customers also changes, as well as the business activities that are in it. The following is the general overview of the results of this study.

5.1.1 The Existing Business Model of Creative D'Pro

The result shows that the existing business model of Creative D'Pro has PT. BioFarma as its main customer. To fulfill the customer's need they produce lab coats start from material purchasing, production, and maintaining quality control.

5.1.2 The Market State of Creative D'Pro

There is a major trend among the communities, especially for communities that have female members. The members of this community usually are Muslims but there are other religions too. The leading trend that happened is to use matching clothes to reflect their group identity. Therefore, this can be seen as a business opportunity because there is a strong demand for Muslim wear with a big market considering that the dominant population of Indonesia is Muslim.

5.1.3 The Propose Business Model of Creative D'Pro

The result shows that the proposed business model of Creative D'Pro has women as its dominant segment and men with age over 25 years old are the secondary target market. The business targeted women communities that tend to use clothes with the same model and color in perceiving the unity and solid-looking group. To solve the customer's problem, Creative D'Pro provide Muslim attire, community uniform and other matching product that will be promoted via online.

5.2 Suggestion

5.2.1 Theoretical Suggestion

The business model provides a real challenge for every single business. Given the changing consumer trends and

preferences in the industry with a wide variety of players. It is undeniable that there is a constant need to do a business model innovation because the current business model is no longer effective. Therefore, the following future research is expected to conduct in-depth research on business model innovation especially in the fast fashion industry.

5.2.2 Practical Suggestion

Through this research, there are some inputs that might be useful for Creative D'Pro to expand their business. The following are suggestions from this research:

- a) Recruiting more human resources who are skilled in sewing to maximize the existing facilities such as machines, building, and electricity. Because it will cause the loss if there is any machine that is not used due to a lack of workers.
- b) Adding value to the product by innovations through new designs, colors, or motifs that are different from those already on the market.
- c) Provide options for ordering products for single customers and groups, so that it can make it easier for customers when they want to order products according to their needs.
- d) Create online shop in several social media platform and e-commerce such as Facebook, Instagram, Shopee, and Tokopedia considering the convenience along with additional facilities such as free shipping so that customers are interested in buying.
- e) Do online promotions to increase sales through social media that have been provided such as Facebook advertisement, Instagram advertisement, or working together with an influencer to do endorsement so that the brand can be widely known.

Establish business partnerships with potential customers from other communities, or with school principals to target the student's parent association.

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