

# School of Entrepreneur Business Model in Indonesia (Study Case: Umar Usman Business School)

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**Abstract:** Umar Usman business school was initiated in 2011 by Dompot Dhuafa (one of the philanthropic institutions in Indonesia) and Ippho "right" Santosa a right brain expert and motivator. This school has a 1-year education level with a greater practical composition than theory. Since it was opened with the inaugural class in last 2013, the trend of Umar Usman Business School students continued to increase. Not only increased in number but also increased in student variation. It was shown that student trend of Umar Usman Business School graduates was higher than the university. This study aimed to dissect the business model of the canvas business school Umar Usman with business approach with model canvas. The result is Umar Usman Business School has a value proposition that is quite unique among others; the composition of practice is greater than that of (70; 30), the direct study of business practitioners, using spiritual values to capture the Muslim middle class in Indonesia.

**Keywords:** Business model canvas, SWOT, School of entrepreneur

## 1. Introduction

Based on data released by the Central Bureau of Statistics in January 2017, the number of poor people in Indonesia reached into 27.76 million people (10.70 percent). The data used the path of the Indonesian Poverty Line as of September 2016 was Rp. 361,990, - per capita per month.

**Table 1:** The number of poor people and their distribution

Region / Year	Number of Poor People (million people)	Percentage of the Poor
Urban	10,49	7,73
Rural	17,28	13,96
Total	27,76	10,70

Source: Statistics Indonesia (January 2017)

If it is viewed from the absorption of labor, the number of labor force per February 2017 is as many as 131.55 million people with a composition of 124.54 million people are working population and 7.01 million people are unemployed. Working in this regard is an economic activity that a person undertakes with the intention of obtaining or helping to earn at least one hour of income a week ago. While the unemployed are residents who do not work but expect to find work, and the activities consist of; looking for a job, preparing a business, not looking for work out of desperation, and not looking for a job because it already has a job, but it has not started working.

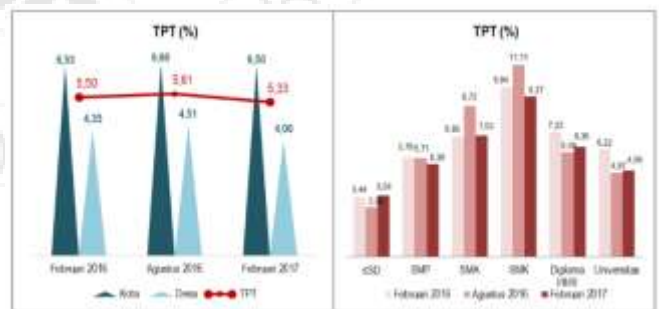
**Table 2:** Population based on employment status

Status of Employment	Amount (Million People)
Working Age Population	190,59
Labor Force	131,55
Work	124,54
Unemployment	7,01
Not Labor Force	59,0
Student	15,24
Taking care of household	36,08
Others	7,72
	Persen
Open Unemployment Rate (TPT)	5,33
Labor Force Participation Rate (LFPR)	69,02

Source: Statistics Indonesia (January 2017)

Based on the data above, it is known that the working age population of 190.59 million people. The total workforce is 131.55 million people with a working composition of 124.54 million people and the remaining 7.03 million unemployed / unemployed. A total of 63.66 million people do not include the labor force because they are in school, taking care of the household, and others. The total unemployment rate is 7.01 million while the unemployment rate is 5.33%.

The open unemployment rate (TPT) is an indicator that can be used to measure labor supply levels that are not used or not absorbed by the labor market. TPT in urban areas tends to be higher than that of TPT in rural areas.

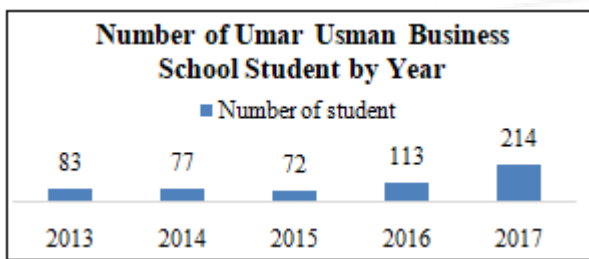


**Figure 1:** The Opened Unemployment Levelled Growth (TPT) based on the marginal area based on the highest education completed in, 2016-2017. (Official News from Statistics Indonesia in January 2017)

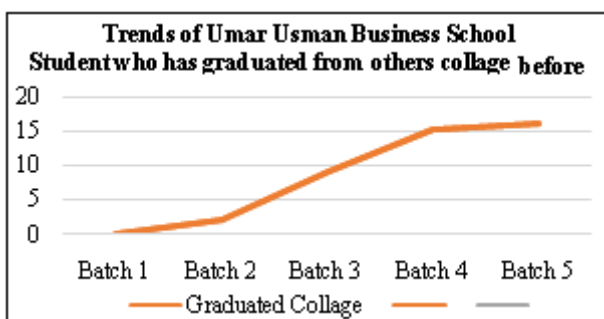
Based on these conditions, the Umar Usman Business School was established in 2011 by Ippho Santosa and Dompot Dhuafa (one of the philanthropic institutions in Indonesia) to help creating new entrepreneurs and to help increase Indonesia's prosperity. Umar Usman Business School seeks to contribute greatly to the increasing number of entrepreneurs in Indonesia. With a comprehensive program of practice, learning and debriefing, Umar Usman School graduates are expected to be successful entrepreneurs who bring the benefits to the community, especially in supporting the prosperity of the Indonesian nation. Vision from Umar Usman Business School is to be the Best World Business Class that produces young entrepreneurs with Umar and Usman

characters. While the mission undertaken to achieve that vision are; 1) Providing the best curriculum and methods to educate young entrepreneurs, 2) Serving and educate wholeheartedly with the motto "Wow Excellent Service" to students, and 3) Upholding the spirit of family with the concept of "Family Campus".

In order to achieve the vision and mission, a proper strategy is needed through a business model so that it is expected to help understand, explain and predict things that can be applied in the field so as to produce competitive advantage for the organization and differentiate (positioning) with its competitors (Osterwalder, 2004). In the face of increasingly fierce competition the company must also have new ideas, visions, and missions in order to adapt to the environment (Eppler et al., 2011). Trend consumers who are interested to become students in Umar Usman Business School increasingly longer. This is evident from the increasing number of students from year to year. The first batch of Umar Usman Business School was opened in 2013, until now it has 5 batches with the first batch of 83 students, second batch of 77, third batch of 72, fourth class 113 and last fifth to 214 .



The students come from various educational backgrounds and ages. Besides coming from high school graduates / equivalent, student of Umar Usman also come from college graduate. In the second batch, there was recorded 1 (one) student who had completed diploma education, and 2 (two) students had completed undergraduate education. In the third batch, the number of university graduates increased to 9 (nine) people, four batches of 15 people, and in the fifth batch reached 16 people. They come from University of Indonesia, PPM Management, Binus University, Moestopo University, Bung Hatta University Padang, Matoa Tourism Academy Jakarta, State Polytechnic of Jakarta, and others.



Based on the above conditions, as for the purpose of this study is to analyze the business model Umar Usman Business School at this time by using the business model canvas model, especially on the proposed value proposition, resulting in increasing consumer interest.

## 2. Literature Review

The business model of the canvas is a business model concept developed by Alexander Osterwalder and Yves Pigneur. The business concept of the canvas model is shown in the form of a canvas containing 9 (nine) elements consisting of customer segmentations, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures.

What distinguishes this canvas business model from other business models is that it can be a shared language that allows an organization or company to describe and manipulate business models easily and then create new strategic alternatives. Given the same uniformity of perception or language in understanding the intent and purpose of the concept of this canvas business model then all parts of the organization or company can participate and contribute ideas and ideas to make innovations in the business model strategy. This is very important from the existence of similarities of language and understanding will facilitate the organization or company to systematically make assumptions about a business model and innovate successfully (Osterwalder and Pigneur, 2016).

## 3. Research Elaborations

This research was conducted at Umar Usman Business School Jl. Warung Jati Barat Ujung, Pasar Minggu, South Jakarta, DKI Jakarta in July-August 2017.

This research used descriptive approach with study case researched type. The data used in this research were primary data and secondary data. In this study the primary data were collected from in-depth interviews and workshop directly with the management of Omar Usman Business School as respondents. Secondary data were collected through company documents, websites, and literature studies.

In-depth interviews were conducted with the rector of the business school umar usman, while the focus group discussion was conducted to the management of business schools umar usman.

Analysis of canvas business model is done by analyzing the company condition seen from Nine elemmen, that is customer segment, valure preposition, channel, customer relationship, revenue stream, key resources, key activity, key partnership, and cost structure.

Key Parters	Key Activities	Value Proposition	Customer Relationship	Customer Segmen
1. Government 2. Practitioners and the business community 3. Private 4. Non-Governmental Organization 5. University	1. Marketing 2. Networking 3. Education Activity 4. Event	1. 70% practice, 30% theory 2. Learn directly from practitioners 3. Spiritual value 4. <i>Family campus concept</i> 5. <i>National and international Business Challenge</i>	1. Building communications and community networks ( <i>onlineandoffline</i> ) 2. Mentoring and business consulting	Muslim with minimum High school graduates / equivalent, No upper limit of Cage, and have ability to pay tuition fee
	<b>Key Resources</b> 1. Lecturer&Practitioners mentor 2. Human capital management 3. Building 4. operational vehicles 5. Kurikulum		<b>Channel</b> 1. Social media : FB, Instagram, Youtube, Website 2. <i>Direct Selling</i>	
<b>Cost Structure</b> 1. Program 2. Operational 3. Marketing 4. Asset Purchase		<b>Revenue Stream</b> 1. Tuitition fee 2. Business Unit		

#### 4. Result and Discussion

##### Costumer Segment

The business of Umar Usman Business School is the education with the output of making the students become entrepreneurs. People with upper middle economic level are the target market of this business school. In addition, Umar Usman Business School adheres to the education system of long life education which means everyone gets the opportunity to pursue education in business schools. Umar Usman with minimal education level is senior high schools / equivalent. It aims to ensure that students can follow the learning process well.

Currently, Umar Usman Business School already has 5 (five batches) with a total of 559 university students consisting of various educational background and age. Starting from the teen years until the age of 40 years., Ranging from high school graduates / equivalent to graduate graduate.

##### Value Proposition

The Umar Usman Business School offers educational concepts that have a larger portion of practice than the theory portion (70:30) with resource persons being business practitioners. Embedding strong spiritual values (praying dhuha, alms, and memorizing the quran into its own points), having a national and international Business Challenge program, and adopting the family campus concept are the values offered for the existing consumer segment.

##### Channels

Channels describes how a company communicates with its customer segments and reaches them to deliver and offer value proportions that include communication, distribution and sales. Salurah used to communicate Value proposition above is social media (Facebook, Instagram, Youtube, and Website). The use of social media is expected to convey the proportion of value and communicate 2 (two) directions to customers without borderless space (timeless). In addition,

Umar Usman Business School uses direct selling channels through exhibition activities or visits to schools.

##### Customer Relationship

Customer relationship describes the relationships built by the company with specific customer segments. According to Osterwalder (2010) building relationships with customers can result in customer acquisition, retention of customers (retention), and increase sales (up selling).

Customer relationship made by Umar Usman Business School is to form a network of communities both online and offline. Online more emphasis on increasing the number and engagement followers in social media. While the offline activity is to provide entrepreneur activities with a relatively affordable price to provide mentoring facilities and business consultation to customers SB Umar Usman.

##### Revenue Stream

Revenue stream or so-called income stream is the lifeblood of a business. Without income then impossible a business will be able to run well let alone develop. According to Osterwalder (2010) income streams consist of two types of income streams: revenue generated from one payment. Second, recurring income generated from ongoing transactions.

The main income stream of Umar Usman Business School comes from the cost of student education consisting of tuition fees, building money, money and practice matriculation. In addition, Umar Usman Business School earns revenues from various other business activities such as leasing of buildings / rooms on weekends, event events and entrepreneurship from catering business.

##### Key Resources

Key resources describe any important resources or assets owned by a company or organization to run its business activities. The primary resources can be physical, intellectual, human, and financial. Meanwhile, according to

the division, resources can be divided into two groups, namely tangible resources, and intangible resources. Tangible is a resource that can be seen and measured directly. While intangible means resources that can not be seen or measured but can be felt its existence.

Umar Usman Business School has a main power source consisting of buildings and operational vehicles as physical resources. In addition, Umar Usman Business School has a curriculum as an intellectual resource and a management team and a teaching team as part of human resources.

Key resources can be physical resource, financial resource, intellectual resource, or human resource. Umar Usman Business School requires buildings, operational vehicles, and stationery as the main physical resources. While the non-physical resources owned by Umar Usman Business School is the curriculum and human resources. Human resources consist of management team, faculty team (lecturer, coach, mentor, facilitator).

#### **Key Activities**

Key Activities describes the company's important activities to make its business model work properly. This key activity is necessary to increase the proportion of value, reach the market, maintain customer relations and earn revenue. The key activities of each business differ depending on the business model.

#### **Partnership Key**

Key partnerships describe the network of suppliers and partners that make the business model work. The existence of these key partners is useful for optimizing business models, managing risks or obtaining resources that are not owned by a company or organization.

Business schools Umar Usman build partnerships with various parties, namely; government, practitioners and the business community, private sector, NGOs / NGOs, and universities.

#### **Cost Structure**

The cost of the program is a considerable cost component in this Umar Usman Business School. In addition there are operational costs, marketing costs and asset purchases.

## **5. Conclusion**

Based on the results of the study, obtained 9 blocks of business model canvas model Umar Usman Business School. As for the value proposition offered by Umar Usman Business School which is the composition of learning 70% practice and 30% theory, Learning directly from practitioners, Having a spiritual value with the concept of family campus, and the opportunity to follow the national and international business challenge.

Spiritual value becomes its own value owned by Umar Usman Business School. Yuswohady (2014) said that in recent years there is a shift in Muslim consumer behavior one of them is "*Customers become more religious. They begin to search for spiritual value*". Muslim consumers are now more religious than ever before. Spiritual values

become one of the points of assessment when they want to buy something. Another principle is, the highest value of the consumer will be realized if the benefits of a product that consists of functional, emotional, spiritual benefits, so as to win the competition.

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## **Author Profile**



**Hanif Fansurya** earned a bachelor degree in technology and fisheries management at Bogor Agricultural University in 2011. After that he dabbled in the world of training as a public speaker and outbound facilitator to date. In addition, he is active in the organization of the alumni association of agriculture Bogor. He is currently completing his studies in business management at the Bogor Agricultural Institute with a concentration of human resource management and a strategic management thesis.