Conference Paper

Social Enterprise Concept in Sustaining Poultry-Based Agro-Industry Development in Indonesia (Study Case: Entog Jenggot Social Business)

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Abstract

Small Medium Enterprises Entog Jenggot is a traditional restaurant with entok (Indonesian muscovy duck) as its main course. This enterprise, inspired by Indramayu local food known as “pedesan entog”, is one of the models of empowerment of top to bottom, rural to municipal, and agricultural area to consumers axis, aiming at gaining added values. Not yet validated and mapped out, this enterprise, however, requires a host of validation and a scheme of variables that affect the enterprise’s growth to be applied in other social enterprise-based agricultural MSI. This research, indeed, is conducted from February to June 2016, using an analytical-descriptive research method consisting of qualitative analysis with design thinking approach and that of quantitative with the AHP (Analytical Hierarchy Process). Having this in mind, it shows that the model of empowerment of MSI Entog Jenggot highlights the empowerment of not only entog breeder in the northern coastal area of West Java, but also the students in rural area of Jatinangor. In the mapped out enterprise, it is found that some advantages occur in the forms of (1) technology mastery, (2) independence, (3) capital rise, (4) significant increase of investment, (5) strengthened collaboration, and (6) the improvement of social impact capable of being replicated in other enterprises. Based on these, the development of the enterprise’s process is highly affected by (1) supplying farmer with the point of 0.297 out of 1, being the most influential variable for the existence of the enterprise. This is followed by (2) business actors (0.224), (3) community (0.143), (4) university (0.093), (5) technopreneurial business actor (0.085), (6) the government (0.059), (7) distributor (0.039), (8) banking (0.031), and (9) NGO (0.030).

Keywords: Business Model Canvas, Design Thinking, Empowerment, SMEs, Social Business
INTRODUCTION

Entog Jenggot, an enterprise inspired by local food in Indramayu with the name “Pedesan Entog”, started from a spark of enthusiasm by a group of students to open up a restaurant with entog (Indonesian Muscovy duck) as its main course. Initially, this group established a small restaurant with no business model and investors. In its first year, it underwent a number of failures along with the closing of Rumah Makan Entog Jenggot (Entog Jenggot Restaurant). This is due to the high amount of cost structure unaccompanied by the revenue streams, causing not only a breakdown but also loss of interest among its owners. Furthermore, this absence concerns such factors as academic, lousy management, and inaccurate customer segments of Entog Jenggot. In the next step, Entog Jenggot began to rise by utilizing Fruters Model as shown in Figure 1 [1],[4] and The Collaboration Model as shown in Figure 2 [3], linking the stakeholders such as farmers, universities, government, communities, business actors, and society from upstream to downstream areas [5].

In this research’s case, the upstream area is applied in Indramayu while the downstream in Jatinangor.

Entog Jenggot highlights the empowerment and contribution to added values for breeders in the northern coastal area of West Java. These breeders are encouraged to produce high-quality raw entogs for a higher price. Moreover, they are guided to cut out the boneless meat for a much more marketable entog. In doing this, an abundant use of technology is also involved. Analytical Hierarchy Process (AHP) [7] used in this study to sharpen the assessment of each business model part.

EXISTING BUSINESS MODEL

The canvas of such existing business model of Entog Jenggot is based on the social business platform (Figure 3). It should also be noted that there occurs a process of empowerment from upstream to downstream areas, in which each stakeholder like entog breeders, government, universities, communities, and society, holds a role to significantly foster the bond of collaboration and added values [6].
MEASUREMENT OF SUCCESS ON THE USE OF FRUTERS MODEL AND COLLABORATION MODEL

The use AHP shows that Fruters Model consists of value propositions, customer segments, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structures [2], resulting in as follows:

The key partners of Entog Jenggot showed by following Figure 4.

CONCLUSIONS

Entog Jenggot is a social business Supplying Farmers Business Actors Community University Technopreneurship Business... Goverment Distributor Banking NGO empowerment in the northern coastal area with 5M characteristics (Man, Method, Material, Machine, and Money). From the humanistic side, Indramayu, from which Entog Jenggot
Figure 2: The Collaboration Model [3]In this research’s case, the upstream area is applied in Indramayu while the downstream in Jatinangor.

SOCIAL ENTERPRISE CANVAS

Mission Statement
Creating impact through empowerment by sustaining rural communities development and value creation local commodities

Problem
Nice of local meat duck is valuable but, it is impacted of the welfare of breeders. In addition to develop meat duck industry, we need a technology to be able to output the products with high quality and premium price.

Solution
This can be done by combining the technology by processing & marketing. This processing that is conducted through specific process, with local opportunities which can always be obtained by the market. The products are sold with quality and premium price is only using the food market to ensure sustainability

Key Activities
Administrative, Production, Empowerment Process, Product Development

Value Proposition
Local Poultry, Local Culture, Local Commodities, Local Value, Brand Story, Design

Beneficiary Relationship
Loyalty, Emotional Approach, Discount

Beneficiaries
Breeders Muscovy Duck, Women Communities in Rural Areas, Young Local Communities in Urban Areas

Externalities
Middle Up Society restaurants, Women Communities in Rural Areas

Figure 3: Entog Jenggot Business Model.

comes, has a cultural difference with Jatinangor. It is a northern coastal area as well as a border between West and East Java, making it impactful to the customers’ taste.


From the results of AHP as shown in table 1 and Figure 4, the sustainability of *Entog Jenggot* as a social business is visible through the collaboration among such stakeholders as academicians, business actors, community, government, farmers, banking, and NGOs, each of whose role significantly fosters the bond of collaboration and added
values. In fact, the most influential actor is the supplying farmers (Entog breeders), along with the measurement above.

**SUSTAINING ENTOG JENGGOT SOCIAL BUSINESS**

Data showing the sustainability of the enterprise secondary to the collaboration of its stakeholders are the early turnovers of *Entog Jenggot* reaching almost 50 million.

Although showing a turnover fluctuation, as shown in Figure 5, undergoes a rather declining trend. This is mainly due to the problems faced by the enterprise, going through some process called creative process (Figure 6) [3].

From the managerial perspective, the far flung mileage is another challenge for the products accessibility, affecting its cost structure significantly. From the viewpoint of the materials, *entog* is a kind of poultry rarely found around Jatinangor, taking all the way to Indramayu with a more or less 3-hour trip. In terms of machinery, *entog* is a kind of poultry requiring proper technology for the processing in order to have a tender structure of the meat. In monetary perspective, the mileage affects the high cost, thus needing various strategies to gain income, one of which is by selling secondary products consisting of variants of products.

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References


