

BUSINESS MODEL ANALYSIS OF JOINT VILLAGE-OWNED ENTERPRISES IN THE SERVICE OF THE NEEDS OF THE VILLAGE COMMUNITY

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ABSTRACT

Research at BUMDesma Bangkit Mandiri Sejahtera (BMS) Nita District, Sikka Regency, East Nusa Tenggara Province aims to analyze the variables of the type of business and beneficiaries, business models, governance, access to information and technology, challenges, business development strategy, contribution to local government, poverty alleviation, SDGs indicators including village SDGs. This study uses qualitative methods, data collection techniques through in-depth interviews, focus group discussions, observation and study of documents as well as analysis using content analysis. The results of the research show that BMS has not been optimal in implementing business models according to the Radyati-Rio Clockwise Social Model Business Plan, governance according to ISO 26000, and utilization of access to information, and technology. challenges and business development, but BMS also contributes to the regional government, poverty alleviation efforts, and achievement of SDGs indicators 1, 2, and 8 as well as village SDGs 8 and 12. Strengthening capacity, evaluating employee and organizational performance, managing data, and information, and mastering technology need to be done to be able to compete. The implications of this research for capital institutions, business partners, and the government which play an important role in village community empowerment programs

KEYWORDS *Business models, governance, information and technology, challenges, business development, local government, poverty alleviation, SDGs*



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INTRODUCTION

Poverty eradication is a national policy priority of countries according to sustainable development goals. In Indonesia, poverty alleviation is carried out through entrepreneurship and micro-small enterprises in Village-Owned Enterprises (BUMDes) and Joint Village-Owned Enterprises (BUMDesma). Factors that cause success in its management are communication, accounting information systems, human capital, leadership style, encouragement, workplace situation and conditions, compensation, capabilities, organizational achievements, responsibilities, organizational culture, capacity strengthening, the effect of job satisfaction, and governance. Meanwhile, failure factors are quite varied, namely encouragement, education, age, and work experience (Aprili, 2021). In NTT out of 3,026 villages there are 2,173 BUMdes and 763 of them are inactive. There is no data on the number of BUMDesma in NTT. In Sikka Regency, there are 71 BUMDes and 44 of them are inactive.

Efforts to alleviate poverty are carried out through community empowerment programs (TNP2K, 2022). Government policy for productive economic growth of villages by developing entrepreneurship and micro-small enterprises through Village-Owned Enterprises (BUMDes) based on Permendagri Number 4 of 2015.

Activities to optimize the village economy and entrepreneurship through BUMDes / BUMDesma institutions for village community services in the form of a) Simple social enterprises that provide public services to the community are social and still obtain financial benefits, b) Renting village assets provided to BUMDes as capital participation to support the increase in village income, c) Brokering businesses marketing the results of village communities, d) Production and/or trading business (trading) according to the needs of the community and sold, e) Financial business (financial business) sufficient micro-scale business capital according to the ability of the community, f) Joint business (holding), as the parent of local business units in the village. Empowerment efforts carried out by BUMDes/ BUMDesma need to pay attention to aspects of sustainability and entrepreneurship.

BUMDes activity is a *Social (Community) Enterprise* that was formed in an effort to overcome social problems and provide sustainable solutions in the form of concerns that provide added value from local resources that are available but neglected. *Social Enterprise (SE)* is owned by an individual and *community Enterprise (CE)* ownership is a specific community. (www.mmsustainability.ac.id). As an independent entity that delivers social and environmental outcomes and invested in developing businesses and community needs, owners also make a profit (Hazenber, Patel, 2021)

It is important for BUMDesma to manage business types in a sustainable manner by reaching beneficiaries and consumers by applying the right business model and considering trends, access to information and technology to be able to face internal and external challenges so that business development carried out by BUMDesma can be carried out to improve service needs of village people. Business management by applying the right Business Model and surviving in changing situations and socioeconomic climates. Business strategy with Business Model Canvas in research in Jatimulya Village, Serdang Regency stated the factors that

influence the Business Model Canvas at BUMDes-Mart, namely in terms of market and financial segments (Prawijaya, Harahap, 2022).

BUMDes in carrying out governance requires a strategy of developing systems and standard operational procedures in marketing and e-commerce practices to become an alternative to reach a wider area. In addition, BUMDes also need to pay attention to aspects of infrastructure, the latest production, network expansion, periodic capacity building and organizational culture (Rahmawati, 2020).

The development of BUMDes is regulated in the Regulation of the Minister of Villages for Regional Development and Transmigration No. 3 of 2021 Article 26 which presents guidelines on aspects of the development of BUMDes and BUMDesma (Kemendesa, 2021) for strategies for BUMDes in reaching services to village communities which are programs of the local government in accessing basic needs so that and providing support to poverty alleviation efforts because villages have 74% contribution in supporting the achievement of 17 sustainable development goals (republika.co.id, 2021)

Based on the various regulations, resources and problems described there is a need for research aimed at analyzing the types of businesses and beneficiaries of BUMDesma business services, business models that are carried out in answering community needs, governance based on ISO 26000, taking advantage of access opportunities to information and technology that support services to the community, challenges faced by BUMDesma, analyzing development strategies that ensure business sustainability, contribution to local governments, analyzing the role in poverty alleviation efforts and analyzing the contribution of achieving indicators of SDGs 1,2 and 8 and SDGs in Villages 8 and 12.

Model Business

It is a way of running a business by a company to make money and maintain and how to pour the logic of business strategy, pay attention to value or target customers and create value, process, capture it as a business strategy opportunity. The Canvas Business Model is widely used but lacks a competitive analysis of the market structure, although the majority of definitions of the Business Model are resource-based (Hong and Fauvel, 2013; Faghih et al, 2018 in Sadhegiani, 2022). Radyati-Rio Clockwise Social Business Model Plan (Radyati, 2018) consists of nine elements, namely business objectives; activities, products, services; target beneficiaries, consumers, resources; distribution channels, relationships with consumers, social business partners, cost components and sources of income.

ISO 26000 Governance – Sustainability Development Theory

ISO 26000 is an international standardization and social responsibility guide and one of the subjects is governance, which is a way of managing decision processes taken and implemented to achieve organizational goals based on the seven principles of social responsibility contained in ISO 26000. The seven principles are accountability, transparency, ethical behavior, respect for the interests of stakeholders, respect for the interests of stakeholders, respect for rule of law, norms of international behavior, and respect for human rights.

Many world and Indonesian experts pay attention to the concept of Sustainable Development. This sustainable development design in its development is not only guided by the *bottom line*, namely *people, planet, and peace* which in nature www.youmatter.world said there are two additional aspects, namely *prosperity* and *partnership*. These aspects are focused on ending poverty, hunger through sustainable management of natural resources so that communities are peaceful, just and inclusive, free from fear to ensure a prosperous life and progress in harmony with nature because they are carried out together through global partnerships and solidarity.

Information and Technology - Marketing Strategy Theory, Consumer Confidence Theory Theory,

According to Yulianti et al (2019) in the book Marketing Management states that marketing strategy is decision-making carried out regarding costs, marketing allocations, and relationships with appropriate environmental conditions and competition. Furthermore, in this marketing strategy, it can be seen in four types, namely a) There is an increase in the number of users with available primary needs; b) an increase in the purchase rate; c) selective needs by retaining customers, and d) attracting new customers.

The running of a business entity is inseparable from how customers believe in the goods available and sold. According to Upamanyu et al, 2015, with the trust given by consumers, they will get benefits so that the business is sustainable (Samawa and Sugianingrat, 2022)

This theory is in line with the opinion of Surapati (2020) who adapts Oliver's (1999) opinion that loyal customers are committed to buying goods and services in a certain company for a long time and suggest to other consumers to become customers at the company.

BUMDesma Development – Marketing Strategy Theory

According to Valentinov and Anna Hajdu, 2019, citing Jones et al (2018, p. 385) states that the stakeholder approach to management in complex environmental conditions is an effective way of looking characterized by dynamism, knowledge, intensive business activities, and interdependence in tasks and outcomes (Jones et al., 2018, p. 381; cf. Bezler et al., 2019).

Poverty Alleviation and Contribution to Local Government

Indonesia's poverty alleviation program is guided by the National Medium-Term Development Plan (RPJMN) 2020-2024 aimed at making citizens independent, leading, equal and prosperous through accelerated development that is able to compete with the support of quality human resources. The Poverty Elimination Program is carried out through the procurement of facilities and infrastructure for individuals or groups, capacity building through training and vocational activities, the ability to obtain capital, land use and productive goods, entrepreneurial ability through mentoring and increasing access to capital and markets, the sustainability of ultra micro and micro enterprises.

Sustainability Development Goals (SDGs)

The agreement of 193 world countries as a global step according to human rights to advance development in various sectors of social, economic, ecological, legal development, and governance includes 17 goals and 169 targets (sdgsindonesia.or.id). In Indonesia, the implementation of the achievement of the SDG's goals in a participatory manner is described in the Rencana Pof building Jnumber Menengah Nasional (RPJMN) for 2020-2024.

Usaha micro contributes to economic improvement as one pillar of SDGs. According to Vandermheen and Tichar (2019), sustainable efforts in agribusiness provide employment opportunities for women and young people. So transformation in the field of agricultural entrepreneurship can be related to the achievement of SDGs indicator 1 on poverty alleviation, indicator 2 without hunger, indicator 8 on decent work and economic growth and other indicators, namely SDGs 5 (gender) and SDGs 17 (partnerships). The Indonesian government also encourages various economic and entrepreneurial activities at the village level because it contributes 74% to the achievement of the SDGs. Referring to the Regulation of the Minister of Villages for Development of Disadvantaged Regions and Transmigration number 13 of 2020, in addition to the 17 Sustainable Development Goals for Village SDGs, there are 18 objectives, namely dynamic Village Institutions and adaptive culture (Kemendesa, 2021)

PREVIOUS RESEARCH

Research at BUMDes Bhakti, the main village of Cilembu on "BUMDes Business Development Model Based on the Sharing economy and Gig economy Approach" states that new business businesses need to take advantage of opportunities and implement the digital economy according to business development (Sudewa and Fahreza, 2021). Research on the business strategy of the Business Model Canvas BUMDes Mart Berkah Desa Jatimulya Serdang Regency states the factors that affect the Canvas Business Model at BUMDes-Mart, namely in terms of markets and financial segments (Prawijaya, Harahap, 2022).

The study on the Role of BUMDes Stakeholders in Mitra Sejahtera Mendongan Village, Sumowono District, concluded that cooperation, participation, independence, propriety, and equality are still not good (Nurfakhirah et al, 2021). Another research in the implementation of BUMDes Ciherang governance concluded that it is necessary to build synergy to produce *Standard Operating Procedures* (SOPs) for product marketing including e-commerce for a wide reach and *multiplier effect* for rural communities (Muksin et al, 2021).

Another research with the object of BUMDesma Bangkit Mandiri Sejahtera (BMS) in Nita District, Sikka Regency, regarding the effect of capital participation in the original village income shows that there is no significant effect of capital participation and the remaining business results on the original village income (Nuwa and Apelabi, 2022).

Penelitian in Africa on Food Entrepreneurship (Nwuneli, 2021) stated the differences in entrepreneurship, including the needs, opportunities, and infrastructure in a region, consumer and customer profiles, the ability and willingness to make payments, and the ease of doing business. Di Nigeria, the business is carried out in stages to strengthen and develop the business.

RESEARCH METHOD

This research uses qualitative methods with variables of business type and beneficiaries of BUMDesma, how the Business Model is based on the Radyati-Rio Clockwise Social Business Model Plan, governance according to ISO 26000, utilization of information and technology according to guidelines (Santosa, 2022), internal and external challenges (Chandra, 2022), aspects of BUMDes development (Permendes no.2/2021), contribution to local governments (RPJMD of Sikka Regency), role in poverty alleviation (Kemenkeu.go.id) and BUMDesma services related to SDGs and Village SDGs (SDGs indicator metadata).

The data collection method uses in-depth interviews, Focus Group Discussions (FGDs), and observations. The analysis used is content analysis and is carried out in the period from September 2022 to January 2023 with purposive sampling techniques. The data used are secondary and primary data with the resources of the management team of BMS, advisors, beneficiaries, Provincial and District Governments, assistance field staff of the Ministry of Rural Affairs, Financial Institutions, and BMS partners.

RESULT AND DISCUSSION

Overview of Village-Owned Enterprises together with Bangkit Mandiri Sejahtera (BMS)

BMS is located in Nita Village, Nita District, Sikka Regency, East Nusa Tenggara Province (NTT) through the Joint Regulation of the Village Head of Nita District Number 1 of 2017 dated July 21, 2017, concerning Cooperation between Villages formed by agreement of 12 Village Heads in Nita District, namely Nita, Takaplager, Tebuk, Ladogahar, Nitakloang, Wuliwutik, Lusitada, Bloro, Riit, Tilang, Nirangkliung, and Mahebora who consider it necessary to manage a business in one area and revitalizing the National Program for Community Empowerment (PNPM) funds which have been established at the end of 2016. BMS has a Certificate of Registration for the Establishment of a Legal Entity from the Ministry of Law and Human Rights (Kemenhumkam) dated July 24, 2022 Number AHU-00261.AH.01.35.

TYPES OF BUSINESS AND BENEFICIARIES

Based on the statutes and bylaws, BMS carries out economic activities and or public services with legal entities that carry out the functions and objectives of BUMDesma which are determined through inter-village deliberations (MAD) by 12 villages in Nita District, Sikka Regency. Until 2022, the business units run are credit units, trade units, and market management units, and communities located in the Nita District area in 12 villages are beneficiaries.

BUSINESS MODEL

a. Purpose, Vision, Mission, Problems, and Solutions

The purpose of BMS is to improve the welfare of the community in the economic field with the vision of providing economic and budaya facilities that care about the environment and are managed professionally. The mission of BMS is through providing means of production, preserving and developing local culture,

partner, and provide the best service. Analysis of BMS problems identifies the presence of bad debts in credit services, price fluctuations, availability of merchandise, and marketing aspects. Another problem is the Covid-19 pandemic and the increase in fuel prices. The solution carried out by BBM is to coordinate with the village, sub-district and district governments to assist in solving these problems and build cooperation with partners to develop business capital.

In addition to the solutions made above, BMS also seeks to carry out other strategies in the form of a p enyampaian laporan perkembangan through monthly meetings and regular assistance to credit groups and borrowers.

b. Activities, Products and Services

Since BMS was established in 2017 and BMS began to carry out various activities and in 2019 carried out arrangements in the business sector.

Table 1
BMS Business Units, Products and Services in 2019 sd. 2022

No.	Business Units	Product	Service
a. CREDIT			
1	Independent Business Credit (KUSUMA)	Agricultural business capital Weaving Business Educational Needs	Individual Loan. The loan amount is Rp. 1 million – Rp. 10 million, with a maximum loan period of 36 months. Group loan interest 1%/ month, individual 1.5%/month
2	Ex-PNPM revolving fund	UEP (Productive Economic Business) and SPP (Women's Group Savings and Loans)	Loans are prioritized for people who are not in arrears. Revolving refunds can be made through KUSUMA
b. TRADE			
1	Tenun Material (“Sarong” Gallery)	Ikat Weaving Yarn and dyes	Direct selling in BMS Stores and various markets in Sikka Regency Plan to become a Weaving Gallery
2.	Agricultural production facilities (Pondoq Tani)	Pa' Seeds, Fertilizers, pesticides, agricultural equipment Water tank car for agricultural needs	Selling BMS Stores and various markets in Sikka Regency
3.	Suppliers and Agricultural Products	Vegetable yield from Farmers	Buying farmers' products and selling in sub-districts in Sikka district and nearby districts (Ende, East Flores, Lembata)
4.	Basic and daily necessities	Nine staples	Butuan goods are sold in BMS Shops and Markets

No.	Business Units	Product	Service
5.	Building Materials (2022)	Semen	Procurement of Cement and delivered according to the address of the request
6.	Office Stationery	Office stationery supplies and materials	Provision of office materials and stationery provided in stores and Cooperation with other BUMDes
c. MARKET MANAGEMENT SERVICES			
1	District Market Management	Market Levy and market structuring	Grouping of traders by type of sale, Facilities: public toilet electricity and clean water. Kontrak per year. Contribution to the Government Rp. 15 million/year. Is a source of operational financing.

Source: BUMDesma BMS Report

c. Target Consumers and Beneficiaries

The BMS business not only reaches consumers in Nita District but in five other districts in Sikka district, namely Lela, Koting, Nelle, Mego, and Magepanda. For agricultural products, BMS also reaches consumers outside the district including Ende, East Flores, and Lembata. Beneficiaries consist of individuals and groups who access business services from all the regions mentioned above.

d. Resources

BMS has a fairly complete resource including inputs and raw materials including humans, machines and technology in the form of fixed assets, intangible assets, and social assets. However, BMS only provides facilities and infrastructure in collaboration with suppliers and the production of goods directly by consumers and beneficiaries.

In Social Plan, BMS has social capital including a) Social Bounding through familial, language, and cultural kinship that facilitates communication, coordination, and negotiation, b) Social bridging managing poverty alleviation programs ex-PNPM in 12 villages of Nita District, c) social relationships (Social linking) in the form of the role and support of stakeholders such as the Government, indigenous leaders, and the community.

Intellectual capital in the form of Human Capital (Human capital) based on surplus consists of advisors, administrators, supervisors, and 12 employees who carry out functions and duties, while organizational capital can be seen from the formation and organization of BMS based on the Joint Decree of the Village Head, business entity permits from the Ministry of Law and Human Rights and its management guided by AD / ART.

Table 2
Resources That BMS Has

Resources	Kind	Shape	Information
Input / Raw Materials	Fixed Assets	Buildings, inventory, office supplies and computers	Accumulated depreciation IDR .553.227.546
	Intangible assets	land lease rights of 1000 M ²	-
	Current assets	Cash, receivables, securities, inventory of merchandise, and investments. BRI and BNI Bank balances, baran inventory, expired goods.	IDR 1,108,226,707 IDR. 1,2 Miliar
	Workforce	15 employees (5 years of service)	Recruited from 12 villages in Nita District
Supplier	Trading partners	15 Partners in Maumere, Ende, Surabaya and Makasar	Procurement of goods for trading business
Production Process	Agricultural and weaving business	BMS does not directly produce production (from borrowers)	Buying and selling products from rural communities
Financial Capital	Capital Participation	12 Village Chiefs	IDR 575,000,000
	Financial Institutions	KUR fund loans	IDR. 1.2 billion
	PNPM ekx fund	UEP and SPP Funds	IDR, 4,7 billion
	Market Management Services	Levy fund	IDR. 40 million/year
	Advantages of the Sale of goods	Merchandise sales services and credit business	Utilized for BMS activities
Social Capital	Social Adhesives	Culture and language alike	12 Nita Kec. Village
	Social bridges	PNPM fund management	
	Social relations	The kinship between government and society	
Intellectual Capital	Human Capital	Advisors, supervisors, administrators, and employees	SK with the Village Head, SK Kemenhumkan,
	Organizational Capital	The Force of Law	AD/ART

Source: BUMDesma BMS Report

e. Consumer Relations

Consumers and beneficiaries are the most important part of a managed business. For this reason, it becomes important for BMS to maintain and maintain these relationships. Through the Inter-Village Deliberation (MAD) and village level meeting (MusDes), BMS communicates all developments plans and challenges, and progress so that they can be conveyed to the people of Nita District as consumers and beneficiaries. The submission of BMS progress reports is a strategy to maintain relationships so that they transparently know the form of services and benefits they get. Informal relations are carried out through meeting bulanan and gathering together, field visits, and communication via telephone, text messages, and WhatsApp which is carried out as needed and not routinely.

f. Social Business Partners

From 2018 to 2022, there are 15 partners who support BMS, namely from trading businesses including suppliers from the cities of Maumere, Ende, Surabaya, and Makasar for agricultural and weaving goods. As for basic necessities, building materials, and office stationery, it partners with companies in the city of Maumere. The District and Subdistrict Governments are business partners in sub-district market management services. Through partnerships, there is a shared value (CSV) where BMS benefits by getting lower prices for goods, gaining profits for business development and community services, while partners get a fixed subscription for regular sales of their goods every month and for the BMS government to assist in supporting poverty alleviation programs.

g. Cost Component

Direct costs are costs that have to do with a specific cost goal and a large part is variable costs. Indirectiya is a cost incurred in excess of the costs when making a business product or service. Indirect costs consist of fixed or variable costs (Spielman,2022). The direct costs of BMS are salaries, purchases of merchandise, office construction and operational costs. Indirect costs incurred by BMS consist of tax costs, bank administration, depreciation, purchase of equipment, distribution of SHU, employee benefits and credit interest costs.

h. Sources of Income

BMS's largest revenue is derived from four main sources consisting of agricultural production facilities, ikat weaving, basic necessities and agricultural commodities as well as office stationery as can be seen from the BMS sales report from 2018 to September 2022.

Table 3
Sales Recap on business types in 2018 - September 2022

Types of Sales	Recap Sales Per Year (Rp)					Total
	2018	2019	2020	2021	2022	
Agricultural Production Facilities	116,061,500	137,205,000	563,470,000	379,684,500	925,347,667	2,121,768,667
Weaving (tenu ikat)	154,395,000	425,318,500	771,010,000	643,210,000	539,582,000	2,533,515,500
Groceries	9,132,500	111,000	67,222,000		399,892,000	476,357,500

Types of Sales	Recap Sales Per Year (Rp)					Total
	2018	2019	2020	2021	2022	
Office Writing Tools					4,180,500	4,180,500
Sum	279,589,000	562,634,500	1,401,702,000	1,022,894,500	1,869,002,167	5,135,822,167

Judging from the product sales data above, BMS's source of income from 2018-2022 is more in the ikat weaving business of Rp. 2,533,515,500 and agricultural production facilities of Rp. 2,121,768,667. After that, the sale of basic necessities and office stationery will only be carried out in 2022. Meanwhile, judging from sales per year, the highest sales occurred in 2020.

the change in the type and number of sales is due to the fact that from 2020 to 2022, BMS builds partnerships with the Agricultural Foundation to assist farmers in technical cultivation and procurement of agricultural production facilities. But during the Covid-19 pandemic, affects people's purchasing power and selling power, while staples for community needs have increased in 2022. BMS provides lower prices than other competitors in Nita District.

Other income comes from the repayment of productive economic business (UEP) credit loans from the previous PNPM program, Nita sub-district market management in the form of managed levy payments and the sharing of proceeds with the government and loan services from loans in the form of interest of 1% per month for group loans and 1.5% for individuals.

The results of the analysis concluded that BMS needs to optimize aspects of resource management, specifically knowing the characteristics of consumers, beneficiaries, and business partners as well as income management to reach more support from the community and stakeholders for more optimal village community services. Previous research on Business Models using the Business Model Canvas at BUMDes Cilembu shows that it is necessary to take advantage of opportunities by implementing the digital economy. This is also in line with the findings in BMS, especially the resource aspect because it does not yet have skilled personnel to manage the business through publication media, e-commerce, and technology. BMS services as a business entity not only help the needs of the community and improve the economy but still have benefits for them according to the principles of *community entrepreneurship* and the type of business developed pays attention to the principles of sustainable development that focuses on 5P, namely *People, Planet, Peace, Prosperity, and Partnership*.

GOVERNANCE

The system of making and implementing corporate decisions in order to achieve its objectives (ISO 26000) includes seven elements, namely accountability, transparency, ethical behavior, respecting the interests of stakeholders, obeying legal regulations, international norms of conduct, and respecting human rights.

a. Accountability

In the management of BMS, there are two things consisting of a) Commitment and accountability and how the decision-making carried out by BMS include MAD and MusDes is a form of accountability BMS submits reports on business development, Finance, planning, and target next year. b) Monthly Meetings, through a meeting

with the Village Head and BMS administrators to discuss the progress of BMS and various challenges and opportunities. c) Financial Statements; BMS routinely makes financial statements to be accounted for.

The thing that needs to be considered by BMS is that regular meetings and MAD do not run as scheduled, and BMS has not paid attention to the rights of the agreed capital participation, causing suspicion. BMS's internal problems with financial misuse were not resolved appropriately. Until 2022, there has been no change in personnel, duties, and functions of employees. Evaluation of employee work performance is not carried out so it is not identified employee satisfaction and motivation at work. These findings show that there are several things that have not been done by BMS in connection with decision-making in the form of MAD, division of surplus, and evaluation of employee performance.

Transparency

Reviewed from two aspects: a) the development of goals and targets where BMS has goals, visions, and missions outlined in statutes and bylaws All achievements and problems faced are communicated, coordinated, and negotiated through various formal and informal forums to get support from various stakeholders. b) Using resources efficiently, BMS Employees work according to the duties and responsibilities of each division set out in the rule including credit, trade, and market divisions, public relations departments, chairmen, secretaries, and treasurers.

This is still not optimal because the achievement of goals, visions, and missions has not been realized until 5 years of BMS. Formal performance evaluations are never carried out so it has an impact on financial abuse. BMS has not utilized technology and publication media in the digitalization era to support organizational transparency because it requires additional financing. The existence of these limitations has an impact on the slow growth and development of BMS due to the inability to compete with various competitors so the services needed by the village community are not optimal.

Ethical Behavior

The running of a business entity is followed by how its employees have ethical behavior in carrying out their duties and responsibilities in serving the needs of the community. This is demonstrated by: a) A fair chance for the underrepresented. Labor that is based on objective evaluation if considered good can get a promotion to a position to increase creativity and enthusiasm that supports the achievement of the goals of a company (Purba, 2020_).

Since BMS was formed and running until 2022, BMS employees who were recruited from twelve villages in Nita District until now have been evaluated for performance so that they do not know the achievements of each employee giving awards. But promotion is not in BMS planning. b) Encourage active participation for all employees performed based on duties and responsibilities in their respective employment contracts.

The activities carried out in connection with these ethical behaviors, have not been carried out optimally by BMS. This is not in line with what is stated in the AD / ART. This results in employees not being able to innovate to achieve targets and resulting in the inability to compete.

Respecting the Interests of Stakeholders

The role of stakeholders is very important in building a BMS business. Some of the steps taken by BMS are a) Balancing the interests of stakeholders. Capital participation from 12 Village Heads with a total of Rp. 575 million, BMS provides SHU to each village according to the agreement in the AD/ART. P agreed with the sub-district government and regency to grant land lease rights and market management of Nita District showing the trust of stakeholders. So that BMS manages it appropriately to support government programs in community empowerment. Similarly, stakeholders include suppliers, financial institutions, and agricultural foundations who demonstrate a common contribution to realizing their respective targets. b) Establish two-way communication with stakeholders, in formal and informal forms for smooth activities and build mutually beneficial cooperation.

Taking into account the role of stakeholders in various BMS activities shows the position of stakeholders in determining the sustainability of the BMS business has an important portion to realize the goals, vision, and mission.

Obeying Legal Regulations

The governance carried out by BMS in relation to complying with the law can be seen from a) Decisions are taken in an appropriate manner, and communicated with stakeholders through the MAD forum every year. BMS administrators and employees carry out their duties and responsibilities according to the contract and targets of each division. There are several things that have not been done as seen from the absence of a written BMS agreement with suppliers in Maumera for reasons that it is easier to get suppliers based on a cheaper and faster price situation without an agreement. In contrast to suppliers from outside Sikka Regency, namely Ende, Surabaya, and Makasar. b) Balancing authority and responsibility according to capacity, BMS personnel have authority and responsibility according to their position as stated in the employment contract. Advisor and supervisor to perform supervisory functions and provide constructive advice in the implementation and development of BMS. The BMS management as an operational implementer has the authority to make internal policies and promote and disseminate activities and program initiations including the management of BMS asset utilization. The board also ensures that all employees work according to their functions and plan development programs and strategies and monitors business service activities even though in reality no employee performance evaluation has been carried out.

These two things need to be done by BMS to build trust with various stakeholders and the community and specifically BMS employees so as to place them as trusted business entities because they are able to act according to the authority in making the right decisions.

International Norms of Conduct

As a business unit entity that has a legal entity, BMS has an obligation to comply with international norms of behavior in running a business unit; a) Reviewing and evaluate governance periodically, according to the work period of the management and employees for five years in accordance with the statutes and bylaws and the work contract regulates the duties and responsibilities that must be carried out so

that an assessment of achievements needs to be carried out. b) identifying agreements and disagreements and negotiations in BMS activities with stakeholders are carried out through various formal and informal meetings, while negotiations are the responsibility of the Patron and Advisor. BMS has never conducted a specific evaluation in the form of internal or external audits, and internal evaluations of employees.

BMS should be able to carry out these norms through audits by submitting an application to the Sikka County Supervisory Board so that they provide advice for improving operational standards and procedures. These activities should be the material for evaluation, reflection, and learning to improve the improvement of the role of administrators, and employees so that they have the ability to improve business services to the community in the era of globalization.

Respecting Human Rights

As a business entity that manages its resources, it is necessary to respect human rights in the form of a) Employee Motivation in Social Responsibility, BMS has carried out social responsibility through the involvement of time and energy of employees according to their respective divisions to serve the needs of the community, support community empowerment efforts because indirectly employees who work have contributed to solving social problems at the village community level, from the market management services of Nita District, with various improvements and the provision of public facilities for convenience. b) Maintaining the environment and culture, through the ikat weaving business where Nita District has a distinctive weave in the form of "Lipa Prenggi" and "Utan" Sarongs where in the future it will become a "Sorenk Gallery" to promote ikat weaving in Nita District. Nita's market management services are a form of attention to the environment.

Based on the seven principles in governance according to ISO 26000, BMS has implemented the principles of accountability, transparency, ethical behavior, and respect for the interests of stakeholders, adhered to the rule of law, and international norms of conduct, and respected human rights. There are several aspects that need to be improved consisting of motivating employees in social responsibility, promoting fair opportunities, identifying agreements, disagreements, and negotiations to document, and reviewing governance regularly. Improvements need to be made by BMS to anticipate negative aspects that affect success including the inability to compete with competitors due to various capacity constraints, mastery of technology and the use of media and publications, adjustments to standard operating procedures in managing a business so that services to the community can be more effective and efficient, conducting internal and external audits to increase the credibility and trust of outsiders in BMS to access greater capital, pay attention to environmental, social and cultural aspects so as to attract public sympathy and facilitate relationship building.

Based on the theory of sustainable development includes the 5P element, namely People, Planet, Peace, Prosperity, and Partnership, BMS has been implemented although for Planet, Peace and prosperity need to be included in future activities through business development strategies. The success of doing a successful business is also supported by the role of stakeholders who according to

theory make an active contribution and benefit both parties and this is illustrated by the creating shared value obtained from the role of stakeholders in the BMS business.

In line with the results of previous research on the management of BUMDes in Ciharang village in 2021, emphasized that there needs to be further synergy to produce SOPs as a guide in the Management of BUMDes, including utilizing e-commerce in marketing to improve village community services. This can be done if the management of BUMDes has clear guidelines.

Access to Information and Technology

The ease for a person or the public to get public information is one way to introduce and develop a business. Access to information from the beneficiary side, Bumdes, and Stakeholders are described as follows:

1. Beneficiaries get the convenience and benefit of the information obtained from BMS.
2. BMS gets the convenience and benefit from the information obtained from beneficiaries and stakeholders.

Based on the results of the analysis, it shows that as a giver and recipient of information, BMS has not been optimal in disseminating and obtaining information from and for consumers, beneficiaries, stakeholders including partners because it is carried out based on needs only, and does not utilize the functions of social media and publications for a wider reach.

In the field of technology. BMS only utilizes computerization for operational reports on activities, transactions, and financial reports, while support marketing through e-commerce, social media and publications has not been carried out.

Limited employee capabilities are an obstacle because it has not been a priority for BMS for allocating and recruiting employees who have the capacity to manage information and technology. If this is not done, BMS will experience delays in developing business, reaching consumers and partners so that profits and benefits are not maximized which affects services to rural communities, especially in Nita District.

Based on the theory of stakeholders, the effective way is to be effective with dynamism, knowledge, intensive business activities, and interdependence in tasks and results. This can happen if their access to information can be optimized. Connected with the theory of trust, consumers will give confidence if they are confident in the product because they get the right information. Meanwhile, marketing strategy theory states that the relationship with appropriate environmental conditions is a factor in marketing development.

Penelitian about the management of funds carried out at BUMDesma in Susukan District, Salatiga, Central Java shows that transparency in BUMDesma has not run optimally due to lack of publication so that the public can only access the BUMDesma office. (Trantil and Utami, 2018)

CHALLENGE

From 2017 to 2022, BMS experienced various challenges. Internal challenges include cultural aspects, the ability to innovate and prepare resources through the application and mastery of technology, collaboration, and employee competence. the work culture that has been implemented for a long time is difficult

to change because you feel comfortable with these conditions. The ability to innovate requires resources and competencies that have not been a priority for BMS in five years of business. This has led to a lack of collaboration with other parties.

The external challenge faced by BMS is the force majeure in the form of the Covid-19 pandemic which affects purchasing power and selling power. Limited facilities in Nita Subdistrict affect opportunities for cooperation with other parties. The unlimited consumer needs that have not been met by BMS have resulted in people accessing other, faster services that have the same services as BMS. Business competition with other businesses in Nita District has become an obstacle and changes in regulations regarding the increase in fuel have resulted in a decrease in public access to BMS business services.

BMS's ability to face and manage challenges needs to be done if it has the capacity to manage internal and external challenges. In the theory of sustainable development 5P becomes important to be prioritized and planned in the BMS business management strategy. This is in line with the theory of stakeholders that the existence of awards and active contributions from stakeholders can build collaboration and will help BMS answer challenges.

Business Development Aspects

a. Business Revitalization

BMS revitalizes as seen from the dissemination of best practices to partners and stakeholders through various meetings, deliberations, discussions, communication, and coordination. BMS strives to maintain good relationships for business development efforts through assistance in managing ex-PNPM revolving funds which remain constrained in returns. However, BMS is able to manage Rp. 1,625,000,000 which is intended for the people of Nita District

Problems that need to be resolved through discussions, consultations, and persuasive approaches for example by providing advice to consumers and beneficiaries through the provision of consulting clinics that currently utilize BMS offices. Furthermore, some assistance in revitalization efforts is to facilitate the writing of proposals for group and individual loan applications, group verification and survey of prospective borrowers, conducting business guidance and assistance for the UEP / SPP (women's group savings and loans) Revolving Fund group and Independent Business Credit (KUSUMA) as well as together Credit Handling Team carries out loan arrears handling activities.

b. Quality Improvement of Management and Organization

Capacity and organizational strengthening have not been a priority for BMS. This is because several factors include operational and management standards that still adopt technical guidelines and guidelines for the implementation of the former PNPM program, and there is no capacity-building program organized by BMS and the government that is responsible for the sustainability of BUMDes / BUMDesma. The evaluation of employee performance has never been carried out to find out the need for increased knowledge and abilities as stated in ART BUMDesma BMS article 10 paragraph 2.

c. Strengthening Business Management

This aspect is quite successfully carried out by BMS through business development that increases every year from 2018 to 2022 as explained in the

Business Model of credit businesses, trade services, and market management services. The responsibility of each employee is based on their respective fields and the expansion of the marketing network for the Sikka Regency area in Nita, Alok, Wairkoja, Talibura, Lekebai, and several other markets. Although marketing has not been maximized because it has not been able to prepare quality products in large quantities on an ongoing basis, it is necessary to carry out quality control in business management to build trust.

d. Strengthening Cooperation and Partnerships

Internally, BUMDesma, which is trusted to manage capital participation from 12 villages in Nita District, built a collaboration with the Pintu Air Cooperative and Bank BRI Maumere for additional modes. BMS also builds partnerships with business entities in the fields of agriculture, weaving, basic necessities, and building materials with partners in Maumere, Ende, Makasar, and Surabaya as well as expeditions for the delivery of goods.

The governments in Nita Subdistrict and Sikka Regency provide support through the use of land for operational buildings and help BMS cooperate with villages located in the Nita District area as well as in other sub-districts (Lela, Koting, Nelle, Mego, and Magepanda) even outside the district that allocates the procurement of agricultural needs and woven ikat materials.

However, BMS in the era of technology does not yet have the capacity to utilize e-commerce to increase target consumers and sales. The lack of capital for business development and additional financing of employees is a consideration in this aspect.

e. Asset and Capital Management

As explained in the aspect of cooperation and partnership, BMS is able to develop funding sources through capital participation and management of ex-PNPM revolving funds from 12 villages. Access to capital from Bank BRI's People's Business Credit (KUR) program as well as government asset management for the construction of operational offices and warehouses as well as sub-district market management is their trust in BMS

However, there are still challenges in asset and capital management where loan applications use individual land certificate guarantees because access to guarantor institutions and other sources of funding cannot be done. Discussion and submission of proposals to the government and other financial institutions require a long process even though they have gone through the prescribed procedures.

f. Improving the Quality of Administration, Reporting, and Accountability

BMS has the ability to manage business entities, bookkeeping, and reporting by adopting the system of the PNPM program. The reporting system is carried out monthly and anyone can access the report.

The absence of changes in the administrative and audit management system is due to the fact that BMS's priorities in managing the business that are run require a lot of time to revamp and find funding opportunities that are quite difficult.

g. Strengthening Profit and Benefits Management.

Through credit and trade services in agriculture and weaving, BMS contributes to the improvement of village potential and economic value. The

obstacles that are still faced are not having competitiveness due to the productivity and continuity of quality products that have not been able to answer market demand.

In accordance with the Articles of Association Article 37 paragraph 2 concerning business results, the distribution includes fertilization of business capital (40 %), original village income (25 %), education and training (2 %), coaches/advisors (8 %), supervisors (3 %), management operations (15 %), social funds (2 %), reserve funds (5 %). Of these percentages that have not been done is the education and training section.

The results of the analysis on aspects of BMS development, especially improving the quality of management and organization, asset and capital management, quality of administrative management and reporting, and management of profits and benefits need to be gradually improved according to priority needs, opportunities, and infrastructure that accelerate the development of BMS to reach rural communities.

CONCLUSION

From the results of the analysis, the conclusions drawn are as follows:

The establishment of BMS in 2017 through a Joint Decree of 12 Village Heads of Nita District has determined the types of businesses and beneficiaries through lending money with interest, trading, and market management services with the community as beneficiaries of 12 villages in Nita District, Sikka Regency

The Business Model developed by BMS has implemented the elements contained in the Radyati-Rio Clockwise Business Model But it is still necessary to make improvements in the evaluation of goals and targets, Management of businesses and resources, and building relationships and partnerships.

The implementation of the seven principles of governance by BMS based on ISO 26000 has not been maximized, including accountability, transparency, ethical behavior, compliance with legal regulations, international norms of behavior, and respecting human rights so there is still no performance evaluation, governance and audit so as to affect the trust of the public, partners, and stakeholders to BMS

Access to information by consumers and beneficiaries has not been a priority for BMS because it is only limited to BMS offices. The use of technology has not been programmed in the management of its business because it does not have skilled workers due to limited operational costs.

The challenges faced by BMS internally that BMS faces are resources including capacity, innovation ability, and resource preparation competencies, while external challenges include business partnerships, availability of technology, unlimited needs of the community, and the Covid-19 pandemic and changes in government regulations with an increased in fuel which results in obstacles in business development and operational BMS.

The development of business carried out by BMS through the revitalization of coordination efforts with stakeholders, and the management of revolving funds although not yet optimal. On the other hand, BMS does not yet have an employee capacity strengthening program which results in the quality of administrative

management, reporting and accountability has not been maximized.

BMS business services have contributed to realizing the vision and mission of the Sikka Regency Government in fulfilling the basic rights of the community, especially the right to work, the right to education, the rights of women and children, and the right to population but have not contributed to the right to health, the right to housing and a sustainable environment.

BMS supports poverty alleviation efforts through the provision of facilities and infrastructure for individuals and groups, improving the technical capabilities of agricultural and weaving groups to increasing community capital access to BMS so as to obtain better income.

BMS through business activities contributes to the achievement of the SDGs in indicator 1: no poverty, indicator 2: no hunger, and indicator 8 on economic growth. In addition, it specifically answers the achievement of village SDGs in indicator 8 on village economic growth and number 12 on village consumption and production. However, BMS does not yet have disaggregated data on the number of users per business unit, data on underserved communities, and increasing income of rural communities so in quantity it cannot present information on the contribution of BMS in achieving indicators.

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