

Measurement of Social Impact of Community Empowerment Program Based Processed Product Using SBMC Maters (Study Case: Mango Puree Fruits Up Social Business)

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Abstract

Fruits Up designed as Agro-Industrial businesses with social business platform. Furthermore, this business is designed to provide a broad impact by connecting value chain and benefits from the village to the city. In its efforts, there are many key partners involved in the business model. Reinforcement of key partners is very important to keep the business sustainable. This research aims to find out the social impact brought by the business. The method used is descriptive with interviews in depth. To illustrate the social impacts of Fruits up Business used Social Business Model Canvas (SBMC). This research also produced a map that describe the distribution of impacts in qualitative and quantitative results from observations that done for 2 years. SBMC ripeness level measured through social impact measurement tools that designed specifically through Forum Group Discussion with stakeholders. Based on the analysis of the Social Business Model Canvas, Fruits Up successfully deliver measurable impacts to the community. Although financially fruits Up still needs to be much improved.

Keywords: *Agro-Industrial, Empowerment, SBMC, Social Impact.*

1. INTRODUCTION

Fruits Up is a beverage product made from processed mangoes namely puree, which is the outcome of empowerment process among mango farmers in Cirebon, West Java. This idea began with the lashings number of mango productions with an off-grade category, specifically when the harvest time came so the selling value is low. Processing mangoes into puree is done to improve the value-added of the product and also provide social impact on local farmers. Farmer empowerment is done by giving broader and integrated agricultural practice by inviting the farmers to participated not only in agricultural activities such as training to make a good quality agricultural product but also in processing of production outcome, to quality food products marketing for the continuity of farmers life who are more independent and prosperous (Guirado, 2017). According to Alkrie (2017), by doing the empowerment in agriculture can improve farmer ability to make decisions about

agricultural matters and one's access to the material and social resources needed to implement the decision. As the definition of social business itself is an effort whose main goal is not to seek for financial profit as done by conventional business, but its main mission is to create social value to discover innovative solution toward social problems that exist in society (Bikse, 2015). Therefore Fruits Up as a social business also have social mission that must be achieved so that all along their business activity chain, Fruits Up collaborating with various stakeholders with their respective roles that give social impact from upstream and downstream, among mango farmers (supplier), government, universities, to urban mothers as marketer. This business model is based on the fruiterers model social business platform (Figure 1).



Figure 1. The Fruters Model (Purnomo, 2014)

The Fruters Model is a technopreneurship-based empowerment chain model that designed in the form of collaboration among various stakeholders so it gives broad impact from upstream to downstream (Purnomo, 2015). To know the extent of impact given by Fruits Up social business to the surrounding society, Fruits Up aims to measure social impact by using 10 parameter panel composed in social business model canvas including key partner, key activities, key resource, cost structure, customer segment (purchasers, user, stakeholder), customer relationship, channels, revenues stream, value proposition, and key metric.

2. MATERIALS AND METHODS

This research was conducted in CV. Ormund, West Java, with CV. Ormund as the research object. This research was using qualitative approach to portray the social impact of Fruits Up business by using social business model canvas. The technique of determining the informants was done by purposive sampling, where the informants selected were those who were considered to be the most knowledgeable about the problems in this research. Data collection method used in-depth interview.

3. RESULT AND DISCUSSION

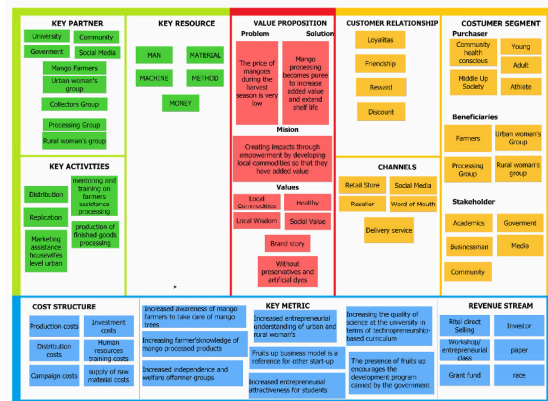


Figure 2. Social Business Model Canvas Fruits Up

Element Social Business Model Canvas “Fruits Up”

Deliver Value

1. Customer Segment

Customer segmentation that become the primary aim of Fruits Up are the community of health care, athletes, young people, adults, and also middle up society. This refers to Fruits Up products which are healthy beverage without preservatives and artificial sweeteners. Beneficiaries or benefit recipients of the Fruits Up production growth are mango farmers, puree processor farmer groups, urban mothers as well as local residents who act as Fruits Up production house worker. In addition, other stakeholders such as academics, government, communities and media also get benefits from the business

model applied by Fruits Up.

2. Channels

Channels that implemented in Fruits Up in reaching their customers are through word of mouth, retail store, distributors or guided resellers (urban mothers), delivery service or gojek, social media as well as collaborating with communities and universities. Channels that have a big role in Fruits Up business are WhatsApp, because most resellers and distributors use this application to order the product.

3. Customer relationship

In building and maintaining the relationship with their customers, Fruits Up gives discount as a reward for customers who are having a birthday. Other than that, Fruits Up also implement promos for consumers who purchased Rp.100.000,00 by gaining 7 Fruits Up products.

Create Value

4. Key resource

The main resource for conducting key activities in Fruits Up business are mangoes as the raw material obtained from the mango farmers group incorporated in Ciayumajakuning Mango cluster (Cirebon, Indramayu, Majalengka, dan Kuningan), production machines to generate product, Fruits Up production teams consist of rural mothers who lives around the production house and marketing teams and also administrator who are responsible to execute, preserve customers and increase sales while processed puree into fruits up, create network, branding, and train human resources in Fruits Up production location. All these activities become important in Fruits Up business, meaning that if one of these activities encounters problems, it would affect other activities.

5. Key partner

The main partners in Fruits Up business use the concept of pentahelix model in the collaborative process consisting of academics or universities, businesses, communities, government and media. Fruits Up business collaborated with Padjajaran University which takes role in the research area and product development. Fruits Up also collaborated with various start-ups incorporated in The Local Enablers as a place for networking and sharing experiences. Other parties that collaborated with Fruits Up are Ciayumajakuning Mango farmer groups (Cirebon, Indramayu, Majalengka dan Kuningan) who act as the

Fruits Up resource suppliers, urban mothers who act as Fruit Up business marketing resellers also women groups in Cileles Village, Jatinangor who play role in finishing Fruits Up products. Moreover, Fruits Up also intertwined with the West Java Industrial and Trade Service as its key partner that play role as facilitator and policy maker. The last party is the social media that play as the communication interface with customers, which aims to execute, maintain also increase the number of customers. Basically, in a business model, key partner is a very important element because it is related to the cost structure element where the more key partner in a business, the lower the cost incurred in a business.

Solving the Problem

6. Value Proposition

Fruits Up began with an idea of seeing at the opportunities behind the problems experienced by mango farmers, which is the low price of mango during the harvest season, besides that many mangoes are included in the off-grade category so they are often thrown due to unsaleable in the market. In this case, Fruits Up are present to help finish mango farmers problems by processing off-grade mangoes into puree to increase the added value also extend the shelf life of mangoes. Mission built by Fruits Up as social business is aim to create broad impact through empowerment throughout the chain by developing local commodity so it have added value. Value Proposition offered by Fruits Up product is located in the business process. Fruits Up product are local commodity from West Java mango farmers so as to provide value, culture to local wisdom and create a sense of proud to customers to love local products. Apart from the product side, the business is also has social value because it is beneficial to each of its production chain. This happens because Fruits Up use the fruters model (Purnomo, 2014) which connects the stakeholders such as farmers, universities, businesses, communities, government and societies from upstream to downstream.

Measurement of Financial and Social Impact

7. Revenue streams

The primary source of Fruits Up revenue is gained from selling product directly. Other

sources were obtained from grants, investors, writings and workshops as well as entrepreneurial classes which were run by fruits up to various communities and new start-ups.

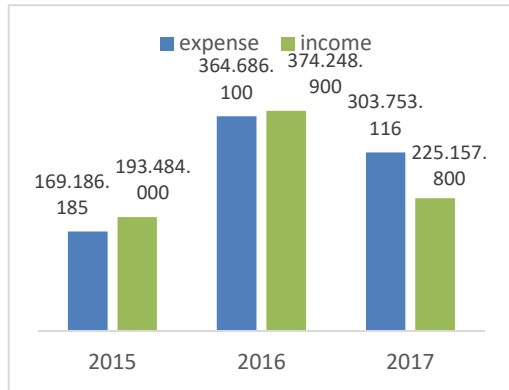


Figure 3. Increase of Turnover of Fruits Up from 2015 to 2017.

In 2017, Fruits Up entry is smaller than its expenses. This happens because of an error in financial book keeping. In 2017 Fruits Up received funding from the Ministry of Research, Technology and Higher Education for the development of its business as a technology-based start-up company (the amount was forgotten) but the entry of the funding was not recorded in the financial statements. The funds then used for shopping needs for the business, and then these expenses are recorded in financial statements so an imbalance occur between the entry and the expense.

8. Key metric

Fruits Up is based on the fruters model social business platform. The fruters model (Purnomo, 2014) is a business model based on society empowerment that designed in the form of collaboration between various stakeholders both upstream and downstream so it has a broad impact on society. Fruits Up as a social-based business proven to have high empathy in seeking solution towards problem in society especially farmers, in this case Fruits Up can increase popularity and added value of local farmer commodities, especially mangoes. Not only to farmers and local products but the impact given by Fruits Up is also felt by actors along The Fruter Model chain.

Fruits Up impact on the stakeholders involved:

a. Farmers

The involvement of farmers and women f

armers in Fruits Up business can increase their knowledge about ways to take care of mango trees to produce quality mango fruit also to process mango fruit into puree to have added value. Various assistances made for farmers aims to increase autonomy and capacity building of farmer groups in Cirebon, Indramayu, Kuningan, dan Majalengka region.

b. Academic

The business model used by Fruits Up also gave impact to educational institutions in this case University where the technopreneurship curriculum is used as a key of collaboration that is directed to produce technology-based findings which will then be applied so that it creates empowerment chain that leads to an increase in socio-economic and scientific quality. In addition, the empowerment-based business model applied by Fruits Up also succeeded in becoming motorbike for students, this was proved by the emergence of Fruits Up business model replicates with the start-up of start-up business among the students ranging from beverages, foods to services. These various start-ups then joined in a community called the local enablers.

c. Government

For the government, benefits gained by the number of entrepreneurs such as Fruits Up helped the government in increasing the number of revenue and decreasing poverty also encouraging development programs carried by the government.

d. Business Actor

Benefits for SMEs and business, business models that implemented by Fruits Up became a reference for the other SMEs as well as the presence of Fruits Up increases the role in conducting business partnership.

e. Rural-Urban citizen

Fruits up business also invites women groups in urban areas to become resellers, therefore being able to increase the knowledge of mothers regarding the marketing of a product and can provide additional income for them.

4. CONCLUSION

Fruits up as a business social-based using platform the fruters model (shown in figure 2) gives a big impact on each chain from upstream to downstream. Although in the

journey of fruits up business experienced income fluctuations (seen in figure 5), but in the social aspect fruits up were able to provide a broad impact in the surrounding community ranging from farmers, rural-urban communities, academics to the government. Besides that, fruits up is also a pioneer of social business models for novice business people who are interested in social entrepreneurship.

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