Entrepreneurial Competence Improvement for Migrant Workers Oriented to Business Model Canvas: Efforts to Increase Economic Independence

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ABSTRACT This community service activity aims to improve entrepreneurial competence in designing Business Model Canvas strategies for migrant worker partner groups in Indonesia to become skilled and more confident in developing business strategies. Business Model Canvas is used to analyze the business environment situation by simply and comprehensively explaining the business plan to be carried out. They still need help with problems that indicate low independence in entrepreneurship and designing business strategies but have the potential as prospective entrepreneurs with the provision of their expertise package and the potential of the resources around them. The solution provided is to provide entrepreneurship training so that partner groups are motivated to become entrepreneurs and provide training in skills in designing business model canvas strategies. The impact of the results of this community service activity is the increasing knowledge and skills of partner groups because of the increase in knowledge and skills of partner group participants related to the material provided after being directly involved in the practice of creating Business Model Canvas strategies.

KEYWORDS: *Entrepreneurship, Business Model Canvas, Economic, Migrant Workers*

1. INTRODUCTION

Entrepreneurship in the changing global environment continues to experience renewal and the challenges of international competition. Six characteristics related to entrepreneurship according to (Arrohman, 2013; Audretsch et al., 2020; Kusumawardhany et al., 2019): Entrepreneurship is a person's behavioral value that strengthens the process and results of the business. An entrepreneurial attitude is an essential capital in the business. *Entrepreneurship* is a creative and innovative action that produces unique added value. A new and different action than competitors. Creative and innovative actions as a process of capturing business opportunities.

Entrepreneurship is an effort to optimize the value of resources to be competitive. Entrepreneurial attitude manifests a person's character and behavioral values to encourage individuals to be confident, dare to take risks, be oriented toward the future, and think creatively and innovatively. Therefore, becoming a successful entrepreneur requires an entrepreneurial spirit and character. Entrepreneurial skills are also crucial in dealing with dynamic global changes (Haanurat et al., 2022). The problems from the initial observation results on migrant workers related to entrepreneurial attitudes consist of several primary things, such as limited understanding and entrepreneurial skills, because migrant workers still have limited basic knowledge of entrepreneurship. Problems related to initial business planning, financial management, and risk assessment cause obstacles to the initial business design. So this causes migrant workers to be unable to be productive and less independent even though they have the potential to become successful entrepreneurs. Therefore, increasing entrepreneurial awareness through the canvas business model is needed to motivate migrant workers to design effective and efficient business models. Entrepreneurship training is essential to motivate them to become entrepreneurs with the skills to compile a Business Model Canvas.

The main priority is improving entrepreneurial competence and overcoming the low motivation among migrant workers to become entrepreneurs. It is hoped that independent and professional human resources with an excellent entrepreneurial spirit can build businesses and help create job opportunities. Individuals with entrepreneurial intentions are not only able to create businesses for themselves but also open up job opportunities for others. The problem of limited capital is a feared obstacle, so an understanding of starting a business can be done without significant capital to help them start their business. An entrepreneur can take advantage of opportunities to develop their business.

Migrant workers are expected to be able to identify and evaluate business opportunities and implement creative ideas to achieve success and better income (Maulidah et al., 2022). Entrepreneurship needs to be practiced directly for sustainable business development through

training in preparing Business Model Canvas as a provision for the future and business career of migrant workers (Sparviero, 2019; Rahmi et al., 2020)..

Business Model Canvas is a tool companies use to design business processes and models. With Business Model Canvas, companies can convey their strategies efficiently and effectively (Umar et al., 2018; Daou et al., 2020). This business model template helps expand and improve market segmentation and supports increased sales, primarily through online channels. Business Model Canvas also provides a logical overview of how a business creates, delivers, and captures value. The advantage of Business Model Canvas lies in its ability to analyze business models by providing a simple but comprehensive representation, including consumer segmentation, value offered, and relationships with consumers.

To overcome this challenge, this community service activities aim to improve the entrepreneurial competence of migrant workers in Indonesia through Business Model Canvas training. With this training, it is hoped that students will become more skilled and confident in starting a business because Business Model Canvas helps them analyze business situations simply and comprehensively. Through this community service activity, migrant workers can learn to compile a business model canvas, understand the business that will be run in the future, and be better prepared to face the challenges of globalization.

2. METHOD

This Community Service Activity is carried out in several stages, with the transfer of IPTEKS carried out by the Implementation Team as follows:

a. Surveying the potential resources of the community service location. This stage is carried out to observe the initial problems faced by the migrant worker partner group. The initial observation results are used to formulate partner problems and determine the activity's objectives and solutions to partner problems.

b. Conducting discussions: This stage is carried out for brainstorming based on exchanging opinions and ideas from the partner group. So that the community service team can capture the problems faced in more detail, it can be more targeted in determining the community service activity program according to the needs of the partner group. It was decided that the Training to be provided was the Socialization of entrepreneurial competencies and Training in compiling a business model canvas.

c. Socialization of activities. The socialization stage is explained and described directly and indirectly through all-way communication access. It conveys clear information about the objectives of the activity program to be carried out. This stage is carried out persuasively so

that the partner group more effectively understands the intent and purpose of the activity. So that the partner group can more smoothly follow all series of activities from start to finish.

Training in skills in making a Business Model Canvas. This stage provides skills in compiling a Business Plan Model Canvas.

3. RESULT AND DISCUSSION

Entrepreneurs are people who can utilize opportunities as strengths for the success of their business development with creative and innovative behavior, which includes the use of resources to produce or develop unique products, which is an essential element in entrepreneurship (Colclough et al., 2019; Hermundsdottir & Aspelund, 2021). With an excellent entrepreneurial orientation, individuals can design unique and valuable business strategies so that innovation can answer existing challenges and create competitive advantages (Knezović & Drkić, 2021; Lim, 2022). The implementation of ideas starts from good basic knowledge, the courage to take risks, social support, and the motivation to achieve. In business, the motivation to be creative is the driving force of entrepreneurial intentions, supported by an exploratory mindset, the courage to take risks, and the drive to gain new experiences (Okoli et al., 2021; Hughes et al., 2021).

One of the technologies that support business innovation today is the Business Model Canvas (BMC), which helps in business planning and increasing online and offline sales through more targeted market segmentation (Umar et al., 2018; Daou et al., 2020).. Applying entrepreneurial values affects the readiness to become entrepreneurs in the future. Several studies have shown that the characteristics of entrepreneurs, demographic factors, and social support play a role in shaping entrepreneurial intentions (Gutierrez et al., 2015). This entrepreneurial intention is also influenced by creativity, such as the ability to generate ideas. Collaboration between competence and technology, such as using BMC or Canva, is essential in analyzing and designing business models and supporting digital transformation (Sabri & Al-qawasmi, 2021; Macha-Huamán et al., 2023). This community service activity began with the alignment carried out by the Community Service team of the Islamic University of Riau (UIR) with the partner group of activity participants. The UIR community service team and the partner group prepared a plan that was aligned with the needs and interests of the partner group.

The discussion results showed that the partner group as participants needed assistance in socialization and entrepreneurship training, focusing on designing a Business Model Canvas strategy to improve their knowledge and skills in designing business strategies. They were prepared by being given supplies on entrepreneurship material and designing a Business Model Canvas strategy. This community service activity was carried out using two problem-solving solutions. In

the first stage, the community service team carried out socialization techniques related to entrepreneurship and business strategy materials. The second stage was that the partner group of community service participants was given training in designing a Business Model Canvas. The partner group participated in this activity to increase their ability to design a business strategy plan with the Model Canvas or the Business Model Canvas.

The Business Model Canvas provides the advantage of business model analysis, which can comprehensively explain the situation and conditions based on consumer segmentation, values and propositions, and consumer relationships. The form of participation of the partner group since the community service team conducted a pre-survey of problems until the implementation day. The partner group administratively facilitated the activity implementation team by providing a letter of willingness to partner in this community service activity. Enthusiastic about discussing the need for initial data to get an overview of the problems of the partner group participants. They are providing main room facilities for activity meetings. Next, participants should be motivated and supervised during the activity. The speaker of this community service activity began by explaining the nine elements of the Business Model Canvas (Alfarisi, 2019; Herawati et al., 2019) before the partner group directly designed the BMC. The explanation of the nine elements is as follows:

First, the customer segment element refers to the types of customers in the same group targeted by the business. The segmentation consists of several aspects based on geography, demographics, psychology, and behavior.

Second, are value propositions, namely problem solving, which refer to meeting customer needs and desires. Different added value provides uniqueness and product benefits as an advantage over competitors.

Third, channels are a means to convey value propositions to consumers through communication and distribution. Businesses must determine distribution channels such as sales force, web sales, own stores, partner stores, and wholesalers. Channels involve awareness, evaluation, purchasing, delivery, and after-sales service.

Fourth, customer relations include efforts to maintain relationships with consumers on an ongoing basis. Consumers can be encouraged through acquisition, retention, and upselling. The form of the relationship can be personal assistance, dedicated personal assistance, self-service, automated services, communities, and co-creation.

Fifth, revenue streams are income from successfully delivering value propositions to consumers. Income can come from business-to-business, business-to-customer, and customer-to-customer.

Sixth, critical resources are assets owned to support the delivery of value propositions, including physical, intellectual, human, and financial categories.

Seventh, key activities are essential to maintaining and delivering value propositions. There are three main categories: production, problem-solving, and platforms or networks.

Eighth, key partners are external resources that support an organization or business. There are four types of partnerships: strategic alliances with non-competitors, strategic partnerships between competitors, joint ventures, and buyer-supplier relationships to ensure a smooth supply chain.

Ninth, cost structure is a type of cost that supports business sustainability. The cost structure is divided into costs that focus on cost control and expenses that focus on value creation. Types of costs include fixed costs, variable costs, economies of scale, and economies of scope.

This activity partner group will be better prepared to design an effective business model by understanding these elements.

The highly dynamic nature of business competition requires entrepreneurs to develop effective business strategies. According to Herawati et al. (2019), more than strategy is needed; a company must also have a robust and well-targeted business model. The Business Model Canvas (BMC) excels in business model analysis as it provides a straightforward and comprehensive illustration of a company's current situation. Research by Herawati et al., (2019); Elmustapha & Hoppe (2020), highlights that the Business Model Canvas, with its nine essential elements, is instrumental in identifying the business model and pinpointing areas that need improvement to support future business sustainability. The Business Model Canvas serve as a tool to propose new business model designs for future implementation.

Business design, strategy, and innovation are interconnected and inseparable; business modeling, therefore, is a design process that fosters innovation within a comprehensive business strategy Carter & Carter (2020); Mardatillah, et al, (2022). The strategy involves creating a unique and valuable position that enhances growth and leverages emerging opportunities, thus facilitating innovation that differentiates a company from its competitors (Mardatillah, et.al, 2020; Mardatillah., et al, 2022). To achieve sustainable success in today's global environment, businesses must innovate and support their innovation efforts with the right strategies to capitalize on emerging opportunities. A strategy should promote innovation through decisions related to products, markets, infrastructure, and finance, aligning with existing research that defines *business strategy design* as a series of decisions and actions aimed at achieving competitive advantage.

4. CONCLUSION

In conclusion, the relationship between business design, strategy, and innovation is critical for companies seeking long-term success in a changing global environment. A robust business model, such as the Business Model Canvas, enables businesses to assess and understand the current situation, identify areas for improvement, and support strategic innovation. Unique and valuable market position, companies can capitalize on emerging opportunities, differentiate themselves from competitors, and drive growth. This business model canvas entrepreneurship activity was carried out in two stages: the first provided socialization, and the second was training in designing a Business Model Canvas for community service activity partner groups. All participants participated in this activity and actively participated directly in all stages of the activities provided.

The results of this activity showed an increase seen from the post-test results; it was known that PKM activity participants gained increased knowledge and skills about entrepreneurship and the Business Model Canvas. The participants expressed their satisfaction with this activity and hoped to continue this program with further material related to business planning and strategy. The impact of this activity has succeeded in increasing awareness of entrepreneurial orientation and increasing the knowledge and skills of participants in designing Business Model Canvas as an effective and efficient business strategy. This Business Model Canvas method can help participants understand market segmentation for their business strategy design..

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