

# Analysis of Establishment Model of Social Entrepreneurial Organization through Business Model Canvas Approach at *Pondok Pesantren* Darul Ulum in West Sumatra Province, Indonesia

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## Abstract:-

### ➤ *Background*

As oldest and nonprofit Islamic education institution in Indonesia, *Pondok Pesantren* has great potential to establish social entrepreneurial organization (SEO). Moreover, establishment of business unit is necessary to keep its continuity. Therefore, this essay discusses development and analysis of establishment model of SEO to *Pondok Pesantren Darul Ulum* in West Sumatra Province, Indonesia, by using Business Model Canvas (BMC).

### ➤ *Method*

This research was conducted in a salafiyah *Pondok Pesantren* studying Kitab Kuning/Yellow Books (pure Islamic lessons). Data was collected through Focus Group Discussion (FGD), interview, secondary data analysis and observation. Data was analyzed by content analysis technique. Analysis of SEO establishment model in this research consisted of 4 steps; (search) for new business opportunities, (select) new business opportunities, (formulate) strategic planning and (implement) the strategy through BMC.

### ➤ *Result*

Amal jariyah (religious rewards), fanaticism to *Pondok Pesantren*, the unique character of *Pondok Pesantren*, the figure of Kyai (leader), community needs and government policies have colored the steps of SEO establishment model including arrangement of BMC. Overall, influence of Amal jariyah and organization label fanaticism on BMC desinging are interesting issue in the future research.

**Keywords:-** *New business establishment model, Social Entrepreneurial Organization (SEO), Business Model Canvas (BMC), Pondok Pesantren.*

## I. INTRODUCTION

Currently, the development of business establishment model including arrangement of business model canvas (BMC) for *Pondok Pesantren* (a type of Islamic boarding school) is possible. Given the *Pondok Pesantren* is a non-profit institution that has great potential to establish a social entrepreneurial organization (SEO) because it is in line with the main function of *Pondok Pesantren* as a center for community empowerment (Muttaqin, 2011) and (Reginald & Mawardi, 2014). In addition business establishment in *Pondok Pesantren* is a necessity to maintain the sustainability of the *Pondok Pesantren* (Shafi & Wisri, 2017). The development of social entrepreneurship in *Pondok Pesantren* can also be a solution to the problem of unemployment in Indonesia and as a means of advancing the economy of the country through the implementation of Sharia business (Reginald & Mawardi, 2014).

*Pondok Pesantren* is an independent institution, typical of Indonesia (Ismail, 2016) and traditional where *santri* (students) are learning to understand, appreciate and practice the teachings of Islam (Alam, 2012). *Pondok Pesantren*, according to the Ministry of Religious Affairs of Indonesia, is divided into 3 types: first is *Pondok Pesantren* Salafi, organizing the traditional way of learning which focuses on classical Islamic books, second is *Pondok Pesantren* khalafiyah, hosting learning with modern approaches through formal education unit that incorporates with public lessons, and the third is a mix between Salafi and khalafiyah (Kompri, 2018). *Pondok Pesantren* has an important role, namely as a center of religious learning, the center for the defense of the fortress of Muslims, Da'wah center, a place for the Muslim community development and religious values (Sulistiono, 2011) as well as identical with the meaning of indigenous (authenticity) Indonesia (Madjid, 1997) so that its continuity must remain guarded (Shafi & Wisri, 2017). Therefore, nowadays the *Pondok Pesantren* was expected not only to teach the science of religion and the public but also teach and conduct activities of entrepreneurship (Muttaqin, 2011) and (Anshori, 2014).

Sources of funding of *Pondok Pesantren* mostly come from sources that are directly as donors (infaq), *santri* donations and endowments. Hence, funding sources is

incidental or not fixed so that it could not maintain the sustainability of the *Pondok Pesantren*. Requiring an independent and fix (permanent) funding source will provide income to a *Pondok Pesantren* (Al-Shaafa'i & Wisri, 2017). One of them is by doing the development of entrepreneurship-based *Pondok Pesantren* through the establishment of business units. (Anshori, 2014).

In addition, *Pondok Pesantren* has the potential to develop entrepreneurship (the Ministry of cooperatives and SMEs, 2017). Data from the Ministry of Religion RI (2016) showed that *Pondok Pesantren* reached number 28,194 units with educators nearly 200 thousand and students of 4,290,626. The development and spread of *Pondok Pesantren* which is almost around Indonesia is a potential business networking for entrepreneurship based on *Pondok Pesantren* (Muslim-MIFTA-the Information Technology Association, 2015). Similarly, research conducted by Sunarsih Rahmawati, and Qomaruzzaman (2013) showed that *Pondok Pesantren* has the potential to develop entrepreneurship as it has characteristic of honesty, students dare to take risks, and resilient, unyielding and independent which is the basic principle for the development of entrepreneurship.

Although *Pondok Pesantren* has the potential to develop business unit, but the reality shows that there is only a few of *Pondok Pesantren* which have business units (Shafi & Wisri, 2017). Data from Ministry of Religious Affairs of Indonesia (2016) shows that a large part of *Pondok Pesantren* in Indonesia still do not have a business unit. In West Sumatra Province there are still a few of *Pondok Pesantren* which owns business units. According to data from Ministry of Religious Affairs of Indonesia (2018) shows that total number of *Pondok Pesantren* existing in the province is 214, which is only 3 *Pondok Pesantren* or less than 5% that have business unit. The three *Pondok Pesantren* which have business unit are khalafiyah. Hence there is a necessity of the research on the establishment of the business units at *Pondok Pesantren*.

Entrepreneurship in *Pondok Pesantren*, according to the result of research conducted by Reginald and Mawardi (2014), is included in social entrepreneurship because it gives social value that is a real benefit for the local community. According to Austin, Stevenson, Skillern (2006) and Weerawardena & Mort (2005) that social entrepreneurship develops dominantly in non-profit organizations. Likewise, *Pondok Pesantren* as a non-profit has the primary function of which is in line with the concept of social entrepreneurship (Reginald & Mawardi, 2014). Therefore social entrepreneurship is very suitable to be developed at *Pondok Pesantren*.

This research will take *Pondok Pesantren* Salafi Darul Ulum Padang as its focus. The establishment of social entrepreneurship organization in *Pondok Pesantren* in West Sumatra Province needs business establishment model which will be the guidance for administrators of *Pondok Pesantren*. (Withhau & Delft, 2018). Process of establishment of the new venture also requires planning strategies to achieve competitive advantage (Thompson,

Peteraf, Gamble and Strickland, 2018) and (Trimi & Mirabent 2012). To implement strategy, options to be used is business model (Charles M, DaSilva and Trkman, 2013) includes business model canvas (SBDC, 2016), (Honig & Hopp 2016), (Rasmussen & Tanev, 2016), (Gately and Cunningham, 2014), (Trimi & Mirabent, 2012). Based on the information above, formulation of examined issue is:

How is a social entrepreneurial organization establishment model in *Pondok Pesantren* Darul Ulum Padang by using a business model canvas?

## II. LITERATURE REVIEW

### A. Concept of Entrepreneurship-Based *Pondok Pesantren* (*Pesantrenpreneurship*)

Entrepreneurship-based *Pondok Pesantren* (*pesantrenpreneurship*) is a forum to change mindsets, attitudes and social culture by searching and selecting business opportunities and maximize resources (Sakdiyah, 2010) involving students and local community directly in business processes (Ahmady, 2013) and (Muttaqin, 2011). Result of research conducted by Muttaqin (2011) concludes that there are 2 development entrepreneurship models in *Pondok Pesantren*. First is, *santri* economic independence model which involves students directly in *Pondok Pesantren* business activities of the economy as the transformation of applied sciences to form the soul of self-reliance and entrepreneurship. Second is community economic empowering model which is to empower local community through *Pondok Pesantren* economic activities in the form of partnership.

The result of research conducted by Syafi'i and Wisri (2017) pointed out that the determination of arable business field of *Pondok Pesantren* is based on potential local community around *Pondok Pesantren*. Moreover, research conducted Suwito (2008) shows that this type of business conducted by *Pondok Pesantren* can be grouped in 4 groups, namely:

- Agribusiness (agriculture, forestry and fisheries),
- Services (KBIH, printing, Zakat, Baitul Maal Wattamwil/BMT, koperasi)
- Trade (retail, shops, vending agent),
- Industry (water treatment, furniture).

### B. Social Entrepreneurship at *Pondok Pesantren*

Mair and Noboa (2006) define social entrepreneurship is widely i.e. innovative use of resources to pursue opportunities in order to create business and to practice producing and maintaining the social benefit. According to Austin, Stevenson, Skillern (2006), the main difference between social and commercial entrepreneurship lies in its purpose. Social entrepreneurship aims to create social benefits, whereas commercial entrepreneurship to achieve personal gain.

One of the purposes of the establishment of the business units in *Pondok Pesantren* is to move the economy of communities through economic empowerment of local communities (Muttaqin, 2011). The existence of the business unit in *Pondok Pesantren* in addition to

providing revenue for the *Pondok Pesantren* can also offer employment opportunities in local communities so as to reduce poverty. Therefore entrepreneurship in *Pondok Pesantren* is included as social entrepreneurship as it gives real social benefits for the Community (Reginard & Mawardi, 2014).

Social entrepreneurship forms in *Pondok Pesantren* includes establishment of Koperasi *Pondok Pesantren* (KOPONTREN), BMT (Baitul Maal Wattamwil), implementation of the student alumni association-based business, applying the business concept of empowering students which is from students, by the students and for students. Profit of *Pondok Pesantren* business unit is used to support operational costs, giving scholarships to students, helping the community in the form of zakat and social assistance. Moreover, business unit is a forum of entrepreneurial learning and work experience for students, business appropriate with implementation of Sharia so it can distance the community from the negative effects of the practice of public participation in ribawi (interest). It can be also as a participation of community in pioneering business efforts in *Pondok Pesantren*, open or create a new market outside the mosque. (Reginald & Mawardi, 2014).

C. Framework of SEO Establishment at Pondok Pesantren

The framework is a business establishment phases (sequences) process that is carried out to start a business (Witthau & Delft, 2018), (SBDC, 2016), (Honig & Hopp, 2016), (Gately & Cunningham, 2014), (Beresford & Saunders, 2005) and (Carter, Gartner and Reynolds, 1996). Research conducted by Honig and Hopp (2016) indicates that each entrepreneur begins entrepreneurial activities differently. Witthaut and Delft (2018) in their studies of new business development in established organization concludes that establishment of a new business framework

consists of 4 stages namely (1) explore the opportunities (search), (2) choose a business that will be pursued (select), (3) applying it (implement) and (4) caught benefits by evaluating (capture). The framework of the establishment of new businesses, according to Witthau and Delft has been proven and can be used on all types of organizations and businesses. Therefore, the establishment of this business framework can also be used to establish SEO at *Pondok Pesantren*.

Whereas, Lessem (2007), framework of starting a business namely; 1) develop a vision and mission to draw up a planning strategy, 2) perform market research, 3) build organizations, 4) build commitment, 5) business planning, 6) build relationships, 7) start a business. According to the SBDC (2016), a framework for new business establishment consists of 5 major stages namely; (1) choose a business idea, (2) conduct feasibility analysis (business feasibility), (3) implement business planning or business model, (4) startup checklist, and (5) get funding.

The author concludes there are 5 major stages in the process of business establishment, namely (1) search for new business opportunities (search), (2) select new business opportunities through feasibility study (select), (3) compiled a strategy planning (formulate), (4) implement business concept (implement), (5) evaluate (evaluate). Therefore, framework of model business establishment used in this study is in accordance with framework model recommended by Witthaut and Delft (2018). The author used the framework in accordance with the context of this study, namely the establishment of a new business within an established organization and the framework also has been proven and can be used for all types of organizations and business. A framework of new business establishment model is:

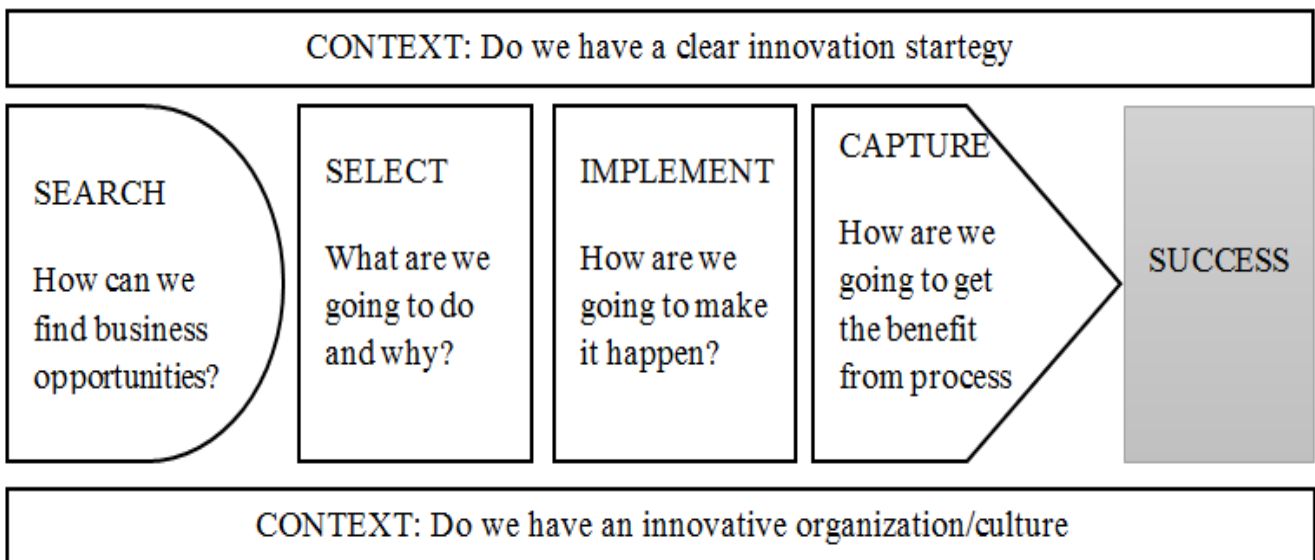


Fig 1:- Framework of New Business Establishment Model, Source: (Witthau dan Delft, 2018)

Framework of SEO establishment is adopted from framework of establishment of commercial entrepreneurship. There are three main elements in the framework of the establishment of social entrepreneurship which are different from commercial entrepreneurship i.e. determine business idea foundation and business opportunities, also implement business concept (Austin, Stevenson, Skillern, 2006). Meanwhile, according to Muller (2012), that distinguishes of social and commercial entrepreneurship framework are on 3 parameters i.e. purpose of business establishment, seeking business opportunities and designing business models. Based on such research, the authors concluded that framework of SEO establishment is different with commercial entrepreneurship on 3 parameters i.e. define business ideas foundation, identify market opportunities and design the BMC.

➤ *Phase 1: looking for new business opportunities (Search)*

According to Witthout & Delft (2018), in search of new business opportunities, organizations should answer three basic questions that would be cornerstone of the business establishment, namely (1) why we need to find a new business idea? (2) what business idea is needed? (3) where we have to find a new business idea? According to the framework's concept of social entrepreneurship, community needs, demand of society and market failure can become a source in finding new business opportunities. Therefore, before setting up SEO, entrepreneur should be able to answer the question "what are the needs of the community at this time or in the days to come?" (Certo & Miller, 2008).

According to Witthau and Delf (2018) the processes of seeking new business opportunities are two: first, determine business idea foundation, and second, conduct idea of process management. New business idea foundation obtained by answering 3 questions (why-what-where). While idea of process management is performed through 3 stages, namely 1) identifying market trends (market) and the competence of the Organization, 2) analysis of new business opportunities with the analysis of the trend, and 3) analysis of the suitability of new business opportunities with business idea foundation.

Determination of new business idea foundation on SEO establishment aims to produce social benefits (Austin, Stevenson, Skillern, 2006) which is conducted by answering 3 questions (why, what, where) (Witthau & Delft, 2018) as to why organizations need to find new business idea (why), what business ideas that can meet the expectations of the Organization (what) and where organizations are looking for new business ideas (where). After it has been done, analysis of the external environment must be conducted to identify market trends (the market) that can create social benefits. The parameter specifying the business opportunity according to the framework of social entrepreneurship are 3 i.e. community needs, community demand and market failure (Austin, Stevenson and Skillern, 2006).

Internal environment analysis is done subsequently to identify *Pondok Pesantren* competence. To analyze the internal environment it is used the theory of core competencies (core competencies organizations) expressed by Kruger and Homp (1997) and the RBV approach by Robert Grant and VRIS (Value, Rareness, Imitability, and Substitutability) approach by Barney (1991) (David, 2010). According to Kruger and Homp (1997), there are three parameters that must be filled with resources to become a core competency for organizations (Arnold, 2000), namely the different resources (differentiate) from another organization or competitors; these resources could produce sustainable competitive advantage (gain sustainable competitive advantage) and be used for various purposes (usable for multiple purposes). Next, searching new business opportunities by conducting an analysis of the trend combined or matched between market trends (the market) and competence possessed *Pondok Pesantren*. Trend analysis can be performed by using approach of outside-in and inside-out.

➤ *Phase 2: Selecting new business opportunities (Select)*

Limitations of owned resources makes organizations selecting some new viable business ideas. A tool used to analyze the feasibility of the business idea in this research is the R-W-W screen. R-W-W (real, win, worth it) screen is a method developed by George Day of the Wharthon School. This method describes the 3 main parameters of the feasibility of the business idea, that is; real (whether the markets and our products are real?), win (whether products and markets compete?) and worth (whether this business can give benefits?). After the business idea is said to be worth based on market research then the next thing to do is analyzing the costs and funding sources to set up a business (start-up cost/financial resource analysis).

➤ *Phase 3: Managing strategy planning (Formulate)*

After the organization selects a new idea of business opportunities, the next step is drafting of planning strategies in order to achieve competitive advantage (Johnson and Van de Ven, 2017). In detail, framework of planning strategies, according to David (2010), consists of 3 stages, namely 1) input stage consisted of compiling vision and mission, external environment analysis using the EFE matrix (External Factor Evaluation) and environmental analysis internal use matrix IFE (Internal Factor Evaluation), 2) phase-matching using matrix SWOT (Strength, Weakness, Opportunity, Threat), 3) decision stage using QSPM matrix.

➤ *Phase 4: Implementation of business ideas through BMC for SEO*

Alternative of business concept implementations besides making business planning is designing business models including business model canvas and the lean startup model (Witthau and Delft, 2018), (SBDC, 2016), (Honig and Hopp 2016), (Rasmussen and Tanev, 2016), (Gately and Cunningham, 2014), (Trimi and Mirabent, 2012). SBDC (2016) indicates that model of business establishment stage, entrepreneurial can use BMC to replace business planning. BMC is a business model

proposed by Alexander Osterwalder and Yves Pigneur in his book entitled "Business Model Generation". BMC were arranged in 9 building blocks; 1). Segment of the customer, 2). Value proposition, 3). Channel, 4). Customer relationships, 5). Revenue streams, 6). Ultimate resource, 7). Key activity, 8). Main partnership, 9) Fee structure (Osterwalder and pigneur, 2010).

Social entrepreneurship designs business models to solve social problems, so that the resulting value is a social value. The differences between social business model with commercial business model are at design and application of 3 main constituent business elements model i.e. What is the customers acquired value? (Value proposition), how the organization creates value? (Value architecture) and how organizations turns a profit? (Revenue model). After compiling a BMC for SEO, next step is to determine the organizational effort, the legality of effort and funding source of business.

### III. RESEARCH METHODS

This research, seen from its objectives, was an exploratory research and using qualitative approach. The technique of data collection was done by interviews, Focus Group Discussion (FGD), secondary data analysis and observation. The informant in this research is divided into two. First are internal parties (Chairman/owner *Pondok Pesantren*, Executive Board, teachers and students). Second are external parties (Ministry of Religious Affairs, the Department of Koperasi and SMEs, Department of Industry and Trade, community surrounding the *Pondok Pesantren*, observers of *Pondok Pesantren*, practitioners and business academics and other *Pondok Pesantren* administrators who already have business unit.

The triangulation technique of data sources used to test the reliability and validity of qualitative data analysis in this research. After that, the qualitative data is collected and then analyzed using content analysis which consists of 3 steps, namely the reduction of the data, the presentation of the data and the withdrawal of the conclusion.

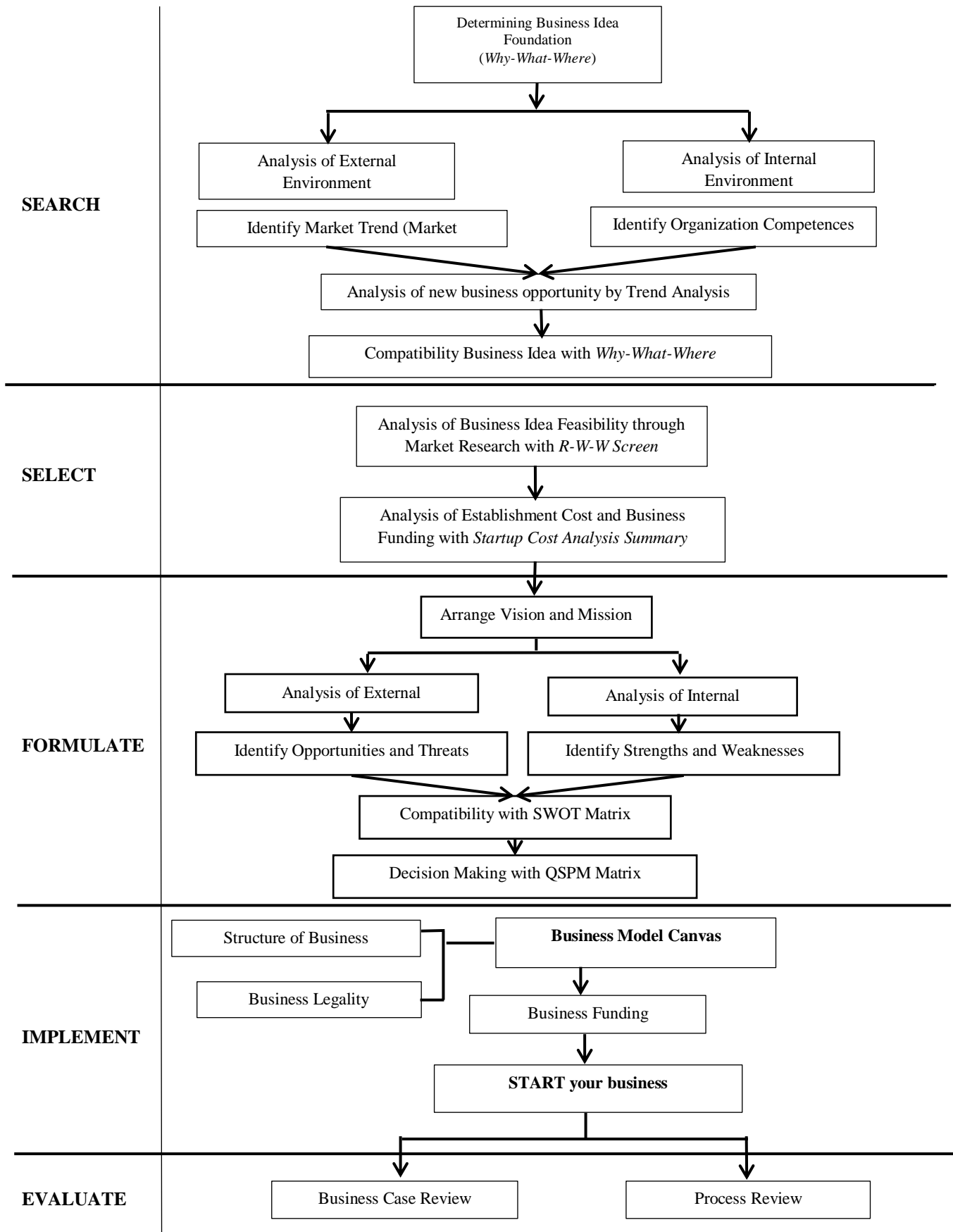


Fig 2:- Research Framework

**IV. FINDINGS AND DISCUSSIONS**

➤ *Phase: Search*

First thing to do at this stage is to determine which business ideas foundation will be done by answering three questions (why-what-where). Social goals to be achieved by establishing *Pondok Pesantren* SEO (*why*) is said by the Treasurer of the *Pondok Pesantren* Salafi Darul Ulum, Abdurahman (2018), that the establishment of business unit in *Pondok Pesantren* is for investing in the hereafter, in the form of charity *jariah* i.e. the merit continues to flow though someone has died. In addition to that he also said: “*Pondok Pesantren* experienced deficit this year, the business units are expected to cover operations (cost).”

The excerpt above indicates that the main aim of SEO establishment is to keep continuity. Head of *Pondok Pesantren* Salafi Darul Ulum, Buya (2018) says, the founding business unit also to train *santri*’s entrepreneurship.

Expectations which will be fulfilled from the establishment of SEO (*what*) was said by Buya (2018), that “If the expected is so many. If it is successfully able to develop *Pondok*, to develop education. Especially, these kids will be trained.”

The results of the interview with Buya showed that hopes of Darul Ulum are divided into 2 expectations namely; financial hope (increase of revenue) and hope non-financial hope (providing entrepreneurial skills for *santri*).

Market segments and business areas that will be applied (*where*) are assigned based on the potential of the local community so as to empower the local community. *Pondok Pesantren* Darul Ulum lies on the cool hills with fertile soil. The livelihood of surrounding communities in general is farming and breeding. As it was said by Abdurahman (2018), that Darul Ulum was in the plant nursery business environment so that business is good for the group. Based on the answers of questions why-what-where the authors can conclude that the cornerstone of business ideas Darul Ulum is: "As a *amal jariah* (charity) to maintain the sustainability of *Pondok Pesantren* and as a forum for *santri*’s entrepreneurial learning by empowering local community"

After the business idea foundation is specified, the next is conducting external environment analysis to identify market trends (market opportunity) and internal environment analysis to identify competences of *Pondok Pesantren*. The results of the analysis is in the following table:

No	Market Trends (Market Opportunity)	Code
1.	Community and <i>santri</i> need daily products for which can get near from <i>Pondok Pesantren</i> .	P1
2.	Community and <i>santri</i> need Muslim clothes and photocopy center	P2
3.	<i>Pondok Pesantren</i> area has fertile land, fresh air and water sources	P3
4.	<i>Pondok Pesantren</i> is situated in plant seeding business	P4
5.	Community’s needs of fruit is high, 20 million ton in 2016	P5
6.	Community who has seeding business experience in distributing products.	P6
7.	Community potential, another business unit and government institution in order to cooperate with <i>Pondok Pesantren</i> business unit is higher than others.	P7
8.	Seeding and soybean commodity cannot fulfil West Sumatra Province market need yet.	P8
9.	Many customers are disappointed with unfruitful seeds	P9
10.	There is a skill and entrepreneurship program of government for <i>Pondok Pesantren</i> with also grant funding and agribusiness program.	P10

Table 1:- Market Trends (Market Opportunity) of Ponpes Darul Ulum Padang

No	Competences	Code
1.	Possessing own land and endowment land	C1
2.	Possessing 5 sewing and 1 photocopy machine	C2
3.	Possessing business capital grant	C3
4.	Possessing a charismatic and role model <i>Kyai</i> ( <i>leader</i> ) and obedience of <i>santri</i> and <i>ustadz</i> (teacher) to <i>Kyai</i>	C4
5.	There are many human resources and 230 <i>santri</i>	C5
6.	Possessing farming experiences	C6
7.	Possessing characters of honest, hard-working, self-reliance, humble, sincere, idealism, brotherhood, courage to live, and good morals	C7
8.	Possessing wide and spread alumni network	C8
9.	Integrated with community and fanatic to <i>Pondok Pesantren</i>	C9
10.	Possessing religiosity values and sharia business knowledge	C10

Table 2:- Competences of *Pondok Pesantren* Darul Ulum

Based on the trend analysis, the matching between market trends and *Pondok Pesantren* competences and conformity analysis, thus, it was acquired 2 new business opportunities, namely; plants seeding business and rice farming business.

➤ *Phase: Select*

Two business opportunities that have been obtained at search phase then are tested by using R-W-W screen, cost analysis and business funding by using startup cost analysis summary. The result of feasibility analysis of new business ideas through market research on plant seeding business shows that plant seeding business has products and markets that are real (real). Plant seeding business has the ability to compete (win). Plant seeding business is capable of giving a profit (worth). Based on the 3 parameters in the R-W-W screen, it can be concluded that the plant seeding business, according to the market research, is feasible.

While analysis of business idea feasibility on rice farming business showed that at level of product reality (real), *Pondok Pesantren* Darul Ulum does not have land to do cultivation of rice. This shows that rice cultivation

business in the *Pondok Pesantren* does not have product reality degree. As a result the ability to compete does not exist (*win*). Therefore, the rice farming business could not be carried out by the Darul Ulum.

Interview results that writers did indicates that Darul Ulum does not have the capital to do business. Therefore, it is relying on Government grant funding and donation which amounts range from 800 million, 60 million and 20 million. Meanwhile, required costs for setting up the plant seeding business were Rp 34,562,319. Based on this information it can be concluded that business capital can cover cost of the establishment SEO.

➤ *Phase: Formulate*

Result of feasibility test shows that the plant seeding business is worth at Darul Ulum. To achieve competitive advantage then it was arranged planning strategy. At this stage input of external environmental analysis was conducted to identify opportunities and threats; and internal environment analysis was to identify strengths and weaknesses. The analysis results can be seen in the following matrix IFE and EFE:

External Main Factors		Weight	Rank	Balancing Score
<b>Opportunities</b>				
1	Plenty of business capital grant program for <i>Pondok Pesantren</i>	0.21	4	0.84
2	High of community's awareness in consumption for organic food and medications planted in their courtyard.	0.18	3	0.54
3	A vast distribution channel via agencies landscaper and farmer	0.21	4	0.84
4	Padang city government program to improve community food security through crop planting in the courtyard	0.1	2	0.2
5	Fanaticism to <i>Pondok Pesantren</i> labelling	0.1	3	0.6
6	The image of Minturun as a central area of plants seeding	0.1	2	0.2
		1.0		3.22
<b>Threats</b>				
1	Many possible entries of new competitors from private parties	0.2	4	0.8
2	Limited organic fertilizer supply	0.21	4	0.8
3	The possibility of plant seed will be a production plant	0.11	1	0.11
4	Government Seed Hall often gives free plant seed in the community	0.11	2	0.22
5	High-performance of plant seeding business in Indonesia provides types of plant seeds	0.21	4	0.48
6	A lot of Government seed Hall sells seed plants to the public.	0.16	2	0.32
		<b>1.0</b>		<b>2.73</b>
<b>Total of EFE Score</b>				<b>2.98</b>

Table 3:- Matrix of SEO EFE *Pondok Pesantren* Darul Ulum



Internal Main Factors		Weight	Rank	Balancing Score
<b>Strengths</b>				
1	Strong religious values and understood by members of <i>Pondok Pesantren</i>	0.2	4	0.8
2	Possessing land for plants seeding	0.2	3	0.6
3	Farming experience	0.1	2	0.2
4	Charismatic and role model <i>Kyai</i>	0.21	4	0.84
5	Characters of honest, hard-working, sincere,	0.19	3	0.57
6	Loyalty of <i>Pondok Pesantren</i> members and community to <i>Pondok Pesantren</i>	0.1	3	0.3
		<b>1.0</b>		<b>2.5</b>
<b>Weaknesses</b>				
1	Organizational structure and adequate human resources to manage seeding	0.16	4	0.64
2	Possessing no knowledge and competence of business	0.14	3	0.42
3	Possessing no support facilities	0.23	4	0.92
4	Possessing no capital for business	0.1	2	0.2
5	Some lands are still problematic	0.23	4	0.92
6	There is no knowledge of seeding plants	0.14	3	0.42
		<b>1.0</b>		<b>3.52</b>
<b>Total of IFE Score</b>				<b>2.78</b>

Table 4:- Matrix of IFE SEO *Pondok Pesantren* Darul Ulum

At EFE matrix it can be seen three major opportunities (which has the highest weight value) i.e. P1= Plenty of business capital grant program for *Pondok Pesantren* (0.21), P3 = A vast distribution channel via agencies landscaper and farmer (0.21), and P5 = Fanaticism to *Pondok Pesantren* labelling (0.20). While the 3 main threats i.e. A1 = Many possible entries of new competitors from private parties (0.20), A2 = Limited organic fertilizer

supply (0.21), and A5 = High-performance of plant seeding business in Indonesia provides types of plant seeds (0.21).

After opportunities, threats, strengths and weakness were identified and put in a major in IFE and EFE matrix, then it is to analyze the strategy by matching between opportunities and threats with strengths and weaknesses using SWOT matrix. An analysis of SWOT matrix as strategy for *Pondok Pesantren* as follows.

		Strength-S		Weakness-W	
		1	Strong religious values and understood by members of <i>Pondok Pesantren</i>	1	Possessing no adequate structure of organization and human resources to manage seeding
External	2	Possessing land for plants seeding	2	Possessing no capital for business	
	3	Charismatic and role model <i>Kyai</i>	3	Some lands are still problematic	
Opportunity-O		Strategy SO		Strategy WO	
1	Plenty of business capital grant program for <i>Pondok Pesantren</i>	Growing plants seeding business market by using image of <i>Pondok Pesantren</i> and <i>Kyai</i> (S2, S3, P2, P3)		Making joint venture with government of Padang city and business association for managing, distributing and capital for establishment of plant seeding business. (W1, W2, W3, P1, P2, P3)	
Threat-T		Strategy ST		Strategy WT	
1	Many possible entries of new competitors from private parties	Developing innovative plant seed by providing different and unique variations, and conducting plant treatment education as post selling service. (S1, S2, T1, T3)		Managing own organic fertilizer and doing cooperation with BPTP to develop plant seed which is superior, varied and qualified. (W1, W3, T2, T3)	
2	Limited organic fertilizer supply				
3	High-performance of plant seeding business in Indonesia provides types of plant seeds				

Table 5:- Matrix of SWOT *Pondok Pesantren* Darul Ulum

This SWOT matrix produces four strategies i.e., *First*, strategy 4 S-O, "growing plant seeding business market by utilizing the image of *Pondok Pesantren* and religious charisma (*kyai*)." It is a strategy that uses internal strength to take external opportunities resulting in a competitive advantage. *Second*, strategy W-O, "working with Government of Padang city and the Business Association for the management, distribution and venture capital business to establish nursery plants. It is a strategy that increases the internal weakness to take external opportunities. Third, strategy S-T, strategy of "developing innovative plant seed by providing different and unique variations, as well as incorporate plants treatment educational as after-sales service". It is the strategy of using force to minimize external threats. The four, strategy W-T, "manage your own organic fertilizer and cooperating with BPTP to develop a superior plant seed, varied and quality." It is a strategy that minimizes weaknesses to avoid threats.

Those four strategy were obtained on the SWOT matrix which then analyzed by matrix QSPM to determine the relative attractiveness of best alternative strategies.

Based on the value in the QSPM matrix, it was obtained that strategy has 3 most TAS value i.e. 14.76. Therefore, the main strategy of the plant nursery business for *Pondok Pesantren Darul Ulum* is developing an innovative plant seed by providing different and unique variations, as well as incorporate educational treatment plants as after-sales service.

➤ *Phase: Implement*

Implement phase is the fourth phase in the research which is the stage to apply the concept of business ideas that have already been decided at previous stage of the search, select and formulate. Strategies that have been decided through QSPM matrix then were manifested in the BMC. Types of businesses that *Pondok Pesantren Darul Ulum* wants to be established by a social entrepreneurial organization (social entrepreneurship), therefore the value resulting from the BMC is the value of social (social value). BMC also compiled based on the BMC on social entrepreneurship where the 9 components of BMC were grouped by 3 main constituent elements business models, as shown in;

Value Architecture	Value Proposition/Customer
<p>Offer/Key Activities:</p> <ul style="list-style-type: none"> <li>- Organic plant seeding activities</li> <li>- Education of plant treatment</li> </ul>	<p>Customer/Customer Segment:</p> <ul style="list-style-type: none"> <li>- Planting community</li> <li>- Healthy food eating community</li> <li>- <i>Pondok Pesantren</i> fanatic community</li> <li>- Farmers (group) of vegetables and fruits</li> </ul>
<p>Value Chain/Customer Relationship:</p> <ul style="list-style-type: none"> <li>- Prime service</li> <li>- After sell service</li> </ul>	<p>Distribution Architectures/Channels:</p> <ul style="list-style-type: none"> <li>- Showroom at courtyard</li> <li>- Official website, social networks, application</li> <li>- Local TV and newspaper</li> <li>- Bazar and exhibition</li> </ul>
<p>Core Capabilities/Key Resources:</p> <ul style="list-style-type: none"> <li>- Members of <i>Pondok Pesantren</i>, farming instructors, business mentor, employer</li> <li>- Land, supporting facilities, showroom</li> <li>- Management system and farming system</li> <li>- Business capital</li> </ul>	<p>Partners/Key Partners:</p> <ul style="list-style-type: none"> <li>- Seeding business community</li> <li>- Seeding Agency, BPTP, Farming Services, Industry and Trade Services</li> <li>- Farmer association for fruits, vegetables and flowers</li> </ul>
<p>Cost Structures:</p> <ul style="list-style-type: none"> <li>- Variable cost: consumable cost + salary</li> <li>- Fix cost: farming tools</li> <li>- Profit allocation for <i>Pondok Pesantren</i> (30%)</li> </ul>	<p>Value Proportion:</p> <ul style="list-style-type: none"> <li>- <i>Amal jariyah</i></li> <li>- Knowledge to farm organically</li> <li>- Guarantee for seeding quality with certificate/label</li> <li>- Obtaining healthy, superior and organic seeds</li> </ul>
<b>Model Revenue</b>	<p>Source of Revenue/Revenue Stream:</p> <ul style="list-style-type: none"> <li>- Selling of farming yields and organic fertilizer</li> <li>- Donations, government grants, <i>waqaf</i></li> <li>- Service fee for plant treatment education</li> </ul>

Table 6:-BMC Analysis of SEO in *Pondok Pesantren Darul Ulum*

### ➤ Value Proposition

One of the value propositions of unique and valuable customer is to acquire *amal jariyah*. The customers believe that by buying in *Pondok Pesantren* SEO means they have indirectly given charity to the development of Islam. It is the practice of *amal jariyah* for them. While in the presence of a group of customer, there is a segmentation customer fanaticism to *Pondok Pesantren* labeling. They have an emotional attachment and loyalty to *Pondok Pesantren*. This customer segment is willing to buy on *Pondok Pesantren* SEO, although its quality is not as good as other competitors. This segment is a segment of potential customers for *Pondok Pesantren*.

### ➤ Value Architecture

Value architectures on BMC *Pondok Pesantren* SEO is driven by a religious *amal jariyah*. On distribution channels, said by Head of Section at Ministry of Religious Affairs in Padang (2018) that government agencies will be more willing to partner with *Pondok Pesantren* SEO "to distribute" products. Establishing relationships with customers, members of *Pondok Pesantren* will serve customers in accordance with the principles of Islam so *amal jariyah* can be brought to them. Likewise, the primary resource is a business mentor. According to members of the business community and also entrepreneur, Alka (2018), that *amal jariyah* moves the community to become mentors for *Pondok Pesantren* business, as he said:

Secondly, by asking participation from business community, such as in Padang, there are Genpro and others, they are consisted of entrepreneurs. They want to accompany new entrepreneurs especially *Pondok Pesantren*, because accompanying entrepreneurship in *Pondok Pesantren* will be *amal jariyah* for them. So, their *amal jariyah* will be their helpful knowledge.

The excerpt above indicates that the *amal jariyah* has become driving force for business community to accompany entrepreneurship in *Pondok Pesantren*. They will be very happy to be a business mentor for *Pondok Pesantren* because in addition to getting their business partners also they believe that they will get *amal jariyah* for hereafter.

### Revenue Model

On the structure of costs, *Pondok Pesantren* SEO must allocate its profits to development. There is a form of realization *Pondok Pesantren* SEO goal i.e. for supporting *Pondok Pesantren* operations. This fee structure is *amal jariyah* charity has been moving the other components of the BMC. While the earnings SEO appeared due to boost *amal jariyah*. The sale is a major SEO revenue occurred due to an impulse of *amal jariyah*. So it is with public donations and capital grants from the Government.

## V. CONCLUSION, IMPLICATION AND LIMITATIONS

Analysis of establishment of *Pondok Pesantren* Darul Ulum SEO can be summed that *Pondok Pesantren* Darul Ulum has great potential to set up SEO because it integrates with the community. Therefore the establishment of SEO is very possible. The presence of religious *amal jariyah* becomes the driving force for the *Pondok Pesantren* members to establish the SEO. It also has the potential of land, obtaining venture capital donation from the public and the Government, a number of students and an extensive alumni network. In addition the existence of fanaticism of *Pondok Pesantren* labelling in the middle of the community is also potential for *Pondok Pesantren*.

Pendirian SEO di ponpes melibatkan masyarakat dan santri. Keterlibatan masyarakat dimulai dari pemilihan peluang bisnis sampai menjadikan masyarakat sebagai partner bisnis. Peluang bisnis pada ponpes Darul Ulum adalah bisnis pembibitan tanaman. Peluang bisnis tersebut sudah sesuai dengan potensi masyarakat sekitar. Santri juga harus dilibatkan untuk membantu operasional SEO. Tujuannya adalah untuk menambah pengalaman dan pengetahuan santri tentang kewirausahaan

Establishment of *Pondok Pesantren* SEO is in engaging community and students. Community involvement starts from business opportunities selection to making community as a business partner. Business opportunity at the *Pondok Pesantren* Darul Ulum is plants seeding business. The business opportunity is in compliance with surrounding community's potential. Students should also be involved to help SEO operations. The purpose is to add experience and knowledge of students about entrepreneurship.

Business Model Canvas (BMC) at *Pondok Pesantren* SEO has its own uniqueness. *Amal jariyah* becomes the value proposition and the components that unite and drive other components of the BMC. Fanaticism to *Pondok Pesantren* labelling is a segment of potential customers for *Pondok Pesantren* SEO. Mentor's efforts is a must-have resource key *Pondok Pesantren* SEO, given the lack of business knowledge owned by *Pondok Pesantren* members. Besides communities play an important role both as partners, partners, customers and employees, *amal jariyah* is the catalyst for *Pondok Pesantren* members, communities, Governments, business community to participate in setting up *Pondok Pesantren* SEO.

The implication of this research is to accelerate the process of establishment in *Pondok Pesantren* Salafi Darul Ulum SEO. Establishment of business model will be the guidance for the *Pondok Pesantren* member to set up SEO, so it will motivate them to immediately establish a SEO. SEO advantage will be allocated to "raising revenue". SEO also will open up new jobs for the local community so that it can add their income.

The establishment of the *Pondok Pesantren* SEO will form business incubator. The establishment and development of SEO will be carried out in accordance with the Islamic Shari'a (business based on religion). It will be a model for the implementation of Sharia business. The participation of the business community as a business mentor is to accompany the establishment and development of business units in *Pondok Pesantren*. Such participation, as *amal jariyah*, will motivate them to contribute in setting up SEO in *Pondok Pesantren*.

Limitation of this research is that this research is early stage of establishment of SEO, and it is not implementation stages SEO. Therefore the value of religious fanaticism and the community to *Pondok Pesantren* labelling cannot serve as an indicator of business establishment process.

This research is qualitative research. Therefore research findings cannot be generalized to all *Pondok Pesantren* in West Sumatra Province. Less number of studies on the establishment of *Pondok Pesantren* SEO as a reference is also the limitations experienced by the author. Advice that can be given to further research is an analysis of religious rewards influence and fanaticism to *Pondok Pesantren* in compilation of nine label components of BMC, so that it will be obtained the most innovative BMC models to generate revenue for *Pondok Pesantren*.

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