

# CHAPTER I

## INTRODUCTION

### A. Background

Surakarta is one of the centers of economic growth in Central Java, set tourism as one of its driving force of the economy of the region. Within the last 10 years in the city of Surakarta once held much of the tourist event. The organized tour event was initiated by the Government of the city of Surakarta with financed APBD. The purpose of the tour is the event host to encourage economic activities related to tourism in the city of Surakarta.

The year 2013 Surakarta City Government scheduled 59 tour events, the year 2014 agenda 48 agenda with details of the 20 mains agenda and the agenda of 28 supporters. In the year 2015 this Government the main event scheduled Surakarta 29 and 30 events. The success of the development of the tourism sector in an area can be seen from the increasing contribution of the sectors of trade, hotels and restaurants against GDP, as well as a contribution towards the hotel and restaurant tax revenue will affect native against regional finance supporters.

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Surakarta has a good economy. The economic growth of the city of Surakarta 2010-2013 year is always increasing, i.e. year 2010 amounted to 5.94, year 2011 rose to 6.04, year 2012 rose to 6.12, and in 2013 5.89%. The economic structure of the city of Surakarta in the year 2013 is dominated by trade, hotels and restaurants contributed most, namely 26.71%; further sectors of the processing industry of 19.29%, building sector amounted to 14.35%, service sector – services of 13.97 percent, the financial sector, corporate services and rentals of

12.18 percent, transport and communication sector of 10.76%, the sector of electricity, gas and clean water 2.67%, 0.05%, agriculture and mining sector 0.02%.

Table I.1 GDP of Surakarta City in 2011-2013 (Million Rupiah)

<b>NUMBER</b>	<b>BUSINESS FIELD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>1</b>	<b>AGRICULTURE</b>	<b>2.911,03</b>	<b>2.912,43</b>	<b>2.591,59</b>
	a. Plant Food Ingredients	1.613,51	1.613,29	1.612,42
	b. Plant Plantation	261,95	259,08	258,89
	c. The farm and its Results	1.028,29	1.032,78	1.072,78
	d. Forestry	0,00	0,00	0,00
	e. Fisheries	7,28	7,28	7,49
<b>2</b>	<b>MINING &amp; EXCAVATION</b>	<b>1.809,03</b>	<b>1.789,64</b>	<b>1.764,96</b>
	a. Oil and Gas	0,00	0,00	0,00
	b. Mining Except Oil and Gas	0,0	0,00	0,00
	c. Excavation	1.809,03	1.789,64	1.764,96
<b>3</b>	<b>PROCESSING INDUSTRY</b>	<b>1.312.945,81</b>	<b>1.349.967,23</b>	<b>1.404.161,79</b>
	a. Oil and Gas Industry	0,00	0,00	0,00
	1. Manufacturing	0,00	0,00	0,00
	2. Liquid Nature Gas	0,00	0,00	0,00
	b. Industry Excepts Oil and Gas	1.312.945,81	1.349.967,23	1.404.161,79
	1. Foods and Tobacco	574.513,67	591.213,36	617.611,54
	2. Textile, Leather and Footwear	214.723,38	224.477,98	234.198,98
	3. Wood and Result of Forest	79.806,77	82.057,10	83.653,93
	4. Paper and Molding Thing	156.126,42	161.128,75	169.141,79
	5. Fertilizers, Chemicals and Rubber	10.770,16	10.973,85	11.333,84
	6. Cement and Rubber	23.811,80	24.283,23	25.367,15
	7. Base Metals Iron and Steel	0,00	0,00	0,00
	8. Transport and Machines Equipment	81.734,62	83.039,31	85.340,89
	9. Other Stuffs	171.458,99	172.793,66	177.513,66
<b>4</b>	<b>ELECTRICITY, GAS &amp; CLEAN WATER</b>	<b>128.648,33</b>	<b>137.673,24</b>	<b>145.574,83</b>

	a. Electricity	120.631,74	129.094,27	138.709,33
	b. City Gas	0,00	0,00	0,00
	c. Clean Water	8.016,59	8.578,97	8.865,50
<b>5</b>	<b>CONSTRUCTION</b>	<b>717.165,29</b>	<b>765.569,54</b>	<b>811.759,49</b>
<b>6</b>	<b>BUSINESS OF HOTEL AND RESTAURANT</b>	<b>1.466.845,97</b>	<b>1.569.512,38</b>	<b>1.667.392,79</b>
	a. Big and Small Business	1.325.493,23	1.422.120,37	1.531.356,87
	b. Hotel	46.346,12	49.239,39	51.799,39
	c. Restaurant	95.006,62	98.152,63	104.236,53
<b>7</b>	<b>TRANSPORTATION AND COMMUNICATION</b>	<b>549.760,87</b>	<b>585.690,23</b>	<b>621.610,31</b>
	a. Transportation	38.941,67	410.612,17	437.540,75
	1. Rail Transportation	16.660,62	16.673,71	16.533,71
	2. Road Transportation	313.130,48	337.020,54	361.031,54
	3. Ocean Transportation	0,00	0,00	0,00
	4. Air Transportation	0,00	0,00	0,00
	5. Supporting Transport Services	55.150,57	56.917,92	59.975,50
	b. Communication	164.819,20	175.078,06	184.069,56
	1. Posts and Telecommunications	115.308,59	122.185,36	128.360,45
	2. Communication Support Services	49.510,61	52.892,69	55.709,11
<b>8</b>	<b>FINANCE AND SERVICES COMPANY</b>	<b>567.860,94</b>	<b>615.432,99</b>	<b>664.532,30</b>
	a. Bank	247.087,47	268.815,86	293.122,26
	b. The Financial Institution Is Not A Bank	124.399,34	133.705,36	142.956,36
	c. Financial Support Services	86.747,25	95.761,32	105.265,72
	d. Real State	103.794,59	110.997,92	116.651,85
	e. Services Company	5.832,31	6.152,53	6.536,11
<b>9</b>	<b>SERVICES</b>	<b>663.965,04</b>	<b>714.313,62</b>	<b>739.206,00</b>
	a. General Government	476.920,63	517.285,60	535.142,30
	1. Government Administration and Defense	476.920,63	517.285,61	535.142,31
	2. Other Government Services	0,00	0,00	0,00
	b. Private	187.044,41	197.028,02	204.063,70

	1. Social Services Community	124.655,95	130.108,63	134.390,54
	2. Entertainment and Recreation Services	6.093,78	6.855,88	7.386,77
	3. Individual and Household Services	56.294,68	60.063,51	62.286,38
	<b>GDP</b>	<b>5.411.912,32</b>	<b>5.742.861,31</b>	<b>6.080.954,07</b>

In table 1.1, seen that the contribution of the tourist event is included in the services sector, sub sector the services category for entertainment and recreation. This sub sector contributions in 2011 reach 6,023.78 total value of GDP amounted to 5,411,912.32. In 2012 the contribution of recreational and entertainment services has increased to reach 6,855.88 the total value of GDP amounting to Rp.5,742,861.31 while in 2013 continues to experience increased i.e. reached 7,388.77 the total value of GDP of 6,080,954.07. if viewed from the percentage, entertainment and recreation services only contributed very little towards the value of GDP Surakarta city, namely the year 2011 with numbers 0.1113%, year 2012 by number 0.1193% and in 2013 reaches numbers 0.1215%. Source, <http://bappeda.surakarta.go.id/> (accessed on 5 December 2018).

However, in the event that such frequent unrest or security problems. It will certainly disrupt even ruining the convenience of the event itself. In order to anticipate or minimize the undesirable events, often organizing Committee event organizers or event organizer using the security service

According to Kotler in Lupiyoadi (2014:7) "Service is any action or activity that can be offered by one party to the other party, essentially intangible and does not result in the transfer of ownership of any kind. The production service may be related to a physical product or not. "In the field of business services provides product intangible products, such as security services, accounting, banking, insurance, consulting, education, treatment, and transportation.

According to Craven (2000) "security not only prevent pain and injury but also make the individual feel secure in its activity. Security can reduce stress and improve the public health".

Security is basic human need priorities are both based on the physiological needs in Maslow's hierarchy to be met during his lifetime, to satisfy safety with every individual can work with in optimally his life. Biologics safety secure physical state is free from the threat of accidents and injuries both in mechanical, electrical or be bacteriologically. Physical security needs are the need to protect yourself from the danger which threatens the physical health, which in this discussion will be focused on providing for safety or provide a secure environment. Included in the security services, holding a major requirement serves to maintain the operation of the event from start to finish takes place according the hopes and ideals. Industrial security services provider is a company that provides security services to maintain the security of an area or region. Industrial security services usually provide security or system of safeguarding itself.

REBEL 504 is family-based organizations that provide security services with a strong commitment to our customers to provide the best service for each customer's needs. Just a note that the current REBEL 504 to serve multiple customer segment in the field of safeguard, bodyguard, security/ event/ music art festival, a porter, and street fight.

REBEL 504 originated from martial arts community in the city of Solo and then develop its organization to the security services because the see the potential as well as the skill of self-defense which belonged to each of the members and with the development of the event and the existence of a bid to keep the Security event in the surrounding area. See the circumstances gave rise to ideas and opportunities to REBEL 504 to develop its organization into a security provider. In 2011, the youth organization was originally just a bunch of teenagers who want to try to form an association was created to learn martial arts. Then after

several years together, the members of this organization flourish because they want to learn martial arts. In addition to the many members who have been practicing, in a bid to keep coming in 2014 an art festival in the city of Solo. After successfully maintain the security of the event, many people suddenly want to join this Association. Then REBEL 504 got an offer and is believed to be harboring another event in high school. Now more than 100 people have been joining in this organization. The shortcomings of the REBEL organization have set yet i.e. 504 officially for some reason such as, not a legal body, the founder and leader of the 12 people are still busy in the education of each so not all focus take care and develop the organization. Therefore, not have REBEL 504 vision and mission official, but they expect more with the Organization in order to become an organization that can be useful to members and the community.

REBEL 504 can be said to have not been managed by professionals. A business or businesses are already supposed to be managed with the serious and professional in order for the purpose of doing business can be achieved to the maximum. Therefore, required the design of appropriate and in accordance with the objectives or purpose of the business. One of the business models that can be run is a business model canvas.

View of the problems occurred in the REBEL 504, then needed an approach that can be used to map the business model that is being lived, and explains about the condition of the company's business, so that new business models can be designed. One approach to business models that can be used i.e. Business Model Canvas (BMC) developed by Alexander Osterwalder. Later, data retrieval is performed using a questionnaire.

Business Model Canvas purposely chosen because through the business model issues relating to business activities is a complex and intricate look more modest. REBEL 504 engaged in the service and it can be said it is the business that is running or constructed very suitable by using the approach business

model canvas. According to the author, there are a few thrifty things is still less than optimal on REBEL 504, as yet the existence of a value proposition that highlighted, not the existence of key partnership, there has been no key activity are obvious, and others.

Value proposition is a uniqueness that determine why the improper product or service selected by the customer. This section is very necessary because it offers a way out or solution to the problem that might be faced by customers. Value proposition has not been managed properly so that the use of the business model canvas can be selected for tackling the issue.

REBEL 504 also don't yet have a partner capable of contributing to the activity of the business is run. Key partnership is indispensable as a partner organization. Similarly, the key activity still needs to be improved because of the activities relating to the advancement of the business has not been done for example in marketing or promoting a product or service to the wider community.

REBEL 504 during these still rely on word of mouth so that the introduction to the existence of REBEL 504 has not been dealt with to the maximum. Therefore, the introduction of marketing or product/service needs to be improved and made more professional in order to reach a wider market segment anymore.

In addition to the three above, there are some things that still need to be improved such as how to map the customer or the customer will use the services of REBEL 504, how organizations communicate with the business community regarding its existence, how its business range extending REBEL 504 like hook new customers and so on. Therefore, the use of business model canvas is needed to overcome existing problems on REBEL 504 as an organization engaged in the business.

The use of business model canvas can give you an idea of the company's business model and relationship that occur between blocks with way more attractive. Business model canvas also helps companies to identify what the value proposition as well as how to build and run the key activity and key resources in creating the value proposition and get revenue streams, understand how the products and services offered may be communicated well to the consumer until to the consumer to consume.

Business model canvas is expected to be very helpful to develop businesses that run REBEL 504. According to Osterwalder and Pigneur (2012:13) business model is a description of the basic thoughts on how organizations, creating, delivering and capturing value that relates to the activities of the Organization in this business organizations in the field of security is a REBEL 504.

Based on the background that you have described, researchers interested in the implementation of the business model that will use a business model canvas of REBEL 504 engaged in the security services. Therefore, need to do research with the title, "Design of New Business Models for REBEL 504 In Surakarta City by Using Business Model Canvas Approach".

## **B. Problem Formulation**

With respect to the background of the above, the authors then formulated the issue as follows:

1. What is the description of the business models of the current REBEL 504 if reviewed by using the approach Business Model Canvas?
2. What is the condition of the business model REBEL 504 if evaluated using SWOT analysis?
  - a. How the condition of the organization if the value proposition is evaluated using SWOT analysis?
  - b. How the condition of the cost and revenue if evaluated using SWOT analysis?
  - c. How the condition of the infrastructure of the company if it is evaluated using SWOT analysis?
  - d. How the condition of customer relationship if evaluated using SWOT analysis?



3. How the proposed design of the appropriate business models and can be applied in REBEL 504 using Business Model Canvas approach?

### **C. Research Objective**

Based on the above problem formulation, then a goal to be achieved in this research are:

1. Find out the description of the current business models of REBEL 504 if reviewed by using the approach Business Model Canvas.
2. Know the proposed design of the appropriate business models and can be applied in REBEL 504 using approach Business Model Canvas.

### **D. Benefits of Research**

#### **1. Theoretical Benefits**

Expected results of the research can contribute to the research field of business strategy to business analysis and mapping using approach business model canvas.

#### **2. Practical Benefits**

This research is expected to be useful for increasing the number of customers REBEL 504.

### **E. Problem Limits**

The limitation problem needs to be done so that the research does not become too broad and deviated from the original purpose. The restrictions made on this research there is only focused on designing a new business model for REBEL 504 using approach business model canvas.

### **F. Systematics of Writing**

The research was elaborated with the Systematics of writing as follows:

#### **CHAPTER I Introduction**

This chapter contains a description about the background research, formulation of the problem, research objectives, the boundary issue, the benefits of systematic research and writing.

## **CHAPTER II Literature Review**

This chapter provides information on basic theories used in research use approach business model canvas will be discussed. The purpose of this chapter is to provide a brief knowledge about the theory of the relevant literature that was used as the Foundation of the theory in the implementation of the research and the design of the final results of the research conducted.

## **CHAPTER III Research Methodology**

This chapter explained the steps in problem solving that is used to complete the study as appropriate from the problems discussed and serves as the main framework for maintaining research reach the goals set.

## **CHAPTER IV Data Collecting and Processing**

This chapter contains a description of the collection of the required data in the study and description of the results of the processing of data that has been collected.

## **CHAPTER V Analysis and Design**

This chapter contains a description of the business model analysis with the approach of the BMC based on data that has been gathered up and processed.

## **CHAPTER VI Conclusion and Advice**

This chapter is part of the final task that describes the conclusions of the research that has been done and advice given by the results of the research.