

Strategy for the Development of Waste Bank Business through Partnership as a Bank Agent in West Jakarta

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Article History

Received: 01.06.2018

Accepted: 12.06.2018

Published: 30.06.2018

DOI:

10.21276/sjbms.2018.3.6.16



Abstract: The purpose of this research is to analyze the business model of waste bank through partnership as bank agent to increase: the business competitiveness, member's income and management, and profitability of waste bank. The method used is the analysis of Strength-Weakness-Opportunity-Threats (SWOT) using IFAS, EFAS and SFAS matrices as well as query analysis and then build an existing model of financial information and development a models using Business Model Canvas (BMC) consists of Customer Segment, Customer Relationship, Customer Channel, Revenue Streams, Value Proposition, Key Activities, Key Resource, Cost Structure, and Key Partners. The research result of waste bank condition in quadrant III (third) mean Company faced bigger market opportunity, but there is internal constraint, company focus is to minimize internal constraint by giving management training, entrepreneurship, accounting, finance, production and marketing, and exploiting opportunity to become as a bank agent.

Keywords: Business Development, Waste Bank, Strength-Weakness-Opportunity-Threats analysis, and Business Model Canvas.

INTRODUCTION

Regulation of the Minister of Environment Number 13 in 2012 about The Implementation of Reduce, Reuse, and Recycle through Waste Bank. Waste bank manage with principles of 3R (Reduce, Reuse and Recycle) [1-2]. This regulation drives the community to form a waste bank [3]. Bank of waste is a concept dried and sorted waste collection and management have saved [4]. States that an innovative waste bank can be an input to improve community empowerment in an activity[5]. Present disposal and processing capability is probably not sufficient to deal the expected growth [6]

Waste Bank is a "bank" or business unit that handles waste with the principle of 3R (Reduce, Reuse, and Recycle) so that economic value and have management. Waste is classified into organic waste, non-organic waste, and toxic waste, where organic waste can be used as fertilizer and bio-gas, while non-organic waste can be utilized for handicraft raw materials, such as plastics (glasses, bottles, coffee wrap, fragrances, box plastic), newspaper or waste paper, patchwork, wire, etc. Toxic waste must be disposed of in a designated safe place so as not to disturb the health and safety of the citizens. Utilization of waste bank can help the community in improving creativity and

improving the economic empowerment of society, in addition to creating a clean and healthy environment. Working mechanism of waste bank starts from the separation of waste into organic and non-organic waste and non-organic waste deposited to the waste bank, waste bank officers will weigh the non-organic waste, then record in the bank's waste bank book and on the reports related to waste bank transactions, and then hand over cash (cash) to customers for cash purchases.

Problem Identification and Formulation

This study identifies current waste bank business model, followed by SWOT analysis (Strength-Weakness-Opportunity-Threats), to combine Strength-Opportunity strategy, Weakness-Opportunity strategy, Strength-Threats strategy, and Weakness-Threats strategy. The result of SWOT analysis can be used to design Business Model Canvas (BMC).

Based on the description of the background above, then the problem in this study are:

1. What is the model of waste bank business in Kembangan sub-district today?
2. How to develop the business model/ business of waste bank in the future?

Research purposes

This study aims to:

1. Knowing the business model / business of waste bank in Kembangan Sub-district today.
2. Developing business model / business of waste bank through partnership as bank agent in order to improve competitiveness, member and member's income, and profitability of waste bank business.

Benefits, Urgency and Targeted of research

The benefits of research are:

1. Improving the economy of waste bank actors who become Bank Agents.
2. Unlock new entrepreneurs for the management and members of the waste bank.

Based on background, problem formulation and research objectives, the urgency of this research is:

1. The business development model through agency services can improve the economic empowerment of members and groups of waste banks.
2. The business development model through agency services can increase the opportunity to provide members and groups of waste banks, to obtain credit facilities from banks that are waste bank agency partners.

The findings of this study are targeted to obtain information on:

1. Efforts to improve the economic empowerment of members and management of waste bank groups by developing business
2. Build a model of developing a waste bank business as a bank agent of a waste bank group in order to run sustainably.

MATERIALS AND METHODS

Theoretical Review

Business Development Strategy

Stephani K Marrus (Sedarmayanti) Strategy is defined as a process of determining the plan top leaders who focus on long term goals organization, accompanied by a preparation, manner or effort how to order the goal can be achieved [7]

Business inside broad meaning is a general term that describes all activities and institutes that produce goods/services in life daily [8]

Researchers in different parts of the world are actively trying to find answers Why a person's interest to become entrepreneurs tend to be low? Some of the results of the study mentioned that there are several factors that affect the high and low entrepreneurial intentions such as the level of resistance to pressure or adversity quotient.[9]

Waste bank

Regulation of the Minister of Environment No. 13 of 2012 on the implementation of Reduce, Reuse, and Recycle through Waste Bank [10]

Bank of waste is a concept dried and sorted waste collection and management have saved fund like banking but waste not money.[4]

However according to Rahmadi and Mulyani [5] states that the bank's innovative garbage can be input to improve community empowerment in an activity

Understanding waste bank is a place where there is service activities to the waste depositors conducted by the bank teller garbage. The waste bank room is divided into three spaces / locker where the savings store is saved, before the silent bill by the collector / third party [11].

Bank Agents

Branchless Banking is part of the financial inclusion program, which provides financial services performed outside bank branches using information and communication technology as well as non-bank retail agent[12]

Branchless banking as the new distribution channel in banking industry is becoming a new solution to offer financial service to untapped society.[13]

Criteria to be met by the Agent under the Financial Services Authority Regulation number 19 / POJK.03 /2014 [14] Non-office financial services for inclusive finance are:

1. Agent has cooperation agreement with Smart Bank Laku Pandai
2. The agent may be an individual and / or a legal entity.

Regulation of the Financial Services Authority number 19 / POJK.03 / 2014 that the Agent as an extension of the smart bank only performs the work in accordance with the stated agreement. The services that can be provided by the agent to the extent of the area or area around the agent's office covering the surrounding villages or around and / or other areas specifically for customers in the characteristics of Basic Saving Accounts (BSA) are customers who meet the following criteria:

1. Indonesian citizens
2. Transactions are made in rupiah.
3. There is no minimum deposit limit and account balance

4. Maximum account balance is Rp. 20.000.000, - (twenty million rupiah)
5. Maximum balance of debit or cash withdrawal transaction, transfer and / or transfer in one month cumulatively maximum of Rp. 5,000,000 and a maximum of 60,000,000 per year.
6. No fee:
 - a. Monthly administration
 - b. Account opening and closing
 - c. Cash payment transactions, inbound and transfer transfers.

If there is a fee then the fee must be in accordance with the provisions of the bank smart behavior and must be less than the transaction costs made by the customer.
7. The Customer earns interest from the funds placed on the agent even though the funds from the customer are Rp. 1, -
8. No shared accounts are allowed.
9. The Customer has no other savings.
10. The Customer may obtain and use the facility of an automated teller machine (ATM) card, by first applying to the agent.[14]

Branchless Banking services that can be provided by an agent on clients include:

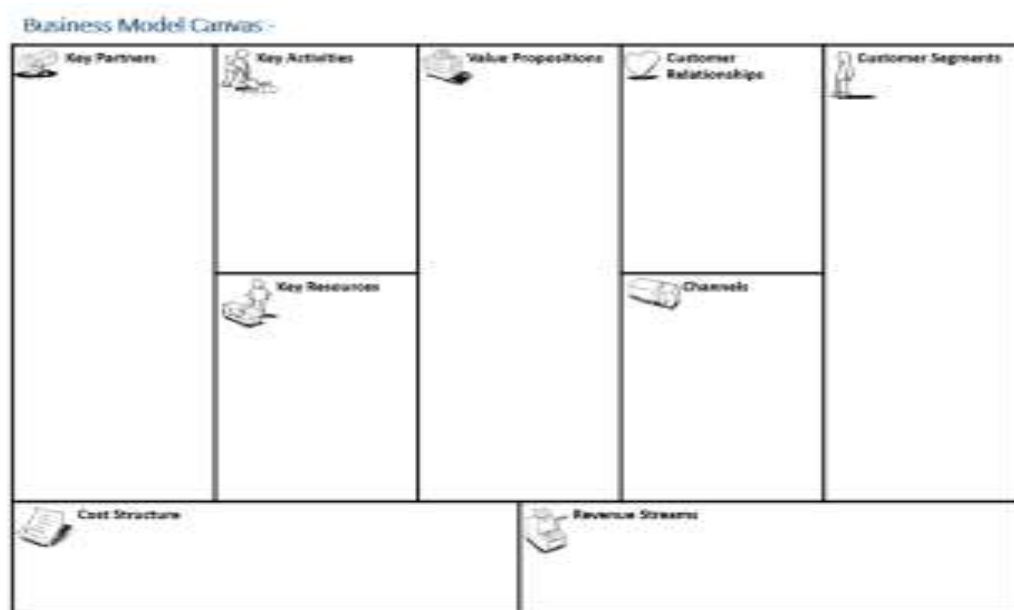
1. Serving Basic Saving Account (BSA) made by its customers include:
 - a. Opening and / or closing of accounts
 - b. Cash and withdrawal transactions, book-entry bill payment, transfer or book-entry fund and balance check
2. Distributing credit to micro-customers.

- Agent can provide credit facilities to micro-customers and perform credit processes such as prevailing regulations, starting with receiving credit proposal documents from micro-customers, disbursing credit facilities, collecting and receiving installment payments and / or principal repayment. The analysis of the feasibility of prospective borrowers is still done by smart banks
3. Provide other services in accordance with the prevailing provisions by still notifying the smart banks.
 4. Marketing micro insurance and / or sharia insurance is in accordance with the cooperation agreement between agents and micro insurance companies and / or Takaful Insurance. Agents who do this must first report to a smart bank [14]

Branchless banking is a modern mechanism to facilitate financial services in developing regions [15]

Business Model Canvas (BMC)

According to Osterwalder & Pigneur [16] Business Model Canvas (BMC) is a business model of a logical picture of how an organization creates, delivers and captures a value. This canvas divides the business model into 9 (nine) main component pieces, then separated again into the right component (creative side) and left (logic side). Just like a human brain. Business Model Canvas (BMC) consists of (1) Customer Segment, (2) Customer Relationship, (3) Customer Channel, (4) .Revenue Streams, (5) Value Proposition, (6) Key Activities, (7) Key Resource, (8) Cost Structure, and (9) Key Partners. Here is an explanation of the nine components. The Picture BMC as Follow:

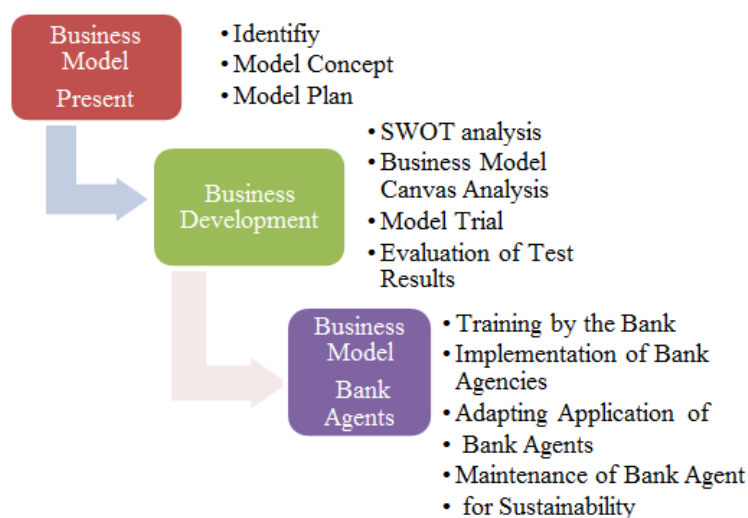


Picture-1: Nine Building Blocks of Business Model Canvas [16]

1. Customer Segment (CS) is to determine the target customer segment of the business to be developed. Posisikandiri on the side of the customer to pay attention to what is seen, heard, thought and done, to desire and purpose, fear, and hope.
2. Value Proposition (VP) is to estimate customer needs that have been identified in customersegment. Based on that need, then it can be defined what value (value) will be given in order to be able to fulfill customer requirement. The value given will be the core value of the business activity.
3. Customer Relationship (CR) is to define the relationship between the company and the customer. Various types of relationships ranging from providing personal assistance to individual customers, using the community, or even the form of 'selfservice', which is not directly related to the customer.
4. Channel (CH) is a way to reach the customer. This channel is the path between the company and the customer, how the delivery of the given value will be able to reach the customer well.
5. Revenue Stream (RS) is a representation of the acceptance path of money to be received from each customer segment. Define specific ways to generate revenue from each customer segment.
6. Key Resource (KR) is the Primary Resource that explains about the most important asset required to create a business working model.Each business model requires a Primary Resource. The First Resources will enable the company to create and exceed the Value Proposition, reach the market, maintain relationships withGoogleSubscribers and earn revenue.
7. Key Activities (KA) is a Main Activity that explains the most important thing is the company must create a business model. Every business model is created for a number of key activities. This is the most important action for the company so it must be maximized to produce a successful operation. Like the Resource Key, it is required to create and exceed Value Proposition, Market Achievement, Retain Customer Relationships, and revenue earned, such as Resource Key, activities depending on the type of business model.
8. Key Partners (KP) is a Key Partnership that describes the network of suppliers and partners that make business model work. Companies establish partnerships for many reasons, and partnerships become the cornerstone of the business model. Companies form an alliance to optimize their business model, reduce risk, or gain resources. There are four types of partnerships: 1). Strategy among non-competitors 2). Strategic partnership between competitors (Coopetition) 3). Joint venture: business to develop new business 4). Buyer-Supplier Relationships to ensure a reliable supply .
9. Cost Structure is a Cost Structure that describes all the costs incurred in operating this business model. This building block explains the biggest cost occurs between the costs that must be incurred to be able to produce Value Proposition aimed at Segments Customer to get Revenue Stream. The cost can be calculated relatively easily after defines main Resources, Main Activities, and Key Partnerships.

Framework

Framework in developing the business by using Development Business Model Canvas waste bank began by photographing the current conditions, followed by a SWOT analysis (Strength-Weakness-Opportunity-Threats) it can be arranged strategies. The results of the SWOT analysis can be used to design a business model of improvement and prototype of future business models. The research mind is as follows:



Picture-2: Framework

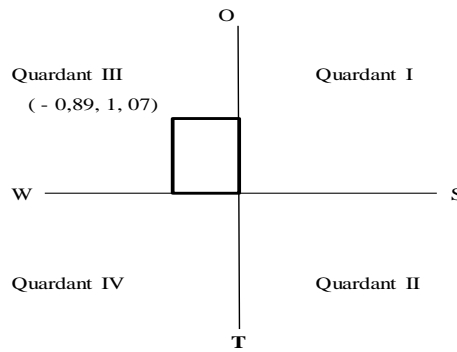
RESULTS AND DISCUSSION

SWOT Analysis

The result Quadrant of SWOT analysis as follow:

The picture below of average business activity at Waste bank in Sub district Kembangan, West Jakarta is still lacking. On the side of the waste bank in the

third quadrant (quadrant III) means is the Company has greater market opportunities, but there are internal constraints, the solution is the company to focus to minimize internal constraints by providing training about management, entrepreneurship, accounting, finance, production and marketing, as well as taking advantage of opportunities to become a bank agent.



Picture-3: Quadrant of SWOT Analysis

The current business canvas model waste bank as follow:

Key Patner -No	Key Activity -Waste Bank	Value Proposition 1. Non Organic Waste 2. Recycle waste product	Customer Relation 1. Public 2. Collector non organic waste	Customer Segment 1. Society enthustis recycle waste product 2. Collector non organic waste nearby.
	Key Resouces -Hanging scales		Channel Direct Distribution	
Cost Structure 1. Cost of Good Sold of non organic Waste 2. Cost of Good Sold of recycle waste product		Revenue Steams 1. Non organic Waste Sale 2. Recycle waste product Sale		

Picture-4: Nine Building Blocks Current Canvas Business Canvas Bank Model

The Future business canvas model after waste bank developed a business as Bank Agents as follow:

Key Patner 1. Bank Representative 2. Bank Marketing 3. Other Bank patner	Key Activity 1. Waste Bank 2. Agen Bank	Value Proposion 1. Non Organic Waste 2. Recycle waste product 3. Basic Saving Account (BSA). 4. Micro Credit	Customer Relation 1. Public 2. Collector non organic waste 3. Management and members 4. Family and Friends 5. Neighbour 6. Member of others/ Community	Customer Segment 1. Society enthusiasts recycle waste product 2. Collector non organic waste nearby. 3. Not have Saving Account yet 4. Have Low Income 5. Live on West Jakarta
	Key Resources 1. Hanging scales 2. Hand phone 3. EDC machine		Channel 1. Direct Distribution (consumers through door to door , brochures, banner installation) 2. Marketing online 3. Information and Communication 4. Technology (ICT)	
Cost Structure 1. Cost of Good Sold of non organic Waste 2. Cost of Good Sold of recycle waste product 3. Supplies Expenses 4. Power, water and telephone expenses 5. Transportation expenses		Revenue Steams 1. Non organic Waste Sale 2. Recycle waste product Sale 3. Bank agent Fee 4. Income from customer Bank agent		

Picture-5: Nine Building Blocks Business Canvas Waste Bank Model After Development as Bank Agent

The result of Business Canvas Model (BMC) analysis was increasing as follow:

1. Customer Segment (CS) is a society domiciled in West Jakarta who do not have savings and income is relatively low.
2. Value Proposition (VP) is to estimate customer needs that have been identified in the customer segment is a savings with a relatively low cost or 1) Basic Saving Account (BSA) is not cost; administration, opening and closing of accounts, and without minimum balances , and 2) micro credit.
3. Customer Relationship (CR) is management and member of the Waste Bank, family, neighbors, friends, and other community members.
4. Channel (CH) is a way to reach customers with direct distribution channels consumers . through door to door, brochures, banner installation), marketing online and ICT.
5. Revenue Stream (RS) is a representation of the receiving money path that will be received from every customer segment cash receipts and transfer through savings account. Revenue which will be obtained in the form of Fee from every transaction of bank agent fee and fund from Consumer are Bank agent Fee and income from customer Bank agent
6. Key Resource (KR) is a key resource that explains

7. the most important asset required to create a business working model is a mobile and EDC machine that will serve fund transfers, cash deposits, electricity bill payments, water and telephone and other financial transactions.
8. Key Activities (KA) is a Main Activity that explains the most important thing as a Bank Agent.
9. Key Partners (KP) is a Key Partnership that describes a network of suppliers and partners that make business model work in partnership with smart banks with strategies including 1). The strategy of alliances between non-competitors is to cooperate with the marketing of smart banks concerned in depositing customer funds, 2). The partnership strategy between competitors (Coopetition) is with interbank funds transfer facility 3). Joint venture by utilizing the Micro Credit facility of the Smart Claim Bank acting as Creditor. 4). The relationship with the smart bank is the agent of the bank is the representative of Bank Laku Pandai in marketing its banking products.
9. Cost Structure is a Cost Structure that describes all the funds spent in operating the business model only the initial deposit is relatively small and can be withdrawn at any time, while the costs incurred are the administrative costs of the bank, the fees are shared from commissions / fees, supplies expenses, electricity costs, telephone and transportation cost.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

1. From the data above that the average business activity at Waste bank in Kembangan Sub district is still lacking. On the side of the waste bank in the third quadrant mean the company faces greater market opportunities, but there are internal constraints, the company's focus is to minimize internal constraints by providing training about management, entrepreneurship accounting, finance, production and marketing, as well as taking advantage of opportunities to become a bank agent.
2. From the analysis of Business Canvas Model (BMC) that waste bank was increasing as follow:
 - a. Customer Segment (CS) is a society domiciled in West Jakarta who do not have a savings and income is relatively low.
 - b. Proposition (VP) is Basic Saving Account (BSA) and microcredit.
 - c. Customer Relationship (CR) which defines the relationship between the Bank Agent and the customer is a member of the Waste Bank, family, neighbours, friends, others community members and the general public.
 - d. Channel (CH) is a way to reach customers with direct distribution channels, marketing online and ICT.
 - e. Revenue Stream (RS) are Bank agent Fee and income from customer Bank agent
 - f. Key Resource (KR) is a mobile/handphone and EDC machine that will serve fund transfers, cash deposits, electricity bill payments, water and telephone and other financial transactions.
 - g. Key Activities (KA) as a bank agent.
 - h. Key Partners (KP) as bank representative, Bank Marketing and other bank partner.
 - i. Cost Structure while the costs incurred are the administrative costs of the bank, the fees are shared from commissions / fees, electricity cost, telephone and transportation cost.

RECOMMENDATION

1. Waste banks are expected to improve their internal management through training and develop their business to become bank agents to secure financial transactions, increase interest in saving and opportunities to obtain micro credit facilities
2. From Business Model Canvas analysis, business development as a Bank Agent is expected that the management and members of customers can increase their income through fees from financial transactions using bank agent services and can increase efficiency, effectiveness and profitability.

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