

**ANALYSIS OF BANKING INNOVATION WITH BUSINESS
MODEL CANVAS IN BPRS SURIYAH CILACAP
CENTRAL JAVA**



UNDERGRADUATE THESIS

**Submitted to Faculty of Islamic Economic and Business of IAIN Purwokerto to Fulfill One of
the Requirement to Obtain the Bachelor of Sharia Economic (S.E)**

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PURWOKERTO
2019**

CHAPTER I

INTRODUCTION

A. Background of The Problems

Syari'ah Bank is a financial institution that has an intermediary function, namely collecting public funds and channeling it in the form of funding to community groups in need. Like conventional banks, one of the dominant Islamic bank activities is the distribution of funding to the public. Funding is a very important part of the bank's business because it shows the bank's alignments with the economic progress of the community.¹

The purpose of the Sharia Bank is explained in article 3 of Act Number 21 of 2008 concerning Sharia Banking, namely:

"Sharia Banks aim to support the implementation of national development in order to improve justice, togetherness, and equal distribution of people's welfare". In this case, Islamic banks are ultimately expected to play a role in building a populist economy so as to bring the real sector to life.²

Islamic Bank during its emergence it became the latest breakthrough in the Islamic economy with such rapid development. Not only developing in Islamic countries in the world, but also developing to European countries whose people are mostly non-Muslims. In addition, it also began to develop and spread widely in small and developing countries such as Indonesia, where Islamic banks are grounded in their operational principles based on shari'ah principles that are fair and reliable. This is proof that the Islamic bank has high trust or trustworthiness for bank customers.

Islamic banking was initially developed as a response from a group of economists and Muslim banking practitioners who sought to accommodate

¹ Ikatan Bankir Indonesia, *Memahami Bisnis Bank Syari'ah*, (Jakarta: PT Gramedia Pustaka Utama, 2014), p. 202.

² Muhammad Sadi Is, *Konsep Hukum Perbankan Syariah: Pola Relasi sebagai Institusi Intermediasi dan Agen Investasi*, (Malang: Setara Press, 2015), p. 43.

the demands of various parties who wanted financial transaction services to be carried out in line with the moral values and principles of Islamic shari'a.³

After Islamic banks developed in various parts of the world and received positive responses from the international community, there were several criticisms of the activities of these Islamic banks.⁴ Whereas in Indonesia, Islamic banks stand along with the rolling reform in the banking sector which is characterized by the birth of Law Number 7 of 1992 as revised with Law Number 10 of 1998 concerning Banking. At that time Islamic banks have not been referred to as Islamic banks and are only referred to as profit sharing banks.⁵

But nowadays, along with the times when economic problems in the world are increasingly complex, Islamic banks have begun to experience fluctuations in their level of trust. Especially in the era of the ASEAN Economic Community (AEC), Islamic banks are increasingly getting tough challenges to continue to operate in syar'i. Evidence that the bank has fluctuated is in the period after obtaining the flexibility to operate, the Islamic bank is rife in Indonesia. Banking players are competing to launch increasingly innovative banking service products. From paid services to free services provided by banks to their customers.⁶ This includes Sharia Rural Credit Banks or commonly abbreviated as BPRS.

The Syariah Community Financing Bank is a syariah bank which in its activities does not provide payment traffic services.⁷ BPRS is also interpreted as one of the institutions of public trust whose business activities are based on sharia principles, are required to always be able to carry out the mandate of the fund owners by channeling it to productive endeavors in order

³ Muhammad, *Manajemen Bank Syari'ah*, (Jakarta: PT Raja Grafindo Persada, 2014), p.1.

⁴ Ahmad Dahlan, *Bank Syariah: Teoritik, Praktik, Kritik*, (Yogyakarta: Teras, 2012), p. 2.

⁵ Sadi Is, *Konsep Hukum*, ..., p. 31.

⁶ Wiroso, *Penghimpunan Dana dan Distribusi Hasil Bank Syari'ah* (Jakarta: PT Grasindo, 2005), p. 196.

⁷ Ikatan Bankir Indonesia, *Memahami*, ..., p. 47, 48.

to improve people's lives.⁸ Basically, BPRS has the main objective, one of which is to avoid usury and practice sharia principles in banking, especially for BPRS.

The purpose of the establishment of BPRS is to serve the people of the weak economic group and small entrepreneurs both in rural and urban areas who are generally not accessible to commercial banks.⁹ Based on preliminary interview, BPRS Suriyah Cilacap had become the favorite for the lower middle class community. But along with the times, now the people of the weak economic group are getting smarter in sorting out and choosing financial institutions. This means that the existence of the BPRS must be maintained so that it can continue to be able to produce public funds. There is a newest innovation product in BPRS Suriyah Cilacap called *Tahara (Tabungan Hari Raya)*.¹⁰

To maintain the existence of an institution or company, especially here is a Sharia Rural Bank (BPRS), certainly the right strategy is needed to answer the challenges of the times. Before determining the right strategy, knowing the Islamic banking business model in BPRS is also an important thing to consider. Where the Islamic bank business model will become a benchmark for regulators to develop the sharia banking industry in the future, becoming a reference for sharia banks in developing operational business frameworks, and other industry players in their activities and dealing with Islamic banking. In addition to creating a business framework for Islamic banks, this business model also includes linkage efforts and synergies between Islamic banks and non-bank financial institutions by considering aspects of sharia, economics and social and cultural Indonesian society.¹¹

⁸ Bank Indonesia, *Himpunan Ketentuan Pedoman Penyusunan Laporan Berkala Bank Pembiayaan Rakyat Syariah*, Direktorat Perbankan Syariah Bank Indonesia, p. 43.

⁹ Ahmad Buchori, et al, *Kajian Kinerja Industri BPRS di Indonesia*, accessed on December 27, 2018 at 10.00 p.m.

¹⁰ Nunuk Yuli Fitriarsari, Head of Operational, Interview, beheld on February 19th, 2019 at 02.30 p.m.

¹¹ Departemen Perbankan Syariah, *Kajian Model Bisnis Perbankan Syariah*, (Jakarta: Bank Indonesia, 2012), p. 1.

Business studies are suggested that the information and communication technology is fully utilized. On this era of business models, it is a big change, not only in the production process, but rather also throughout the industry value chain.¹² However, on the other hand, the business model in the BPRS must continue to be innovated. According to President Joko Widodo, the 4.0 industrial revolution has encouraged technological innovations that have disrupted or fundamental changes to people's lives. Unexpected changes become a phenomenon that will often appear in the industrial revolution era 4.0.¹³

This innovation is very important for a company where a bank or company must be able to create valuable new products and services for customers (customers) in a way that is supported by a sustainable and profitable business model. This gives a foundation for how innovation should be in any company, including banking. Innovation is not only creating new products and services. New products can be part of the process, but the main outcome of innovation is a sustainable business model. A sustainable business model is one that allows us to provide value to customers (i.e. when a company makes goods desired by the market) and when the company is able to create and make money or profit. Without these two elements, a new product is not considered innovation.¹⁴

Besides, according to Prof. Rhenald Kasali, but also reflects the meaning of the phenomenon of tomorrow's change (the future change). Prof. Clayton M. Christensen, business administration expert from Harvard Business School, explained that the era of disruption has either broken or damage markets that already exist but also encourages the development of products that are not market-expected before, creating diverse consumers and

¹² Venty Eka Satya, "Strategi Indonesia Menghadapi Industri 4.0", *INFO Singkat*, Vol. X, Numb. 09/I/Puslit, May 2018, p. 21.

¹³ Slamet Rosyadi (on-line), "Revolusi Industri 4.0: Peluang dan Tantangan Bagi Alumni Universitas Terbuka", (www.researchgate.net/publication/324220813_REVOLUSI_INDUSTRI_2018), accessed on December 27th, 2018.

¹⁴ Tendayi Viki, et al, *The Corporate Startup: Formula Sukses Perusahaan Mapan Mengembangkan Ekosistem Inovasi*, Trans: Fathur Rizki and Satwika, (Jakarta: PT Elex Media Komputindo, 2018), p. 4.

impacting prices which is getting cheaper.¹⁵ Therefore, it is important for BPRS business people to know the nature of innovation, learn and understand the essence or basic substance of innovation phenomena compiled based on scientific research/ secondary data from reliable sources and focus on the essence of innovation sources and have been published by sources credible. Finding innovation and new business models are important as a strategy to stay ahead and win the competition.

Based on preliminary interview, BPRS Suriyah Cilacap has several innovative program activities to improve the quality of its employees. Regarding product innovation, BPRS Suriyah Cilacap still has not issued a new product. But as explained earlier, in this case the innovation that has been carried out is not necessarily called an innovation if it has not provided value to the customer and has not provided profits in accordance with expectations.

To find out whether the existing business model of BPRS Suriyah Cilacap has good prospects in the future, an approach is needed to help find various innovations and business models and new strategies. According to Osterwalder and Pigneur, the business of the canvas is a tool model used to describe, analyze, and design a business model of a company. Business model canvas can also be called a technique that can help form a company business model or a more complex process that can help in innovative design business models for the company.¹⁶ The business model canvas element consists of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures.¹⁷

¹⁵ Look at *Inovasi Disruptif*, https://id.wikipedia.org/wiki/Inovasi_disruptif accessed on February 10th, 2019 at 11.00 a.m.

¹⁶ Mediany Kriseka Putri and Angga Dwi Utama, "Evaluasi Model Bisnis pada Laundry Bar dengan Pendekatan Business Model Canvas", *Jurnal Manajemen Indonesia*, Vol. 17, Numb. 2, August 2017, p. 138.

¹⁷ Melina Setijawibawa, "Evaluasi Model Bisnis pada Perusahaan X Menggunakan Business Model Canvas", *AGORA*, Vol. 3, Numb. 1, 2015, p. 305.

According to Osterwalder and Pigneur, an effective way to assess the integrity of the entire business model is by combining classical analysis of strengths, weaknesses, opportunities and threats (SWOT) through Business Model Canvas. According to David, all organizations have strengths and weaknesses in the functional area of the business. Business objectives and strategies are established with the intention of utilizing internal strengths and overcoming weaknesses.¹⁸ That's why in this research using the business model canvas approach.

In addition, research related to the banking business model as well as its innovation in BPRS Suriyah Cilacap is also important to maintain its existence and rating. After previously BPRS Suriyah Cilacap received the 9th "Very Good" in Indonesia and received the 1st "Very Good" in Central Java rating version of Infobank Magazine where the assessment was carried out on performance over the past two years that had assets of IDR 100 Billion – under IDR 250 Billion.¹⁹

A total of 97 national sharia financial institutions were awarded the "Infobank Sharia Awards 2018" award. The award was given by Infobank Magazine at the "7th Infobank Sharia Awards 2018" on September 2018. The award was given to the national sharia financial institutions that won the title of "Very Good" performance on the rating conducted by the Infobank Research Bureau for 265 Islamic financial institutions.²⁰ Besides it got many "Very Good" from Infobank Awards, BPRS Suriyah Cilacap also be Finalist BSM of UMKM Award on 2012. Based on direct observation, it was found that BPRS Suriyah Cilacap really got all the awards mentioned above.

Based on the background above, the author chose to examine the Analysis of Banking Innovation with Business Model Canvas in BPRS Suriyah Cilacap Central Java.

¹⁸ Setijawibawa, *AGORA*, ..., p. 306.

¹⁹ Dwitya Putra (on-line), *Ini Dia 63 BPRS Peraih "Infobank Sharia Awards 2018"*, (Jakarta: Infobanknews.com, 2018), accessed on February 10th, 2019 at 11.00 a.m.

²⁰ Infobank Institute, "Infobank: Analisis Strategi Perbankan dan Keuangan", *Edisi Khusus Syariah 2018*, Vol. XL, Numb. 482, 2018.

B. Operational Definition

To clarify understanding in order to avoid and prevent the occurrence of misinterpretation, first the author explains the important terms contained in the title, including:

1. Innovation

Hills defines innovation as an idea, practice or object that is considered new by an individual person or other user unit. Suryana also defines innovation as the ability to apply creativity in order to solve problems and opportunities to enhance and enrich life.²¹

Innovation is the key to quality growth, so it needs to be expanded and applied by all elements of society. In essence the aspects of innovation that are triggered by technological advancements also affect industry, the composition of the company, the paradigm, and the views of individuals. In other words, innovation cannot only be applied to one sector.²²

According to Tendayi Viki, Dan Toma, and Esther Gonsinnovation is also defined as the creation of valuable new products and services for customers in a way that is supported by a sustainable and profitable business model. This definition provides the basis for how innovation should be in any company. Innovation is not only creating new products and services. New products can be part of the process, but the main outcome of innovation is a sustainable business model.²³

2. Business Model Canvas

According to Giorgetti, a business model is a reference model that is a basis for a new type system that has advantages over the previous approach. This system can explain the weaknesses of the previous system and show how to overcome the weaknesses of the existing system. The

²¹ Ernani Hadiyati, "Kreativitas dan Inovasi Berpengaruh Terhadap Kewirausahaan Usaha Kecil", *Jurnal Manajemen dan Kewirausahaan*, Vol. 13, Numb. 1, March 2011, p. 11.

²² Asnan Furinto, *Menelusuri Inovasi*, (Jakarta: PT Gramedia, 2017), p. xii.

²³ Tendayi Viki, et al, *The Corporate Startup, ...*, p. 4.

model becomes a framework in which a new system can be compared and the design of a new system.²⁴

Whereas in other literature also mentions that business models are describing thoughts about how an organization creates, gives and captures the values of a business that is appropriate and can be applied to the Islamic banking services business industry.²⁵

According to Osterwalder and Pigneur, the business model canvas is a tool used to describe, analyze, and design a business model of a company. Business model canvas can also be called a technique that can help in formulating a company's business model or more complex is a generic process that can help in designing innovative business models for the company.²⁶

The business model canvas element consists of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures.²⁷

Customer segments are organizations that serve one or several customer segments. Block value propositions are blocks that try to solve customer problems and satisfy customer needs through value propositions. Channels are value propositions reaching customers through communication, distribution and sales channels. Customer Relationships are customer relationships established and managed with each customer segment. Revenue streams are income streams generated from the value propositions that are successfully offered to customers. Key resources are the main resources which are the assets needed to offer and provide all the elements. Key activities are the main activities. Key partnerships are some activities that are outsourced and some resources

²⁴ Departemen Perbankan Syariah, *Kajian Model*, p. 22.

²⁵ Laurentia Priska Boedianto and Dhyah Harjanti, "Strategi Pengembangan Bisnis pada Depot Selaris dengan Pendekatan Business Model Canvas", *AGORA*, Vol. 3, Numb. 2, 2015, p. 2.

²⁶ Putri and Utama, *Jurnal Manajemen*, ..., p.138.

²⁷ Setijawibawa, *AGORA*, p. 305, 306.

are obtained from outside the company. Cost structure are elements of a business model that influence the cost structure.²⁸

3. BPRS (Sharia Rural Bank)

BPRS (Sharia Rural Bank) is a sharia bank which in its activities does not provide services in its payment traffic.²⁹ BPRS is also interpreted as one of the institutions of public trust whose business activities are based on sharia principles, are required to always be able to carry out the mandate of the fund owners by channeling it to productive endeavors in order to improve people's lives.³⁰

BPRS (Sharia Rural Bank) is one form of Islamic banking which acts as an intermediary institution, each of which is based on sharia principles. BPRS prioritizes providing financing to Small, Micro and Medium Enterprises (SMEs), and BPRS operating in rural/ regency areas where there are still many communities that need financing. So that it can be said that BPRS can provide services with a wider range of people. BPRS is also a bank that operates in profit oriented, so that in its operational activities it still seeks profit.³¹

C. Problem Statements

Based on the background of the problem above, the statements of the problem in this study are as follows:

1. How the banking innovation that has been carried out by BPRS Suriyah Cilacap?
2. How the SWOT analysis of each Business Model Canvas's element in BPRS Suriyah Cilacap?

D. Purposes and Benefits of Research

1. The purpose of this research are :

²⁸ Alexander Osterwalder and Yves Pigneur, *Business Model Generation*, Trans: Natalia Ruth Sihandri, (Jakarta: PT. Elex Media Komputindo, 2012), p.17.

²⁹ Dahlan, *Bank Syariah, ...*, p. 102.

³⁰ Bank Indonesia, *Himpunan Ketentuan, ...*, p. 43.

³¹ Linda Widyaningrum, "Pengaruh CAR, NPF, FDR, dan OER Terhadap ROA pada Bank Pembiayaan Rakyat Syariah di Indonesia Periode Januari 2009 Hingga Mei 2014", *JESTT*, Vol. 2, Numb. 12, December 2015, p. 970, 971.

- a. To find out the banking innovation that has been carried out by BPRS Suriyah Cilacap.
 - b. To find out the results of the SWOT analysis of each Business Model Canvas's element in BPRS Suriyah Cilacap.
2. The benefits of this research are :
- a. Add knowledge about the description of business models to BPRS Suriyah Cilacap.
 - b. Contributing ideas that could be taken into consideration for BPRS Suriyah Cilacap to evaluate, develop and discover other innovation in the banking business that BPRS Suriyah Cilacap.

E. Literature Review

To find out what part of the research has been studied and what part has not been revealed, a prior study is needed to determine the focus of the study to be studied. The literature review in this study are as follows:

1. Research by Velicia Magdalena Kosasi entitled *Analisis dan Evaluasi Model Bisnis pada Pantai Seafood Restaurant dengan Pendekatan Business Model Canvas*

Research by Velicia Magdalena Kosasi entitled *Analisis dan Evaluasi Model Bisnis pada Pantai Seafood Restaurant dengan Pendekatan Business Model Canvas* in which this study aims to evaluate existing business models with Business Model Canvas at *Pantai Seafood Restaurant*.

This study provides results that based on the SWOT analysis for the development of business models, companies are advised to develop customer segments in young families that have small children and further enhance product innovation. In addition, to facilitate the delivery of product information to consumers, companies can use the website as additional channels and require IT staff to operate it. Companies can add their income through member renewal fees. To

reduce advertising costs and maintain good relations with consumers, the use of social media is one of the effective and efficient ways.³²

As for the equation from Velicia's research with this research are both in the form of descriptive analysis, analyzing business models, and approaches used. Whereas the difference is in the research location, the area under study, where in Velicia's research, he researched the restaurant, while in this study the BPRS or the Islamic banking sector. In addition, this research has research variables in the form of innovation, and Islamic banking business models.

2. Research by Mediani Kriseka Putri and Angga Dwi Utama entitled *Evaluasi Model Bisnis pada Laundry Bar dengan Pendekatan Business Model Canvas*.

Research by Mediani Kriseka Putri and Angga Dwi Utama entitled *Evaluasi Model Bisnis pada Laundry Bar dengan Pendekatan Business Model Canvas* in which this study aims to analyze and evaluate the application of business models with Business Model Canvas at the Laundry Bar as a new business.

The results of the research above are in the form of evaluations based on SWOT analysis on each element of Business Model Canvas, suggested to pay more attention to service quality and no longer focus on cost minimization so that the business cost structure can also change from cost-driven to value-driven.³³

In addition, the above research also has similarities and differences with this research. As for the equation of this study with the research above is together to examine the existing business models, as well as the approach used, namely Business Model Canvas. While the difference is that in this study not in the form of evaluation, but analysis of innovation, then different in the place of research, as well as the field under study.

³² Velicia Magdalena Kosasi, "Analisis Evaluasi Model Bisnis Pada Pantai Seafood Restaurant dengan Pendekatan Business Model Canvas", *AGORA*, Vol. 3, Numb. 1, 2015.

³³ Putri and Utama, *Jurnal Manajemen Indonesia*.

3. Melina Setijawibawa's research entitled *Evaluasi Model Bisnis pada Perusahaan X dengan Pendekatan Business Model Canvas*.

Melina Setijawibawa's research entitled *Evaluasi Model Bisnis pada Perusahaan X dengan Pendekatan Business Model Canvas* has the purpose of research to evaluate business models with Business Model Canvas in company X which is engaged in the support system.

The results of the study are: Based on the results of the SWOT analysis, we can know the elements of a business model that can be developed in the company. The company can be focused on Multi Level Marketing (MLM) members in each of their rankings, develop special services for customers by giving discounts to customers who buy large quantities, develop their business by providing inventory of tools to support Multi Level Marketing (MLM) events in order to get additional income, not only from product sales. Emphasis on costs can be done by ordering products that are classified as selling in large quantities.³⁴

In addition, the equation is in the business model variable and the approach used, namely the business model canvas approach. While the difference is if the study above is related to the evaluation, while in this study related to the analysis of innovation. Besides that it is also different in taking the research location.

4. Research on Berto Mulia Wibawa and Imam Baihaqi entitled *Desain Inovasi Model Bisnis untuk Pengembangan Bisnis Vaksin Hydrovac*.

Berto Mulia Wibawa and Imam Baihaqi's research entitled *Desain Inovasi Model Bisnis untuk Pengembangan Bisnis Vaksin Hydrovac* has a research objective to identify the current hydrovac vaccine business model, to analyze the strengths, weaknesses, opportunities and threats (SWOT) of the hydrovac vaccine business, as well as to design new business innovations by comparing current business models and SWOT assessments.

³⁴ Melina Setijawibawa, *AGORA*.

The results of this study are that based on the results of research and discussion it can be concluded that the hydrovac vaccine business can be developed through the design of business model innovations. Some existing elements also still have to improve their performance even though they do not have significant weaknesses. Through the proposed design of new business model innovations, it is hoped that in the future the performance of the hydrovac vaccine business will be even better.³⁵

In addition, the above research also has similarities and differences with this research. The equation is on business model innovation, while the difference is that the research is looking for new designs, while this research is more on analyzing. In addition, the above research aims to develop a bacterium, while in this study it will be carried out at BPRS Suriyah Cilacap Regency.

By looking at the results of previous research studies, it can be seen that there have been studies that examine several similar variables. Although there are similarities in this regard, but the author's research still has a very striking difference, which is still rare research related to the banking business model, and no previous researchers have used the business model canvas approach for business models in an SRB. The same applies to different research subjects, namely at BPRS Suriyah Cilacap Regency.

5. Research on Fitri Fatimah Patmana Putri and Farah Alfanur entitled *Analisis Inovasi Model Bisnis Menggunakan Pendekatan Business Model Canvas*

Fitri Fatimah Patmana Putri and Farah Alfanur's research entitled *Analisis Inovasi Model Bisnis Menggunakan Pendekatan Business Model Canvas* in which this study aims to find out the alternative business of new canvas models that can increase the value of Bebek Garang Bandung if analyzed.

³⁵ Berto Mulia Wibawa and Imam Baihaqi, "Desain Inovasi Model Bisnis untuk Pengembangan Bisnis Vaksin Hydrovac", *Konferensi Nasional Riset Manajemen VIII*, (Denpasar, October 2014).

This research gives a result of the description of the current business model, then based on the SWOT analysis conducted on the business model, there are strengths in Garang Duck, namely on revenue streams, value proposition, and key partnerships. Weaknesses in this business are in channel and key activities. While the opportunities that are owned are customer segments, key partnerships, and customer relationships, while the threats they have are in the value proposition, key activities, value proposition, and cost structure. In addition there is also a renewal of business models in the business model.³⁶

The similarity of Fitri's research with this research is analyzing innovation and business models, approaches and analytical tools used. Whereas the difference is in the research location, the field studied, the type of research and the research method applied in which Fatimah's research, she studied the culinary industry in the Bandung area and used exploratory research and used a combination method which used sequential exploratory design where quality has the most weight with the object of research Bebek Garang Bandung.

Whereas in this study on BPRS or Islamic banking. In addition, this research has research variables in the form of innovation, and sharia banking business models with exploratory research types and qualitative research methods.

F. Systematic of Discussion

To simplify the discussion of this research, in the first section the author included the title page, authenticity statement, authorization page, guidance note page, abstract, introduction, table of contents, table list, image list and attachment list. The core part of the author's report divides into five chapters, namely.

³⁶ Fitri Fatimah Patmana Putri and Farah Alfanur, *Analisis Inovasi Model Bisnis Menggunakan Pendekatan Business Model Canvas*, (Bandung: Universitas Telkom Bandung, 2014).

The first chapter, contains an introduction, consists background of problems, operational definitions, problem statements, purposes and benefits of research, literature review and systematic of discussion.

The second chapter, contains the theoretical framework relating to banking innovation with business model canvas, the theories of banking innovation, theories of business model canvas and elements of business model canvas.

The third chapter, describes the research method which consists of the type and approach of research, type of data, data collection methods, and methods of data analysis.

The fourth chapter, contains an overview of the BPRS Suriyah Cilacap and discussion of the results and analysis of the study.

The fifth chapter, contains conclusions from the discussion, suggestions and concluding remarks as the end of the discussion. Then in the report the author will list the bibliography attachments.



IAIN PURWOKERTO

CHAPTER V

CLOSING

A. Conclusion

From the description that had explained in the chapters before, the author will be concluded and present the conclusion about the analysis of banking innovation with business model canvas in BPRS Suriyah Cilacap.

a. Conclusion of Banking Innovation

Related to banking innovation, BPRS Suriyah Cilacap has a banking innovation that has only been running for two years. The innovation is in the form of a wadiah-based savings innovation called Tabungan Hari Raya (Tahara) which is a diversification of Smart Savings which is a wadiah-based savings account that has a direct prize concept. This Hari Raya Savings has a distinctive savings feature that provides rewards in the form of parcels to Tahara customers at the time of withdrawal. This savings period is one year. This product innovation is equipped with technological innovations in the form of android applications that are connected with bluetooth print.

The innovation is classified as innovation because the innovation is a creativity in order to solve problems and opportunities by starting or introducing something new that includes new product and process results, better than those previously available.

b. Conclusion of Current Business Model Business

Customer segmentation from banking innovation, BPRS Suriyah Cilacap has a segmented market type where segmentation is based on the characteristics, needs and problems of the target market. Demographically, customer segments of this innovation are adult women/recitation mothers and market traders with irregular income. Geographically, this innovation segmented the market and the outskirts of the village. While psychographically, this innovation is segmented based on customer interests and willingness/ saving habits for Tabungan Hari

Raya and the tendency for attitudes that like rewards in the form of parcels.

Value propositions from banking innovation innovations, BPRS Suriyah Cilacap are the value of product novelty, specific services for customers, ease with picking up the ball accompanied by bluetooth print, value of closeness with customers, attractive rewards for segments, initial balance and minimum deposits that are cheap and according to the customer segment and a short savings period (1 year).

Channels of banking innovation in BPRS Suriyah Cilacap are events as a means of socialization to enable customers to open Savings Savings, convey value propositions and increase awareness of banking innovation. Then marketing funding as a means of receiving evaluations from customers directly / personally and special communication for after-sales support.

Customer Relationships in banking innovation at BPRS Suriyah Cilacap is a type of personal assistance. Customer Relationships conducted by BPRS Suriyah Cilacap to retain customers are by controlling customers to keep saving and find new relationships with new communities to find new customers so as to increase sales.

Revenue Streams on banking innovation in BPRS Suriyah Cilacap is a type of recurring income stream, in the form of indirect income, fixed initial deposit determination for all value propositions and determined based on the characteristics of the customer segment. The amount of bonus is not determined at the beginning with the percentage adjusted to bank policy. Determination of the average amount of reward follows the competitors, while the provision of rewards / parcels for each customer is based on the nominal amount of savings.

Cost Structure for banking innovation products at BPRS Suriyah Cilacap is a type of cost structure that is balanced between costs and value for customers, focusing on maintaining bank health, cost of procuring

rewards, training costs selling skills for marketing, server costs/ IT applications and marketing costs.

Key Resources for banking innovation in BPRS Suriyah Cilacap is a technology resource in the form of applications for bluetooth marketing and print, marketing funding for new customer relationships and old customers, as well as rewards/ parcels. Key Activities have the type of customer problem solving by providing new solutions, customer relationship/ service management and expanding markets to be very important activities to consider. Key Partnerships are Pengajian communities and market communities..

c. Conclusion of SWOT Analysis of Each Element of Business Model Canvas

Customer segments in banking innovation at BPRS Suriyah Cilacap have the power to conform to product characteristics, banks understand market potential and habits, simply get new customers for Tahara. The weakness is in finding market groups that have not been maximized even though market segmentation is quite clear and the level of transfer of customers is quite vulnerable. Tahara has the opportunity to continue to exist and develop with the need for a holiday that will not be lost from a segmented market, improve services by maximizing customer segmentation and finding new segments. The challenge is that more competitors dominate the market quite large, customers have the potential to move their funds to competitors, as well as increasing increasingly fierce market competition.

Value propositions for banking innovation in BPRS Suriyah Cilacap have the power of value that fits the needs of customers, has a strong network impact and there is a strong synergy between products and services. The disadvantage is that there are still customers who complain about rewards. This innovation has the opportunity that customers will be interested in saving Tahara every year for a satisfying value proposition, increasing added value for pick-up service and finding new added value

for Tahara customers. The threat is to competitors who are threatening enough to offer the same or more value propositions, there is a decrease in added value in the minds of customers / disappointment or dissatisfaction with the value propositions offered.

Channels on banking innovation in BPRS Suriyah Cilacap have the power to channel to socialization quite effectively and efficiently, the channel provides enough economic scope, quite in accordance with the customer segment and enough to attract the attention of customers. The weakness is in the communication range that is less strong between the customer and the bank. Channels are likely to increase channel efficiency, find other new partner channels. Threats exist with competitors having stronger channel strategies and increasing channel competition fast enough.

Customer Relationships in banking innovation in BPRS Suriyah Cilacap have strong customer relationship strengths and the quality and type of relationships are quite compatible with the customer segment. The weakness is in the lack of equal distribution of customer relations and the Tahara brand in BPRS Suriyah Cilacap is not yet strong enough. Opportunities exist in the opportunity to increase the follow-up of customer relations quite high and the opportunity to increase personalization is quite high. The threat is to the threat of personal relationships personally threatened to deteriorate.

Revenue Streams on banking innovation in BPRS Suriyah Cilacap has the power of a recurring and sustainable income stream and the mechanism for determining the initial balance is quite profitable. The disadvantage is that income is unpredictable, does not get direct profits and costs quite a lot before collecting revenue. Opportunities exist in recurring income from the opportunity for customers to save again after a period of time is up and can increase revenue by increasing the amount of customer deposits on the invitation of the bank. The threat is in the income stream that is threatened by competitors and threatened to decline.

The cost structure of banking innovation in BPRS Suriyah Cilacap has predictable operational costs, quite efficient operational costs and sufficient cost structure in accordance with Tahara's business capital. The disadvantage is to balance costs with values that are still not strong enough. Opportunities to reduce costs with mass marketing and marketing combined with the main products. The threat is at the cost of unpredictable losses / complaints and concerns about faster growth of costs compared to revenue.

Key resources on banking innovation in BPRS Suriyah Cilacap have the power to have training for human resources so that they have good enough soft skills / selling skills, human resources are able to maintain customer relationships on an ongoing basis, predictable resource needs and sufficient technological resources speed up the process and make it easy, and the rewards are quite interesting. The weakness is in marketing funding that lacks understanding of competitors, the number of marketing funding is very lacking and the network connected with the android application was disrupted and the amount of reward is not continuously socialized to each customer. Opportunities exist in maximizing resources, finding new, cheaper resources to achieve the same results and finding other added values in resources. The threat is to risk network disruption, the quality of human resources (marketing funding) decreases and rewards are less received by customers / disappointments occur.

Key activities in banking innovation at BPRS Suriyah Cilacap have the power of activities that are carried out quite efficiently in Pekalongan Branch Offices and the service quality is quite good and meets the standards. The weaknesses in the key activity strategy can still be replicated, key activities have not been strong in other offices and planning activities in the office with the implementation of follow-up is not balanced. Opportunities to maximize each key activity based on predetermined standards, improve the efficiency of key activities through

more action and information technology can be more utilized. The threat is that market expansion can occur slowly and the quality of key activities threatens the practicality of technology.

Key partnerships in banking innovation at BPRS Suriyah Cilacap have the power to focus and work with partners and simply enjoy good working relationships with partners. The disadvantages are still having difficulties to work more deeply with partners. Opportunity to follow up on partnership relationships, stronger collaboration, exchange of mutually beneficial relationships and help channels to better reach individuals and markets. The threat is the risk of losing one partner, the possibility of partner collaboration with competitors, and dependence on partners.

B. Suggestion

1. Suggestion for BPRS Suriyah Cilacap

- a. Maximizing banking innovations in BPRS Suriyah Cilacap, so that good innovation performance is not only at Pekalongan Branch Offices.
- b. Maximize performance in finding new groups of segmentation that have been done by multiplying along market segments.
- c. Take advantages of technological advancements to help run a sustainable business model.
- d. Maximizing socialization regarding reward/ parcel provisions on Tahara products.
- e. Expand customer relations evenly and sustainably.
- f. Looking for a mature strategy to maximize the added value you want to give to customers and companies.
- g. Maximizing human resources in understanding the threat of competitors.

2. Suggestions for Next Research

- a. Further research is needed to find a new business model after the current business model is known.

- b. It needs to be examined in more detail regarding the description of the building of innovation ecosystems by making innovation theses, innovation portfolios, innovation frameworks to innovation accounting.
- c. Further research is needed in assessing how banks create various ideas / innovations, test ideas, develop ideas, update ideas to execute ideas.



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