

IMPLEMENTATION OF PUBLIC SECTOR ENTREPRENEURSHIP USING THE BMC MODEL IN MILITARY COOPERATIVE SERVICES

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Abstract

This research discusses the concept of public sector entrepreneurship by implementing a business model canvas to assist the implementation of cooperative work programs, including those under the auspices of the military, to describe, analyze, and develop their business models. Business Model Canvas (BMC) is a useful tool for articulating and managing all the key elements in a cooperative business, descriptive qualitative research method, in accordance with research in the field of social society by conducting an analytical study contained in SWOT analysis so that it can be known the strengths, weaknesses, opportunities and threats of this public service business to be able to develop cooperative service planning that can provide maximum service to its members as well as become a community service partner.

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1. Introduction

Cooperatives play a central role in empowering communities by promoting inclusive economic growth and improving the quality of life of their members. As highlighted by Alfitrah et al. (2023), cooperatives are instrumental in creating shared prosperity and enhancing social welfare. Beyond their economic function, cooperatives serve as platforms for realizing a people-oriented economy that involves all elements of society (Kusumastuti & Khoerudin, 2021). Among the various types of cooperatives in Indonesia, military cooperatives occupy a unique position. Although they operate under the auspices of the armed forces, their goals and principles remain aligned with the broader cooperative movement: to prioritize the economic welfare of their members (Indah et al., 2024).

Military cooperatives, as emphasized by Mawarni et al. (2024), contribute significantly to fostering solidarity among military personnel, while simultaneously serving as alternative sources of income. These cooperatives also function as internal economic engines that support the daily needs of members within military units (Thayf et al., 2022). One notable example is the TNI Sesko Military Cooperative, which has attempted to adopt public sector entrepreneurship principles to enhance member welfare (Saputra & Ardiansyah, 2021). However, despite their strategic role, military

cooperatives often encounter numerous challenges in practice. These include limited capital, slow bureaucratic procedures, competition from mini markets, and heavy dependence on military policy, all of which undermine their ability to provide consistent loan services, maintain stock availability, and ensure member satisfaction (Zakka & Rizaldi, 2022; Suratman, 2014).

Moreover, the **reputation** of cooperatives plays a vital role in sustaining member trust and loyalty, especially in financial service contexts. Research by Iswari and Anam (2020) identified measurable indicators that shape cooperative reputation, emphasizing the importance of responsiveness, transparency, and member satisfaction in building institutional credibility. In the case of military cooperatives, maintaining a positive reputation becomes even more crucial when dealing with loan constraints, bureaucratic obstacles, and service competition (Nova, 2023).

These issues call for innovative approaches to cooperative management, particularly in the public sector. Public sector entrepreneurship, as proposed by Bornstein (2007), offers a potential solution by encouraging innovation in service delivery through multi-stakeholder engagement. Leyden and Link (2018) view it as the implementation of creative government policies that foster economic advancement, while Hayter (2018) emphasizes its role in transforming public policy and achieving sustainable social outcomes.

In line with this, the Business Model Canvas (BMC) emerges as a practical tool that enables public service organizations, including military cooperatives, to articulate, test, and refine their business models. The BMC provides a clear visual framework that helps managers understand and communicate the key elements of their operations, thereby supporting strategic planning and innovation in cooperative service delivery.

This study is positioned within this conceptual framework. It explores how public sector entrepreneurship—operationalized through the BMC model—can be applied to military cooperative services, especially in facing internal and external constraints. The preposition underlying this research is that applying a structured and innovative business model such as the BMC can enhance the adaptability, reputation, and sustainability of military cooperatives in responding to environmental changes, resource limitations, and policy dynamics.

2. Methods

This research was conducted using a qualitative descriptive method. This method is usually used in social phenomenology (Gheondea-Eladi, Alexandra., 2014). Qualitative descriptive aims to answer relevant research questions by identifying who, what, where, and how an event or experience occurs (Haki, Ubay, and Eka Danik Prahastiwi., 2024). In the end, qualitative descriptive research is conducted thoroughly to uncover the underlying patterns of the event (Jelahun, Felisianus Efrem, 2022). Descriptive qualitative research uses a simple qualitative approach and an inductive flow, which means that the research begins by explaining a specific process or event before producing a generalization as a conclusion from that process or event (Avianti, Widiya, et al., 2023). The analysis was conducted using the SWOT strategy, which is a policy analysis structured based on strengths (strength), which are the things that serve as reliable capital, weaknesses (weakness), which are the things considered as weaknesses, and opportunities (opportunity), which are the opportunities that can be seized to overcome weaknesses and support strengths.

3. Result and Discussion

This Military Cooperative implements a public sector entrepreneurship-based work program by providing low-interest savings and loan services, with the flagship service being the savings and loan unit, known as USIPA (Savings and Loan Business). This unit is designed to provide financial

solutions for military members who need additional funds for various purposes, such as education costs, family needs, or even business capital. However, there are shortcomings in the current alternatives, such as limited capital, lack of innovation, minimal education, and competition with financial institutions like banks.

Table 1. SWOT Analysis of the Military Cooperative

No	SWOT Item	Description
1	Strength	Primkop Sesko TNI, as a cooperative under the auspices of the TNI Headquarters, has access to resources and protection from military institutions that ensure its operations are stable. Compared to other cooperatives that do not have affiliations with large institutions, this cooperative gains a sense of security from this support, both in terms of management and initial funding. As a result, its operations are more secure. In addition, this cooperative has a wide network of members, most of whom are military personnel. Members who are involved have a high commitment to the success of the cooperative because they directly feel its benefits. The cooperative has a stable and loyal customer base through a strong network of members, which serves as a significant capital to continue running various programs and services.
2	Weaknesses	Lack of funds to expand business, especially in savings and loans Although the company provides loan services to its members, the amount of loans it can provide is still limited. As a result, the Cooperative cannot always meet the needs of members. This becomes a problem, especially when there are members who need a lot of money for business or emergency needs. In addition, the issue of stocking goods at cooperative kiosks is often a problem. The kiosk managed by the cooperative sometimes runs out of basic necessities, so it cannot fulfill all members' requests. The lack of product diversification means that members have to look for their needs elsewhere, such as mini markets or modern stores.
3	Opportunities	Establish cooperation with external parties, such as large suppliers of goods. By expanding relationships with suppliers who have a more complete and stable supply of goods, the cooperative can ensure that goods at the kiosks are always available. This improves member satisfaction and increases the cooperative's competitiveness in the market. Cooperatives also have a great opportunity to improve the economic well-being of their members through more intensive entrepreneurship training. By providing targeted training, cooperatives can assist members in developing their business skills, for example, by providing loans to members to set up small businesses. This opportunity will improve members' welfare and strengthen the local economy around military sites.
4	Threat	Competition from mini markets or contemporary stores that offer goods with a wider selection and more competitive prices. Cooperative members are more likely to seek alternatives at these mini markets when their needs are

No	SWOT Item	Description
		not met at the cooperative kiosks. The risk of changing military policies is an additional threat. The cooperative's operations can be directly affected by changes in laws or policies from the TNI Headquarters because the cooperative is under the auspices of a military institution. Cooperatives must adapt immediately if any new policies restrict their space or change their organizational structure. This will ensure that they remain operational. Uncertainty may arise as a result of this risk, especially for long-term planning.

Source: Processed by Researchers 2024

The alternatives implemented by this cooperative to overcome service obstacles include the imposition of additional capital for members/customers, improving services through digitalization, providing education to members, and enhancing competitiveness with competitive interest rates and diversifying the cooperative's business. Here is the business model for the implementation of public sector entrepreneurship in this Military Cooperative:

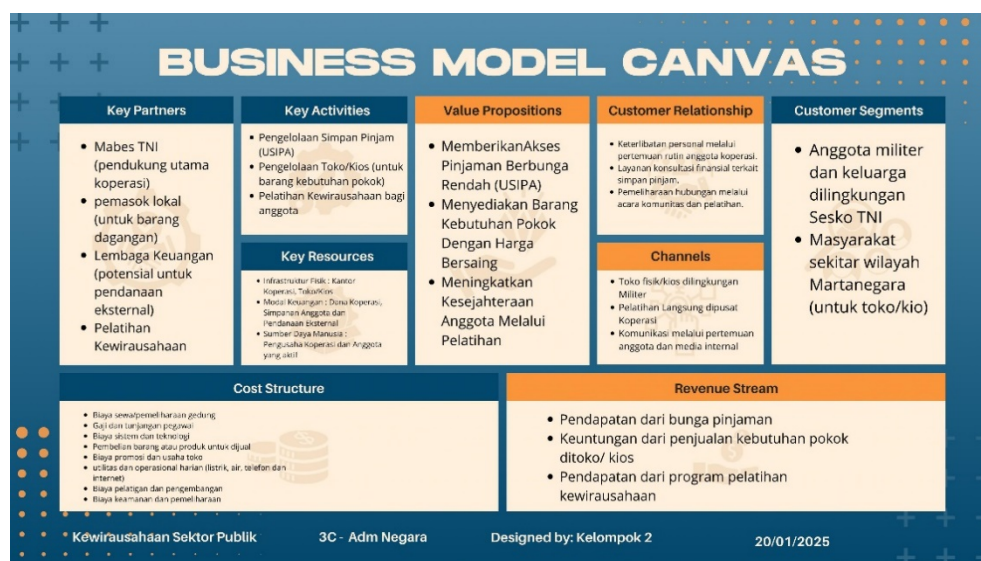


Figure 1. Canvas Business Model

Shop management to meet the needs of members and the surrounding community is carried out by the cooperative by managing several shops or kiosks that provide daily necessities. The aim is to make it easier for military members and their families to obtain goods at more affordable prices compared to the general market. The management of these stores not only benefits the members, but also the community around the military area. By providing easier access and competitive prices, the cooperative contributes to strengthening the local economy. Nevertheless, there are challenges faced, such as limited stock of goods and competition with large mini markets that have more complete supplies.

Entrepreneurship training for military members Also as part of the effort to improve members' economic independence, the cooperative organizes entrepreneurship training. The program is designed to equip military members with basic skills in starting and managing a business. The training covers a variety of topics, such as financial management, marketing strategies, and how to utilize digital technology to support small businesses. With this training, many members have been able to open side businesses, such as food stalls, catering businesses, or small shops in their neighborhoods. The cooperative also provides support in the form of business capital loans to members who have attended the training. This aims to ensure that they not only have the knowledge, but also enough seed capital to start a business. Thus, military cooperatives need innovation, access

to funding, stock management & bureaucratic efficiency. The cooperative is not only a service provider, but also a partner in the entrepreneurial journey of members.

CONCLUSIONS

Cooperatives can use the Business Model Canvas (BMC) to create more systematic business strategies, such as managing resources and optimizing relationships with members and strategic partners. They use the BMC approach by clarifying customer segmentation (military members and families), offering value propositions such as business training and low-cost financial services, and optimizing relationships with customers through better communication. To ensure business sustainability, the cooperative also has strategic partners such as the TNI Headquarters and local suppliers. Through innovation and operational efficiency, the cooperative has made progress in improving the health of its members. The cooperative must continue to develop strategies that can be adapted to the changing environment and external constraints to achieve more sustainable growth.

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