

E-Commerce Business Plan for Export Import Fashion Using Business Model Canvas

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Abstract: Along with the growth of Indonesian economy, there is an increasing need for Import and Export commodities. According to that situation, it creates opportunities for online shop which focussed on Export Import commodities. The purpose of this research is to build the online business plan for Export Import commodities. The method we are using is Business Model Canvas Analysis such as: Customer Segment Element, Value Proposition, Channel, Customer Relationship, Revenue Stream, Key Resources, Key Activities, Key Partnership, and Cost Structure. The results from this research is the form of E-Commerce business plan and the Prototype website that implemented on PT. The House of Shopaholic.

Keywords: Business Plan, Model Canvas, E-Commerce, Export and Import

1. Introduction

The increasing needs for export import commodities has made the price for it is way too high for the people, the procedure for people to buy this commodities is very complicated such as the payment system, delivery and the quality of the product is not guaranteed. This situation creates the opportunities to build the business plan that focussing on export and import with web basis. This business plan is applied with e-commerce focussing in export import commodities.

Nowadays e-commerce is used by many online shop, but not all vendor have the website that especially focussed on export import commodities. In Indonesia the export import vendor is sell their product through the usual online shop combining it with domestic product such as Lazada, Tokopedia, Blibli.com etc. There is no website that focussed only for export and import commodities. Learned from that, this research is needed so there will be literature that can be used for only the export and import commodities. The table 1 show some related works for e-commerce business plan that focussing on export and import research using business model canvas. Thus, the study aims to design a business plan for imported goods online using the Canvas Business Model.

The Canvas business model developed by Alexander Osterwalder and Yves Pigneur (2010), successfully transformed the complex business concept into a more structured and simple. Figure 1, describes the components of the Business Canvas Model. In the Canvas business model, one of the important components is the Financial Plan (Jay, 1990, James, 2005). Therefore, according to William Bygrave and Andrew Zacharakis (2011), many entrepreneurs have difficulty in explaining their financial statements, whereas financial statements are an important component that can help translate business entrepreneurs' ideas into money. Financial Plan is one type of large-scale financing scheme and made for the long term (Patrick, 2006).

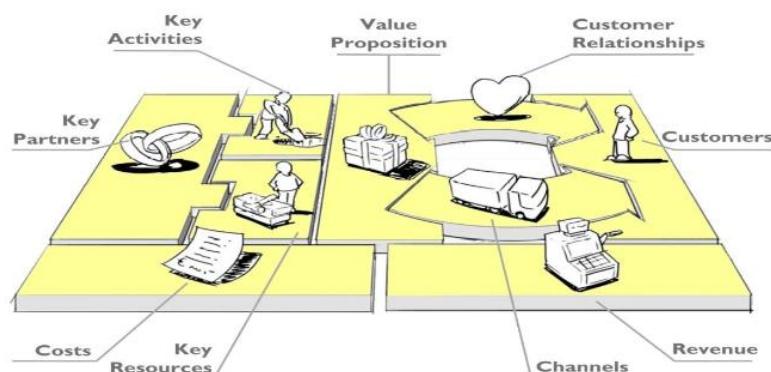


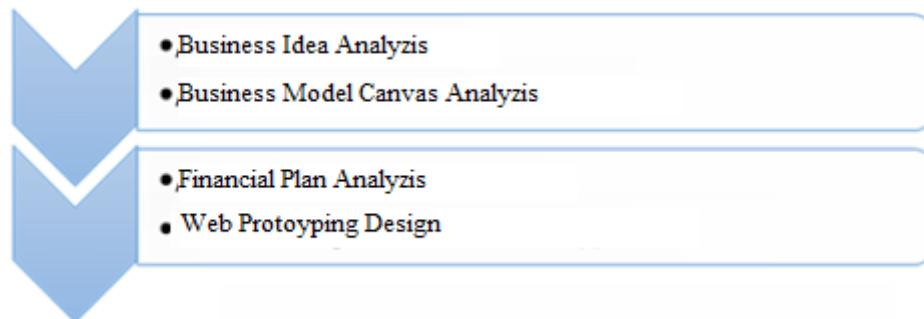
Figure 1: The Business Canvas Model

Table 1: Descriptions of the Land Use Types Within the Study Area

Research (year)	Context	Result of Research
Amit Zoot -2001	A business model that show the content, structure and transaction flow that designed to create business plan	1. Content of transactions 2. Structure of transaction 3. Value Creation
Chesbrough dan Rosenbloom -2002	We create an interpretation to build business model value	1. Value proposition 2. Market segment 3. Structure of value chain 4. Cost structure and profit potential 5. Position within value network 6. Competitive strategy
O sterwalder et al -2005	Business model is a concept that all element and its relation to show the business idea specifically from the company. It was the description for a company value that have one or several customer segment and various partnership to create value, market, and continuously revenue	1. Value proposition 2. Target customer 3. Distribution channel 4. Relationship 5. Value configuration 6. Core competency 7. Partner network 8. Cost structure 9. Revenue model
Johnson et al (2008)	A business model have 4 element (customer, value propositions, income, main resources and key process) that worked together to create business value	1. Customer value proposition (incl. target customer, job to be done, and offering) 2. Profit formula (incl. revenue model, cost structure, margin model, and resource velocity) 3. Key resources 4. Key processes (incl. metrics, rules and norms)

2. Material and Method

The first step for make the E-Commerce Business Plan is analyzing the Business Idea. The business idea must be supported by data retrieval by distributing questionnaires to 79 respondents using the google form facility. The respondent response is processed using the Excel Statistic Indonesia (MY ESI). The purpose of this questionnaire is to describe the interest of the public to the online shop that focussed on Export Import commodities. The data then analyzed by using the Business model canvas model and the projected on its financial plan. The final result of this process is the design of the E-Commerce Website of the House of Shopaholic. The Figure 2 is show the stages of the research.

**Figure 2:** The stages of Business Plan

3. Results

3.1 Analyzed the Business Idea

There are four questions to analyze the business ideas. The first question is the income of respondents that clustered by their age. Figure 3 shows the comparison between age and income of respondents

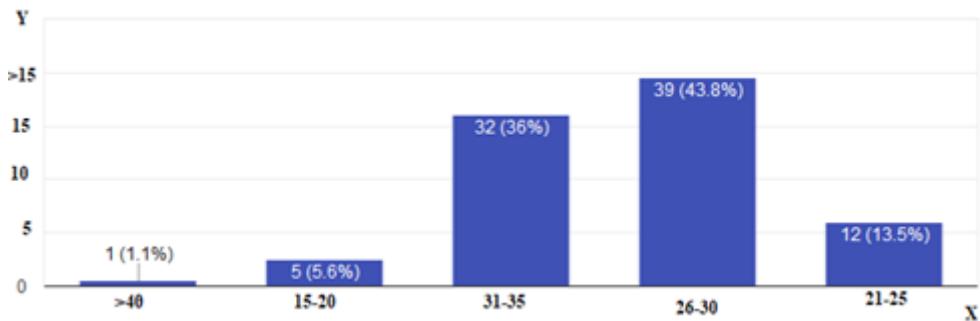


Figure 3: Respondent Income based on the age

Based on figure 2, the average income of 15-20, 21-25 & > 40 is approximately less than Rp 5,000,000 (5.6%). The Income for 31-35 old group is Rp.15.000.000 (36%) second highest level after the group that have income more than Rp.15.000.000 between age 26-30 years. From the diagram above we know that the more income increases along with the productive age will make the percentage of respondents that interested to the Online Shop Import Export commodities greater.

The respondents of this research mostly are the fashion enthusiasts, which is on the group from middle to upper income class so that their needs is the quality / authenticity of the product. The public responses to E-commerce business activities is used as the basis for analyzing whether the public is interesting on E-commerce business with global brands.

To obtain the field data, questionnaires were distributed to the public with it focussed on the interest and public opinion in the Online Shop for export-import commodities. Respondents came from workers with the age range from 26-35, and the income is more than Rp15,000,000.

The Second Question is the public opinion about the quality of an online shop

No.	Statements	Point			
		No	Response	f	%
1	You are very sure about the quality of the online shop is good	1	Absolutely	12	15.19
		2	Agree	33	41.77
		3	Hesitate	28	35.44
		4	Disagree	5	6.33
		5	Strongly disagree	1	1.27
		Total		79	100

Figure 4: The Opinion Respondent of Online Shop

Based on figure 4, there is 33 responden (41.77%) state that they are sure about the quality of the online shop, then 12 responden (15.19%) state that they are very sure about the online shop quality. About 28 responden (28%) hesitate about it and the 5 responden (6.33%) say they are not sure about the online shop quality and the last is 1 responden (1.27%) very not sure about the quality of online shop.

There are 2 opinions of respondents who dominate the results of the questionnaire, that is Agree and hesitate. Therefore, the results are used as the basis for analyzing using the Business model canvas by prioritizing Value proposition to raise the percentage of respondents who are hesitate the quality of the online shop. PT. The House of shopaholic provides the best services such as Website features and good product quality for public to be comfortable when doing Online Shop.

The Third question is the goods that already bought but the specification is not like the client wants should be returned

No.	Statements	Point			
		No	Response	f	%
2	The goods that already bought but difference from what the client want should be returned	1	Absolutely	24	30.38
		2	Agree	33	41.77
		3	Hesitate	16	20.25
		4	Disagree	5	6.33
		5	Strongly disagree	1	1.27
		Total		79	100

Figure 5: Delivery guarantee product

Based on figure 5, there are 33 Responden (41.77%) agree that the goods that already bought but difference from what the client wants should be returned, the 24 responden (30.38%) very agree about that. There are 16 responden (20.25%) hesitate and 5 responden (6.33%) not sure that the goods that already bought can be returned and the last is 1 responden (1.27%) is very not sure about it.

Based on the above results, PT The house of shopaholic provides services for the return of goods if the product received is defective, inappropriate or damaged. This is some policy towards consumers to keep the customer satisfaction maintained.

The Fourth question is the interesting about Export Import Commodities

No.	Statements	Point			
		No	Response	f	%
3	You are interested with the export and import commodities	1	Absolutely	46	58.23
		2	Agree	12	15.19
		3	Hesitate	20	25.32
		4	Disagree	1	1.27
		5	Strongly disagree	0	0.00
		Total		79	100

Figure 6: The interestingof Eksport Import

Based on figure 6, about 46 responden (58.23%) is very agree that they are interested on export import commodities, about 12 responden (15.19%) is agree about it, 20 responden (25.32%) hesitate about it, and 1 responden (1.27%) is not interested on it.

The result for this questionare is PT. The House of Shopaholic website should have complete feature and friendly user interface.

3.2 Business Model Canvas Analysis

These questionnaire will be used for analyzing business model canvas for E-Commerce business plan that focussed on Export Import of Fashion products PT The House of Shopaholic Figure 6, shows 9 elements of the canvas model: (1) customer segments related to the grouping of consumers in differentsegment but have similar needs, other behaviors that have similarities in each segment; (2) the value proposition relates to an important value to provide unprecedeted customer satisfaction; (3) related channels concerning a company engaged in business having an attachment and interdependent one another in the production process or services available for consumer use; (4) customer relationship is relationship with the customers to have mutual relationships for feedback to enhance the company's business; (5) revenue streams related to the organization's ability to generate revenue in each customer segment; (6) key resources are important assets needed for the business being undertaken; (7) key activities related to activities undertaken by the company so that it can run well; (8) key partnership an inter-company cooperation for continuity and business development; (9) cost structure related to all expenses incurred to operate the business.

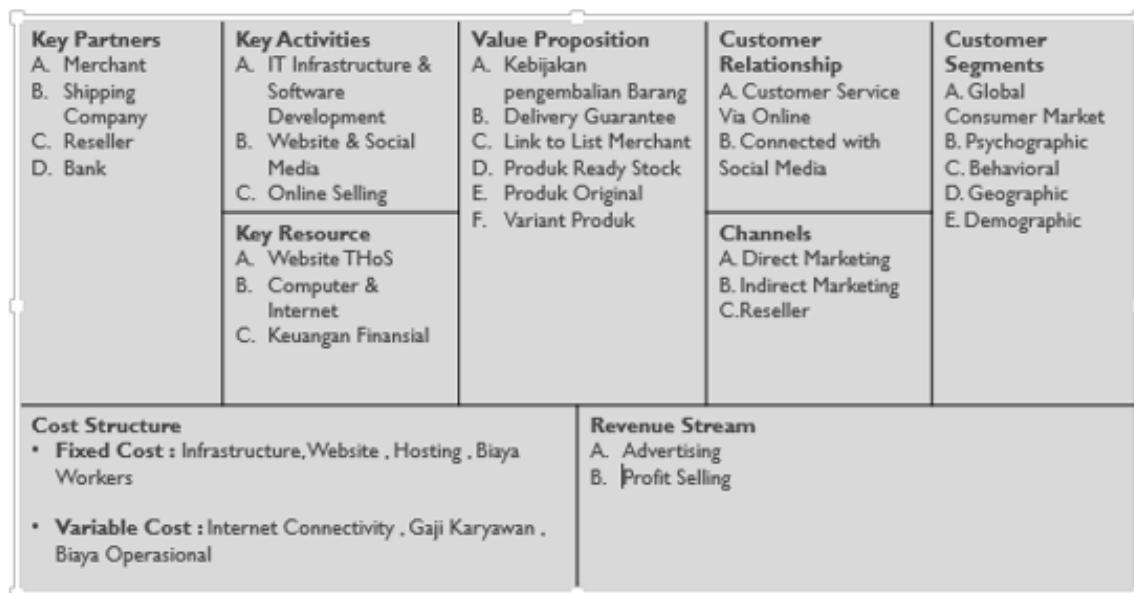


Figure 7:9 Elements of the Canvas Model Business

3.3 Financial Plan Analysis

A financial projection is a financial plan or a budget for the business, financial project is used for estimate the amount of costs that may arise and the projected revenue that will be generated for a certain period. I make this Financial Plan projection for my future business planning. The main service of PT. The House of Shopaholic is a sales service of leading brands with the company's method acts as a representative of various brands that have special agreement with The House of Shopaholic.

For start up of this business, the House of Shopaholic need to allocated their fund to different account such as supplies, legal & accounting fees, equipment, advertising and promoting etc. Here is the detail of the start up balance:

Table 2:Start-up Fund

Start-up Allocation		Sub Total	Total
Fixed Asset			
Land	Rp	-	
Building		-	
Electricity		-	
Supplies		-	
Furniture and Fixtures		-	
Vehicle		-	
		-	
Total Fixed Asset			-
Equity			
Salaries and Wages		-	
Insurance		100,000,000	
Merchandaries		400,000,000	
Legal and Accounting Fees		100,000,000	
Rent Deposit		-	
Bank Deposit		-	
Supplies		150,000,000	
Advertising		60,000,000	
Licenses		500,000,000	
		-	
Cash on Hand		500,000,000	
Total Equity			1,810,000,000
Total Start-up Fund			Rp 1,810,000,000.00

Appropriate data in table 2 to start a business PT. The House of Shopaholic requires funding of Rp1.810.000.000,00 considering the nature of the company's business in the form of e-commerce is not required office building specifically, business owners use private residence as a place of office activities. The majority funding allocation is used for the licenses partnership with a reputable brand that has a partnership with the company and cash funds. The merchandise inventory represents the limits the company has on the transaction with the leading brand for the demand of goods as representative. In addition, the company has also allocated funds in proportion to accommodate the needs of insurance, legal and accounting fees, equipment funds as well as advertising and promotions.

Another big funding allocation is in the company's equipment, this is because the company provides packaging services according to customer demand, so it takes a lot of knick-knacks packaging to customize the customer's desire. The Income Statement is a report that measures the success of a company's operations over a period of time. The business and investment community uses this report to determine the profitability, value of investments, and creditworthiness or ability of the company to pay off the loan.

In accordance with Figure 9 below, the Income statement of The House of Shopaholic in the first year shows a net loss of Rp42,772,005, this is because in the first year The House of Shopaholic has a gross margin of Rp1.100.664.269 while salaries and wages, operational costs fixed and other charges amounted to Rp1,143,436,273. In the second year The House of Shopaholic experienced a net profit of Rp27,413,944 due to the second year gross margin of Rp1,204,021,196 while salaries and wages, fixed operational costs and other expenses reached Rp1,176,607,252. One of the causes of the gain is the increase in income caused by increased consumer and decrease the amount of bank loan payments. The amount of bank interest payment in the first year is Rp18,652,138 whereas in the second year the amount of the bank interest payment becomes Rp11,697,061

In the third year The House of Shopaholic has made a profit of Rp105,460,383, this is due to gross margin of Rp1.317.378.340 while salaries and wages, fixed operational costs and other costs reached Rp1.211.917.957. Advantages gained because of the increased revenues and decreased repayment of bank loans. Loans of bank loans in the second year amounted to Rp11,697,061 whereas in the third year the loan amount of the bank became Rp4,239,202.

The Shopaholic Year End Summary		Year One	%	Year Two	%	Year Three	%
Profit							
Service A	670,350,000			704,437,500		739,722,375	
Service B	3,175,544,680			3,430,093,148		3,842,409,063	
Service C	16,858			18,544		20,339	
Service D	14,350			16,445		18,030	
Total Profit	3,846,526,488	100.00%		4,197,631,631	100.00%	4,582,169,326	100.00%
Sales Cost							
Service A	536,760,000			563,538,000		591,777,300	
Service B	2,203,074,560			2,429,382,016		2,612,360,218	
Service C	14,660			16,125		17,738	
Service D	13,000			14,300		15,730	
Total Sales Cost	2,745,862,220	71.39%		2,939,610,441	71.32%	3,264,791,586	71.25%
Gross Profit	1,100,664,269	28.61%		1,204,021,196	28.68%	1,317,378,340	28.75%
Total Salaries and Wages	204,310,470	5.31%		210,330,036	5.01%	216,530,193	4.73%
Fix Operational Cost							
Advertising	300,000,000			309,000,000		318,270,000	
Vehicle	-			-		-	
Bank	-			-		-	
Working Contract	-			-		-	
Seminar and Conference	-			-		-	
Discount	-			-		-	
Utilities	12,000,000			12,360,000		12,730,800	
Other	-			-		-	
Insurance	60,000,000			61,800,000		63,654,000	
Licenses/Fees/Permits	54,000,000			55,620,000		57,288,600	
Legal Fees	-			-		-	
Office Supplies	24,000,000			24,720,000		25,461,600	
Post	12,000,000			12,360,000		12,730,800	
Rent for business	-			-		-	
Rent for vehicle	30,000,000			30,300,000		31,627,000	
Sales & Marketing	-			-		-	
Tax	-			-		-	
Telecommunications	-			-		-	
Travel	-			-		-	
Utilities	60,000,000			61,800,000		63,654,000	
Total Fix Operational Cost	552,000,000	14.35%		568,560,000	13.54%	585,616,800	12.78%
Operating Income (before Other Expenses) [EBITDA]	344,353,739	8.95%		425,131,156	10.13%	515,231,347	11.24%
Other Cost							
Amortized Start-up Expenses	303,333,333			303,333,333		303,333,333	
Depreciation	-			-		-	
Interest	-			-		-	
Vehicle Loans	18,652,138			11,637,061		4,233,202	
Mortgage	-			-		-	
Investor	-			-		-	
Credit Card Debt	-			-		-	
Vehicle Loan	-			-		-	
Other Bank Debt	-			-		-	
Tax	65,140,332			82,686,819		102,198,429	
Total Other Cost	387,125,803	10.06%		397,717,214	9.47%	403,770,364	8.34%
Nett Income	(42,772,005)	-1.11%		27,413,344	0.65%	105,460,383	2.30%

Figure 8: Income Statement Year End Summary

3.4 Web Prototype Design

On this stage we propose an prototype for the website of e-commerce focussed on export import fashion on PT. The House of Shopaholic, figure 9 shows the user interface of the website.



Figure 9: User Interface the House of Shopaholic

Based on the figure 9, Home Website is divided into 2 Products namely traditional and international. The Traditional section is used for goods from the State of Indonesia (Local) Such as: Batik, Mutiara Lombok, Handicraft etc. The demand level for Handmade and unique goods needs is very big in from foreign countries. international section is used for many customers that want original goods. Usually the import commodities that sold in Indonesia is not guaranteed its originality. Website PT. The House of Shopaholic provides a solution to the disappointment felt by the customer so far that all the goods is sold here is Original.

ITEM	PRICE	QUANTITY	SUBTOTAL
	Rp 498.000	- <input type="button" value="1"/> +	Rp 498.000
<hr/>			
CART CHECKOUT			
Service & shipping fee :		--Choose Shipment--	
Tax & Shipping:			
Cart Total:			
Amount to Pay:			
0153010110			
Store Inquiry	Bank BCA		
PT Digital Solvaprima			

Figure 10: The Shopping Cart purchase transactions

In Figure 10, the Shopping Cart purchase transactions consist of Items purchased, Price, Quantity and subtotals. Then for cart Checkout consist of Service & Shipping fee, Tax, Cart total, Amount to pay and Description of Account seller. Service & Shipping Fee is auto detected based on Domicile, which will be recorded Shipping Cost. After that it will calculate the total price need to be paid.

4. Conclusion

E-Commerce business plan of Export Import Commodities on Fashion products at PT The House of Shopaholic is build based on 4 questions. The result of the questionnaire is the import export website need some features such as Delivery Guarantee, List Merchant, Traditional and International product that was original and so on. Further research is needed to analyze the usefulness of website that has been applied.

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