

ARTICLE THE ROLE OF ESTABLISHING COST STRUCTURE IN THE BUSINESS MODEL CANVAS PLANNING FOR DIMSUM AHOY MEDAN

Annisa Miranda^{1*}, Nursalsabila Annas², Nurul Tiana Hasri³, Isra Hayati⁴

*^{1, 2, 3, 4}Universitas Islam Negeri Sumatera Utara, Indonesia

*¹email: annisamiranda14@gmail.com

Abstract: Cost structure refers to the composition of expenses incurred in producing a product or service. This research aims to analyze the role of cost structure in the business model canvas planning for Dimsum Ahoy Medan and its contribution to the success of this business plan. This research adopts a qualitative approach. The respondents of the study consist of three individuals who are the business owners of Dimsum Ahoy. The data sources used in this research are primary data obtained from interviews. The study results show that establishing a cost structure plays a core role in business planning, as the business operation relies on it. The cost structure helps a business determine marketing strategies, product development, and cost reduction strategies.

Keywords: Business planning, canvas model, cost structure.

Introduction

Mature This activity business Micro, small and medium enterprises (MSMEs) are one of the field business that has potential develop Enough rapidly. The contribution of MSMEs to product domestic gross (GDP) is increasing increased (Gustrian & Fitria, 2018) . The obstacles faced by MSMEs in take notes bookkeeping finance is low level awareness and knowledge about importance recording finance (Hayati et al., 2023) . In the increasingly competitive business world competitive, planning mature business become foundation important for ensure success and sustainability effort. One of the tool strategic which is often used For designing and analyzing business models is the Business Model Canvas. BMC, developed by Alexander Osterwalder, offers framework systematic work for map elements main A business, including value proposition, key activities, customer segments, and cost structure. Among nine element In BMC, cost structure plays a role role important Because reflect efficiency operational and continuity financial A business. Cost structure includes all necessary expenses For running a business model, such as cost production, distribution, marketing and development product. Deep understanding about cost structure allows business For identify opportunity efficiency, optimize source power, and maximize profit .

Cost Structure, namely composition cost for operate organization For realize proportion the value given to customers. The costs we incur in making business This is in purchase material standard , cost shipping , and costs *marketing* (Awaluddin , 2021) . In the cost structure of the entire costs incurred by the company in operate its business. The company does identification costs What only what is needed for operate all over activity his business. Osterwalder and Pigneur (2012) this cost structure explain cost the most important thing that appears when operating a business model certain. For perpetrator business minimization cost is important thing , but matter This will opposite with principle increase value for customers (Kiswara Rahmantya & Tyas, 2022) .

Dimsum Ahoy, a business culinary local in Medan that focuses on production and marketing dimsum, facing challenge in manage cost in the middle tight market competition. Therefore that, management cost efficient becomes key main for maintain Power competitive and attractive customers. In matter This is determining the right cost structure become very relevant. Challenges main issues faced Dimsum Ahoy includes height cost material raw materials, transportation costs in sales and needs For Keep going innovate in present Variants suitable product with preference consumers. In addition that, dynamics price material frequently used standard change and needs For adapt with trend consumer the more strengthen urgency planning cost effective.

With use BMC approach, Dimsum Ahoy can utilize cost structure as tool strategic For designing business models that are oriented towards efficiency and sustainability. Research This aiming For explore how cost structure plays a role in planning business Dimsum Ahoy, as well as to what extent the elements This can support achievement objective business, including efficiency operational, innovation products , and power competitive in the market. Research This No only relevant for Dimsum Ahoy but also can become guide for perpetrator other businesses in the sector food For understand importance management cost in build a tough business. Besides that, research This expected can give contribution for literature about implementation of BMC, in particular in BUSINESS context in Indonesia.

Literature Review

There are several supporting data according to researcher need made into reference is study relevant previous with ongoing problems discussed in study this. Focus study previously used reference is related with application of Business Model Canvas. Then from That researcher do a number of necessary studies done from results study previously in the form of thesis , dissertation and journal (Mario Saskara & Moch Rizal, 2023) . Meaning of business according to Hughes and Kapoor is a business activity organized individual For produce and sell goods and services use get profit in fulfil need societ. While understanding business according to Brown and Petrello is a institution that produces goods and services needed by the community (Ilyas, 2018) (Hutamy et al., 2021) .

Business model canva is method or good tool in overcome situations and circumstances that make business can growing and consistent , because Lots once UMK can develop However No can maintain his success or even There are also many UMKs that do not can develop or fail after for years try business his efforts (Ariska et al., 2023) . Business Model Canvas is one of the business model concept simple many used as reference For describe the business model company (Sarno , 2021) (Sarno & Kurniawan, 2023) . According to Osterwalder and Pigneur (2015), the concept of the business model canvas consists of of the Nine Elements namely value propositions, customer segments, customer relationships, channels, key resources, key activities, key partnerships, cost structure, and revenue streams. Element the can help in formulate a business model a companies and design innovative business model ideas for company (Rahmatang et al., 2019) .

According to Mulyadi (2005) and Usman (2011), structure cost is composition cost incurred in produce goods / services. Structure cost based on behavior cost differentiated become cost fixed and cost variable. Determination amount TPT products to be produced produced and sold influenced by the size cost production in industry said. With Thus , the structure cost hold role important in activity production a commodities that are commercial (Asmara et al., 2014) . A number of studies previously show that effective cost structure management own impact significant to sustainability and power competition busines . According to Zott and Amit (2010), optimization appropriate cost with mark customer can

strengthen proposition mark business. In context business small and medium enterprises (SMEs), research by Doern (2009) highlights that one of reason failure business is lack of attention to management cost.

In industry food and beverage, cost structure management becomes more crucial Because intense market competition and relatively low profit margins small (Kotler & Keller, 2016). A study conducted by Mihajlov (2018) underlined that business culinary that utilizes technology For analysis cost succeed reduce expenditure up to 15%, which in the end increase profitability. As additional, approach BMC based has proven become flexible tool for help business identify elements key in operational business. Richardson (2008) stated that The use of BMC allows business For visualize connection between cost structure and elements others, such as key activities and value propositions, which ultimately push efficiency operational and innovation.

In context business local like Dimsum Ahoy, the implementation concepts This become very relevant. With integrate theory from literature previously, business can building a strategy that focuses on efficiency cost and innovation products, at once increase Power compete in a market that continues to grow changed. Adoption technology in management finance, as proposed by Mihajlov (2018), can also help business like Dimsum Ahoy for adapt with market dynamics and taking advantage of opportunity new. Strategy that can applied including management strategies operation in frame develop ability company For compete with company similar through differentiator , cost and response (Winarni , 2021) (Kasmuddin , 2022) . With existence study literature this, can concluded that The implementation of an effective cost structure, supported by the BMC framework, is one of the key main success in planning and management business, especially in industry food.

Method

Study This use approach qualitative For understand in a way deep the role of cost structure in planning business with use Business Model Canvas (BMC) framework in business Dimsum Ahoy in Medan. Approach This chosen Because aiming For explore perspectives, experiences , and strategies implemented by the owner business in manage cost operational and determining step strategic . Using *Business Model Canvas* (*BMC*) because can become approach that can implemented with easy by organization business in effort do evaluation,change or improvement or only just review repeat towards business model company so that business model created new, more appropriate and suitable For applied by businesses (Gustavian & Samsinar, 2020) .

Study This nature descriptive exploratory, which focuses on depiction and analysis related elements with the cost structure in BMC. With type study thi, it is expected can found a comprehensive overview regarding the determination process costs and their impact to business strategy. Data analysis used is analysis business model with use approach *Business Model Canvas* (BMC), namely A business model concept developed by Osterwalder and Pigneur which was successful change complex business model concept become simple and can made into alternative corporate strategies that lead to feasibility business (Dewobroto , 2013). Business models can also used For compile business strategy formulation (Priandita & Toha , 2013) (Mandamdari & Widjojoko, 2022) .

Study done on business Dimsum Ahoy which operates in Medan, North Sumatra. Subject study is three owner and manager main Dimsum Ahoy which has not quite enough answer direct in planning business, management finance, and taking decision strategic. According to Sedarmayanti (2014:22) efficiency is size level in use source Power in a process. The more economical or the more A little source power, then the process said the more efficient. Efficient process marked with process improvement so that become cheaper and faster (Kurniawan, 2020) . Study This limited to analysis business Dimsum Ahoy as studies case. Therefore that,

the result study Possible No fully can generalized for business culinary others, although findings This can become reference beginning For cost structure management in industry food in the SME sector .

With methodology this, research expected can give in -depth and relevant picture about the role of cost structure in support planning business and sustainability business Dimsum Ahoy. Research This aiming for know how much big influence cost production and costs operational business Dimsum Ahoy (Widyastuti et al., 2024) .

Result and Discussion

Study This disclose that determining the right cost structure give impact significant to efficiency operational, innovation products, and power competition business Dimsum Ahoy. There is four findings main related cost structure implementation in business model Dimsum Ahoy.

1. Reduction Strategy Cost Production

Component cost the biggest in the production process, namely material standard. Dimsum Ahoy was successful reduce cost production through some strategies:

- a. **Negotiation with Suppliers**, This Business to weave Work The same with Supplier material standard local offerings more competitive prices, without reduce quality.
- b. **Efficiency Production**, with optimizing production processes, such as management time and energy work, BUSINESS can reduce waste material standard.
- c. **Utilization of Economies of Scale**, purchasing material standard in amount big allows BUSINESS to get piece price from supplier.

This result show that management cost effective can increase profit margin without sacrifice quality product, which is one of the Power pull main for customer.

2. Development Efficient Products

Knowledge deep about cost structure helps determine price main accurate production. This give benefit following:

- a. Determining Competitive Selling Prices, with understand cost production per unit, Dimsum Ahoy can set price sell accordingly with Power buy consumers and competitors.
- b. Innovation Product Based on Budget, BUSINESS allocates budget special For innovation product new, like flavor variants or package promotion, which remains is at in limit controlled costs. As As a result, Dimsum Ahoy was successful increase Power pull its products in the local market, especially for consumer young people looking for menu variations with price affordable.

3. Management Better Finances

With understand cost fixed and variable, effort can make projection realistic finances and avoid expenditure that is not need. Management Good finances also help Dimsum Ahoy faces fluctuation price material standard and maintain stability business in the middle market changes. Research result This consistent with findings Previously, as stated by Kotler and Keller (2016), that management cost effective is element key in maintain Power competitive in the industry food and drink. In case Dimsum Ahoy, the implementation of the cost structure is working No only as tool control costs, but also as base taking decision strategic.

Furthermore, the results This confirm importance integration between elements in BMC. As example, relationship between cost structure and value proposition is visible in BUSINESS efforts to guard quality product with cost efficient.



Figure 1. Product Dimsum Ahoy



Figure 2. Product Variants Batagor



Figure 3. Materials Raw Dimsum Ahoy

Conclusion

Study This show that determining the right cost structure own role strategic in increase efficiency operational, innovation products, and power competition business Dimsum Ahoy. Based on findings research, conclusion main thing that can taken is as following

1. Efficiency Cost Production

Reduction strategy cost production through negotiation with suppliers, optimization of production processes, and utilization scale economy proven effective in press cost without sacrifice quality product. This is give impact positive on increasing profit margins business.

2. Development Competitive Products

Understanding to structure cost allow Dimsum Ahoy sets price main production in a way accurate. With Thus, the effort can offer price competitive selling as well as allocate budget for innovation product new interesting for consumers, in particular children's market segment young.

3. Management Optimal Finance

With management good finances, Dimsum Ahoy is able make projection realistic finances, avoiding waste, and do investment strategic, such as development technology production and training employees. This is help business still stable in the middle market fluctuations.

In general overall, results study This confirm that implementation of effective cost structure No only support efficiency operational, but also become foundation in taking decision

strategic, innovation products, and management source Power For maintain Power competitive in the food and beverage market . Findings This give description practical for other efforts in design management strategy aligned costs with objective business.

Bibliography

- Ariska, YI, Yustanti, NV, & Sari, DR (2023). Canva Business Model Approach in Analysis of Business Development Strategy of KeriptaL MSMEs in Bengkulu City. *EKOMBIS REVIEW: Scientific Journal of Economics and Business* , 11 (1), 787–796. <https://doi.org/10.37676/ekombis.v11i1.3443>
- Asmara, A., Purnamadewi, YL, & Meiri, A. (2014). Industrial Cost Structure and Its Influence on the Performance of the Indonesian Textile and Textile Product Industry. *Journal of Management & Agribusiness* , 11 (2), 110–118. <https://www.scribd.com/doc/45822704/Tekstil-Dan-Produk-Tekstil>
- Awaluddin, R. (2021). SWOT and Business Model Canvas Training for Kere Chips SMEs in Kuningan Regency. *HUMANIS: Journal of Community Service* , 20 (1), 47–58.
- Gustavian, A., & Samsinar, S. (2020). Analysis and Implementation of E-Commerce with the Business Model Canvas Method (Case Study: Jade Bag Store). *IDEALIS: InDonEsiA Journal Information System* , 3 (1), 260–266. <https://doi.org/10.36080/idealism.v3i1.1673>
- Gustrian, H., & Fitria, SE (2018). *Analysis of Business Model in Jalanesia With Approach Business* . 5 (2), 1645–1651.
- Hayati, I., Amsari, S., & Afandi, A. (2023). Financial Bookkeeping and Digital Marketing Training for MSMEs Fostered by Lazismu, Medan City. *JMM (Jurnal Masyarakat Mandiri)* , 7 (5), 4305. <https://doi.org/10.31764/jmm.v7i5.16907>
- Hutamy, ET, Marham, A., Alisyahbana, ANQA, Arisah, N., & Hasan, M. (2021). Analysis of the Application of Business Model Canvas in Generation Z Micro Entrepreneurs. *Journal of Digital Business and Marketing* , 1 (1), 1–11. <https://doi.org/10.35912/jbpd.v1i1.453>
- Kasmuddin, K. (2022). Analysis of the Implementation of Production Cost Management in Increasing Cost Efficiency at PT. Kutai Energi in Kutai Kartanegara Regency. *Journal of Business Administration, Faculty of Social and Political Sciences, University of Mulyana* , 10 (4), 302. <https://doi.org/10.54144/jadbis.v10i4.9023>
- Kiswara Rahmantya, YE, & Tyas, R. (2022). Cost Structure Analysis with Variable Costing Method in Hospitals. *Logika: Journal of Multidisciplinary Studies* , 13 (02), 137–146. <https://doi.org/10.25134/logika.v13i02.6789>
- Kurniawan, DW (2020). Analysis of Catfish Feed Management for Production Cost Efficiency to Increase Sales Results. *IQTISHADequity Journal of MANAGEMENT* , 2 (1). <https://doi.org/10.51804/iej.v2i1.552>
- Mandamdari, N., & Widjojoko, T. (2022). Analysis of Business Model Canvas (BMC) at Almeidah MSMEs, Siwarak Village, Karangreja District, Purbalingga Regency. *Journal of Taxation and Business* , 3 (2), 121–129. <https://jurnal.stpi-pajak.ac.id/index.php/JPB/article/view/85>
- Mario Saskara, P., & Moch Rizal, H. (2023). Development of Business Model Canvas to Create Competitive Advantage for Seabank Indonesia. *Jurnal Impresi Indonesia* , 2 (1), 40–57. <https://doi.org/10.58344/jii.v2i1.1921>
- Rahmatang, R., Evahelda, E., & Agustina, F. (2019). Honey Business Development Strategy Using Business Model Canvas Approach (Case Study: Pelawan Shop UMKM, Namang Village, Central Bangka Regency). *Journal of Integrated Agribusiness* , 1 (2), 115–129. <https://doi.org/10.33019/jia.v1i2.1080>
- Sarno, S., & Kurniawan, H. (2023). Development of Business Model Canvas strategy for herbal

medicine agroindustry at CV. Bina Syifa Mandiri Yogyakarta. *Agrokompleks* , 23 (1), 8–17. <https://doi.org/10.51978/japp.v23i1.483>

Widyastuti, I., Maharani, M., Haryadi, E., & Wijayanti, D. (2024). The Effect of Production Costs and Operating Costs on Net Profit. *Journal of Economics and Business UBS* , 13 (2), 642–661. <https://doi.org/10.52644/joeb.v13i2.1578>.