Lean Canvas and the Business Model Canvas Model in Startup Piecework

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ABSTRACT
A newcomer in the social media industry, Piecework is dedicated to assisting small businesses in growing their operations in the age of globalization. Having the appropriate business model for a simple explanation of a company’s business idea is essential when creating a startup. The Business Model Canvas was a business model that startups utilized frequently at first, but following the creation of the Lean Canvas, they were interested in using it for company development. The purpose of the comparison between the Business Model Canvas and Lean Canvas in the Piecework startup is to enhance the startup development strategy, gain a stronger market position, and gain a deeper understanding of the business framework based on both business models. To validate the concerns encountered, ten informants were interviewed using a qualitative methodology. Lean Canvas is thought to be more suitable for usage by Piecework because using Lean Canvas, Piecework may build services that are more suitable for customers, according to the comparison of the Business Model Canvas and Lean Canvas business models.

Keywords: Business Model Canvas, Lean Canvas, Startup, Piecework

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1. INTRODUCTION

A startup is a start-up business, or a business that has just begun operations[1]. The majority of start-up businesses are recent establishments that are still in the development and research phases of choosing the appropriate target market [2]. Based on information from the website, startups in Indonesia are growing quite quickly with a total of 2,293 businesses operating in diverse industries, Indonesia ranks fifth among the
nations with the most startups worldwide. Technology advancements and the startup's quick growth go hand in hand [3].

Piecework is a startup that is currently growing in Indonesia [4]. In the age of globalization, MSME businesses can benefit from support from startups like Piecework, a social media agency that specializes in helping to sell goods and services using social media [5]. The home base of Piecework is Bali’s Denpasar [6]. Piecework begins with issues that small business owners frequently face, like the challenge of developing promotional content for digital media, the ineffective management of social media accounts owned by small businesses as promotional media, and small business actors who are less aware of the value of digital media for publicizing and marketing goods and services [7].

In order to do business planning and build and validate key components of the business, entrepreneurs frequently use the Business Model Canvas (BMC) [8]. Lean Canvas is a technique for making the spirit of lean (downsizing) lean startups a quick, succinct, and effective startup that Ash Maurya devised [9]. Although the Lean Canvas initially has the same foundation as the traditional Business Model Canvas, there are key changes that must be understood in order to use it to achieve business objectives [10].

Previous academics have undertaken a number of studies on startups using the Business Model Canvas and Lean Canvas [11]. With the results of research on applying lean canvas to Talan in startups as a business model, as done by Ihda Husnayain and Muhammad Kholid Mawardi with the title "Implementation of Lean Canvas at Startups in Facing Competition (Study on Talan in Startups)," it can be simple for Talan in to decide on a business strategy front [12]. In addition, research conducted by Aulia Alma Utami and Trisha Gilang Saraswati titled "Analysis of Business Models in Startup Web Hosting Business in Bandung City Using Business Model Canvas (Case Study on Qwords.com)" revealed that Qwords.com already has a business model that satisfies the requirements set forth by Osterwalder & Pigneur [13]. Additionally, Tuti Wediawati and Ella Fitria Rahmayani conducted a study titled "Implementation of Lean Canvas in Startups in Facing Barbershop Business Competition " with the results of the study [14]. They then applied lean canvas to the Toekang Coekoer business as a business model to help determine the strategy in its development [15].

Based on already completed research, specifically research carried out with just one methodology, notably the Business Model Canvas or Lean Canvas [16]. In order to determine which business model is best for the startup Piecework in establishing its business and marketing strategy, this study compared the Business Model Canvas and Lean Canvas methodologies [17]. Lean Canvas is starting to overtake the practice of applying the Business Model Canvas business model in a company [18]. The Business Model Canvas has been used by Startup Piecework, although there are other analyses that are thought to be less precise in their application, such as the choice of customers who are not quite correct based on the issues, they are facing [19].

2. LITERATURE REVIEW

Previous academics have undertaken a number of studies on startups using the Business Model Canvas and Lean Canvas [20]. With the results of research on applying lean canvas to Talan in startups as a business model, as done by Ihda Husnayain and Mukhammad Kholid Mawardi with the title "Implementation of Lean Canvas at Startups in Facing Competition (Study on Talan in Startups)," it can be simple for Talan in to decide on a business strategy front [21]. In addition, research conducted by Aulia Alma Utami and Trisha Gilang Saraswati titled "Analysis of Business Models in Startup Web Hosting Business in Bandung City Using Business Model Canvas (Case Study on Qwords.com)" revealed that Qwords.com already has a business model that satisfies the requirements set forth by Osterwalder & Pigneur [22]. Additionally, Tuti Wediawati and Ella Fitria Rahmayani conducted a study titled "Implementation of Lean Canvas in Startups in Facing Barbershop Business Competition " with the results of the study [23]. They then applied
Lean canvas to the Toekang Coekoer business as a business model to help determine the strategy in its development [24].

3. METHOD

3.1.1 Research techniques
Methods of qualitative research were applied in this study [25]. A qualitative research method seeks to thoroughly and specifically describe a symptom or phenomenon without using any measurement [26].

3.1.2 Tools and Resources
The following requirements will be met in order to fund this research:

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3.1.3 Interview
A semi-structured interview is the strategy employed at this point [27]. In-depth interviews may comprise semi-structured interview formats since they are more flexible in their execution than structured interviews [28]. Using the Purposive Sampling technique, interviews were performed with informants, specifically the Piecework startup team, to check that solutions to problems or needs identified through brainstorming match those of the target audience (Consideration Sampling)[29]. Purposive Side is a sample unit that was chosen depending on the standards the researcher had chosen while choosing the sample [30].

The following criteria will be used to get interview respondents when using the Purposive Sampling technique:
- Because the researcher is located in the Denpasar area, MSMEs there are convenient to reach.
- Respondents are local Denpasar business owners.

3.1.4 Studying Literature
At this step, the researcher gathers information from a variety of sources, including books and journals with subjects related to the research being done. Local and foreign publications are included in the type of literature study that is used.

3.1.5 Data kind
The kind of data that will be utilized in this study is qualitative. Narrative and descriptive data are types of qualitative data. Qualitative information gleaned from observations and interviews. Interviews with inside startup Piecework and prospective clients who might employ Piecework's services were done.

3.1.6 Data Origin
Both primary and secondary data sources were used as the data source for this investigation.
3.1.7 Primary Data Source
The term "primary data sources" refers to material that researchers have learned directly from the source. Three groups from Piecework served as the study’s primary data sources. Nine business model canvas blocks made up of client categories, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure comprise the data gathered. Along with the nine data blocks of the business model canvas, data from the Problem, Solution, Key Metrics, and Unfair Advantage modifications in the lean canvas are also collected. In addition to the nine data points on opportunities, threats, opportunities, and weaknesses that were gathered.

3.1.8 Sources of secondary data
Secondary data sources are those that are acquired by indirect means, such as by looking for material in credible books, journals, articles, theses, and other sources about the research under study. with the intention of serving as a supplementary source and strengthening the subjects covered.

3.1.9 Research Process

This study begins by examining the issues with the tool utilized, namely piecework. The next step is to undertake theoretical study from books and journals that are connected to the research being done. The following step is to gather information through interviews; once the information has been gathered, the Business Model Canvas creation stage begins. The next stage is to assess the Business Model Canvas that has been developed after it has been created. Making a Lean Canvas is the following step, and it is done so in accordance with the needs and the responses from the respondents. Lean Canvas was created, and after it was finished, the researcher did a study of it. The researcher described and examined the Business Model Canvas and the Lean Canvas before conducting a comparison analysis based on their prior implementation, examining the rise in business development that took place at the Piecework company. Researchers can make inferences from this study based on the comparisons they were able to get.

4. RESULTS AND DISCUSSION

4.1 Beginning Work
A new company in the social media agency sector, Piecework was established in March 2021 and has its headquarters in Denpasar, Bali. The creation of Piecework is anticipated to be able to support MSME companies in growing and marketing their businesses online. The public’s awareness of technology is inconsistent due to the pace of technological advancement, which includes how crucial digital marketing is. Not only should the packaging be appealing, but it should also include logos, product photographs, packaging designs, and other elements. In order to assist MSMEs in meeting their digital needs, Piecework was founded. Piecework offers three major services, including social media management, which aims to assist business owners in managing their social media platforms, which are utilized as a form of digital marketing. Instagram, Facebook, and Google My Business are the social media platforms that Piecework supports. Piecework assists in the creation of content planners as well as copywriting, content design, content analysis, hashtag research, content publishing, and monthly reports on the use of content planners.

4.2. Organizational Structure for Startups

CEO (Chief Executive Officer) is the team's highest position. The CEO (Chief Executive Officer) is responsible for making all major decisions, including those pertaining to customer relationship management. The CEO is also accountable for serving as the team's top decision-maker. The Chief Executive Officer (CEO) of Piecework performs the following duties:

4.3. CEO (Chief Executive Officer)
• Heading upstarts.
• Set both long- and short-term objectives for your business plan.
• Build a Content Planner with customer needs in mind.
• Social media management for consumers.
• Posting designs to user-generated social media.
• Control consumer advertising on social media
• Upkeep of the Piecework website.

4.4. Lead Designer

A graphic design team is led by a lead designer. Graphic design is a type of painting used to produce or organize visual elements on a surface, such as images, text, and lines. The lead designer in Piecework must complete the following tasks:
• Give each member of the graphic design team a task.
• Ensuring that the team adheres to the startup's vision and objectives.
• Create an idea for the data and resources needed to complete the design.
• Sketch out the concept’s illustrations.
• Produce designs that are clear and easy to grasp.
• Use design, layout, and technical components in accordance with the demands and desired outcome.
• Participate on a team

4.5. Marketing

Planning, pricing, promoting, and distributing products and services that can satisfy the needs of consumers and potential clients are the main goals of the marketing discipline. The following tasks pertain to marketing in piecework:
• Conduct research to find out how much services will cost.
• Comprehend customer needs and expectations, and meet them.
• Construct a service marketing plan.
• Content creation and search engine optimization (SEO).
• Keeping an eye on and running social media.
• Make financial reports on a monthly basis.
• Assigning commissions to Piecework participants.

4.6. Admin

The startup's admin is in charge of overseeing and planning all administrative or administrative activity. An admin in Piecework must do the following duties:
• Coordinates the scheduling of meetings and controls their flow.
• Writing up and sharing meeting minutes.
• Maintain paper and digital copies of the company’s files.
• Compile and offer information, reports, and documents.

4.7. The creation of a business model canvas.

This process is when the design that was previously described in the Business Model Canvas planning block is put into practice. The filling is created by brainstorming and previously prepared designs, and the implemented designs are then produced as follows:
4.8. The Business Model Canvas is examined

The nine blocks will be examined for each block in the Business Model Canvas based on the mapped Business Model Canvas. The Business Model Canvas analysis is then obtained in the manner shown below:

4.9. Customer Segments

Customers are a segment of the customer base who use the business' services and generate revenue for it. When determining the customer segment in this case, Piecework focuses on a number of factors, including business actors who lack the time to manage their enterprises, lack of knowledge regarding social media marketing, a lack of specialized human resources to manage social media, and individuals who lack camera-use expertise.

4.10. Value Propositions

The value propositions that Piecework makes to prospective clients are that quality comes first and that the work entrusted to Piecework would emphasize the quality of the services Piecework provides. Because customers would feel satisfied and employ Piecework's services again if the quality is maintained, the company completes work received from clients on schedule and in accordance with the time frame that was previously established. It is anticipated that MSMEs and entrepreneurs will be more interested in using Piecework's services due to the reasonably low, inexpensive costs supplied by the company. In order to achieve consumer happiness, comfort, and good connections, Piecework offers low costs without compromising the quality of the services offered. Additionally, each customer receives a unique value proposition.

4.11. Channels

Customers who utilize Piecework's services in all digital media, including the Piecework website, Instagram, and Facebook, as well as conducting offline exhibitions at various events hosted by the government and other organizations, can get the information they need from Piecework. In order to reach a larger market, Piecework also runs online advertisements through Facebook Ads. Additionally, after using Piecework services, customers are asked to give positive reviews and referrals to each prospective client who would utilize Piecework services.

4.12. Client Relations

Offering enticing promotions like price cuts and bonuses when ordering services is one approach to keep ties with Piecework customers.
4.13. Revenue Streams
Product photography, digital branding, social media management, advertising, making a company profile film, and graphic design are all examples of piecwork services that generate revenue. The funding for Piecwork comes from a variety of services provided, such as, Product images priced from IDR 100,000 to IDR 300,000 depending on the package selected by the customer. Digital branding costs between IDR 200,000 and IDR 500,000, depending on the package that the customer selects. Depending on the plan selected by the consumer, social media management costs between IDR 700,000 and IDR 2,000,000. Consumers’ budgets can also be accommodated for other marketing requirements, such as advertising, creating corporate profiles on video, and graphic design.

4.14. Key Resources
The primary resources that Piecwork has are as follows:

a. People Resources.
Aditya Mahardika serves as CEO (Chief Executive Officer), Deddy Surya is the lead designer, Oktha Pratiwi is in charge of marketing, and Melania is in charge of administration.

b. Computer or laptop
Laptops or computers are resources that are utilized to process customer orders. Software such as Adobe Premiere, Adobe Illustrator, Adobe Photoshop, Excel, and team member performance support programs are used on the MSI Modern - 14 laptop, which has an Intel(R) Core (TM) i5-10210U processor with 1.60GHz and 2.11GHz, 8GB of RAM, and a 256GB SSD as its storage capacity.

c. Camera
Resources in the form of consumer-entrusted cameras used to take product photographs and company bio movies.

d. Financial
The source of financial funds is the source of funds used by Piecwork which comes from initial capital and service transactions that have used Piecwork.

4.15. Key Activities
The primary function of Piecwork as a service provider is to consistently upload content to establish and maintain its position in the Denpasar region’s and adjacent areas’ social media agency market. Additionally, Piecwork fabricates customer orders based on product images and graphic designs.

4.16. Key Partnership
The partnerships that Piecwork engages in include:

a. Advertising
If there are customers who want the outcomes of piecwork jobs to be printed out right away, work with advertising or printing to get the printing done. Permata Printing, located in Jl. Saelus Island No.77K, Dungan, South Denpasar, Denpasar City, Bali 80114, is one of the printers with whom Piecwork has worked.

b. Bank
For transaction flow from clients to Piecwork and from Piecwork to team members, Piecwork leverages the Bank. BNI bank is used by Piecwork to process consumer transactions and pay out fees to members. Because BNI bank is a state-owned
institution and has acquired government assurances, customer funds housed there are more secure, which is why Piecework uses it.

4.17. Cost Structure

Cost Framework There are a number of expenses that Piecework must pay in order to run the business model, including:

a. Investment Cost.

The overall costs incurred to buy production equipment are known as investment costs. The cost of laptops, cameras, studio lights, and photo-supporting ornaments are production expenses in piecework. As a result of piecework, 5–10% of monthly income is set aside for investment fees.

b. Fixed expense.

Fixed costs are expenses that are incurred consistently based on a specific time. The fixed charge in Piecework is the portion of the monthly member cost that is distributed. Depending on each member's effort, the piecework fee is split between 40 and 50 percent of the total.

c. Variable Price

Variable costs are more susceptible to change; typically, changes to these costs are dependent on business performance or at a specific period. Costs associated with social media marketing and promotion as well as unforeseen expenses are covered in Piecework. Set aside 20–30% of sales in Piecework for marketing and incidental expenses.

4.18. Creation of Lean Canvas

This step is when the design that was previously described in the Lean Canvas planning block is put into practice. The filling is created by brainstorming and previously created designs, which are then validated during the interview stage with a variety of informants. The final design is then put into practice.

4.19. The Lean Canvas method

a. Customer Segments

Lean Canvas and the Business Model..
Customers are a segment of the customer base who use the business’ services and generate revenue for it. When determining the customer segment in this case, Piecework focuses on a number of factors, including business actors who lack the time to manage their enterprises, lack of knowledge regarding social media marketing, a lack of specialized human resources to manage social media, and individuals who lack camera-use expertise.

b. Problem

The brainstorming stage was used to develop a number of problems in this block, which were then directly validated in the interview step to make sure the idea was workable and in line with the issues experienced by customers. The following are the issues that consumers face:

A. lack of knowledge regarding the significance of social media marketing. Based on the findings of the interview, the informant expressed the opinion that they did not understand how to use social media, and that all that was done was upload product photos and give brief descriptions of the products that were uploaded; the entrepreneur had little time to respond or post social media content.

B. The challenge of taking visually appealing product photographs. According to the findings of the interview, the informant felt that their lack of resources and expertise prevented them from taking high-quality product images. Product images are typically taken only with cellphone cameras.

C. Product photographs cost a fair amount of money. Based on the findings of the interviews, the informant expressed the belief that he was unable to photograph the sold goods, but that since the cost of product photography services was greater than the revenue generated, business actors believed that if product photographs were used by other people’s services, it might have an impact on their ability to maintain financial stability.

If customers choose not to employ the services provided by Piecework, there is another option listed in the block’s Existing Alternative section. Customers can use their telephones to take their own product pictures in Alternative Existing Piecework.

c. Solution

The provision of services to business owners, specifically social media management services to help business owners maintain their social media accounts like Instagram and Facebook, results from efforts to alleviate difficulties experienced by consumers. Naturally, there are lovely product photographs in the material that can catch customers’ attention, offer pricing that business owners can afford, and still keep the caliber of the product photos.

d. Unique Value Propositions

Quality comes first, and work entrusted to Piecework will prioritize the quality of the services Piecework provides, are the Unique Value Propositions that Piecework delivers to prospective customers. Due to the fact that when Piecework’s quality is maintained, customers are happy and return to employ its services, the work it receives is completed promptly and in accordance with the client’s specified deadline. MSMEs and entrepreneurs are anticipated to be more interested in using Piecework’s services due to its reasonably low costs. In order to achieve client happiness, comfort, and positive connections with customers, Piecework offers services at reasonable prices without compromising the quality of the work done.
e. Revenue Streams

Streams of Income / Piecework services including product photography, digital branding, social media management, advertising, making a company profile video, and graphic design provide revenue streams. The revenue-generating services provided by Piecework include Product Photos, with pricing ranging from IDR 100,000 to IDR 300,000 depending on the package selected by the customer. Digital branding costs between IDR 200,000 and IDR 500,000, depending on the package that the customer selects. Depending on the plan selected by the consumer, social media management costs between IDR 700,000 and IDR 2,000,000. Consumers' budgets can also be accommodated for other marketing requirements, such as advertising, creating corporate profiles on video, and graphic design.

f. Cost Structure

Price Structure The following expenses must be paid by Piecework in order to run the business model:

A. Investment Costs Investment costs are the sum of all expenses required to buy industrial machinery. The production costs for piecework are the price of laptops, cameras, studio lighting, and photo-supporting ornaments. The outcome of piecework is monthly income of 5–10% of total income set aside for investment fees.

B. Fixed costs are expenses that are incurred consistently based on a specific time. The fixed charge in Piecework is the portion of the monthly member cost that is distributed. Depending on each member’s effort, the piecework fee is split between 40 and 50 percent of the total.

C. Variable costs are more susceptible to change; typically, changes to these costs are dependent on business performance or at a specific period. Costs associated with social media marketing and promotion as well as unforeseen expenses are covered in Piecework. Set aside 20–30% of sales in Piecework for marketing and incidental expenses.

g. Prebinding Business Model Canvas dan Lean Canvas

Based on a comparison of the BMC and Lean Canvas business models at the Piecework startup, there are differences in several blocks in the BMC and Lean Canvas models, including Key Partnerships changing to Problems, Key Activities changing to Solutions, Key Resources changing to Key Metrics, and Customer Relationships changing to Unfair Advantage, as well as several additional titles in the Problem block, namely Existing Alternatives, the Unique Value Proposition block, n, and several other blocks in the Lean Canvas model.

Based on these variations, the Piecework problem block may identify the issues that the target audience is facing in order to offer the best solution. You may learn more about the key actions or processes involved in the Piecework startup process in the Key Metrics Piecework block section. Piecework may have advantages in the beginning block for unfair advantages that rivals cannot duplicate. Free testing of product images is included in the Unfair Edge block; as not all competitors offer such free testing, Piecework has an advantage that rivals cannot match.

By utilizing Lean Canvas, startup Piecework may concentrate on identifying issues and developing solutions using the beginner’s mindset used by startups to generate ideas.
In its application, the Business Model Canvas has the idea of thoroughly explaining each block while the Lean Canvas has the idea of eliminating time-consuming tasks and unnecessary information, so it focuses more on the problems being brought up, confirms whether the problem is consistent with what consumers are experiencing, and offers an overview and direction for the development of Piecework in the direction that consumers are legitimately in need of so that.

5. CONCLUSION

The following conclusions on the comparison of the Business Model Canvas and Lean Canvas at the Piecework startup were drawn from the findings of the previous analysis and discussion: 1. The business model comparison at the Piecework startup, which aimed to compare how the Business Model Canvas and Lean Canvas were applied, has succeeded. 2. When the Business Model Canvas is implemented at a startup, Piecework creates a Business Model Canvas that emphasizes the Value proposition that will be provided to customers more. 3. The Piecework startup’s application of the Lean Canvas business model focuses on consumer concerns and offers the appropriate answers to these challenges. 4. Based on a comparison of the Business Model Canvas and Lean Canvas, it can be said that Lean Canvas is more suitable for Piecework startups because these companies are still in the early stages of development and must explain the challenges MSMEs face and the solutions they offer in order to design services more suitable for customers.

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REFERENCES


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