Development of Java Hands Startup Business Idea Model by Lean Startup Approach

Alwiyah¹, Sri Watini²
Accounting Study Program Lecturer, University of Wiraraja, Indonesia¹
Master of Panca Sakti University, Indonesia²
Email: alwiyah@wiraraja.ac.id , srie.watini@gmail.com

ABSTRACT

Exporting is one of the activities that help increase a country's foreign exchange income. However, there are still many export commodities that have not been maximized. One of them is handicrafts. Java Hands is an e-commerce company aiming to sell handicrafts made by Yogyakarta artisans to overseas markets. Based on the observations made, there are fluctuations in the value of Indonesia’s handicraft exports. Only one country controls the value of exports. Java Hands aims to increase interest in crafts and help artisans find new markets. The Java Hands build process is designed with a lightweight startup approach. This approach makes work more efficient and faster.

Keywords:
Start-up
Home Made
Business Plan
Time Start-up
Founder Start-up digital

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1. INTRODUCTION

Indonesia is considered as one of the biggest exporters in the world [1]. This happens because Indonesia is rich in raw materials [2]. The country’s export growth is an important source for developing countries like Indonesia [3]. On the other hand, increased exports will not only have an impact on earning foreign exchange but can also contribute to the appreciation of the rupiah [4]. Of the many commodities exported by Indonesia, handicrafts are one of the commodities that receive less attention [5].

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craft does not only come from wood [6]. Bamboo, rattan and leather are also the basic materials which are then processed into various goods [7]. For example, carpets, baskets, bags, lamps and other handicrafts [8]. The United States, Australia, the Netherlands, Spain and Singapore are the main destinations for handicraft exports in 2017-2020[9].

Indonesia's handicraft exports have increased every year from 2017 to 2020[10]. Exports managed to reach 9.674 million USD in 2017, 12.531 million USD in 2018, 12.641 million USD in 2019 and 13.875 million USD in 2020 [11]. However, the United States alone earns more than $1 million annually [12]. This shows the interest of other countries to import handicrafts from Indonesia, but there is no platform that can connect these importers and craftsmen [13]. Based on observations based on Indonesian export data for the 2017-2020 period, it can be concluded that Indonesian handicraft exports are increasing every year [14]. However, more than 30% of Indonesia's handicraft exports are concentrated in one country, the United States [15]. Meanwhile, the 4 largest importing countries for Indonesian handicrafts, namely Australia, the Netherlands, Spain and Singapore, are far behind the value of US imports, despite an upward trend [16].

No concrete steps have been taken to expand the handmade market overseas [17]. No app can be a direct bridge between artisans and foreign markets [18]. As we know, Indonesian handicrafts have their own uniqueness and charm [19]. It would be a shame if this work of art didn’t turn out to be the best [20]. Based on the problems above, a business idea was born to connect Indonesian artisans with foreign markets [21]. The implementation of this business idea is Java Hands which aims to help craftsmen in Yogyakarta sell their products abroad [22]. Java Hands also prioritizes the benefits of these artisans [23].

With Java Hands, he hopes to open new export doors that will enrich artisans, and Java Hands will become a bridge between artisans in Yogyakarta and foreign markets[24]. Once implemented, Java Hands will be the only e-commerce application that sells handicrafts directly from Indonesia and markets them overseas[25]. Java Hands will later be built with a lean startup approach [26]. This approach consists of three steps, namely learning, planning and measurement [27]. By using this approach, it is expected that work progress will be faster [28]. This approach focuses on user feedback and input [29]. This is done so that the application is made in accordance with the wishes of the user [30].

2. LITERATURE REVIEW

A. The Lean Startup

The Lean Startup is an approach popularized by Eric Reis in his book The Lean Startup. Lean Startup is an approach focused on accelerating the startup development process. The term Lean Startup originally comes from the IT industry for software companies but is increasingly being used in other industries for other types of innovation projects. Lean Startup is a method or concept.

A methodology is a process. This process was quickly implemented to create prototypes to assess customer assumptions. In contrast to design thinking, where you must find out which business ideas need to be implemented, Lean Startup tests hypotheses directly from existing ideas. One of the drawbacks of design thinking is that
the products created are unlikely to attract consumers. This is because the final product meets market requirements. The Lean Startup approach adapts quickly because when you face failure, you can overcome it by changing the way you work and finding solutions to the problems you face. The Lean Startup approach consists of her three phases: Build, measure, learn.

B. Previous studies

This section provides an overview of some of the studies that are relevant to the studies that have been conducted. The research includes research on handicrafts and exports from Indonesia and Diya Pamunkas CV on marketing strategies for wooden handicrafts for the domestic market. Bima, Bantul, Yogyakarta, CV. Bima relies on the benefits of the products offered and proximity to customers. This research was conducted using a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis.

The analysis was conducted after collecting materials through interviews and inspections, and another study on domestic product exports by Factoria Diamante analyzed domestic production factors that affect exports of wooden handicrafts. The study was conducted in the area of Ubud, Gianyar district. Based on qualitative (interviews with exporters) and quantitative (labor volume, capital, commodity value, production value, export value), we find that labor, capital and commodities have a positive impact on production. I was. Labor and capital have a positive impact on exports. From the above research, it can be concluded that many factors can affect the export of products. either in a positive way or in a negative way. element Priority is given to the superiority of the products offered and the raw materials for workmanship

3. METHOD

In Java Hands, the approach used to build startups and validate business ideas is the lean startup approach. This approach is used because it is believed to shorten the initial development, which is usually long. This approach also minimizes errors due to products built on user requests. The Lean Startup approach is divided into three phases: market validation, product validation, and business validation.

a) Market Validation In this market validation phase, the business idea is validated. is that so valid business idea that many people are using? Countermeasures in the form of processing observation data based on existing information. This information comes from media and academic articles on craft exports. So far, Indonesia’s export data to various countries from 2017 to 2020 have been studied and processed into graphs. and tables. The processed data is then checked to validate the proposed business idea.

b) Product Validation This phase ensures that the created design concept is a suitable solution for application development. Next, a prototype (prototype) of the application is created. This process is often referred to as the MVP production stage (minimum viable product). After a prototype has been created, it is offered to consumers, who are encouraged to provide feedback. At this stage, prototype development takes place based on observations. This prototype is used for suggestions or feedback to potential users. this potential user.

c) Business Validation This final step defines what the first and second steps should do. In addition, it ensures that each function performed is performed with
integrity. During this phase, feedback from potential users is processed and used in the final product. This is done to ensure that the applications developed are tailored to user needs and have sustainable and growing value.

4. RESULTS AND DISCUSSION

Java Hands is a web-based application that works in the marketplace, especially in the craft sector. The Java Hands business idea was created using a lean startup approach by testing hypotheses of presented business ideas. The first hypothesis put forward is based on evidence that handicraft exports from Indonesia are declining.[23]

This chapter contains instructions related to testing hypotheses of a presented business idea.

a) Observations

Observations were made using a method of collecting information on Indonesian handicraft exports. This information is mass media news coverage, scientific articles, and export statistics conducted by Indonesia. This observation is useful for evaluating the business idea hypothesis that has been brought

Source: Trade map (data processed by researchers)

Figure 1. Indonesian Handicraft Export Data (In Thousands of US Dollars)
Table 1. Export Data for Indonesian Handicrafts per Country from 2017-2020
(In Thousands of US Dollars)

<table>
<thead>
<tr>
<th>Year/Country</th>
<th>United States Of America</th>
<th>Australia</th>
<th>Netherlands</th>
<th>Spanish</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4679</td>
<td>542</td>
<td>337</td>
<td>202</td>
<td>769</td>
</tr>
<tr>
<td>2018</td>
<td>6989</td>
<td>590</td>
<td>520</td>
<td>466</td>
<td>75</td>
</tr>
<tr>
<td>2019</td>
<td>4731</td>
<td>1075</td>
<td>615</td>
<td>533</td>
<td>390</td>
</tr>
<tr>
<td>2020</td>
<td>4480</td>
<td>1494</td>
<td>1301</td>
<td>751</td>
<td>745</td>
</tr>
</tbody>
</table>

Source: Trade map (data processed by researchers)

It can be seen that Indonesian handicraft exports are increasing year by year. Figure 1 shows a clear leap from 2017 to 2018. It jumped from $9.674 million to $12.531 million. This trend continues until 2020, when handicraft exports reach $13.875 million. However, as can be seen in Table 1, only the United States consistently imports Indonesian handicrafts. Imports consistently exceed $4 million. Meanwhile, the other four countries, the largest export destinations for Indonesian handicrafts, do not match the numbers reached by the United States.[26] It also shows that only After reaching $769,000 in 2017, that number rose to $75,000 Dollars in 2018. The value of handicraft exports to Singapore increased gradually in 2019 and 2020, with a value of US$390 thousand and US$745 thousand respectively.

The spread of the export value of each country is vastly different. The value of exports to the United States every year is still greater than the combined value of exports to Australia, the Netherlands, Spain, and Singapore. Only in 2020 the export value of these 4 countries has almost rivaled the United States' export value.[27] With a combined value of these countries reaching a value of 4.291 million US Dollars.[28] This description shows that there is still a considerable gap between the value of exports from the United States and other countries.

b) Application Prototype

The Java Hands application is a web-based application, this application is designed according to the suggestions given by the user.[29] The features in this application are also designed in such a way as to meet the wishes of the user. The results of observations that have been made, also play a role in making this application.[30] Figure 2 is a prototype of the Java Hands website, which has several pages

Development of Java...
5. CONCLUSIONS

When building a startup, its development requires several phases. This article uses the lean startup approach. The reason I use this approach is because it saves time building a startup. This approach, on the other hand, focuses on user feedback in order to tailor the created application to the needs of potential customers.

The result of developing a startup idea according to the Lean Startup approach is evidence that business ideas are born from observations. Prototypes created are tested with users for feedback. So that the final product can meet the user's wishes.

Java Hands are assumed to be required based on the data found. This is because exports of handicrafts from Indonesia are concentrated in one country. It is hoped that Java Hands will become a bridge to overseas markets for handicrafts. Also, handicraft exports, once monopolized by one country, are now more evenly distributed. The development of the Java Hands website is still in the prototype stage, and we hope to have it up and running as soon as possible. Feedback will continue to be collected to update the application in line with user requests.

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REFERENCES


**BIOGRAPHIES OF AUTHORS**

<table>
<thead>
<tr>
<th>Alwiyah</th>
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<tbody>
<tr>
<td>Alwiyah Lecturer at University of Wiraraja who is currently actively writing articles for various scientific journals and has produced several research results and other articles. She can be contacted at email: <a href="mailto:alwiyah@wiraraja.ac.id">alwiyah@wiraraja.ac.id</a></td>
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<th>Sri Watini</th>
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<tbody>
<tr>
<td>is a lecturer at the Panca Sakti University, Bekasi. She has published research papers of the reputation of SINTA and SCOPUS. She can be contacted at email: <a href="mailto:srie.watini@gmail.com">srie.watini@gmail.com</a></td>
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