

Business Model Canvas as a Strategy for the Development of BUMDES in Kuningan Regency in the Perspective of Islamic Economics

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ABSTRACT

Bumdes, if managed properly, can make a village more independent and improve community welfare. The purpose of this research is to analyze the condition of BUMDes from a business aspect using BMC and VPC, to analyze the condition of BUMDes based on the perspective of Islamic economics, and to formulate strategies for the development of BUMDes to be more optimal so that it can enhance people's welfare. This study employs a qualitative research approach, with data collected through observation, interviews, and documentation conducted with Bumdes/village head managers and community members. Data analysis was carried out using SWOT analysis and data triangulation. The results of the study indicate that the implementation of BMC and VPC is effective in meeting local needs, empowering communities, and creating relevant value. However, challenges such as limited funding, a lack of strategic partnerships, and low adoption of local products remain obstacles that must be addressed. The implementation of BUMDes management based on Islamic economic values in the four villages demonstrates initial success in creating positive social and economic impacts. Nevertheless, there remains significant potential to further improve community welfare and business sustainability through more integrated and innovative strategies.

KEYWORDS

BUMDes Empowerment, Business Model Canvas, Islamic Economic Values, SWOT Analysis for BUMDes, Value Proposition Canvas



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INTRODUCTION

BUMDes is a village-owned enterprise established and owned by a village community with the focus on providing support in meeting the daily needs of the community, increasing the level of knowledge in the village environment, and creating business potential and job opportunities (Hendra & Susanto, 2024; Rahmah, 2025; Ramadhani, Adha, & Kurniawan, 2024; Wulandari, Mawardani, Rohman, & Hayati, 2025). Through the establishment of BUMDes in a village, it is hoped that the community can play an active role in efforts to develop, strengthen, and improve the economy in rural areas by focusing on meeting the needs and

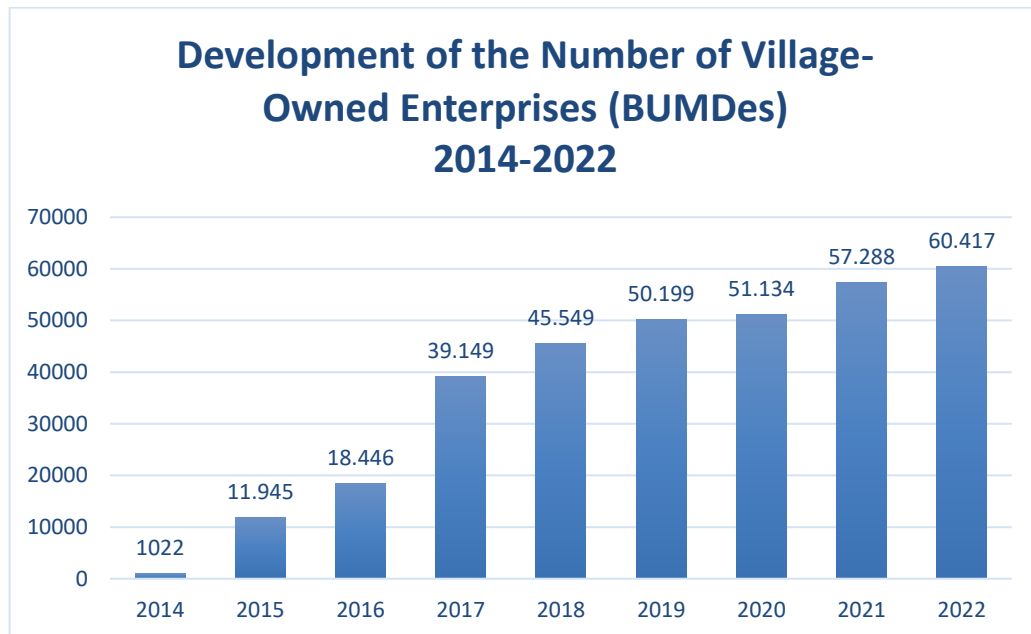
optimizing village resources (Bumdesa., 2022). With the optimal management of BUMDes that can empower the community, it is hoped that it can reduce the urbanization rate so that a balance occurs between life in cities and villages. This is in accordance with the content of the Qur'an surah Al-Baqarah verse 30:

And he said, "Your Lord said, 'I am the Messenger of Allaah (peace and blessings of Allaah be upon him),' and he said, 'I am the Messenger of Allaah (peace and blessings of Allaah be upon him).'

"And when your Lord said to the angels, "I want to make a caliph on earth." They said, "Do you want to make a man who destroys and sheds blood there, while we praise You and sanctify Your name?" He said, "Truly, I know what you do not know."

This verse reflects that Allah SWT has made humans as leaders who are responsible for the management of the earth, not only limited to the city but also in the village. BUMDes is one way that the potential in the village can be optimized efficiently so that it is able to prosper and empower the community.

By referring to information presented by the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration, the number of BUMDes in Indonesia continues to increase, in 2023 there will be 60,417 BUMDes, of which as many as 16,558 are legal entities (NUGRAHENI, 2023). The following is a graph showing the development of the number of BUMDes from year to year:



The table above shows that the number of BUMDes continues to increase from year to year, however, on the one hand there is an increase in the number of BUMDes, on the other hand, many BUMDes are not running or failing. Based on the President's statement, in 2019 the number of inactive BUMDes was 2,188 BUMDes and 1,670 BUMDes that were operating did not contribute to village income (Muhammad Choirul Anwar, 2019). One of the obstacles to the number of

BUMDes that have not been active is due to the managerial capacity of managers who are not qualified (NUGRAHENI, 2023).

Based on management theory, management aspects include planning, organizing, implementing, and controlling (Kerzner, 2025; Nurhikmah, 2024; Schulze, Nehler, Ottosson, & Thollander, 2016; Simons, 2019). Planning plays an important role in managing an institution, especially BUMDes. Planning as a guide can provide a clear and strategic direction for local economic development.

An instrument that can be used in carrying out the planning process is the Business Model Canvas or BMC. Osterwalder and Pigneur explain that a business model illustrates how an organization creates, delivers, and acquires value (Osterwalder, Pigneur, Bernarda, & Smith, 2015). The Business Model Canvas (BMC) has nine elements that must be mapped before starting a business or activity, namely Key Partners, Key Activities, Key Resources, Value Position, Customer Relationships, Channels, Customer Segments, Cost Structure, and Revenue. In addition to the 9 components of BMC, because BUMDes not only functions as a profit institution but also acts as a community empowerment body, the components are added, namely Social and Environmental Costs and Social and Environmental Benefits (Sparviero, 2019).

Kuningan Regency is one of the regions in West Java that has 360 villages (kuningankab.go.id, 2024). Kuningan Regency has considerable potential for the development of BUMDes, if it is managed properly and seriously. Based on data from the Kuningan Regency Government, in Kuningan there are still many villages that do not have BUMDes. In addition, several villages that already have BUMDes but have not been managed optimally. Thus, it is important to conduct research to optimize the potential of BUMDes, one of which is through planning using the Business Model Canvas and Value Proposition Canvas. By utilizing BMC and PVC, it will be easier to optimize the existing business fields in BUMDes so that it can increase income and prosper the community through the absorption of jobs.

Previous research related to BUMDes was conducted by Daniel Itta, Muhammad Helmi and Adnan Ardhana (2021). This study evaluates the business model of purun straw handicrafts in Tumbang Nusa Village and designs its development strategy using the Business Model Canvas (BMC) approach (Itta, Helmi, & Ardhana, 2021). The next research was conducted by Annaztashya. This study aims to understand the details of the business model of PUJASERA MSMEs by analyzing the aspects of the Business Model Canvas, designing a business model that is suitable for the development of PUJASERA MSME strategies, and identifying supporting factors and obstacles in implementing the Business Model Canvas on PUJASERA MSMEs. (Utami, 2019). The next research was conducted by Acwin Hendra Saputra (2022) which discussed the use of Business Model Canvas which can be used in the context of social entrepreneurship (Saputra, 2022).

Previous research has emphasized on; (1) the process of evaluating the business model using BMC and designing its development strategy using BMC; (2) analyze aspects of BMC and design business models; (3) analysis of the use of BMC for social enterprises. Meanwhile, the focus of this research is not only to formulate an optimization strategy for BUMDES using BMC and PVC but also to analyze the condition of BUMDES based on the perspective of Islamic economics.

The novelty of this research lies in the integration of Business Model Canvas and Value Proposition Canvas analysis with Islamic economic principles in the context of BUMDes management, which has not been extensively explored in previous studies. This integrated approach provides a more comprehensive framework for understanding BUMDes sustainability both from business and socio-religious perspectives.

This study aims to: (1) analyze the implementation of BUMDes in four selected villages in Kuningan Regency using BMC and VPC frameworks; (2) evaluate the condition of BUMDes based on Islamic economic perspectives; and (3) develop comprehensive optimization strategies for BUMDes using BMC and VPC. The benefits of this research include: (1) providing practical guidelines for BUMDes managers to improve their business models; (2) contributing to the theoretical development of social entrepreneurship in Islamic economic contexts; (3) offering policy recommendations for local governments in supporting BUMDes development; and (4) serving as a reference for future researchers interested in village economic empowerment. The implications of this research extend to strengthening rural economic resilience, promoting sustainable community development, and demonstrating how Islamic values can be integrated into modern business management practices.

RESEARCH METHOD

The research approach used in this study was a qualitative approach, which aimed to provide an in-depth understanding of the existing business analysis in BUMDes using BMC and VPC, and to formulate strategies for the development of BUMDes using BMC, VPC, and SWOT analysis. The subjects of this study were four BUMDes in Kuningan Regency, while the object was the development strategy formulated using BMC, VPC, and SWOT.

The data used in this study consisted of primary and secondary data. Primary data were obtained from interviews, observations, and documentation, while secondary data were collected from journals and books. Interviews were conducted with Bumdes managers and local communities.

The data collection techniques included field observation to examine the business practices carried out by BUMDes, interviews with Bumdes managers and the community, and a literature study to explore theories related to BUMDes, BMC, and VPC. The validity of the data in this study was ensured through the application of triangulation—a technique that involves various data sources, methods, or researchers to confirm the research results. In this study, both data source triangulation and method triangulation were applied.

Data source triangulation was carried out using interviews, observations, and document analysis as diverse data sources to obtain a more comprehensive understanding of the phenomenon studied. Meanwhile, method triangulation was conducted by combining several data collection methods, such as in-depth interviews, participatory observation, and content analysis, to obtain varied perspectives and validate the research findings. The data analysis technique used in this study was SWOT analysis.

RESULT AND DISCUSSION

Analyze the Condition of Bumdes using the Business Model Canvas and Value Proposition Canvas

The implementation of the Business Model Canvas (BMC) and Value Proposition Canvas (VPC) in BUMDes in four villages (Cisantana, Pagundan, Ancaran, and Sukamukti Villages) shows success in creating value in accordance with the needs of the local community, although each village has different challenges and development opportunities.

The business model in the four villages is designed to meet the specific needs of the community, both through the provision of household products, digital services, and economic empowerment. The main components of the implemented BMC include: (1) Customer Segments: All villages have successfully identified clear customer segments, such as housewives in Sukamukti Village, students in Ancaran Village, and the village community in general in Pagundan and Cisantana Villages. This specific segmentation allows products and services to be tailored to local needs; (2) Value Propositions: Each BUMDes offers unique value, such as environmentally friendly packaging in Sukamukti Village, internet access in Ancaran Village, and timely waste transportation in Cisantana Village. This supports the theory of *Value Creation* (Osterwalder et al., 2014) which states that the value proposition must be oriented towards the specific benefits of the customer; (3) Channels and Customer Relationships: The distribution channel strategy uses local approaches, such as mobile marketing (Sukamukti Village) and socialization through village forums (Ancaran Village). Customer relationships are also built through transparency and active communication with the community, which supports increased loyalty and trust, as explained by Rahman et al. (2019); (4) Revenue Streams: BUMDes in all villages use a variety of approaches, such as income from community contributions in Cisantana Village, ATK sales in Ancaran Village, and dish soap in Sukamukti Village. Diversification of income sources is an important element in maintaining sustainability, as expressed by Sutrisno (2018); (5) Key Resources and Activities: Empowerment of local resources, such as housewives in Sukamukti Village and students in Ancaran Village, is the main foundation for BUMDes operations. Key relevant activities, such as waste management, grocery sales, and reseller empowerment, create significant local economic impacts; (6) Key Partnerships: Collaboration with vendors (Sukamukti Village) and village governments (Pagundan and Ancaran Villages) provides service capacity development opportunities. However, some villages, such as Cisantana, still need to step up strategic partnerships to support growth.

The implementation of VPC in four villages shows the compatibility between community problems (Problem Fit) and the benefits of services provided (Gain Fit): (1) Problem Fit: All villages have succeeded in identifying the main problems of the community, such as waste management in Cisantana Village, limited digital access in Ancaran Village, and lack of substitution of local products

in Sukamukti Village. The products and services offered by BUMDes have successfully solved these problems in a relevant and efficient way. (2) Gain Fit: The real benefits felt by the community include increased comfort (Cisantana Village), cheap internet access (Ancaran Village), and new job opportunities (Sukamukti Village). The Gain Creators theory supports that benefits that match customer expectations increase satisfaction and loyalty (Osterwalder et al., 2014). (3) Competitor Analysis: The lack of competitors in several villages, such as Cisantana and Pagundan, provides a strategic advantage for BUMDes. However, in Sukamukti Village, competition with big brands is still a challenge that requires a community education approach, as revealed by Wahyuni (2020).

The four BUMDes have shown that the implementation of BMC and VPC is effective in meeting local needs, empowering communities, and creating relevant value. However, challenges such as limited funding, lack of strategic partnerships, and low adoption of local products remain obstacles that need to be overcome.

The implementation of BMC and VPC in the four villages shows that BUMDes has great potential to become a pillar of the local economy. With the right strategies, including strategic collaboration, consumer education, and product innovation, BUMDes can strengthen their role in community empowerment and sustainable village development.

Analysis of Bumdes Conditions based on Islamic Economic Perspective

The management of BUMDes in Cisantana, Pagundan, Ancaran, and Sukamukti Villages reflects efforts to adapt Islamic economic values in desa economic activities, as follows:

Sharia principles, the four BUMDes strive to ensure transactions are free from elements of *riba*, *gharar*, and *maysir*, through approaches such as cash-only transactions and routine supervision. This approach is in accordance with the theory of Islamic Transactional Ethics (Beekun, 1997) which emphasizes fairness and transparency in sharia-based economic transactions. However, the level of managers' understanding of sharia principles still needs to be improved through Islamic entrepreneurship education and training.

Empowerment and Social Welfare, BUMDes in the four villages have shown a significant contribution in supporting community welfare, especially through the provision of affordable services and subsidy plans for underprivileged residents. This reflects the theory of Community Empowerment (Narayan, 2002) which emphasizes the importance of strengthening the capacity of local communities. This approach is also in line with Islamic values about *maslahah* (common good) and social solidarity, even though *zakat*, *infaq*, or *shadaqah*-based programs have not been fully integrated in all BUMDes.

Transparency and Trust, Transparency and trust are the foundation of public trust in BUMDes. Regular financial reporting and community involvement in decision-making reflect the principles of Islamic Corporate Governance (Dusuki, 2008), which emphasizes the importance of accountability and trust in the

management of public funds. However, managers in some villages still need training on sharia-based financial management to improve professionalism.

Blessings and Sustainability, BUMDes has provided sustainable benefits for the community through the provision of basic services, such as waste management, ATK, internet access, and household products. The concept of blessing (barakah) in Islam, which emphasizes the long-term benefits of economic activities in accordance with sharia, can be seen from the positive impact on environmental cleanliness and economic improvement of the community. The Sustainable Development Theory (Rifkin, 1996) supports this approach by emphasizing the importance of integrating social, economic, and environmental aspects in creating sustainability.

Justice in Profit Distribution, BUMDes has applied the principle of justice in the distribution of benefits, such as providing discounts to village communities and sharing profits proportionally. This approach reflects the theory of Economic Justice (Chapra, 1992), which emphasizes the importance of equitable income distribution to create a socio-economic balance. However, a more formal and structured distribution system needs to be developed to ensure broader benefits for society.

The implementation of BUMDes management based on Islamic economic values in the four villages shows initial success in creating positive social and economic impacts. However, great potential to improve community welfare and business sustainability can still be explored through more integrated and innovative strategies. By combining community empowerment theory and Islamic values, BUMDes can become a model of local economic institutions that not only meet the needs of the community but also support social and environmental sustainability.

BUMDES Strategy Development

The following is a SWOT analysis of BUMDES as follows:

Strengths

- a. Clear Segment Identification: All villages have successfully defined specific customer segments, such as students, housewives, and the general public, so that products and services can be tailored to their needs.
- b. Unique Value Proposition: Added value, such as eco-friendly packaging in Sukamukti Village and cheap internet access services in Ancaran Village, creates a competitive advantage.
- c. Transparency and Good Customer Relations: Transparency of financial statements and active communication increases public trust and loyalty.
- d. Lack of Competitors: Villages like Pagundan and Cisantana have few competitors, providing room for growth without competitive pressure.

- e. Application of Sharia Principles: Efforts to avoid riba, gharar, and maysir through cash-based transactions.
- f. Contribution to Sustainability: Providing sustainable benefits such as environmental cleanliness, improving the local economy, and the availability of essential services
- g. Local Discounts for Village Communities: Helping rural communities through cheaper prices for services or products.

Weaknesses

- a. Funding Limitations: Minimal funding hinders innovation and service development, such as in Sukamukti and Pagundan Villages.
- b. Low Community Education: Lack of education about the importance of local products is a challenge, especially in Sukamukti Village, where big brands are still more dominant.
- c. Lack of Strategic Partnerships: Some villages have not established strong collaborations with the private sector or Islamic financial institutions to support operations.
- d. Not Enough Service Diversification: Some villages still rely on one or two types of services, making them vulnerable to market changes.
- e. Lack of Sharia Principles Education: Managers' understanding of Islamic economic principles is still limited
- f. Limitations of Social Programs: There are not many BUMDes that run zakat, infaq, or shadaqah-based programs in a structured manner.
- g. Limited Funding: Difficulty accessing funding from the government or Islamic financial institutions.

Opportunities (Peluang)

- a. Strategic Partnerships: Opportunities to work with the private sector, governments, and Islamic financial institutions can expand the capacity and range of services.
- b. Product Innovation: The development of new products, such as detergents, toothpaste, and digital services, can open up new market opportunities.
- c. Improving Public Education: Education on the importance of supporting local products can expand the adoption of BUMDes services.
- d. Unreached Local Market Potential: There are still many untapped market potentials in the village, especially segments that require specific services.
- e. Diversification of Social Programs and Products: Potential to develop new services such as Islamic entrepreneurship training, digital-based zakat, and eco-friendly products.
- f. Unmet Community Needs: There are still many market segments that can be worked on, such as MSMEs or local farmers.

- g. Environmental Awareness: Increased attention to sustainability opens up opportunities for eco-friendly products and services.

Threats (Ancaman)

- a. Competition with Big Brands: Sukamukti Village faces challenges from big brands that are better known to the public.
- b. Dependence on Local Resources: Limited local resources can hamper operations, especially in Ancaran and Sukamukti Villages.
- c. Regulatory Changes: Inconsistent village policies can affect the operational stability of BUMDes.
- d. Lack of Awareness about Local Products: People's preference for big-brand products is a threat to the sustainability of local products.
- e. Dependence on Internal Funds: Reliance on the manager's personal capital can hinder growth.
- f. Low Awareness of Islamic Economics: Lack of public understanding of sharia values in business.

Based on the results of the SWOT analysis above, the following strategies are developed:

1. Strengths-Opportunities

- a. Strategic Collaboration: Leveraging public trust to establish partnerships with the government, private sector and universities to support funding, service development and management assistance
- b. Product Diversification: Developing new services, such as daily necessities products (detergents, toothpaste) and digital-based educational facilities, to meet the needs of a wider community.
- c. Community Education: Use existing beliefs to increase education about the importance of supporting local products and their impact on the village economy.

2. Weaknesses-Opportunities

- a. Innovative Funding: Access village funds or partnerships with Islamic financial institutions to increase service capacity.
- b. Manager Training: Providing Islamic entrepreneurship training to BUMDes managers to strengthen professionalism and understanding of sharia business.
- c. Improved Customer Relations: Increase community involvement in new product planning through village forums or needs surveys.
- d. Social Program Development: Starting simple programs such as infaq and shadaqah to support the underprivileged.

3. Risk Mitigation Strategy (Weaknesses-Threats)

- a. Diversify Revenue Sources: Reduce dependence on one type of income by adding product and service lines, such as education or transportation services.

- b. Management System Improvement: Increase transparency and accountability to avoid potential internal or external conflicts that could reduce public trust.
- c. Intensive Education on Local Products: Conduct educational campaigns to change people's mindsets towards the importance of supporting local products and train managers on the risks of sharia business and how to deal with competition.

4. Market Exploration Strategy (Strengths-Threats)

- a. Improved Product Quality: Leveraging competitive advantages, such as eco-friendly packaging or additional bonuses, to compete with big brands.
- b. Local Market Expansion: Identify new market segments in nearby villages that have not yet been reached, such as MSMEs or farmer groups, to increase sales.
- c. Increased Branding of Local Products: Using social media and digital marketing to introduce BUMDes products more widely, creating a brand that is known outside the village.

Community Strengthening: Using public trust to introduce more Islamic economy-based initiatives:

CONCLUSION

The study of the four BUMDes revealed that implementing BMC and VPC effectively met local needs, empowered communities, and created relevant value, supported by management grounded in Islamic economic principles that generated positive social and economic impacts. Despite this progress, challenges such as limited funding, weak strategic partnerships, and low local product adoption persisted. Based on the SWOT analysis, strategic directions include strengthening collaboration, diversifying products, and enhancing public education; addressing challenges through innovative financing, managerial training, improved customer relations, and social initiatives; and mitigating risks by diversifying income sources, refining management systems, and promoting local product education. Future research should focus on evaluating the long-term sustainability of these integrated strategies and exploring digital innovation as a tool to optimize BUMDes development and community welfare.

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