



Bernadetta Nurani¹, Prima Dwiratri²

School of Business and Management Institut Teknologi Bandung Corresponding E-mail: <u>bernadettanurani@gmail.com</u>

Received: 30 December 2024 Published: 25 February 2025

Revised: 13 January 2025

Accepted: 30 January 2025

DOI: https://doi.org/10.54443/ijebas.v5i1.2483

Link Publish: https://radjapublika.com/index.php/IJEBAS

Abstract

The Negeri Rempah Foundation, a nonprofit organization, promotes awareness of Indonesia's cultural diversity, particularly the historical spice trade, through its #JalurRempah campaign. Aligned with the Indonesian government's initiative to nominate the Spice Route as a UNESCO World Cultural Heritage, the foundation initially focused on social and cultural impact. However, as it expanded into end-to-end business processes, challenges arose in balancing social impact with business development. To address this, the foundation transitioned into PT Pasarempah Nusantara Lohjinawi, a social enterprise ensuring sustainability while maintaining its social mission. This study examines the key factors for a successful transition, identifies challenges through gap analysis, and explores business models that balance financial and social objectives. Using a mixed-methods approach, data was gathered through interviews and surveys to evaluate the current business model. The Social Business Canvas Model was applied to bridge gaps and refine the framework. Key success factors included a mindset shift, a clear vision, and a structured organization aligned with regulations. The study proposes a new customer segmentation strategy to strengthen sustainability, market expansion, and social impact. The findings offer insights for other NGOs transitioning into social enterprises, with future research recommended on optimal organizational structures for such transformations.

Keywords: NGO, Social Enterprise, Social Business Model Canvas, Sustainability, Spice Route.

INTRODUCTION

Indonesia rank second behind Brazil as the most biologically diverse nations on Earth, both in ecosystem, species, and genetic diversity. There are more than 30,000 plant species and some of them identified as spices (MoECRT, 2021). Spices have played crucial role that influenced the development of world history for centuries, including trade routes, economic, and even geopolitics. They also had profound impacts on cultural and political dynamics throughout history (Kumoratih et al, 2021; Siregar & Mohktar 2024). Based on the long history of the Spice Route, Indonesia government initiated the Spice Route proposal as the World Cultural Heritage to Educational Organization, Science, and Cultural Union Nations (UNESCO). The legacy of the spice route bears witness of culture exchange, intercultural understanding, encounters and dialogue over a certain period of time. In result, Spice Route become the theme of Indonesia cultural diplomacy (Kumoratih et al. 2021). The process of proposing Spice Route to UNESCO can take a long time and requires collaboration with various stakeholders, including communities, young generations, along with cultural and art exhibitions.

Negeri Rempah Foundation is a not-for-profit organization dedicated to increasing public awareness about Indonesian diversity. The foundation has the spirit to share the history of spice trade in the Indonesian archipelago to all generations with #JalurRempah or Spice Route as an entry point. Spice route has been the melting point of ideas, concepts, praxis which contributed toward modern civilization. Foundation is not only focusing on humaniora approach but needs to enhance holistic or applicable actions in public. Pasar Rempah under the foundation facilitates communities called "spicepreneur" or Micro, Small, and Medium Enterprises (MSMEs) and that have potential additional resources to be developed for sustainable economic value, especially on spices commodity and processed product from spices. Along with increasing total members, the foundation became involved in the end to end process of business. As an NGO engaging in business development might conflict with their core mission and dilute their focus. Moreover, donors may be hesitant to support for profit purposes, there might be ethical considerations, legal and regulatory constraints, require expertise, and risk and sustainability

Bernadetta Nurani and Prima Dwiratri

considerations. The common solutions to answer the problem that might happen more complex in the future is transforming into a social enterprise. This approach can be used in order to comprehend the processes and strategies for nonprofits to change into social enterprises.

Negeri Rempah Foundation transformed into PT Pasarempah Nusantara Lohjinawi as an individual corporation in 2022. The company is still maintaining the same values as the foundation typically focuses on preserving its mission and core principles, even as it shifts to a more business-oriented structure. It is providing essential resources like mentorship, networking, and a place to promote their products or services of Indonesian spices. However, challenges arose due to the lack of a comprehensive business model review. This study aims to ensure the sustainability of PT Pasarempah Nusantara Lohjinawi by identifying key factors for a successful transition, analyzing challenges through gap analysis, and exploring suitable business models that balance financial and social goals.

LITERATURE REVIEW

One aspect of social entrepreneurship is creating new social enterprise company initiatives. Another aspect is maximizing revenue generation from activities or programs by incorporating principles from for-profit companies while keeping the core mission (Peredo & McLean 2006). Social entrepreneurship should not have the narrow view that concentrate on social missions only. As long as the group has a social aim, financial goals can be included. The creation of sustainable social value is a key characteristics that differentiate social entrepreneurs from well-meaning individuals who simply engage in charitable works (Sastre-Castillo et al., 2015).

According to Portales (2019) in order to run social entrepreneurship, social enterprise can implement the elements into three level steps: (1) raison d'etre, (2) implementation, and (3) impact. The first refers to the venture's social mission as the fundamental aim for profit maximization. The second step is to find a solution of the identified issue using business model to achieve long-term benefits. Value creation involves three different dimensions: (1) Economic, defined as the ability to make profit for a corporation by selling its products or services. (2) Social inclusion refers to reducing or eliminating barriers that lead to social exclusion. (3) Environmental considerations include resource preservation and regeneration throughout product or service development.

Ann Mei Chang (2019) from her book title "Lean Impact: How to Innovate for Radically Greater Social Good" mentioned some barriers that might experience in the process of social entrepreneurship. In the social sector, what people want, what will make the greatest impact, and what funder will pay for are not always the same, markets may be unstable or unregulated, and previous policies may have done more harm than good. The barriers and the complexities can be overcome by finding the right framework and characterization. Adapting principles from Lean Startup may help social enterprises innovate, learn, and scale effectively. Lean impact is an approach to maximizing social benefit in the face of complex challenges in our society. Lean impact is not a linear process. Many social innovations falter because they have not establish critical foundation and leap too hastily into a solutions.

Business model can be viewed as a strategic asset for competitive advantage and company's performance. The elements of the strategy and business execution are arranged and enhanced by the business model (Portales, 2019). Christensen et al. (2016) developed a four-box business model architecture includes the organization's value proposition for customers, resources, procedures, and profit formula. The organization's customer value proposition and profit formula describe its priorities, while its resources and procedures collectively establish its capabilities and methods of operation. This viewpoint on company structures is beneficial because it provides a framework for understanding a business's potential and highlights the interdependencies among different elements and reveals the limitations of a firm.

Business model can be defined as a tool for innovation. In a changing business environment and fast global market, business model needs to keep a competitive and grow constantly. Business model innovation often requires organizations to rethink the existing Business Models, not just their products or services, but also their organizational structure, culture, and processes. It is essential for companies to approach innovation with a deep understanding of their strengths, their market, and the organizational changes required to succeed (Ibbara et al., 2018). As a social enterprise, the success must fulfill all three of the pillars of social innovation: value, growth, and impact. In order to become a sustainable business, economic viability, social responsibility, and environmental preservation are all included into the main business strategies (Bansal et al., 2023; Christensen et al, 2016).

METHOD

This study employs a mixed-methods research approach, integrating both qualitative and quantitative methods. The data from company is collected using qualitative methods to gather some information of internal and

Bernadetta Nurani and Prima Dwiratri

external factors that affect the decision of the foundation to transform it into a social enterprise. There are two types of data collected, primary and secondary data. Primary data are some data obtained directly from informants through interviews, netnography, and desk research. On the other hand, secondary data is some data obtained from other sources, such as foundation yearly reports, websites and social media posts, government policy, literature review with the same case in Indonesia or other country.

The findings of the qualitative phase of the study served as the foundation for the research model for the quantitative phase. The primary objective of the study is to segment potential consumers as a complementary strategy to enhance the Business Model Canvas. A quantitative questionnaire survey was also undertaken in the next phase to generalize the results of the qualitative phase. A convenient sampling technique was employed. Data were obtained using a Google form online questionnaire and a self-administered approach. To supplement and enhance the results of the subsequent quantitative method, referred to as the sequential exploratory approach, qualitative conceptual analysis was also carried out.

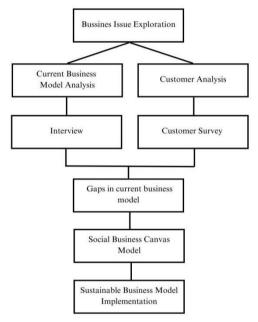


Image 2: Conceptual Framework

This conceptual framework starts by examining business-related issues with an emphasis on identifying important obstacles and possibilities. The present business model and customer analysis are the two primary streams of analysis that are involved. While customer analysis is done through surveys to learn more about the wants and behaviors of customers, interviews are used to assess the present business model that applied by the company. The current business model is evaluated through interviews aimed at understanding both external and internal conditions that influence decision-making in transforming an NGO into a social enterprise. By considering those variables NGO transformation into a sustainable social enterprise has a chance of success. Gaps in the current business model are found using the results of these assessments. The Social Business Canvas Model, a strategic tool for creating creative and socially significant solutions, is then used to fill in these gaps.

The interviews were conducted in a semi-structured manner which consisted of interview guidelines, list of interviews and probing questions which becomes the basis to reach the conclusion of this research. The main primary source of data was collected from the different interviewees, both from internal and external persons in Negeri Rempah Foundation (see Table 1)

Bernadetta Nurani and Prima Dwiratri

Table 1. Interview Respondents' Profile								
No	Initial	Initial Position Management Coverage		Relevant Experience				
1	FM 1	Founder	Leadership role to set long-term goals and strategic decisions, involved in high-level fundraising and establishing donor relationships.	6 years				
2	FM 2	Founder	Leadership role to set long-term goals and strategic decisions, involved in high-level fundraising and establishing donor relationships.	6 years				
3	FM 3	Coordinator & Volunteer	Leadership role to set long-term goals and strategic decisions, involved in high-level fundraising and establishing donor relationships.	5 years				
4	FM 4	Volunteer 1	Responsible for administrative support and culture diplomacy projects by Negeri Rempah Foundation.	1 year				
5	FM 5	Volunteer 1	Provide financial or in-kind support to help the NGO achieve its goals and support its running operations and	1 year				
6	FM 6	Member 1	programs. Small and medium enterprise (SME) joining Pasar Rempah	2 years				
7	FM 7	Member 2	Small and medium enterprise (SME) joining Pasar Rempah for cloves	2 years				
8	FM 8	Member 3	("rorano" in local language) Small and medium enterprise (SME) joining Pasar Rempah for Spices Trading	2 years				

After completing the interview as qualitative data, it adopts content analysis method. The content of the interview was transcribed and conceptualized. The qualitative analysis assisted with Atlas.tiTM software. Transcripts were coded into several categories based on some information that need to identified. In order to analyze the questionnaire data collected in this study, IBM SPSS Statistics version 26 software will be used for data analysis. Respondents were gathered N=201 from Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek), where the company's business activities are primarily conducted and its head office is located. Result from descriptive analysis and cluster analysis test to comprehend consumer characteristics and preferences as follow. This study used a quantitative methodology that includes descriptive analysis and cluster analysis. It can tell whether there is an association between the variables.

RESULTS AND DISCUSSION

As a foundation, Negeri Rempah Foundation has grown consistently with activities to boost recognition and conservation of Indonesian spices both global and national. Over time, as they are typically structured for non-profit organization or advocacy work, they are limited to direct involvement in market-oriented or profit driven activities. Whereas all activities and members including volunteer and MSMEs involved, have increased and their needs are changing. Moreover, the foundation faces new challenges due to sustainability factor. They need to identify ways to improve their sustainability, diversify their income source and become less reliant on donations. During the interview, researcher assessed the present business model that applied by the company. Challenges, transformation factors, and current business model interview data have summarized and analyzed by ATLAS.ti software which enables to quantify the qualitative data. Each code represent several quotations counted by occurrences, co-occurrences, and patterns, as shown in your Table 4.1. This quantification adds an objective layer to qualitative findings to make data-backed claims.

Table 2. Factors and Their Occurrences

Categories			Interviews						
	1	2	3	4	5	6	7	8	
Transformation Factors									
When the Spice Route becomes a world	1				2	1			4
heritage that society must respond to, PT									
Pasarempah is the answer PT Pasarempah supports the foundation in					3	1			4
carrying out its vision and goal.					5	1			4
PT Pasarempah is unable of giving capital			1			2			3
As a foundation, it is impossible to engage	1		-		2	_			3
in direct practice (practical dialect).									
PT Pasar Rempah was driven by the						1			1
evolving needs and dynamics of your									
members									
The foundation's main concern is related to					1	4			5
funding									
Value Proposition				•	•	•	•		1.0
Giving opportunities to empower MSMEs	1			2	2	2	2	1	10
to showcase and promote their products	1				1	2			4
Public Learning Nominating the spice route to UNESCO as	1			1	5	1			4 8
a cultural heritage site	1			1	5	1			o
Indonesian spices are extremely valuable and		1	1	1	3				6
the pride of the spice route.									
Not only historical and cultural aspects, it	1				3				4
must translate into practical benefits for									
society									
PT Pasarempah positioning itself not as a						1			1
competitor to MSME									
Profit Formula						•			2
Consignment system and organizing spice					1	2			3
talks Opening outlet	1				2	1	2		6
PT Pasarempah provides paid training	1				2	2	2		6 2
Provide trading stall for MSME	1				4	1			6
Business Process	•				•	•			Ü
PT Pasarempah as both a marketing channel					1	2			3
and a learning hub									
Building a full ecosystem for PT	2								2
Pasarempah									
Focusing on artisan products	1								1
Economic activities related to spice	1		1						2
commodities or processed products from									
spices					1	2			2
Introducing products, incubating					1	2			3
innovations, and organizing a Rembuk Raya (grand discussion or gathering)									
Resources									
INCOUNT CC5									

Categories			Totals						
	1	2	3	4	5	6	7	8	
Partners as a promotional medium If associations lead the effort, it can strengthen advocacy for government support on standardization of exports and processes					2	1			2
Volunteers get useful experience			2						2
Currently there are 20 MSMEs joining PT is already established with a bank account and complete legality					1 2				1 2
Having one person to oversee PT Pasarempah and one administrative support staff					1				1
Other organizations collaborate with foundations as endorsers					1				1
Foundation activities that involve many people					1	2			3
Challenges The erosion of public education about spices		1			2				3
Young people's references are limited to spices					1				1
MSMEs in many cases remain in a trading mindset rather than evolving into business enterprises.							2	9	11
Founder's background The limitations in capital, human resources, and commodities make it difficult for			1	1	1 5			2	3 11
MSMEs to stock inventory The true effort is to bring buyers not dreams The business model is not strength enough and human resources are not yet fully focused	2				2	2		1	1 7
Marketing channel are not consistent Indonesia does not host the spice	1	1		1	1 8		2		6 8
commodity trade Producers' behavior changed after the pandemic, they were not attracted to stores					1				1
There is no solid organizational structure PT Pasarempah have not found investors					1 1				1 1
yet Regulation limitation						2			2
Target Market Unique spice processing products		2	1	1 1			4	3	11 1
Attractive packaging Changing the mindset of today's children toward spices		2	1	1	4	1	2		11
MSMEs are eager to grow					1			1	2

Categories			Totals						
	1	2	3	4	5	6	7	8	
The interaction of the physical space exhibition is more interesting						2		1	3
Managing land and collaborating with the government						1			1
Selling the story behind the product				1			1		2
Social media optimization		1		1					2

Factors that Determine The Successful Transition to Social Enterprise

Raising social consciousness as a start social movement, the foundation may affected by the reduction of private donations and government funding, as well as facing an increasingly competitive business environment in the modern era. It reflects on the the interview which the funding issue was dominantly mentioned. Founders agreed to support their operational objectives, they may conduct business but the earnings will be reinvested for such purposes in the firm or society.

"The company is a subsidiary of the foundation, this gives the impression that this even this is become a company but the nature/core is a social enterprise and the aim is to have learning and balance aspects as well as still make a profit"

The mindset shift is the first key transformation factor from project-based to market-driven approaches and emphasizing financial sustainability. As it started with clear vision and mission, determined organization's risk tolerance and business's mission outcome, give strong foundation to the transition as the guiding principles. The company has also legally structure and comply with business regulations. However they need to improve business model before assigning as the company.

Challenges Faced by PT Pasarempah Nusantara Lohiinawi

Current business model implemented by PT Pasarempah Nusantara Lohjinawi summarized in a framework shows in Image 3. The framework defines as the current description of how the company generates revenue and sustains its flow of profits over time.

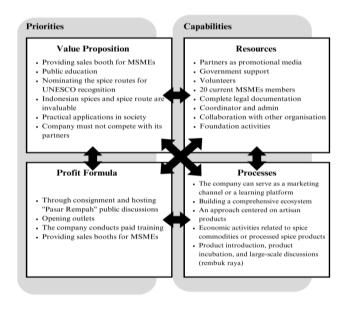


Image 3: Elements of Business Model

Bernadetta Nurani and Prima Dwiratri

The challenges identified are quite diverse but each of them impacted by others. We frame the study as a gap analysis of those challenges emerging from the current business model. The analysis illustrates the differences between the current state of the business model and the desired outcome. The list are made based on frequency and emphasis placed by interviewees (Table 3). This method offers a clear viewpoint on the issues brought up and helps in setting priorities for measures to successfully address them effectively. By working together to address these issues, the organizations will be able to preserve their social effect, enhance internal operations, and adjust to the changing needs of the external market while achieving financial sustainability.

Table 3. Gap Analysis

Current State	Desired State	Gap
Limited capital, human resources, and commodities.	Stable stock inventory for MSMEs joining PT Pasarempah	Resource constraints prevent scaling and meeting demand.
MSMEs remain in a trading mindset rather than evolving into business enterprises.	MSMEs adopt an entrepreneurial mindset, focusing on value-added production and scaling their businesses.	Lack of entrepreneurial education and support for MSMEs to transition into sustainable enterprises.
The business model is not strength enough and human resources are not yet fully focused	a strong business plan and a dedicated workforce that supports company objectives.	Undefined business strategy and lack of full-time, dedicated personnel.
Inconsistent marketing channels	Stable, reliable, and effective marketing channels that generate steady awareness and revenue.	Fragmented and inconsistent marketing efforts limit visibility and sales.
Erosion of public education about spices	Widespread public awareness of spice heritage and its economic potential.	Public knowledge about spices is limited, reducing appreciation and demand.
Founder's background	Founders with comprehensive skills in business, finance, and organizational management.	Limited expertise or experience may hinder growth and decision-making.

These issues can be resolved by strengthening the business model, encouraging MSMEs to pursue entrepreneurial education, and initiating public awareness initiatives along with the organization's core value. The business can accomplish its objectives and promote sustainable growth with the help of foundation activities. Addressing some gaps defined in this study, customer segmentation can help the challenges effectively by targeting specific groups. Customer analysis is done through surveys to learn more about the wants and behaviors of customers consist of three sections: 1) Demography; 2) Customer preferences; and 3) Sustainability factors and opinions regarding MSMEs for spice-based products.

Finally, based on the results of descriptive statistical analysis and clustering from a survey of 201 respondents, it can be concluded that the potential consumers are women aged between 25-34 years with a bachelor's degree level of education and a monthly income of between IDR 2,000,000 to IDR 5,000,000. These consumers demonstrate a high frequency of purchasing spice products, with 47.8% purchasing weekly and 40.3% daily, primarily for health and skin care benefits, and have a strong preference for powdered spices.

Clustering analysis identified five main consumer segments, each of which has unique characteristics, such as young consumers who are active on social media and support sustainable products (Cluster 1), highly educated consumers who value quality and cultural values (Clusters 2 and 3), and consumers with average to high incomes that support MSMEs but have different preferences in product form (Clusters 4 and 5).

Bernadetta Nurani and Prima Dwiratri

Table 4. Proposed Marketing Strategy Based on Customer Analysis

No	Cluster Group	Strategy					
1	Young respondents low income,	Using social media such as Instagram and					
	consume spice-based drinks and get	TikTok to promote spice products in the					
	information through social media	form of drinks that are affordable and practical.					
2	Highly educated respondents with high						
	incomes, look for spice products at exhibitions or bazaars	Focus on premium cooking spice products					
3	Upper middle aged respondents with a preference for various types of spices and relying on online articles as a source of information	exhibitions and collaboration will influencers in the health and beauty sector					
4	Young adult respondents who choose spice-based cooking spices and obtain information through social media	Strengthen its presence in local physical stores and e-commerce, while emphasizing					
5	Teenagers and young adults with undergraduate education, who prefer spice-based drinks and read online	sustainability aspects and cultural stories in each product.					
	articles to find out product information.						

Based on descriptive statistical analysis and consumer clustering, PT Pasarempah Nusantara Lohjinawi can implement a segmented marketing strategy that focuses on sustainability and cultural values to increase the attractiveness of its products. In addition, companies need to develop training and empowerment programs for MSMEs and integrate organic and environmentally friendly certification in their products to attract environmentally conscious consumers. The use of storytelling in marketing campaigns, such as through blogs, video documentaries and workshops, will strengthen cultural values and increase consumers' emotional attachment to products. In this way, the company can achieve a balance between social and financial goals, ensuring sustainable growth and making a positive contribution to cultural preservation and local economic empowerment.

In addition, the majority of respondents showed a high awareness of sustainability and the importance of supporting MSMEs, with 68.2% considering it important to buy sustainably produced spice products and 63.2% often buying products from local MSMEs. Interest in cultural aspects is also significant, where 65.2% of respondents like spice products that have a story or cultural value, and 52.2% really care about preserving cultural traditions in the spice production process. This shows that consumers are not only looking for quality and competitive prices, but also added value in the form of sustainability and cultural heritage.

Solution and Proposed Implementation Plan

According to Gandhi & Raina (2018) in order to address complexities and inconsistencies, social entrepreneur can implement several development strategy process to fit social entrepreneurship in place by balancing revenue-generating and investment in the portion accountable for achieving social outcomes. As a new company, PT Pasarempah Nusantara Lohjinawi must provide social and economic advantages to stakeholders, develop solutions that maximize resources and activities, and make sure innovations are useful, affordable, and have impacts on communities in need.

The sustainable business model canvas for PT Pasarempah Nusantara Lohjinawi outlines a strategic framework aimed at empowering MSMEs engaged in spice production. The model focuses on economic empowerment, sustainability, and market access expansion, particularly for vulnerable MSMEs and farmers in spice-producing regions. The result of identification on the sixteen element of PT Pasarempah Nusantara Lohjinawi Business Model Canvas were obtained by conducting in-depth interview, observations on the internal respondents and survey for defining potential customer segment for spices-based product. All elements are interrelated and provide an overview sustainable business innovation of the company.

Social Value

Generation of Value by The

Company

capture of valu

In between

Delivery and

Social Business Model Canvas

financial constraints (especially areas outside Java island) • Farmers and Agricultural Workers in Spice-Producing Regions Psycographic. Active Lifestyles with health-Conscious and Sustainable Living, Cultural Enthusiasts Behavioral. Premium product seekers that health-oriented, cooking Population in Exclusion or technology, networks, ecpertise, and products with stories or cultural valu Regions, and international. • Demographics: Both Men and Worr aged between 25-34 years enthusiasts, high interest in unique Geographics: Domestic especially urban centers, Rural Spice-Produc Vulnerable MSMEs with limited to **Customer Segment** Short Term: Building MSME Partnerships, Creating Market Presence, Testing and Refining Business Model Long Term: A leader in sustainable spice production, strengthening MSME Ecosystem, Vulnerability Collaboration with Governments & NGOs on Social Impact Projects Exclusive paid training and certification pograms Sponsorships, Events, and Trade Shows Subscription-Based Models Raison d'etre of social enterprise, Social Mission Economic Enpowerment Capacity Building Marke Access Expansion Promotes Sutainability Preserves indonesia's Spice Heritage E-commerce platforms (own website or online marketplace) Social Media & KOL Building Transparency & Quality for Consum & Businesses Retail Partnerships (supermarkets, organic stores, restaurants) Stable Market Access for MSMEs/Farmers sustainable Practices & Capacity Type of Intervention Offline Events & Exhibitions Channels ncome Giving opportunities to empower MSMEs to showcase and promote their products Providing integrated services for entrepreneurs, especially MSMEs, to develop their businesses technically Giving opportunities to build network between entrepreneurs, policy makers, or buyers for expanding markets both local and international. Human Rights Capacity Building & Training Programs for **Economic Value Proposition** Storytelling-driven branding, connecting spices with history and identity Operational capital includes opening a company office Operational capital including opening a shop and e-commerce Registration of brand/trademark at the Directorate General of Intellectual Direct trade with farmers or MSMEs, ensuring fair pricing and sustainability One-stop marketplace for Indonesian Premium, ethically sourced Indonesian Public Learning, especially related to Spice Route nomination to UNESCO Property Rights, Ministry of Law and Social Value Proposition Adopting a flexible business model, empowering MSMEs with sustainability programs, and strategically launching pilot Surplus Financial (grants, events, paid training) - Olgital & physical markeplace - Brading & strovyteling expertise - Cultural & Historical Research - Export Licenses & Compliance with infernational standards Sourcing & Quality Control of Spices Marketing and education (digital content, social media, events) Enpowering local community with partners Supply Chain & Logistics Managemer Farmer & MSMEs training programs Partnership Development establishing MoUs and Agreement with MSMEs Human (leader, division, sales representative, volunteer) outlets and digital platforms to ensure rapid growth and long-term impact. Key Resources Key Activities Orginized public events and training both local and international Physical Market Place Development E-commerce Platform Development Research & Community Development Programs Goverment Agencies NGOs & Sustainable Organizations - Culturals & Historical Institutions Academic Institutions - Cultural Professionals & Influencers - Cultural Professionals & Influencers Farmer cooperatives & MSMEs producing spices or its processed Export & Logistics partners E-commerce & Digital Partners Regulatory Agencies Retail & Distribution partners **Problem to Address** Recruitment Process Cost Structure Stakeholders Key Partners

Bernadetta Nurani and Prima Dwiratri

CONCLUSION

The transformation from the Negeri Rempah Foundation to PT Pasarempah Nusantara Lohjinawi has been marked by key success factors, including a fundamental shift in mindset, clear vision and mission, and a solid organizational structure that complies with business regulations. These aspects have provided a strong foundation for the transition and guided the company through its early challenges.

However, the foundation faced several obstacles in scaling its operations and aligning with its desired business outcomes. Key challenges included resource constraints, MSMEs remaining in a trading mindset and unstable supply stock, an underdeveloped business model, inconsistent marketing channels, erosion of public education about spices, and a lack of expertise from the founders. These deficiencies have made it more difficult for the business to reach its full potential and satisfy rising demand.

The sustainable business model canvas for PT Pasarempah Nusantara Lohjinawi outlines a strategic framework. The model focuses on economic empowerment, sustainability, and market access expansion, particularly for vulnerable MSMEs and farmers in spice-producing regions. By achieving a balance between social and financial objectives, PT Pasaimbang Nusantara Lohjinawi can guarantee sustained growth and positively impact local economic empowerment and cultural preservation.

REFERENCES

- Bansal S, Garg I., and Vasa L. (2023). Can social enterprises aid sustainable development? Evidence from multi-stage investigations. PLoS ONE 18(2): e0281273. https://doi.org/10.1371/ journal.pone.0281273.
- Christensen, C. M., Bartman, T., and van Bever, D. (2016). The Hard Truth About Business Model Innovation. MIT Sloan Management Review; Cambridge Vol. 58, No. (Fall 2016), pp. 31-40.
- Gandhi, T. and Raina, R. (2018). Social Entrepreneurship: The Need, Relevance, Facets, and Constraints. Journal of Global Entrepreneurship Research Vol. 8 No. (2018), pp. 1-13.
- Ibbara, D., Ganzarain J., and Igatua, J. I. (2018). Business Model Innovation through Industry 4.0: A review. 11th International Conference Interdisciplinary in Engineering, INTER-ENG 2017, 5-6 October 2014, Tirgu-Mures, Romania
- Kumoratih, D., Anindita, G., Ariesta, I., E Tholkhah. 2021. The role of visual communication design to increase public literacy on the history of Spice Route in supporting Indonesia's proposal toward
- UNESCO's World Cultural Heritage. IOP Conference Series: Earth and Environmental 012107 Science 729 doi:10.1088/1755-1315/729/1/012107.
- Ministry of Education, Culture, Research and Technology (MoECRT). 2021. The Spice of Routes Well-being Indonesia: Respecting the **Past** for the **Future** https://jalurrempah.kemdikbud.go.id/en/article/the-spice-routes-of-indonesia-respecting-the-past- for-thefuture-well-being-3767
- Peredo, A. M. & McLean, M. (2006). Social entrepreneurship: A critical review of the concept. Journal Business, Vol. 41 No. (2006), pp. 56-65.
- Sastre-Castillo, M. A., Peris-Ortiz, M., and Valle, I. D. (2015). What Is Different About the Profile of the Social Entrepreneur?. Nonprofit Management & Leadership Vol. 25, No. (4), pp. 349-369.
- Siregar, A. A. and Mokhtar, N. A. B. (2024). Spice Route Activities As a Development Strategy Sustainable Tourism. Jurnal Pendidian Sosiologi dan Humaniora Vol. 15, No. (1), pp. 191-202.

Publish by Radja Publika