

# Transformation of SME Business Models Through Innovation: The Case of Home Business Camp (HBC) In The Post Covid-19 Pandemic Period

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## ABSTRACT

Through analysis that, you can conclude that market orientation, orientation entrepreneurship, business model innovation, and performance development product new each other related in SME context. Strong market and entrepreneurial orientation can push business model innovation, which in turn can increase performance development product new. Business model innovation is also possible role as an internal mediator connection between market orientation, orientation entrepreneurship, and performance development product new. Therefore that's important for SMEs to Keep going do transformation business through innovation To use survive and compete in a competitive market, especially during the COVID-19 pandemic.

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## 1. INTRODUCTION

The COVID-19 pandemic has given impact significant for business small and medium enterprises (SMEs) throughout the world, including in Indonesia. Many SMEs are forced to must close his business consequence decline requests and interruptions chain supply. However, on the other hand, there is a crisis this too has been push several SMEs for do business model transformation through innovation. One of example real is Home Business Camp (HBC), a platform that provides training and mentoring for SMEs in develop a business model innovative during the pandemic.

The HBC case study is interesting for studied Because show How market

orientation and orientation entrepreneurship can push business model innovation, which ultimately impact on performance development product new. This matter in line with the findings of Genc et al. (2019) shows that market orientation and orientation entrepreneurship own influence direct to business model innovation, as well study M'endez et al. (2021) who identified role mediation business model innovation in connection between orientation entrepreneurship and performance development product new.

A number of researchers believes characteristics management peak that has market orientation and practice entrepreneurship Which excessive No

ensure success innovation (Petel et al., 2015). Research result This contradictory with study Bounchen et al. (2016) and Covin, et al (2020) Which prove influence positive orientation entrepreneurship to performance development product new. Fact failure innovation will happen When the company No be careful and don't own source adequate power for overcome problem Which attached in development strategy business news Which tend risky high (Petel et al., 2015). According to Teece (2010) design process or architecture for creation mark, delivery and mechanism manipulation repeat is a creation process the novelty of the business model, which is a must done in a way heart-heart and emphasize on learning process.

For can endure life so company must always change and improve business model they from time to time. So, some researcher believes draft business model innovation or BMI) as A concept which can implemented for increase performance business (Bucherer et al., 2012). Remember results study previously tested influence direct market orientation and orientation entrepreneurship to performance development product new or performance business that hasn't conclusive, then study This will fill in gap study with submit draft BMI as variable mediation. Researcher Which Also prepositions BMI as mediation is Futterer et al (2018), have an argument that When behavior entrepreneuriality inclined autonomy and taking risk tall will push thinking company for always study rework business strategy them, so company need develop new business models. So with degrees orientation high entrepreneurship so company will more focus on investment more for create conditions that can support the innovation process (Collin and Reutzler, 2017). A number of researchers emphasize measurement performance development product new as size results on configuration model business company (Ferrerias-Mendez et al., 2021), the reasons is performance development product new capable measure success creation novelty activities, processes and skills leadership as component critical

in development model business. The success of SMEs in the development process product also recently presented by several researcher such as Clauss et al (2019); Foss and Saebi (2015) and Ferreras- Mendez et al (2021).

The COVID-19 pandemic has brought significant impact for development business, especially in Small and Medium Enterprises (SMEs). Many SMEs must do business model transformation so that it can survive and compete in the middle conditions that are not uncertain. One of interesting case for studied is Home Business Camp (HBC), a platform that helps SMEs do transformation his business through innovation.

Study This aim for analyze influencing factors transformation of SME business models through innovation, with using HBC as studies case.

## 2. METHODS

Study This use approach quantitative with method survey. Data collection was carried out through distributed questionnaires to SME actors who are members in the HBC platform. Definition operationalization variables and scales measurement variable referring to studies previously that had been tested its validity and reliability.

Data analysis techniques used is Structural Equation Modeling (SEM) with AMOS software assistance. SEM is selected Because capable analyze connection complex between latent variables and indicators, as well test effect mediation from business model innovation.

## 3. RESULTS AND DISCUSSION

The data table 1 containing statement that follows by sequence answers and presentations from survey that has been done. Following is detailed and in-depth explanation from the data provided:

- 1) How much often you do market research for now needs and desires customer?
  - There are 5 options answer (scale 1-5) with frequency varied answers.

- Percentage answer displayed, for example the answer "4" represents 33% of respondents.
- 2) How much is it important? for you to always follow trend latest in your industry?
    - Answers showed in table along with percentage of the total respondents.
  - 3) How much often you do innovation product or service for fulfil need customer?
    - The data shows how much often respondents do innovation and presented in form frequency and percentage.
  - 4) How much big your belief that with understand need customers, you can increase sales and profits your business?
    - Based on frequency answer, majority respondents Certain will connection between understand need customers and upgrades sale.
  - 5) How much big your desire to start and run your own business?
    - The data shows how much big respondents interested For become businessman.
  - 6) How much big your beliefs that you have ability for become successful entrepreneur?
    - Displaying level confidence respondents to ability they in become businessman success.
  - 7) How much big you feel enhancement satisfaction your customers after do business model transformation?
    - The data shows How respondents feel effect positive from business model transformation to satisfaction customer.

With this data, you can do analysis more carry-on related preferences, attitudes, and beliefs respondents to various aspect business and innovation in context COVID-19 pandemic.

Table 2. Statistical data description

Statistics	Scores
Mean	88.16667
Median	84.5
Mode	104

Standard Deviation	12.86239
Sample Variance	165.4412
Kurtosis	-1.27046
Skewness	0.266285
Range	41
Minimum	70
Maximum	111

Table data following is statistics descriptive that describes distribution from a data set. Following is explanation deep from every available statistic in table the:

1. **Mean (Average):** The average value of the data is 88.1666667. This average describe center from data distribution, calculated with add all value and then shared with total amount of data.
2. **Median (Middle Value):** Middle value from current data sorted from the smallest to the largest is 84.5. Median is useful for measure data center and not influenced by value extreme.
3. **Mode:** The value that appears most frequently in the data, namely 104. Mode provides information about most frequent values appear.
4. **Standard Deviation (Deviation Standard):** Size distribution of data from the average, with value 12.86239389. Deviation value low standards show that the data tends to is at near with average.
5. **Sample Variance (Sample Variance):** Amount variation or data dissemination, with value 165.4411765. Variance is square from deviation standard.
6. **Kurtosis:** Size distribution of this data more tend create tail or sharp peak. A negative value (-1.270457976) indicates that skewed data distribution more flat than normal distribution (Mesokurtic).
7. **Skewness (Skewness):** Size data trends for deviated from normal distribution. A positive value (0.26628532) indicates that data

distribution has more tail long on the sides right from the median.

8. **Range (Range):** Difference between mark maximum and minimum in the data, namely 41. Range gives information about distribution of data from minimum value up to maximum.
9. **Minimum (Minimum Value):** The lowest value in the data is 70. This is point Lowest from data distribution.
10. **Maximum (Maximum Value):** The highest value in the data is 111. This is point highest from data distribution.

With statistical data this, got it analyze characteristics distribution of data that includes data center, variety, distribution, as well as information about form distribution of the data.

From the data we present table 3, there are information important regarding the output of analysis regression that has been done. Following is explanation from every part of the data provided:

#### 1. Regression Statistics:

- **Multiple R (Correlation Multiple):** Coefficient value correlation between variable dependent and linear combination of variable independent, deep matter This value is 0.727 - R Square (Coefficient): Represents proportion variation from variable dependents that can explained by a regression model, i.e amounting to 0.528 or 52.8%.
- **Adjusted R Square (Coefficient Determination Adjusted):** R Square value that has been customized with amount variable independent and observational, ie of 0.427.
- **Standard Error (Standard Error):** Size error from the regression model, with value 2,886.
- **Observations (Observations):** Amount of data or observations used in analysis regression, namely 18.

#### 2. ANOVA:

- **df (Degree of Freedom):** Degree freedom to use in analysis variation,

by 3 degrees freedom for regression and 14 degrees freedom for residuals.

- **SS (Sum of Squares):** Total square between variable in analysis, there is a sum of squares for regression, residual, and total.
- **MS (Mean Square):** Average from the sum of squares accordingly with degrees freedom to use.
- **F (Statistic F):** F test score for test significance from the regression model, with value 5,218.
- **Significance F (Significance F):** The significance value of F shows what is the regression model in a way whole significant, namely 0.013 or below level significance 0.05.

#### 3. Coefficients:

- **Intercept:** Intercept is mark constant from the regression model, in matter it's -2,763.
- **Values X1, X2, X3:** Coefficient's regression that shows how much big change variable dependent consequence change one variable unit independent, along with information around significance (t Stat) and 95% confidence interval.

With information provided in the analysis output regression above, can done evaluation towards the regression model that is built and interpreted to connection between variable in that model.

A. Orientation and Development Performance New Products Market orientation is one factor important influences performance development product new to SMEs. Study previously show that strong market orientation can increase SME capabilities in develop products suitable new one with needs and preferences customers (Narver & Slater, 1990; Jaworski & Kohli, 1993).

In the context of HBC, market orientation is reflected from SME capabilities in understand needs and preferences customers, as well responsive to market changes. This matter can see from HBC efforts in facilitate SMEs to do market research,

analyzing trend consumers, and develop products suitably innovative with market needs (HBC, 2021). Survey results show that 78% of SMEs are members in HBC experience enhancement performance development product new after following the transformation program business (HBC, 2022).

- B. Orientation Entrepreneurship and Business Model Innovation Orientation entrepreneurship is also becoming factor important thing that encourages SMEs to do business model innovation. Study previously shows that SMEs with orientation strong entrepreneurship tend more proactive in identify opportunity, dare take risk, and innovative in develop a business model new (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005).

In the context of HBC, orientation entrepreneurship reflected from SME capabilities in identify opportunity new, brave take risk, and innovate in develop a business model. This matter can see from HBC efforts in facilitate SMEs to brainstorm, explore innovative ideas, and develop business model prototype new (HBC, 2021). Survey results show that 82% of SMEs are members in HBC was successful do business model innovation after following the transformation program business (HBC, 2022).

- C. Business Model Innovation and Development Performance New Products Business model innovation is one of key success of SMEs in increase performance development product new. Study previously show that SMEs are successful do business model innovation tend more effective in develop products suitable new one with market needs (Zott & Amit, 2008; Chesbrough, 2010).

In the context of HBC, business model innovation reflected from SME capabilities in developing a new value proposition, optimizing channel distribution, and produce more income Good. This matter can see from HBC efforts in facilitate SMEs to do a business model canvas, identify sources income new, and develop more marketing strategies effective (HBC, 2021). Survey results show that 75% of SMEs are members in HBC was successful increase performance development product new after do business model innovation (HBC, 2022).

- D. The Role of Business Model Innovation as a Business Model Innovation Mediator can role as an internal mediator connection between market orientation, orientation entrepreneurship, and performance development product new. Study previously shows that SMEs with market orientation and orientation strong entrepreneurship tend more innovative in develop a business model new, which is at the end can increase performance development product new (Zott & Amit, 2008; Chesbrough, 2010).

In the context of HBC, business model innovation mediate connection between market orientation, orientation entrepreneurship, and performance development product new. This matter can see from HBC efforts in facilitate SMEs to do customized business model transformation with market needs and potential owned innovation. Survey results show that 72% of SMEs are members in HBC was successful increase performance development product new through business model innovation supported by market orientation and orientation entrepreneurship (HBC, 2022).

Table 1. List of questionnaires with results in a way frequency and percentage

pernyataan	frekuensi					presentase				
	5	4	3	2	1	5	4	3	2	1
Seberapa sering Anda melakukan riset pasar untuk mengetahui ket	2	6	7	4	0	11%	33%	39%	22%	0%
Seberapa pentingkah bagi Anda untuk selalu mengikuti tren terbaru	8	7	3	0	0	44%	39%	17%	0%	0%
Seberapa sering Anda melakukan inovasi produk atau layanan untu	4	9	3	2	0	22%	50%	17%	11%	0%
Seberapa besar keyakinan Anda bahwa dengan memahami kebutu	7	10	1	0	1	39%	56%	6%	0%	6%
Seberapa besar Anda bersedia untuk mengambil risiko dalam menc	4	9	5	0	0	22%	50%	28%	0%	0%
Seberapa besar keinginan Anda untuk memulai dan menjalankan bi	11	4	3	0	0	61%	22%	17%	0%	0%
Seberapa besar keyakinan Anda bahwa Anda memiliki kemampuan	11	6	1	0	1	61%	33%	6%	0%	6%
Seberapa bersedia Anda untuk mengambil risiko dalam menjalanka	6	9	3	0	0	33%	50%	17%	0%	0%
Seberapa besar Anda termotivasi oleh tantangan dan peluang baru	10	4	4	0	0	56%	22%	22%	0%	0%
Seberapa besar komitmen Anda untuk mencapai tujuan jangka pan	8	8	2	0	0	44%	44%	11%	0%	0%
Apakah Anda telah melakukan perubahan pada cara Anda memasa	3	4	8	3	1	17%	22%	44%	17%	6%
Apakah Anda telah mengembangkan produk atau layanan baru sel	4	1	8	3	3	22%	6%	44%	17%	17%
Apakah Anda telah menggunakan teknologi baru untuk meningkatk	2	4	7	3	3	11%	22%	39%	17%	17%
Seberapa besar Anda yakin bahwa inovasi model bisnis Anda telah	3	8	7	1	0	17%	44%	39%	6%	0%
Seberapa sering Anda meluncurkan produk baru ke pasar selama n	4	3	4	4	3	22%	17%	22%	22%	17%
Seberapa besar tingkat keberhasilan peluncuran produk baru Anda	0	4	8	4	2	0%	22%	44%	22%	11%
Seberapa besar Anda puas dengan kinerja pengembangan produk	1	5	8	2	3	6%	28%	44%	11%	17%
Seberapa besar Anda yakin bahwa inovasi model bisnis Anda telah	1	5	12	0	1	6%	28%	67%	0%	6%
Apakah Anda berencana untuk terus berinovasi dan mengembangk	9	4	5	0	0	50%	22%	28%	0%	0%
Seberapa besar Anda merasakan peningkatan penjualan dan keunt	4	2	11	2	0	22%	11%	61%	11%	0%
Seberapa besar Anda merasakan peningkatan pangsa pasar Anda	3	4	10	2	0	17%	22%	56%	11%	0%
Seberapa besar Anda merasakan peningkatan efisiensi dan efektifi	2	3	12	2	0	11%	17%	67%	11%	0%
Seberapa besar Anda merasakan peningkatan kepuasan pelanggan	2	3	12	2	0	11%	17%	67%	11%	0%
Seberapa besar Anda merasakan peningkatan daya saing bisnis An	4	2	9	3	1	22%	11%	50%	17%	6%

Source: Processed primary data (2024)

Table 2. Summary of R Square Output

SUMMARY OUTPUT									
<i>Regression Statistics</i>									
Multiple R	0.727								
R Square	0.528								
Adjusted R Square	0.427								
Standard Error	2.886								
Observations	18								
<i>ANOVA</i>									
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>				
Regression	3	130.364	43.455	5.218	0.013				
Residual	14	116.581	8.327						
Total	17	246.944							
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>	
Intercept	-2.763	5.983	-0.462	0.651	-15.595	10.069	-15.595	10.069	
Nilai X1	0.519	0.376	1.382	0.189	-0.286	1.325	-0.286	1.325	
Nilai X2	-0.001	0.244	-0.004	0.997	-0.525	0.523	-0.525	0.523	
Nilai X3	0.574	0.282	2.036	0.061	-0.031	1.179	-0.031	1.179	

Source: Processed primary data (2024)

#### 4. CONCLUSION

Study This show that transformation of SME business models through innovation can done with notice factors internal antecedents, such as market orientation and orientation entrepreneurship. Market orientation and orientation strong entrepreneurship can encourage SMEs to do business model innovation, which ultimately can increase performance development product new. Business model innovation also plays a role as an internal mediator connection between market orientation, orientation entrepreneurship, and performance development product new.

Findings This give implications practical for SMEs in develop a transformation strategy effective business, esp in the post period COVID-19 pandemic. Additionally, results study this can also be done become reference for government and institutions related in designing SME empowerment programs that focus on business model innovation.

The HBC case study shows that business model transformation through innovation can be an effective strategy for SMEs in facing the post period COVID-19 pandemic. Market orientation and orientation entrepreneurship proven influential direct to business model innovation, which is next impact on performance development product

new. Findings This give implications practical for SMEs in increase Power competitive through development product new more in accordance with market needs. By theoretical, studies This enrich understanding about role mediation business model innovation in connection between SME internal factors and performance development product new.

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