

CHAPTER I INTRODUCTION

1.1 Background

In the era of globalization and rapid technological development, the role of business incubators is becoming increasingly important in driving economic growth and creating new jobs. Business incubators serve as a platform to assist startups and small and medium enterprises (SMEs) in developing their business ideas into sustainable and profitable companies.

State Polytechnic of Bengkalis, as one of the leading vocational higher education institutions in Riau Province, has initiated a Business and Technology Incubator as an effort to contribute to the development of the entrepreneurship and innovation ecosystem in the region. The incubator aims to bridge the gap between academic innovation and market needs, as well as support local economic growth through fostering technology-based start-ups and SMEs.

The job market is getting tougher and more competitive, every company is always required to grow. One way that companies use to be able to compete and grow is to create new strategies. One of the ways companies use to be able to compete and develop is to create strategies, new strategies. But the strategy itself is not enough, the company must have a strong and good business model and right on its company. The business model itself is a description of the activities of how the organization creates, delivers, controls the value of the company, and the way an organization offers a high proportion of value and ensures that the value can be produced and its target consumers have access to the product.

This is important to know how effective the incubator is in supporting entrepreneurs in building and developing their business. There are several tools that can be used to evaluate business models, one of which will be discussed in this research is the Business Model Canvas. Business Model Canvas defines the rationale for how an organization is created, delivered, and captured by customers.

One tool that is often used to map and plan a business is the Canvas Business Model (BMC). BMC is a strategic management tool that enables entrepreneurs to describe, design, challenge and change their business models. BMC consists of nine basic elements that include value proposition, customer segments, distribution channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure.

Each Business Incubator must have internal strategic planning capabilities for start-up companies and have connections with economic resources and the business community related to business information and consultation. The Business Incubator concept developed in universities is a vehicle for the commercialization of research and the creation of new jobs, which ultimately creates a chain of further job opportunities (job creation), which is expected to create business processes that have added value, capable of creating jobs, and close collaboration between the university-industry-government community. This series of processes will be able to transform new discoveries into innovation, resulting in a value creation process that will have a positive impact on the emergence of technological commercialization which can encourage the creation and increase of social welfare (social welfare creation and increase in social welfare).

In this digital era and moment of globalization, startups have an important role in driving innovation and economic growth. State Polytechnic of Bengkalis has developed a business incubator program to help students and local communities in building and developing new businesses. At the State Polytechnic of Bengkalis, the business incubator has an important role in supporting local startups. Through this learning, it is expected that the entrepreneurial spirit will grow to dare to lead, be independent, and be able to compete with the creativity and innovation possessed by the student Hewitt and van Rensburg, (2020).

The establishment of the Business Incubator as a forum for designing strategies that encourage startup development through coaching and mentoring with the main aim of growing startups in the information technology sector. Based on this description, this is what prompted the researcher to raise a research topic

entitled “**Business Development Strategy With Canvas Business Model Study On Business And Technology Incubator State Polytechnic of Bengkalis**”

1.2 Formulation of the Problem

Based on the background that has been described, the problem formulation in this research is as follows:

1. What are the external factors that effectiveness and development of the State Polytechnic of Bengkalis Business And Technology Incubator in supporting start-ups and SMEs?
2. What business development strategies can be implemented to improve the performance and sustainability of the State Polytechnic of Bengkalis Business And Technology Incubator?

1.3 Purpose of the Study

Based on the background that has been explained, the research objectives in this study are as follows:

1. Development of Business and Technology Incubator Through Canvas Business Model?
2. The Implemented of Canvas Business Model For Business Technology Incubator?
3. The Implemented of Business development strategy to improve the performance, effectiveness and sustainability of Business Technology Incubator of State Polytechnic of Bengkalis?

1.4 Significance of the Study

Based on the background that has been explained, the benefits of research in this study are as follows:

1. To contribute to the development of theories and concepts about business incubator development strategies in higher education.

2. To contribute to the development of knowledge related to the application of Canvas Business Model in the context of Business And Technology Incubator in vocational higher education institutions.
3. Provide new insights into the adaptation of incubator business models in facing the challenges of the digital era and globalization, especially in the context of local economic development.

1.5 Scope and Limitations of the Problem

The research scope is a research framework that describes research limitations, weaknesses and boundaries of the research area. This research can be directed appropriately and there are deviations in the preparation of this final assignment, there must be clear boundaries in the scope of research regarding “Business Development Strategy With Canvas Business Model Study On Business And Technology Incubator State Polytechnic of Bengkalis”.

1.6 Writing System

To provide a clear picture of the writing of this project, a system article was developed containing information about the material discussed in each chapter. The systematics of this writing are as follows:

CHAPTER 1: INTRODUCTION

In this chapter the author explains the research Background, Formulation of the Problem, Purpose of the Study, Significance of the Study, Scope and Limitations of the Problem, as well as Writing System.

CHAPTER 2: LITERATURE REVIEW

In this chapter the author explains the theory needed to strengthen the research rationale and research design to be discussed, namely Related Theory, Literature Review and Framework.

CHAPTER 3: METHOD AND ACCOMPLISHMENT PROCESS

In this chapter the author explains in detail the steps for completing the thesis topic such as Location and Objects of the Study, Types and Sources of Data, Population and Sample, Sampling Technique, Data Collection Technique, Data Processing Technique, Types of the Study, Concepts Definition and Operational Variabel, Research, Schedule and Budget.

CHAPTER 4: RESULTS AND DISCUSSION

In this chapter the author presents an analysis of the results of the final reasons for creating the project and the project design which will be discussed, namely previous research and theoretical basis.

CHAPTER 5: CONCLUSIONS AND SUGGESTIONS

In this chapter there are several conclusions and suggestions as an illustration of the final project report.