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Business Process Diagnosis of "BUMDES" Based on Tourism Value Chain (A Case of Petarangan Tourism Village)

Anang Sutono
Department of Tourism
NHI Bandung Tourism Polytechnic, Indonesia

Sumaryadi
Department of Tourism
NHI Bandung Tourism Polytechnic, Indonesia

Wisnu Rahtomo
Department of Tourism
NHI Bandung Tourism Polytechnic, Indonesia

Hari Ristanto
Department of Tourism
NHI Bandung Tourism Polytechnic, Indonesia

Odang Permana
Department of Tourism
NHI Bandung Tourism Polytechnic, Indonesia

Kumar Ashutosh
Department of Tourism Management, University of Delhi, India

Azwin Aksan
Faculty of Hotel & Tourism Management
Universiti Teknologi MARA, Malaysia

ABSTRACT

This study aims to identify business processes and develop a model for strengthening BUMDES in managing tourist villages that are synergized in a value chain with related businesses in tourism villages (a case study in Petarangan Tourism Village, Central Java, Indonesia). This study uses a descriptive method with a quantitative approach to identify BUMDES business processes based on the tourism value chain and develop a model for strengthening tourism village management that is synergized with businesses in a value chain with related businesses in tourist villages. This research was conducted in three stages, namely diagnosis, assessment by conducting tourism value chain analysis conducted by BUMDES, and recommendation. In conducting a tourism value chain analysis, the concept of a balanced scorecard is used. This research found that in general, the role of BUMDES in maintaining the sustainability of the value chain in tourism business activities in the Petarangan Tourism Village is quite good. However, several things

such as the quality of tourism human resources who have business knowledge, control over market prices and production costs, and the ability to provide facilities still need to be improved.

Keywords: Tourism Village; Sustainable Tourism Development; Tourism Value Chain; Value Chain; Balance Scorecard

INTRODUCTION

In most developing countries, regional development that focuses on village development and empowerment is necessary. Regional economic development based on community involvement and sectoral differentiation is becoming increasingly important and increasingly complex, especially with its implications for poverty alleviation (Madsen & Zhang, 2010). This phenomenon has finally triggered the development of the concept of rural tourism, or even more specifically to become a tourist village in several countries including Indonesia. Tourism is considered to be a sector that is sufficient to answer the need for an industry that lacks specific qualifications but can provide jobs and stable regional economic income (Dong et al., 2013; Saxena & Ilbery, 2008; Sutono, 2019)

A tourist village is an area with a certain area and has the potential for unique tourist attractions that are unique to the community, which can create a mix of various tourist attractions and supporting facilities to attract tourist visits (Kemenkomarves & Kemenpar RI, 2021). Tourism villages with distinctive characteristics that involve the community in their business processes are a form of inclusive and responsible tourism development. The development of tourist villages is the answer to the emergence of various new paradigms for improving the local economy and the difficulty of adapting to the increasingly high competitiveness of the industrial sector (Ward & Brown, 2009).

The development of a tourist village that is synergized between community business actors, which are dominated by MSMEs, is a very appropriate strategy for developing sustainable and responsible tourism, especially in the post-covid-19 pandemic. The development of a tourist village that is synergized between community business actors demands the maintenance of a supply chain of products and services that are following demand and standards. The more transactions involving the community and village MSMEs are successfully realized, the greater the added value that can be achieved by the tourist village. This simple and basic philosophy raises an optimism to increase the turnover of tourism and increase the proportion of added value concerning the added value of the tourism village as a whole. Therefore, a study of supply chain management in tourism development in the village is important, especially if the existence of tourism management is already oriented to the needs and desires of tourists as customers (Sutono, 2019).

The capacity of tourism village managers, in this case, BUMDES (Village Owned Enterprises), is seen from the extent of their ability to maintain and develop the value chain of products and services offered to tourists. The supply chain that grows and develops into a value chain becomes a very important strategy in the management of BUMDES business operations, which in the long term will increase productivity, and resilience, and strengthen the tourism village ecosystem, and community welfare. Optimal application of the tourism value chain in managing Tourism Villages will strengthen the national tourism development strategy that places

Tourism Villages as one of the spearheads for the revival of tourism and the national creative economy and even the revival of the national economy (Kemenparekraf 2021).

Unfortunately, the lack of research that discusses this matter makes the focus on supply chain management and its implications for increasing value in tourism development, especially in tourist villages, very limited. Some of the related studies include:

Table 1. Previous Researches

No	Title	Year	Author	Result
1	Value Chain Analysis of Weaving Industry	2018	Diah Ayu Rini; Sri Rahayu Budiani	The value chain of the weaving industrial products as a whole consists of six actors, namely raw material suppliers, raw material distributors, weaving industry actors, distributors, retail traders, and consumers. The household industry value chain differs from the small and medium industry value chain. Some of the obstacles to the Gamplong weaving industry are the length of the value chain, no labour regeneration, and less tourism village development. Therefore, strategies to reduce these obstacles include cutting down the value chains, managing human resources, and increasing the promotion strategies used
2	Tourism Supply Chain Framework: A Case on Tourism Village	2019	I Nyoman Indah Kusumadewi; I Wayan Siwantara; I Putu Astawa; I Gusti Agung Bagus Mataram	The members of TSC are catering and food and beverage (F&B) suppliers, accommodation, service providers, cultural and social events, transportation, excursion, tour operator, travel agent, and tourists. Their roles were varied and bounded by informal contract. Interestingly, the roles of tour operator and travel agent has diminished, being replaced by the Internet and social media.
3	Construction Scenario for A Rural Tourism Value Chain: A Case Study from Rural China	2021	Liaoji Zheng; Huanyu Wang; Gang Li; Yiyan Guo	The best scenario of TVC includes the basic value activities and auxiliary value activities of life, industry, ecology, society, and ecology. The optimal scenario results from selections that maximize the leading role of value elements. The scenario of the selected TVC reflects the personalized characteristics of the rural tourism destination, maximizing the leading role of key value elements, and advances the coupling and linkages between rural tourism and rural development.

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From several studies related to value chain analysis in rural areas, which are summarized in the table above, it can be indicated that many factors affect the performance/formation of the supply chain system in tourism activities in a village. In this regard, the existence of an organization/agency that can manage and regulate the running of the system is important, especially if the carrying capacity of the resources of the village is not yet qualified enough to be self-managed. Therefore, an analysis of the vitality of the role of a business management institution/organization that manages the value chain such as the existence of Village Owned Enterprises (BUMDES) in tourist villages in Indonesia is necessary.

In Indonesia, one of the tourist villages that have high potential to be developed and has been designated as a priority tourism village for development in Central Java Province is the Petarangan Tourism Village located in Kledung District, Temanggung Regency. Petarangan Tourism Village is characterized by nature supported by culture. Some of the tourist attractions that have been visited and attracted by tourists are Puncak Botorono, Watu Ambal, and Watu Kendang. Currently, tourists who come can enjoy the charm of natural tourism while doing agro-tourism and enjoying cultural tourism. Even though they already have BUMDES running and assisting in managing tourism activities in the village, looking at the development category which is in the position of a pilot tourism village, this indicates the capacity of BUMDES as a tourism village manager is still limited. Therefore, this study focuses on the role of BUMDES as a business entity that manages tourist villages. The concept of the tourism value chain is used as an approach to identify business processes and analyze the management of tourist villages.

LITERATURE REVIEW

Tourism Village

A tourist village can be defined as an area that administratively has characteristics of a village, and has characteristics that become an attraction for tourists to visit. As a tourist destination, a tourist village needs to meet several requirements to support the needs of tourists during their visit such as the availability of attractions, amenities, accessibility, accommodation, etc. (Amerta, 2017; Arida, 2015; Indonesian Ministry of Tourism, 2018; Zebua, 2016).

In its development, the development of tourist villages is quite different from the concept of rural tourism, this takes into account the clear administrative limits on the development of tourist villages so that it has implications for business ownership and organization. The tourist village focus on increasing the level of economic income for the community unit, compared to rural tourism which is only a tourist activity that coincidentally has a tourist attraction in a rural environment. Therefore, the development of tourist villages is considered suitable as an approach to driving small-scale economic improvement in the community and relies on local leadership (Blackstock, 2005; Tang & Jones, 2012; Neumeier & Pollerman, 2014).

Tourism Value Chain

Studying the function of tourism to improve the level of community welfare means looking at their point of view in meeting the needs of tourists. This will later be closely related to how the cycle of meeting the needs of tourists in tourist destinations is related to the value chain that is formed (Nugroho et al., 2021). The value chain is a concept to increase competitive advantage, by designing, producing, marketing, and distributing/presenting products to consumers in a chain of activities that provide added value (Porter, 1985) (Miličević, 2021) (Yilmaz & Bititci, 2006). The value chain greatly determines the structure of activities and outputs of a

transaction process and helps companies strengthen competitiveness (Morales-Zamorano, Camacho-García, Bustamante-Valenzuela, Cuevas-Merecías, & Suarez-Hernández, 2020).

In business management, the value chain plays an important role in competitive advantage through the interaction between costs, differentiation, and company activities (Porter, 1985) that add value to consumers and companies (Morales-Zamorano et al., 2020). Furthermore, (Morales-Zamorano et al., 2020) (Miličević, 2021) (Martinović & Goran Milenković, 2021) emphasizes that although the value chain is a process that occurs internally within the company, in principle the value chain starts from the consumer. . The company's ability to understand its capabilities and consumer needs is very important. The value chain focuses on processes that are integrated and synergized in every activity of production, marketing, and distribution/presentation of products and services effectively and efficiently. The company's operations are always goal-oriented and maintain the sustainability of operations by managing the effective use of resources contributing to the value chain, productivity, and customer quality (Miličević, 2021).

In the OECD-UNWTO-WTO Report 2013, the tourism value chain includes the entire transaction process to serve tourists from the country/region of origin of tourists and at the destination, including the supply of related products and services (OECD-UNWTO-WTO, 2013). The mapping of the tourism value chain from the perspective of tourism service providers shows the complexity and relationships between actors and their functions, to gain profits/benefits and tourism experiences in a sustainable manner (UNWTO, 2013) (Martinović & Goran Milenković, 2021). The following is the UNWTO Tourism Value Chain Model:

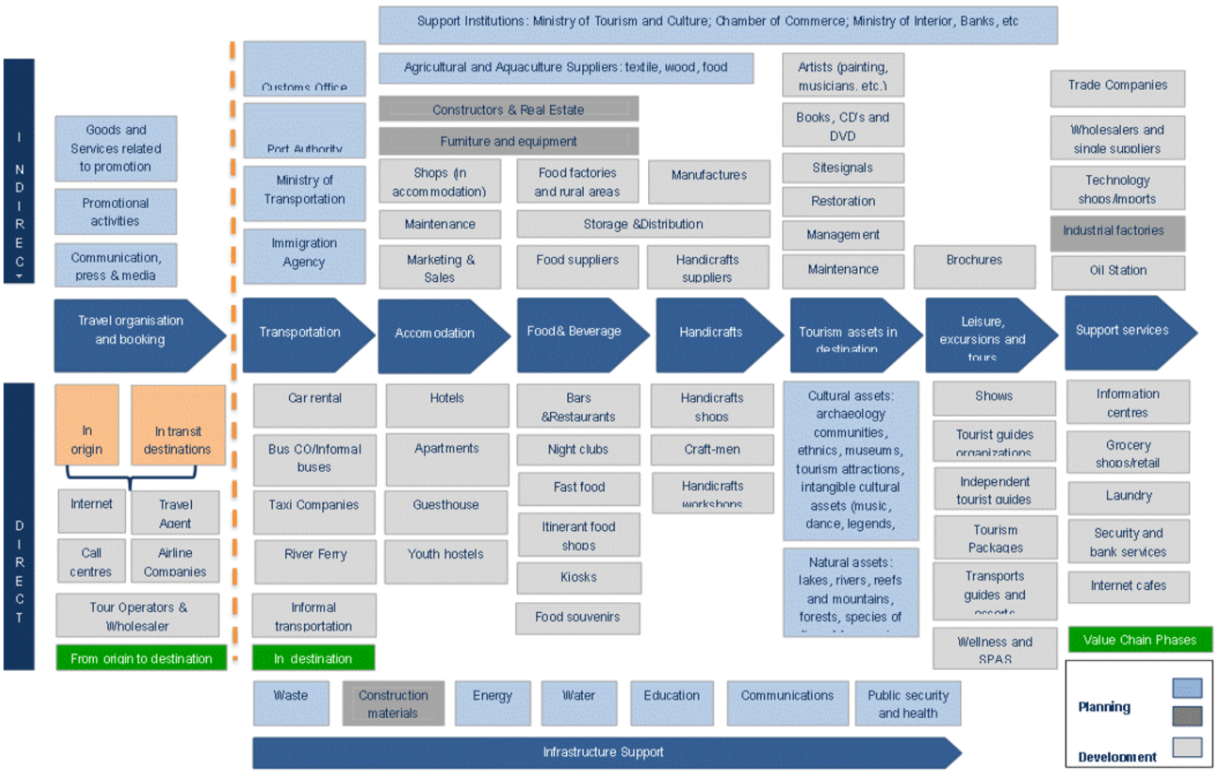


Figure 1. Tourism Value Chain
Source: OECD-UNWTO-WTO (2013)

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In implementing the tourism value chain in a tourism village, the process of fulfilling tourist experiences, and direct community involvement remains a priority for tourism village management (BUMDES) by emphasizing efforts to protect and develop village MSME actors in the long term. Efforts to develop and manage resources must meet economic, environmental, social, and technological aspects (Kemenkomarves & Kemenpar RI, 2021; UNWTO, 2021). At the next level, the evolving of organizational competence and innovation ability (Deni et al., 2020) will ensure the realization of the business performance of BUMDes in managing tourist villages.

RESEARCH METHOD

This study uses a descriptive method with a quantitative approach (Ferdinand, 2006) (Siyoto, 2015), using data collection techniques carried out by distributing questionnaires, interviews, observations, and FGDs. The main data for tourism value chain analysis is obtained through a questionnaire instrument which is communicated in a guided manner to each respondent of the tourism village manager (BUMDES) and external parties related to the tourism village management business process, to obtain accurate information and at the same time be able to deepen information. The quantitative analysis process is carried out using a scale of 1 to 10 (Martinović & Goran Milenković, 2021) with the following description:

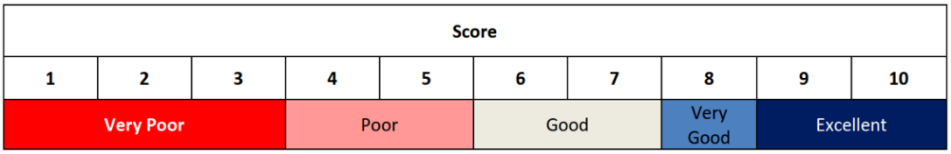


Figure 2. Scoring of Questionnaire Result

This research uses the following methodological framework:

1. Stage 1: Diagnosis

At this stage, the researcher conducted a basic study to compile the actual business process of BUMDES as the manager of the tourist village. The basic study carried out includes three activities, namely: 1) preparation, 2) desk research, and 3) field research. The result of this study is a portrait of the BUMDES business process from a tourism value chain perspective. Data collection techniques used are questionnaires, interviews, and observations.

2. Stage 2: Assessment

The assessment activity carried out is tourism value chain analysis. The analysis was carried out quantitatively with the main data obtained through distributing questionnaires to respondents related to the tourism village management business process, internal respondents, namely BUMDES management, and external respondents, namely actors related to tourism village management (village officials, business people related to tourist villages, community leaders).

3. Stage 3: Recommendation

The recommendation activities carried out included FGDs to explore and confirm the findings of tourism value chain analysis, modeling, and preparation of research reports.

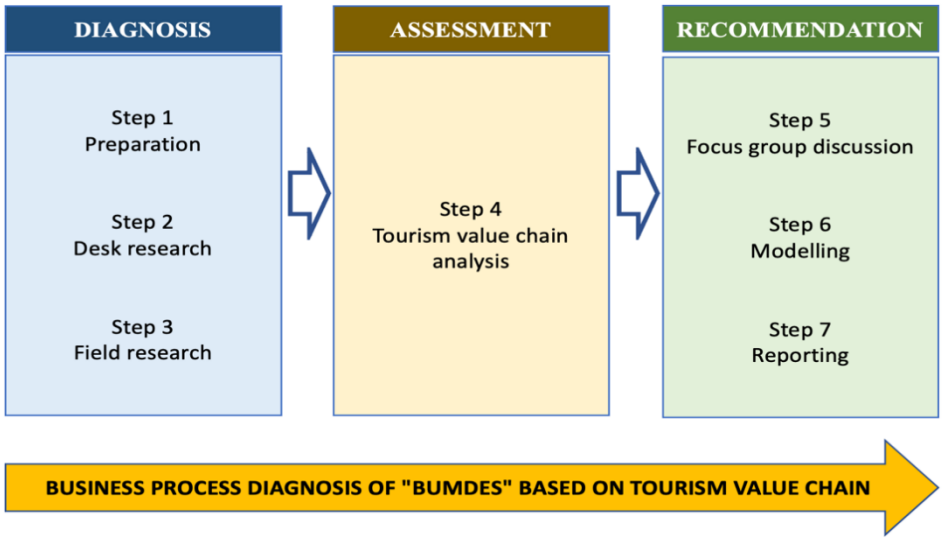


Figure 3. Methodological framework

RESULT & DISCUSSION

Result

From the results of the analysis of the answers to the questionnaires that have been collected, the data are analyzed and grouped into several study perspectives, namely the financial perspective, customer perspective, internal business process perspective, and organizational capacity perspective. Specifically, the data that has been obtained is presented through a spider web diagram as follows:

1. **Financial Perspective**

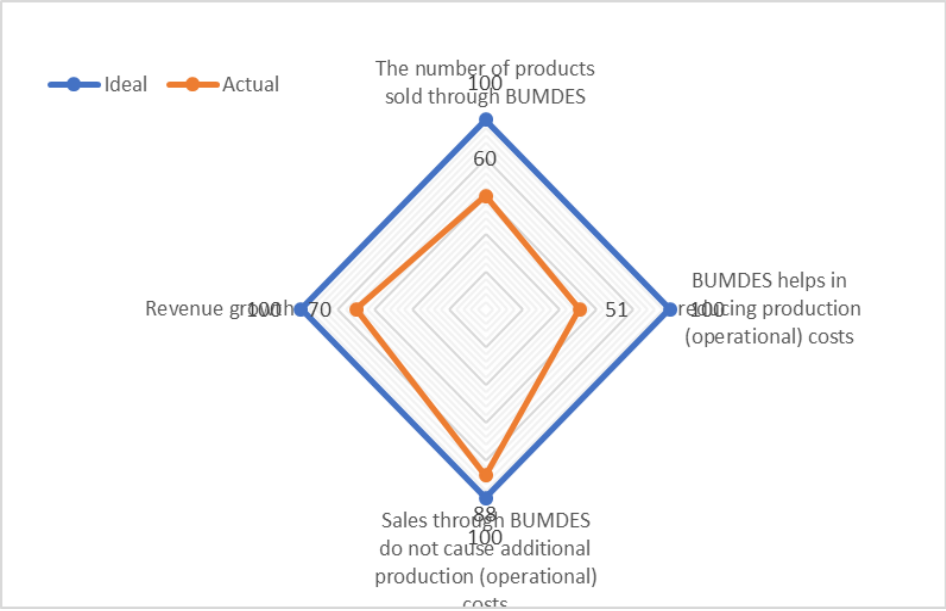


Figure 4. Financial Perspective

The results above show that from a financial perspective, the role of BUMDes in Petarangan Village is worth 67 where the results are quite good. From this financial aspect, the role of BUMDes which is considered lacking is in helping reduce operational (production) costs from producers.

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2. Customer Perspective

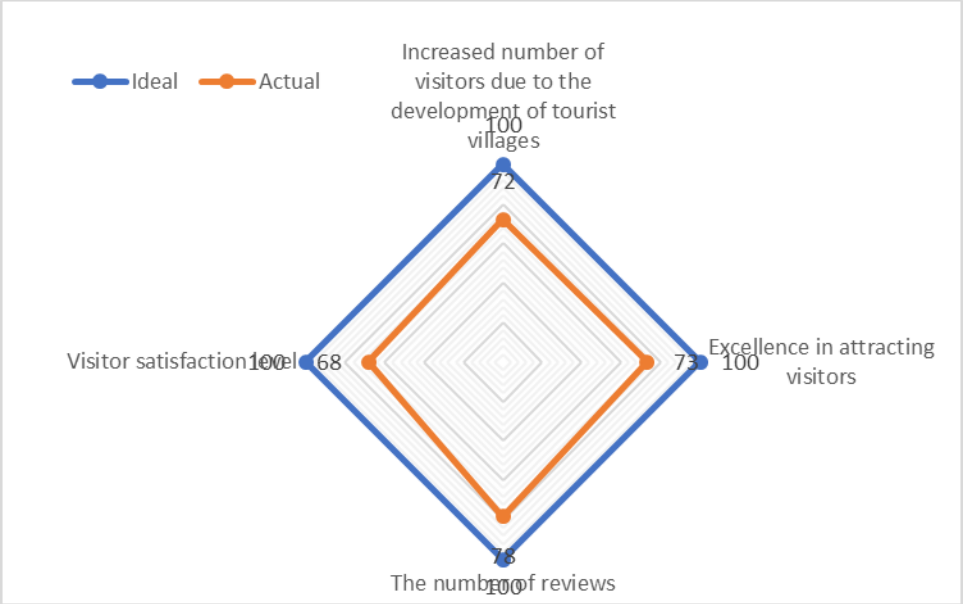


Figure 5. Customer Perspective

From a consumer perspective, the role of BUMDes in Petarangan Village is worth 73 where the results are already good. The role of BUMDes which is considered to still need to be improved is in terms of increasing the level of visitor satisfaction.

3. Internal Business Process Perspective

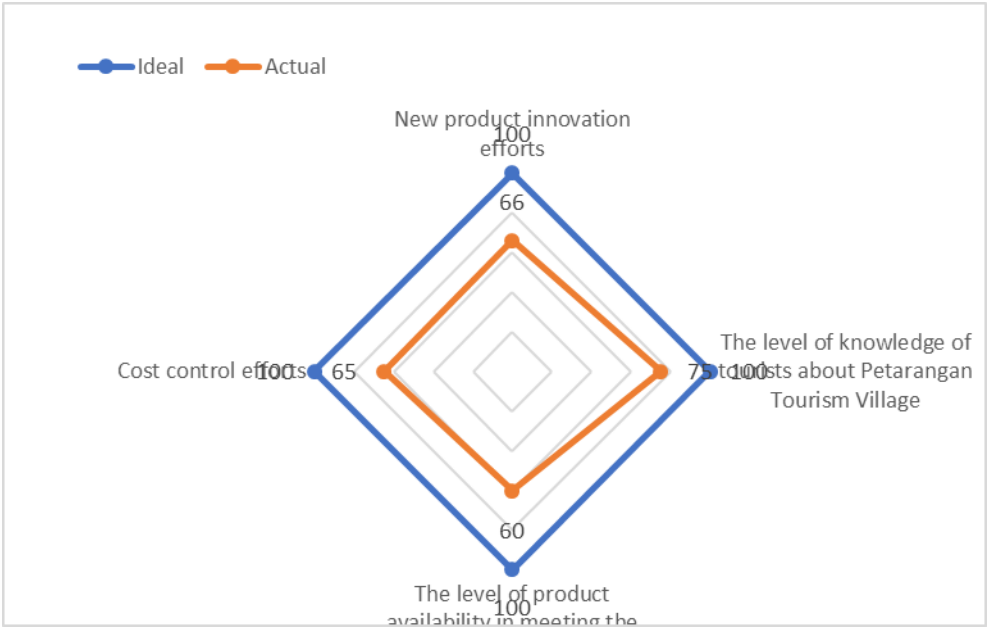


Figure 6. Internal Business Perspective

In terms of the internal business process perspective, the role of BUMDes in Petarangan Village is worth 66 where the results are quite good. The role of BUMDes which is considered to still

need to be improved is in terms of increasing the level of product availability in serving the needs of visitors.

4. Organizational Capacity Perspective

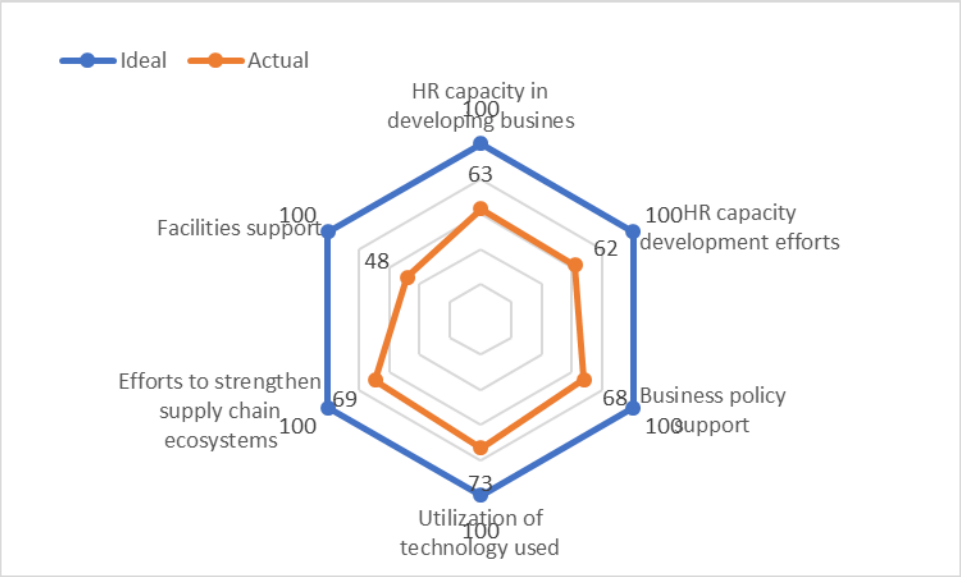


Figure 7. Organizational Capacity Perspective

In terms of organizational capacity perspective, the role of BUMDes in Petarangan Village is worth 64 where the results are quite good. The role of BUMDes which is considered lacking is in terms of increasing support for facilities and facilities.

Overall, the performance of the role of BUMDes in Petarangan Village is worth 67 where the results are quite good. This can be seen from the following figure:

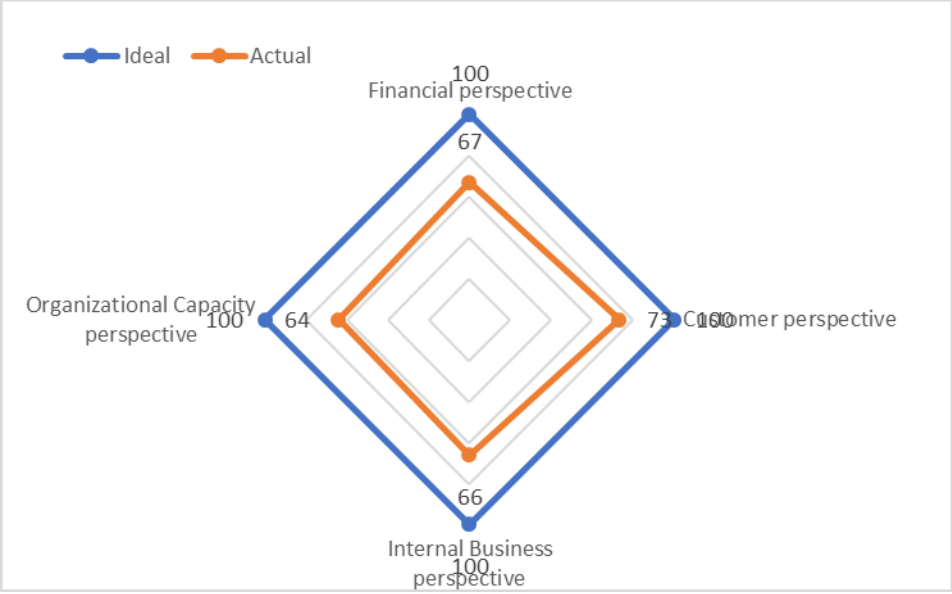


Figure 8. Performance of Each Perspective

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The overall role of BUMDes still needs to be improved, so that the presence of BUMDes in Petarangan Village will be able to provide more benefits for the welfare of the community and the sustainability of tourism activities in Petarangan Village.

DISCUSSION

The findings in this study are that the role of BUMDes in Petarangan Village is quite good, but several notes need attention, including:

1. The customer perspective gets the highest score compared to the other 3 perspectives, especially on the points of increasing the number of tourist visits and the good reviews are given. This indicates that the management of tourism activities in Petarangan Village is sufficient to pay attention to the needs of tourists and all matters concerning the implementation of tourism activities in the village are service-oriented toward tourists. This is the main point that can be a strength and can be continuously improved.
2. The organizational Capacity Perspective has the lowest score compared to other perspectives, especially in terms of facility support which only has a score of 48/100. This is a red note in its implementation because the availability of facilities is necessary for every tourist destination to support tourist comfort and determine how long they visit. In addition, the points of human resource development capacity also need to be improved.
3. From a financial perspective, the point "sales through BUMDES does not change product prices" has a very high score (88/100), which indicates its function as a platform that helps the community to promote and sell MSME products effectively and efficiently has been running. In the future, BUMDES can focus on efforts to reduce production costs and increase profits for each of its products.
4. Referring to the ideal conditions of the Tourism Value Chain, there are components that must be fulfilled by the tourism sector manager, which consists of:
    a) Transportation
    b) Accommodation
    c) Eating and drinking
    d) Handicrafts/souvenirs
    e) Tourism assets (attractions) at the destination
    f) Performances and events
    g) As well as support services.

From the results of data processing, it is known that all components of the tourism value chain in Petarangan Village have been fulfilled. However, the sub-components of each of the main components are not as complete as the ideal conditions. This is commendable because what has been done by tourism managers has been able to meet the main components needed. The next consideration is the quality and quantity of each of the main components and sub-components provided.

To strengthen the role of BUMDes to improve its performance of the role of BUMDes, several things need to be done and prioritized, such as:

1. BUMDes must be the center of village economic activities, meaning that BUMDes must be the center for selling products produced by village communities. Thus, with the increasing number of products sold through BUMDes, the profits of BUMDes will

also increase which in the end will be able to help increase the capital needed by MSMEs in rural communities so that the operational costs of MSMEs can be reduced.

2. The limitations of existing facilities will make it difficult for BUMDes to carry out its roles, so it is necessary to strengthen facilities and facilities. In tourism activities, cleanliness is a major factor that can provide comfort and visitor satisfaction. Therefore, proper sanitation facilities are needed. Sanitation facilities and proper accommodation facilities will make visitors feel comfortable and at home to stay so that problems in terms of visitor satisfaction will be resolved and will ultimately increase the number of visits. In addition, support for transportation and transportation facilities is also needed. This is so that the supply chain ecosystem can run well and will overcome the problem of product availability in serving the needs of visitors.
3. Strengthening the capacity of human resources also needs to be done. This is intended so that BUMDes managers, in addition to being able to carry out their roles better, can also provide education to rural communities, especially MSMEs, so that MSMEs can create new product innovations and be able to control their operational costs.

CONCLUSION

From the four perspectives used in assessing the performance of BUMDES on the performance of tourism business processes that occur in the Petarangan Tourism Village, in general, the performance is quite good, where the average value of each perspective is more than 50 out of 100. Most tourism business activities have been helped by the existence of BUMDES as an official body that is under the authority of the village government and specifically protects and fulfills the needs of the community involved in tourism activities in the village. The tourism value chain that has occurred is quite good and moves statically with a good growth direction. However, several important points need to be considered and improved, such as the function of BUMDES as a facility service provider, improving the quality of tourism human resources who have qualified business knowledge, and the control power of BUMDES in following market prices and minimizing production costs.

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