

Visualization and the Cost of Maintaining Horses in a Stable Business with the Concept of a Horse Riding School in Bantul Regency

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ABSTRACT

This study aims to identify the business model canvas (BMC) and analyze the implications of the cost structure of raising horses in Rumah Berkuda Yogyakarta which has a concept horse riding school. The research method uses descriptive qualitative and quantitative. The results showed that the targeted customer segments were parents of children, adults, photo shoots with horses and horses' owner without stable. Value Propositions in the form of strategic locations, riding training for children and adults, stable rental services, various training package prices, training time to follow visitors, and horses for training more than 2 tails. Channels are in the form of word of mouth and social media promotions. Customer relationships in the form of making t-shirts, renting cages and providing souvenirs and bonus lessons. Revenue stream from equestrian training services and cage rental. Key resources in the form of horses, human resources, facilities, and finance. Key activities include horse maintenance, visitor services as well as promotion and administration. Key partnerships in the form of shops for feed, medicine and equestrian equipment, providers of cage mats, providers of grass, t-shirt convection and social media around. The cost structure includes the basic costs of maintenance and operational costs of horse maintenance. The total monthly percentage of fixed cost is 19.44% and the percentage of total variable cost is 80.55% of the total percentage of horse maintenance.

Keywords: business model canvas; horse maintenance costs; stable business

INTRODUCTION

Globalization and the pandemic have made people's lifestyles and mindsets increase. Increasing people's mindset about the importance of hobbies and happiness to trigger a good level of immunity. This is used by business people to attract people who have hobbies or just want to ride horses as a positive activity. Horse stable business is one example of agribusiness that involves horses in its business activities. The government's increased focus on the equestrian Olympics has also resulted in an increase in public enthusiasm for learning to ride. Existing stable businesses, usually serving equestrian training, interaction with horses and horse care. This makes horse maintenance activities need to be considered to support the running of business activities.

Bantul Regency is a district that has the largest horse population in the Special Region of Yogyakarta Province.

This is evidenced from Horse Population by Province of Central Bureau of National Statistics (2020) that the population of horses in Bantul Regency in 2016 was 1,775 heads of the total population of the Yogyakarta Special Region of 2,182 heads. Based on the results of this number, Bantul Regency must optimize the value of its horse livestock. Horse breeding visualization is used to optimize sustainable development in a horse stable business. The development of a stable business is analyzed using the business model canvas (BMC). BMC is used to visualize and identify problems in order to optimize activities in the sustainability of the business being carried out. This is in accordance to (Dudin, Lyasnikov, Evich, Leont'eva, Reshetov, Evich, and Sidorenko. 2015) which states that BMC can be focused on identifying problems and looking for functions in development as well as optimizing business growth and sustainability in the long term.

This study aims to identify problems regarding the business model canvas that exists in stable locations and analyze the structure of maintenance costs in a stable business that has a concept horse riding school. Business sustainability needs to involve internal and external parties. Internal parties such as business people, groomers, and trainers, while external parties such as customers learning to ride, and external parties who support equestrian business activities.

LITERATUR REVIEW

Maswarni and Rachman (2014) states that a horse can be divided into three types, namely light horses, heavy horses and ponies or donkeys. Horse types are divided into coldblood, hotblood and warmblood. Riding coldblood usually mated and the marriage or crosses normally used for horse patrol policing activities (Fraser, 2010). Warmblood horses were among the cold-blooded draft (coldblood) and warm-blooded (hotblood) (Kimball, 2006). Horse maintenance includes identification of types and types of horses, horse stables, horse feed, horse health, and supporting infrastructure. The cage is an important thing in a stable business, this is because the cage will bring income for business actors. The roof of the stable should have a higher distance from the floor of the stable, it can produce good air circulation. In addition to the stable building, horse bedding also needs to be considered. The types of materials that can be used for bedding are peat, rice husks, peanut husks, sawdust, and paper pulp (Brady et al., 2010).

Horse feed explained by McNamara (2006) that growing horses require a balanced amino acid content for muscle growth, metabolism and contribute energy to the body, so that at the beginning of giving the ration consists of 60-70% concentrate. Good feed will affect the health of the horse. Horse health is influenced by the implementation of biosecurity and prevention of livestock bodies. It is also explained by Frosth, Pringle, and Lewerin (2018) that the implementation of biosecurity on most stable enough to prevent the spread of disease in horses in the stable. Supporting infrastructure includes a paddock, a place for grooming and poultice preparation, Maswarni and Rachman (2014) state that the paddock or umbaran is a field with a certain size that has a function as a place to release horses for movement while eating grass and explain that horse hooves are cleaned every day. In addition, the officer who has a job desk for changing horseshoe and caring for the health of horse hooves is called a ferrier and an officer who has a job desk for caring for horses is called a groomer. Grooming or bathing the horse is done not only to keep the horse clean, but also stimulate blood and lymph circulation and shine the horse's book.

Business model canvas is one of the business models used and applied in analyzing a business in the canvas model. BMC has 9 elements that can be depicted on a visual canvas. Osterwalder and Pigneur (2012) describe 9 elements in supporting their analysis activities, namely:

Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure.

- Customer Segments define the target groups of people or organizations in the company's business.
- Value proposition is a benefit that can be offered by a business actor to the segments served.
- Channels are a description of how an organization communicates with the customer segment in order to provide a value proposition, distribution, and sales.
- Customer relationship is the way a business person deals with keeping old customers, attracting new customers and offering or introducing products or services to customers.
- Revenue stream is an inflow of funds that is able to describe how an organization gets money from the customer segment.
- Key Resources are resources owned by a company or business to support the business model.
- Key Activities are ongoing activities. This element is needed by business businesses in order to get a value proposition, reach customers, gain markets, and obtain opinions for these business ventures.
- Key Partnership in this element can be called a key partnership. A partnership is a party that cooperates in operating an organization in the running of a business.
- Cost Structure is an element of calculating the company's income and expenses during the running business operations process.

The cost structure includes fixed costs and variable costs. Also known as economic sacrifice, Hartono (2016) explains that fixed costs are costs that are not affected by the size of production and their use does not run out in one production period and variable costs are costs incurred in one production activity.

METHODOLOGY

The research was conducted from December 2020 to February 2021. The research location was in Rumah Berkuda Yogyakarta (RuBY), Bantul Regency, Yogyakarta Special Region Province which was selected purposively. The research method used is descriptive qualitative and quantitative. Sources of data used include primary data and secondary data. The sampling technique used was observation, questionnaires and interviews with business actors, groomers, equestrian trainers, equestrian learning customers and outsiders who support business activities. Furthermore, the data that has been obtained is analyzed using a business model canvas (BMC) and the cost structure of horse maintenance is described in more detail.

RESULT AND DISCUSSION

Business Model Canvas

The results of research conducted on 9 elements in BMC which include Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structures are presented in (Table 1)

TABLE 1: Business Model Canvas Result

<i>Key Partner</i>	<i>Key Activities</i>	<i>Value Proposition</i>	<i>Customer Relationship</i>	<i>Customer Segment</i>
<ul style="list-style-type: none"> • Stores for feed, medicine and equestrian equipment • Providers of cage mats • Providers of grass • T-shirts convection • social media regarding information on the Yogyakarta area 	<ul style="list-style-type: none"> • Horse maintenance • Visitor services • Promotion and administration 	<ul style="list-style-type: none"> • Strategic location with natural atmosphere • Receive riding training for children and adults • Receive stable rental services and horse care • Package prices offered vary • Practice time follows visitors • Horses for training are diverse and more than 2 tails 	<ul style="list-style-type: none"> • Make a simple T-shirt design for whom interested in horses • Renting stables <i>include</i> feed and horse care • Providing souvenir and a bonus lesson 	<ul style="list-style-type: none"> • Parents who want their children to interact with horses. • Adults who want to ride • Photo shoots and capture moments with horses • Horses owner without stable
	Key Resources		Channel	
	<ul style="list-style-type: none"> • Horses • Human resources • Facilities • Financial 		<ul style="list-style-type: none"> • Social media promotions • Word of mouth 	
Cost Structure		Revenue Stream		
<ul style="list-style-type: none"> • Cost of horse • maintenance Operational costs of horse maintenance horse 		<ul style="list-style-type: none"> • Sales of training services • Rent of stables 		

Based on the results of the table above, each element of BMC shows the results with the number of points that are quite diverse. Filling in the BMC starts from filling out Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and the last is Cost Structure.

• Customers Segments

The results of the identification of the element Customer Segments at the location have specialized segments. This element is the determination of the customer groups to be addressed and the determination of customers who have appropriate criteria for the target. The customers targeted by stable include all walks of life. The target criteria include: parents of children who want to practice and interact with horses, adults who want to practice horseback riding, photo shoots and capture moments with horses and horse’s owner without stable. Although many children practice horses, the main segment of the location is adults who like horse riding or parents of children who are learning to ride. On-premises customers include both existing and new customers. The continuity of the business that is run is strongly influenced by all the customers it has. The right target customer is strongly influenced by

how to acquire new customers and retain old customers.

• Value Proposition

The results Elements that contain the value of the solution of customer needs, or the reason for the arrival of customers to the stable location. The value provided by the stable is a strategic location with a natural atmosphere, receiving riding training for children and adults, receiving stable rental services and horse care, the package prices offered vary, training time follows visitors, as well as horses for various training and more than 2 tails. Besides that, this location offers practice time on weekends, this stable also opens training times 2 times a day, namely in the morning and evening. This makes it easier for workers who want to train but are constrained by time on weekdays. Currently the stable already has more than 3 horses used for training and is only closed on Mondays.

• Channel

Channel is a way for business people to convey 2 value propositions. The selection of the value proposition is expected to be able to be conveyed to the target customer segment. Direct channel which is done through word of mouth.

While the indirect channel through social media promotion belongs to stables. Word of mouth will make new visitors who come from people closest to the old visitors. The official social media used by the location include Instagram, WhatsApp and Twitter. RuBY has an Instagram account with the username @rumah_berkuda_yogyakarta. This submission is made from the admin's whatsapp account or RuBY's official contact. The distribution of Whatsapp stories includes the distribution of the visitors' equestrian activities along with a description of the visitor's name and the horse being ridden.

• Customer Relationships

This element is a relationship made by business people with customers to provide more services so that customers have loyalty to the stable, so that customers can visit the horse-riding location again. The customer relationship built by the stable is carried out directly by the owner of the stable who is also the manager of administration and customer service. So, reservations and complaints from customers can be responded to immediately. Results of the analysis showed a roomy stable customers in a stable relationship involves making a simple t-shirt design for whom interested in horses, rent stables include feed and horse care and provide souvenirs and bonus lesson. The offer of making this t-shirt is purely to establish good relations from the location to visitors. Good relations are expected so that old visitors want to come back and can use RuBY shirts happily. The stables rental offered by this location includes daily feed, changing of the cage pads, and routine maintenance of the horses. Horse owners are quite helped by this offer, so that their horse care has been handled properly. This location usually gives souvenirs to selected visitors who have taken the training package more than three times and gives a bonus one lesson to selected visitors who have finished taking the 10-training package twice.

• Revenue streams

This element contains the turnover of income from stable businesses that are run. Apart from the income stream from the number of members doing the exercises, but also the additional turnover from the maintenance activities carried out in the stable. The main income from the stable, which has a horse-riding school concept, comes from the sale of riding school services. In addition, the income stream generated by the stable comes from stables rentals that are offered to horse owners but are constrained by stable ownership. This stable provides horse stable rental services which include feeding and caring for the horses that are deposited. Based on the research at the location, the obtained revenue stream was from the large number of visitors who paid for equestrian training and payments for horse stable rental.

Key resources

This element is a resource that must be owned so that horse maintenance operations in the stable can run, so as to generate income for the stable. A stable business will run smoothly if the main resources and supporting resources owned are able to run well.

The main resources owned at the location are human resources and resources derived from horses. Supporting resources that are stable are resources that come from external parties that have supported the activities in the location. Based on the results of the analysis conducted in the field, the key resources in the stable are horses, human resources, facilities, and finance. The local horses in this location are horses from crosses from G horses or pure local horses which are usually used for training for adult visitors or children who are already adept at controlling horses. The sandalwood horse owned is a horse that is smaller than the local horse which is usually used for training for children who are learning to ride or for fun ride. This location has 5 horses consisting of 4 local horses and 1 sandalwood horse. The human resources involved in the operation and maintenance of the business system at the research site include admins, veterinarians, groomers, trainers, grass providers, bedding providers, feed providers, and builders. The facility resources owned by RuBY are in the form of buildings and land. Facilities in the form of buildings owned inform of the paddock and horse stables. The stables in this location are the main resources in the business because they can also be used for rent. The key financial resources of the location are capital and own funds owned by the owner. This stable was developed without using external financial sources.

• Key activities

This element is an activity carried out in the stable to meet the needs of incoming customers. Operational maintenance activities that take place in the stable are quite diverse, ranging from daily to weekly activities. Horse rearing activities take place from morning until late at night. The main activities carried out there are horse maintenance, visitor services, and administrative promotions. Horse maintenance which is carried out at the Rumah Berkuda Yogyakarta is the first main activity in this location. This activity has several descriptions of activities such as daily and weekly stable cleaning, horse health checks, horse feeding, horse preparation for visitor training, horse showcasing and grooming horse. The second main activity at this location is visitor service. Visitor service activities carried out include environmental care and infrastructure, photo session, visitor horse training, fun riding for visitors, and horse introduction activities. The third major activity on site is promotional and administrative activities. These promotional and administrative activities have activity descriptions such as branding daily activities through social media, making visitor training schedules and other activities, administrative control and recording business activities.

• Key partnership

Stable business in horse raising activities cannot run alone without a supportive external partner or team. This element is an external partner or team that collaborates and assists in launching horse maintenance operations run by the stable. The purpose of this element is to support the business so that the horse maintenance operational process can

run smoothly, minimize the risks that occur, or obtain other needed resources. The key partnerships at the location are feed, medicine and equestrian equipment shops, providers of cage mats, grass providers, t-shirt convection and social media regarding information on areas around Bantul Regency and Yogyakarta Province.

• Cost structure

This element is an element that contains the costs that exist in the operational process of maintaining horses in the stable. The purpose of this element is to find out the key costs in the process of keeping horses, knowing the portion of costs through the cost structure, and as a final correction in the flow of financing for horse maintenance operations in the stable. This cost structure includes fixed costs and variable costs used in horse maintenance to support a stable business based on horse riding school. The cost components in this element are the basic costs of maintaining horses and the operational costs of maintaining horses. The components of the basic costs of maintaining horses at this location include the cost of horse feed, horse health costs, and cost of bedding. Components of operational costs for maintaining horses at the site include land rental costs stable, costs for making stables, costs for electricity and water, costs for building supporting buildings, equipment maintenance costs, and labor costs.

Horse Maintenance Costs

The structure of horse maintenance costs in business stable this is cost information that focuses on horse maintenance. The cost structure in maintenance is divided into two, namely fixed costs and variable costs. Hartono (2016) states that fixed costs are costs that do not affect the size of production and variable costs are costs incurred which are influenced by the quantity of production carried out. The total cost of maintaining horses per month at this location is Rp. 13,272,449 (932,33 dollar). Fixed costs incurred in maintaining horses at this location include land rental costs, initial purchase costs of horses, building costs, and equipment costs. The total fixed cost in this location has a percentage of 19.44% of the total percentage of horse maintenance costs. This rental fee has a percentage of 9.42% of the total percentage of maintenance at this location. The cost of buying a horse has a percentage of 5.36% of the total cost of raising a horse. The building costs include the cost of making cages, paddock, and place of preparation. The cost of this building has a total percentage of 2.85% of the total percentage of horse maintenance. Equipment costs include grooming equipment, riding equipment, and maintenance equipment. Grooming equipment costs. The total cost of this equipment has a total percentage of 1.81% of the total percentage of horse maintenance at this location. Components of the need for variable horse maintenance costs include the cost of feed, electricity and water costs, health and shoe expenses, bedding costs, and labor costs or stable employees. The percentage of total variable maintenance costs is 80.55% of the total horse maintenance. The total percentage of feed costs is 56.87% of the total cost of

raising horses. The percentage of electricity and water costs is 3.39% of the total percentage of maintenance. The cost of health and poultice has a percentage of 2.11% of the total percentage of maintenance. The cost of buying bedding is 8.59%. Employee salary costs are 19.59% of the total percentage of horse maintenance costs in this location.

CONCLUSION

Based on the results of the study, it can be concluded that:

(1) The visualization of the stable business of BMC includes:

- The customer segments targeted by Rumah Berkuda Yogyakarta are parents of children who want to practice and interact with horses, adults who want to practice horseback riding, adults who need photos moments with horses and horse owners who don't have stables for their horses.
- Value propositions offered by Rumah Berkuda Yogyakarta is a strategic location with a natural atmosphere, accepts riding training for children and adults, accepts stables rental and horse care services, the package prices offered vary, training times follow visitors, and horses for various exercises and more than 2 tails.
- The channel used by Rumah Berkuda Yogyakarta is word of mouth and social media promotion owned stable
- Customer relationship provided to the customer by Rumah Berkuda Yogyakarta shirt design simple and attractive to visitors who are interested, rent stables include feed and horse care and provide souvenirs and bonus lesson.
- The revenue stream that takes place at Rumah Berkuda Yogyakarta comes from equestrian training services and rental of stables for horses.
- Key resources owned by Rumah Berkuda Yogyakarta are horses, human resources, facilities, and finance.
- Key activities carried out by Rumah Berkuda Yogyakarta are horse maintenance, visitor services and promotion and administration.
- Key partnerships owned by Rumah Berkuda Yogyakarta are shops for feed, medicine and equestrian equipment, providers of cage mats, providers of grass, t-shirt convection and social media regarding information on areas around Bantul Regency and Yogyakarta Province.
- The cost structure of Rumah Berkuda Yogyakarta includes the basic costs of horse maintenance and the operational costs of horse maintenance.

(2) The total monthly maintenance cost of horses is Rp.13,272,449 and the structure of horse maintenance costs includes a total percentage of *fixed costs* of 19.44% and a percentage of total variable costs of 80.55% of the total percentage of horse maintenance.

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