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Strengthening Business Sustainability at Al Kasyaf Foundation through the Development of an Innovative Entrepreneurship Model

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Abstract

Background: The sustainability of foundation-based social organizations faces challenges in business management, system integration, and adaptation to environmental changes.
Objective: This study aims to analyze the actual conditions of multi-line management of social business in the Al Kasyaf Foundation, identify the dynamics of collaboration, innovation, as well as supporting and inhibiting factors for sustainability, as well as formulate innovative entrepreneurial models to strengthen organizational sustainability.
Methods: The research uses a qualitative approach with a case study method. Data was obtained through in-depth interviews, observations, and documentation of the managers of the Al Kasyaf Foundation's business units, then analyzed using data reduction techniques, data presentation, and conclusion drawn.
Results: The results show that inter-unit management is still informal with limited system integration, while collaboration and the implementation of the circular economy have developed organically. The main supporting factors include social capital based on religious values, resource integration, and external collaboration networks, while the main obstacles are limited human resources, weak management systems, dependence on a single source of income, and low digitalization.
Conclusion: This research produces an innovative entrepreneurship model consisting of the integration of digital management systems, strengthening the circular economy, developing human resource capacity, and diversifying business units. The model is expected to be a strategy to strengthen economic, social, and environmental sustainability in community-based social organizations.

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INTRODUCTION

Operational sustainability is a central issue in organizational management, both in the business world and in non-profit institutions such as foundations. In the era of globalization and rapid technological developments, non-profit organizations are faced with great challenges in order to continue to exist and contribute sustainably in the midst of ongoing socio-economic changes (Prashant et al., 2025). Foundations, as part of non-profit organizations, have an important role in supporting the social, educational, and economic progress of the community. However, a significant proportion of foundations in Indonesia have difficulties in maintaining the continuity of their organizations, especially related to funding issues, lack of innovation, and the ability to adapt to environmental changes. According to a systematic review on resilience and sustainability of social enterprises, more than half of social enterprise-based organizations face critical sustainability challenges related to financial management and operational capacity Prashant et al. (2025), a condition that is especially prevalent among Indonesian foundation-based institutions that still lack formalized management systems and diversified funding sources.

The Al Kasyaf Foundation is a socio-religious institution whose *main core business* is the management of orphans and poor Islamic boarding schools, with a focus on education, character development, and social empowerment. To ensure the sustainability of pesantren operations and reduce dependence on donations, the foundation develops various social business units (*multiple businesses*) as independent sources of funding that support the main activities of Islamic boarding schools.

In practice, the Al Kasyaf Foundation has applied the principle of circular economy, where the output of one business unit is used as input for other units. For example, agricultural and livestock products support the MBG program and the internal consumption of Islamic boarding schools. This approach reflects sustainable value creation efforts that simultaneously integrate economic, social, and environmental aspects.

However, due to the limitations of managing various business lines amid global changes, more innovative entrepreneurial models are needed so that social, economic, and ecological sustainability can be interconnected and have a sustainable impact on the wider community.

Based on the results of observations and interviews with several administrators (2025), it was found that some business line activities do not have an integrated management system and integrated innovation strategy. Sales activities are still conventional such as soap, agricultural units and tempeh depending on the local market and the MBG program. This condition shows the limitations of social entrepreneurship innovations that have an impact on the low economic sustainability of the Foundation.

The results of the interview with the chairman of the foundation (2025) show that the lack of integration between business lines leads to duplication of resources and operational inefficiencies. For example, the financial recording system in several business units is still carried out manually and separately, without an integrated management platform that can monitor financial performance across lines. Each unit, such as soap, tempeh, and integrated agriculture, has a different reporting format and recording method, making it difficult to consolidate data and oversee the foundation's finances as well. This condition causes the reporting process to be slow, error-prone, and inefficient in strategic decision-making. According to internal data obtained (2025), the contribution of each unit to total revenue is still unequal which still depends on the MBG project.

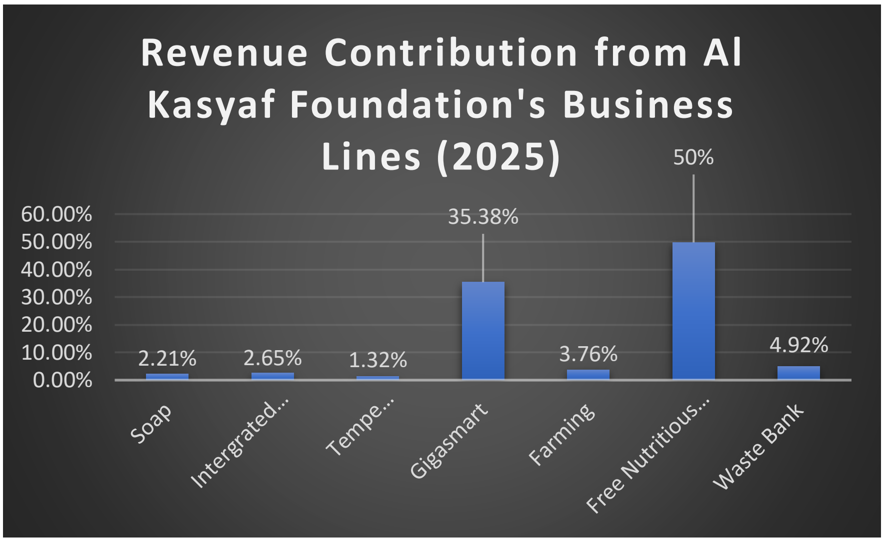

Figure 1. Revenue Contribution of Al Kasyaf Foundation Business Line (2025)
Source: Al Kasyaf Field Observation & Pre-Survey Interview (2025)

Figure 1 shows that the revenue contribution of each business line in Al Kasyaf is still uneven. The largest revenue came from the Free Nutritious Food program (50%) and was followed by Gigasmart (35.38%), while other units such as Soap (2.21%), and Tempe Production (1.32%) only contributed a little. This indicates that the organization still depends on one main line, while the other line has not developed optimally.

Based on literature studies and empirical conditions at the Al Kasyaf Foundation, there are several research gaps that are the basis of this research, namely: 1) Previous research on innovative entrepreneurship has generally focused on a single business sector (such as MSMEs or agribusiness), but has not examined the application of innovative entrepreneurship models to multi-line social institutions such as the Al Kasyaf Foundation. 2) The condition of the Al Kasyaf Foundation shows that there is fragmentation between business lines, with a managerial and financial recording system that has not been digitally integrated. 3) Innovation and collaboration activities between units are still running partially and conventionally, not yet reflecting the application of innovative entrepreneurship as outlined in the theory.

This research aims to bridge this gap by developing an innovative entrepreneurial model that strengthens the business sustainability of the Al Kasyaf Foundation.

The pre-survey analysis showed two areas of weakness, namely the first in the managerial which includes an inadequate financial recording and supervision system and the second is the operational which includes a conventional sales system and depends on donors. This is in accordance with the findings Luigi et al. (2025) that the incompatibility of management and business models causes a low adaptive capacity of social institutions to changes in the business environment. Therefore, innovative entrepreneurship models need to include elements of digital integration and synergy between business lines.

Digital transformation is now a major catalyst in strengthening social entrepreneurship innovation (García-salirrosas & Acevedo-duque, 2025). The use of e-commerce, cloud-based record-keeping systems, and collaborative management platforms can increase operational efficiency by up to 35%. For the Al Kasyaf Foundation, the use of Gigasmart as an integrated digital channel for the sale of soap, agricultural products, and tempeh products can be a strategic step. In addition, digitalization also supports transparency and accountability, two important aspects of the governance of modern social institutions.

The circular entrepreneurship model emphasizes resource efficiency and sustainable innovation through recycling, which is relevant to the waste bank activities of the Al Kasyaf Foundation (Jones et al., 2020). Raw materials from recycled used cooking oil, for example, can be made by combining waste banks and soap production. This strategy is in line with the concept Social Value Proposition Mendez et al. (2020), That is, creating economic value by maintaining social value.

Innovative entrepreneurship in a social context has a positive correlation with achievement Sustainable Development Goals (SDGs) especially on goals 8 (Decent Work and Economic Growth) and 12 (Responsible Consumption and Production) (Onwujekwe & Okeibunor, 2025). By strengthening multi-line businesses such as integrated agriculture and fish farming, the Al Kasyaf Foundation not only creates jobs but also increases food security and social inclusion of the surrounding community.

This research is based on the theory Triple Bottom Line Elkington (2020) which combines social, economic, and environmental aspects as indicators of organizational sustainability. In the last five years, this theory has been developed into Sustainable Value Creation Model which emphasizes business model innovation as the main driver of sustainability (Duca, 2020). Thus, the development of innovative entrepreneurship models at the Al Kasyaf Foundation will use this framework as a conceptual foundation.

Figure 2. Triple Bottom Line
Source: Conventry University Social Enterprise

The various challenges faced by the business units under the Al Kasyaf Foundation emphasize the importance of implementing innovative entrepreneurial models that can unite the potential between sectors through integrated cooperation. The development of social entrepreneurship will not be optimal without a management system that can connect all business lines in a digital ecosystem and harmonious governance. As expressed by Anggraini (2025), success in social innovation is greatly influenced by the organization's ability to create systems that support knowledge exchange, collaboration, and continuous coordination between business units. Thus, the development of innovative entrepreneurial models based on collaboration and the use of digital technology is a strategic step to strengthen economic and social sustainability in the foundation environment.

Despite facing limited management and funding capacity, the Al Kasyaf Foundation has strong social assets in the form of community networks and government cooperation. By adopting innovative entrepreneurial models, foundations have the potential to transform every line of business into a sustainable ecosystem that supports each other. This also addresses local socio-economic challenges through an inclusive business approach.

This research will position itself at the applicable level by creating an innovative entrepreneurship model based on social enterprises that have various lines. It is hoped that this model will be a blueprint to support the sustainability of social organizations in Indonesia that face similar problems. In addition, this research will complement the theoretical gaps related to cross-line integration in the context of community-based social enterprises.

In general, the situation experienced by the Al Kasyaf Foundation represents the challenges that many social organizations in Indonesia also face, especially in trying to balance social missions and economic sustainability through the application of entrepreneurial innovations. The development of innovative entrepreneurial models based on various social business lines is expected to be a strategic solution, not only to improve economic performance, but also to expand social and environmental impacts in a sustainable manner. Based on this, this study focuses on "Strengthening Business Sustainability at the Al Kasyaf Foundation Through the Development of Innovative Entrepreneurship Models" as a real effort in building a social entrepreneurship system that is adaptable, collaborative, and sustainable.

This study aims to describe the actual conditions of management and integration between social business lines at the Al Kasyaf Foundation, analyze the dynamics of collaboration, innovation, and digitalization in the development of social enterprises, and identify supporting and inhibiting factors for economic, social, and environmental sustainability. In addition, this research also aims to formulate an innovative entrepreneurship model based on the case study of the Al Kasyaf Foundation that can strengthen the sustainability of multi-line social business in a more adaptive and integrated manner.

METHOD

This study applieed a qualitative method with a case study design This approach was deliberately preferred over a mixed-method design because the research objective centers on exploring depth of meaning, lived organizational processes, and contextual dynamics within a single bounded social setting, goals best served by a purely qualitative paradigm. A qualitative case study is most appropriate when the researcher aims to investigate 'how' and 'why' questions in real-life contexts Yin (2018) and mixing methods is justified only when quantitative data is needed to explain or generalize qualitative findings, a condition that does not apply to the exploratory and model-formulative purpose of this study (Creswell, 1994). The qualitative method was chosen because this research aims to gain a deep understanding of social phenomena and the process of strengthening the sustainability of various business lines at the Al Kasyaf Foundation, with an emphasis on the perspective of the participants, contexts, and dynamics that take place in the field.

This research was carried out at the Al Kasyaf Foundation, a social institution that owns and manages several social business units (multi-line businesses) oriented towards community empowerment and economic sustainability. The selection of the location was carried out purposively, namely based on the consideration that the Al Kasyaf Foundation has characteristics that are relevant to the focus of the research, namely the development of innovative entrepreneurship models in the context of social institutions.

This research was carried out for six months, starting from December to May 2026. The stages of the research cover: 1) Preparation of research instruments and permits. 2) Data collection through observation and interviews. 3) Simultaneous initial data analysis. 4) Validate results through triangulation. 5) Final conclusion drawing

The six-month research period was operationally determined by applying the data saturation criterion, whereby data collection concluded when no new thematic categories or patterns emerged from subsequent field interviews and observations—the standard criterion for determining research duration in qualitative case studies (Yin, 2018). This phased approach underwent triangulation and member-checking at each stage, in accordance with the trustworthiness standards of qualitative case study methodology (Creswell & Creswell, 2017; Miles Matthew et al., 2014).

RESULTS AND DISCUSSION

Results

Supporting and Inhibiting Factors for Economic, Social, and Environmental Sustainability at the Al Kasyaf Foundation

The results of the following research aim to identify the factors that support and hinder economic, social, and environmental sustainability in the multi-line business of the Al Kasyaf Foundation. Understanding these factors is an important foundation in formulating innovative entrepreneurial models that are realistic and contextual, as a good model must be able to leverage existing strengths while providing solutions to the obstacles faced.

Supporting Factors for Sustainability

Based on all interviews with ten participants, there are several factors that are consistently cited as the main supporters of the foundation's sustainability. These factors include both the internal dimension of the organization and the external dimension that comes from the community environment and government policies. Social spirit and religious values are the basis of the movement of all management. Mr. Giovani (P1) cited this as the most important factor that supports sustainability amid various limitations:

"The most important thing is actually the spirit of the management and clear social goals. We all have the same vision, which is to make this pesantren a place to coach orphans and poor people so that they can be independent. This spirit is what keeps business units running even in limitations."

The spirit mentioned by Mr. Giovani is a manifestation of very strong internal social capital. In the perspective of the Resource-Based View Barney et al. (2021), this collective commitment based on religious values is a resource that is valuable, rare, and inimitable, making it difficult for other organizations to imitate. It is not just an individual motivation, but a shared belief system that drives the entire organization even when the financial compensation offered is still very limited. There is an integration of resources between units that reduces costs and improves operational efficiency. Bu Ziah (P4) gave an example of how compost from waste banks directly reduces the expenditure of agricultural units:

"Processed products such as compost also help agricultural units, so there is no need to buy fertilizer."

Mrs. Eris (P6) from the agricultural unit confirmed the real benefits of the integration from the recipient's side:

"The most important supporting factors are the presence of land and integration with other units, such as waste processing that provides fertilizer."

The cost efficiencies obtained through the integration of resources between units are a significant competitive advantage for the foundation. The ability to reduce the cost of procurement of production inputs through the utilization of waste from other units not only increases the profitability of agricultural units, but also reduces the environmental impact of overall operational activities. This is a clear example of the value of the circular economy that is internalized in daily operational practices. The existence of the MBG program as the main source of income as well as the driving force of the activities of other units. Mrs. Cahyani (P9) mentioned the direct impact of this program on the operational stability of the foundation:

"With MBG, operational needs such as meals and some costs can be helped."

The MBG program not only serves as a source of income, but also as a *demand driver* that stimulates production in other units such as tempeh, agriculture, and livestock. The presence of regular and structured demand from MBG provides market certainty for the production units, which in turn allows them to plan production more regularly. Support for external collaboration networks that have begun to form, including with the government through the MBG program, the surrounding community through waste banks, and local MSMEs as material suppliers. This network is a manifestation of the *social capital* that the foundation has built over its more than decade-long existence in the community. Experience and technical skills of several unit managers who come from outside the Islamic boarding school. Mrs. Novi (P8) mentioned that her experience in managing the tempeh business previously in Batam became a crucial starting capital:

"Initially, I myself had experience in the tempeh business before in Batam for several years. So when asked to help here, I try to apply that experience."

The practical experience brought by managers like Mrs. Novi is a form of *human capital* that is very valuable for the organization. Tacit knowledge of tempeh production processes, quality management, and distribution strategies gained from real experience in the business world is an asset that is not easy to obtain through formal training alone.

Factors Inhibiting Sustainability

On the other hand, there are a few factors that are consistently cited by participants as the main obstacles to the sustainability of the foundation. A deep understanding of these bottlenecks is crucial for designing innovative entrepreneurial models that are on target. The limitation of human resources (HR), both in terms of number and competence, is the most dominant obstacle and mentioned by almost all participants. Mr. Giovani (P1) explained the complexity of this HR problem:

"Finding human resources who are trustworthy and truly trustworthy is not easy... Meanwhile, the students themselves are also not always settled in the long term. So the biggest challenge is indeed how to build a professional human resource system, but still in accordance with the character of the pesantren."

The human resource challenges faced by the foundation are dual and interrelated. On the one hand, looking for competent and trustworthy external human resources to face cost and commitment constraints. On the other hand, relying on students faces high rotation constraints and limited experience maturity. This problem requires systemic solutions that cannot be solved only through recruitment, but through the development of a sustainable human resource development system within the organization. Mrs. Eris (P7) from the livestock unit emphasized the direct impact of limited human resources on the quality of management:

"First, in terms of human resources. Not everyone involved has knowledge about livestock, so sometimes the management is not optimal."

The mismatch between the demands of technical competence required to manage the livestock unit and the background of available human resources is a *competency gap* that if not overcome will continue to hinder the productivity and efficiency of the unit. Livestock management requires knowledge of livestock nutrition, animal health management, and cultivation techniques that cannot be obtained through self-taught experience alone. The absence of a standardized management system leads to informal and inconsistent coordination. Mrs. Christie (P2) describes the cultural impact of this condition:

"Another obstacle is the work culture. Because these are social institutions and Islamic boarding schools, sometimes focus more on social activities and daily operations. Administration is often seen as complementary, when it should be the foundation."

The paradigm shift needed to place administration as the foundation of the organization, rather than a complement, is a cultural challenge that requires a continuous process of internalizing values. This obstacle cannot be overcome by simply establishing a new system, but requires leadership that consistently emphasizes the importance of orderly administration as part of the mandate of managing social organizations. Limited production capacity in several units is a real obstacle to growth. Mrs. Novi (P8) mentioned that the capacity of tempeh production sites is still limited while demand continues to increase:

"The biggest obstacle at the moment is production capacity. Our production sites are still limited, while demand is starting to increase."

The imbalance between production capacity and increasing demand is an obstacle to growth that must be overcome immediately. If tempeh production capacity is not increased immediately, the foundation risks losing its current growth momentum. Moreover, the MBG program, which is the main market for tempe, has a routine supply standard and cannot be delayed. High dependence on one major line of business creates serious structural vulnerabilities. Mrs. Cahyani (P9) is aware of the long-term risks of this condition:

"This is a challenge. Because currently the program is very dependent on the government. If there is a change, then we have to look for alternatives, for example by strengthening other business units to support needs."

Bu Cahyani's awareness of the risk of dependence on government programs is an important strategic insight. The MBG program, although currently the largest source of revenue, is a program that is entirely determined by government policy. Changes in policy priorities, budget cuts, or changes in program mechanisms can have a direct and very significant impact on the overall operations of the foundation. Limited capital and facilities in some units hinder the increase in production capacity and quality. Mrs. Eris (P7) mentioned that the farm needs a proper enclosure, sufficient feed, and consistent maintenance, all of which cost a lot of money. The following table 1 summarizes all the factors that support and inhibit sustainability based on the findings of interviews from all participants:

Table 1

Summary of Factors Supporting and Inhibiting the Sustainability of Al Kasyaf Foundation

Dimensions	Supporting Factors	Inhibiting Factors
Economy	Revenue from MBG as the main source; Product integration between units reduces procurement costs	inequality of contribution between units; dependence on one line of business; Limited production capacity
Social	The spirit of the management based on religious values; the involvement of students and the surrounding community; Collaboration network with local MSMEs	Limited human resources in terms of number and competence; rotation of non-sedentary students; there is no written SOP
Environment	Application of the WWTP system in MBG; the use of organic waste into fertilizer and animal feed; Waste Bank as an Integrated Waste Manager	There is no structured waste management system yet; limitations of processing equipment; Public awareness in sorting waste is still lacking

Source: Data Processed by Researchers (2025)

Design of an Innovative Entrepreneurship Model to Strengthen the Sustainability of the Multi-Line of Business of the Al Kasyaf Foundation

The results of the research aim to formulate an innovative entrepreneurship model that can strengthen the sustainability of multi-line social business at the Al Kasyaf Foundation. The formulation of this model is based on a comprehensive synthesis of the three previous findings, namely the actual conditions of management, the dynamics of collaboration and innovation, as well as the supporting and inhibiting factors of sustainability. The model formulated is not an ideal design that is independent of context, but a model that is rooted in the reality of the field and responds directly to the concrete problems found in this study.

Model Direction: Sustainability-Based Empowerment

From all the interviews, it was found that the orientation of the entrepreneurial model developed by the foundation from the beginning was not solely oriented to economic profit, but to sustainability and empowerment that integrated three dimensions at once: economic, social, and environmental. This orientation is not just rhetoric, but is reflected in every operational decision taken by the management, from the selection of raw materials to the design of the empowerment program. Mr. Giovani (P1) explained this fundamental orientation:

"The system built is not just about making a profit, but how each business unit can have an economic, social, and environmental impact... This pattern is indeed a characteristic of Al Kasyaf,

which is sustainability-based economic empowerment by combining three aspects at once."

This orientation is in line with the Triple Bottom Line framework Elkington (2020) which is the conceptual foundation of this research, where organizational sustainability is measured from the balance between economic (profit), social (people), and environmental (planet) dimensions. The Al Kasyaf Foundation, without having to explicitly use this academic terminology, has internalized the Triple Bottom Line into its daily operational practices. This makes the foundation a very relevant living laboratory to examine how sustainability principles can be implemented in the context of community-based social organizations in Indonesia.

Key Components of Recommended Models

Based on a thorough synthesis of all the field findings and associated with the theoretical framework used in this study, the innovative entrepreneurship model formulated for the Al Kasyaf Foundation consists of four main components that are interrelated and mutually reinforcing. The first component is the integration of a digital-based management system. Research findings consistently show that the absence of a digitally integrated management system is the most fundamental structural obstacle that limits the growth and efficiency of all foundation business units. Mrs Christie (P2) mentioned this urgent need explicitly:

"We need an integrated system that is simple but effective. It doesn't have to be immediately sophisticated, but at least all units use the same format. I also see the need for a roadmap for the development of financial management, so that this improvement is not only a discourse, but there is a target time and evaluation."

Ms. Christie's statement contains a very valuable practical wisdom, namely that digitalization does not have to start from a complex and expensive system. The most important thing is the gradual standardization of formats and processes, accompanied by *a clear roadmap* and a measurable evaluation mechanism. This phased approach is much more realistic and sustainable than the implementation of an ambitious system but beyond the capacity of the organization. Gigasmart has the strategic potential to develop as an integrated digital node that connects the entire unit, not only as a product distributor but also as a foundation's operational data center. As stated by Mrs. Intan (P5):

"If you enter the marketplace or have your own online system, the market reach can be much wider... Gigasmart can become the foundation's economic center. All units are connected, marketing is strong, and the foundation can be more self-reliant without relying on donations."

Bu Intan's vision of Gigasmart as the foundation's economic center is a very strategic aspiration. If Gigasmart successfully transforms into a digital platform that integrates stock management, ordering, distribution, and marketing from all units, then the foundation's entire business ecosystem will benefit significantly. Investing in Gigasmart digitalization can be a leverage point that has a multiplied impact on the entire system. The second component is the strengthening of the circular economy ecosystem between units. Resource recycling patterns that are already partially underway need to be formalized, expanded, and integrated into the foundation's management system in a measurable manner.

Mr. Giovani (P1) added an important dimension about the character of partnerships needed to overcome the limitations of digitalization:

"We really need collaboration with external parties, such as students or volunteers, who can help strengthen digitalization in a sustainable manner. The challenge is that these collaborations are often temporary, when what we need is continuous assistance."

The need for continuous mentoring, not just project-based, is the basis for designing a partnership model that is different from the approach that has been tried. Long-term partnerships with universities through matching fund programs, community engagement, or incubation programs can be a more sustainable alternative to temporary student community service programs. The fourth component is diversification and strengthening of non-dominant business units. The reliance on MBG as the main source of income that accounts for 50% of total revenue creates structural vulnerabilities that cannot be allowed to continue. The formulated model encourages the development of units that currently contribute small in order to grow into a significant and independent source of income. Mrs. Cahyani (P9) mentioned the concrete opportunities available:

"The opportunity is very big. Because the need for foodstuffs continues to exist. If the

agricultural and livestock units can develop, then MBG can fully use internal products. That will really help sustainability."

The aspiration to meet the needs of MBG materials entirely from the foundation's internal production is a very relevant strategic target. If achieved, this target will simultaneously reduce the cost of procurement of MBG, strengthen the contribution of agriculture and livestock units to revenue, and deepen the integration of the foundation's overall business ecosystem. Mrs. Salwa (P10) as a beneficiary who is also directly involved as the manager of the soap unit provided a perspective from the operational frontline:

"Maybe in terms of management and production tools. Currently it is still manual, so it is quite tiring and takes a long time. In addition, the recording also needs to be improved to make it neater."

Mrs. Salwa's perspective underlines the urgency of capacity building from the most basic side, namely production equipment and recording systems. Without improvements in these two fundamental aspects, the soap unit will continue to operate well below its potential.

Ultimate Purpose of the Model

Overall, the innovative entrepreneurship model formulated aims to encourage the Al Kasyaf Foundation to move from a state of external dependence and informal management to sustainable economic independence and systemic governance. This transformation does not happen instantly, but through a gradual, planned, and supported process by the capacity of human resources that continues to grow. Mr. Giovani (P1) summed up the desired direction of transformation clearly:

"The hope is of course simple, namely so that the foundation can be more independent and sustainable... So the main goal is indeed in the direction of sustainability, so that the sustainability of the pesantren is maintained in the long term without having to constantly depend on external assistance."

The simplicity contained in Mr. Giovani's statement contains a strong philosophical depth. Independence and sustainability are not just business targets, but a moral mandate to ensure that future generations, namely orphans and poor people who are now students, can continue to receive proper coaching without having to rely on the kindness of other parties whose nature cannot be guaranteed. The following table 2 presents a formulated component matrix of innovative entrepreneurship models along with current conditions, development directions, and key participants that provide the empirical basis for each component:

Table 2

Al Kasyaf Foundation's Innovative Entrepreneurship Model Component Matrix

Model Components	Current Conditions	Development Direction	Key Participants
Digital Management System Integration	Manual and separate recording in each unit; no *unified* dashboard	Digital-based uniform recording system; Gigasmart as a digital distribution and marketing node	P1, P2, P5
Strengthening *the Circular Economy*	The flow of resources between units already exists but is not systematic and has not been documented	Formalization and expansion of the recycling chain: waste-fertilizer-agriculture-food-MBG; Optimization of soybean waste for animal feed	P1, P4, P6, P7, P8
Human Resource Capacity Development	limited human resources; depending on the students who do not settle; External collaboration is temporary	Continuing training programs; Long-term partnerships with colleges and mentoring institutions	P1, P2, P3, P7
Business Unit Diversification	Revenue was concentrated in MBG (50%) and Gigasmart (35.38%); Soap Unit, Tempeh, Farm, Farm Contribute Small	Increased production and marketing capacity of non-dominant units; fulfillment of the needs of MBG materials from in-house production	P3, P6, P7, P8, P9

Source: Data Processed by Researchers (2025)

Based on the results of the research and the innovative entrepreneurship model formulated, the Triple Layer Business Model Canvas (TLBMC) of the Al Kasyaf Foundation is compiled to fully describe how the three dimensions of sustainability, namely economic, environmental, and social, can be integrated in one cohesive business model framework. The use of TLBMC in this study follows the framework developed by Joyce & Paquin (2016), which expands on the traditional Business Model Canvas of Osterwalder and Pigneur by adding environmental and social layers as analytical dimensions that are equivalent to the economic dimension. Each layer has its own nine structurally aligned elements, but analyzed from a different perspective according to their respective dimensions.

Discussion

Discussion of the Actual Conditions of Management and Integration Between Social Business Lines

Informal Management Structure in the Perspective of Systems Theory

The findings of the study show that the management structure between business units at the Al Kasyaf Foundation is still informal, relies on personal coordination, and has not been supported by standardized procedural mechanisms. This condition can be analyzed through the perspective of Systems Theory developed by Jackson (2019), which emphasizes that the success of an organizational system depends on the degree of integration and synergy between its subsystems. In conditions where coordination between units is still informally and reactively, organizations operate in the characteristics of loosely coupled systems conditions in which subsystems have high autonomy but are not connected through strong and systemic integration mechanisms.

Financial Recording System and Its Implications for Sustainability

The findings about the still manual and separate financial recording system in each unit have profound theoretical implications for the concept of institutional sustainability. In the perspective of the institutional dimension of sustainability as stated by Lozano (2018), transparent and accountable governance is one of the main prerequisites for organizational sustainability in the long term. When financial recording systems are not integrated and cannot generate reports in real-time, the organization's ability to make data-driven strategic decisions becomes very limited.

Operational Integration and Its Relevance to Resource-Based View Theory

Although financial records have not been integrated, the findings show that there is an organic pattern of operational linkages between units. This condition can be analyzed through the lens of the Resource-Based View (RBV) developed by (Barney et al., 2021). From the perspective of RBV, the foundation's ability to build an organic pattern of operational linkages between units is a form of organizational capability that is valuable, rare, and inimitable. This capability grew out of the foundation's long history and unique context, making it difficult for other organizations to replicate.

Inequality in Income Contribution in the Perspective of Economic Sustainability

The inequality in revenue contribution between units, in which MBG accounts for 50% and Gigasmart 35.38%, while other units contribute very little, is a clear indicator of the structural vulnerabilities facing the foundation. This condition is relevant to the findings of macro data mentioned in Chapter I of this study, namely that 64% of social enterprises in Indonesia still depend on one main business line (Ministry of Cooperatives and SMEs, 2024). The findings of the Al Kasyaf Foundation thus reflect systemic challenges in the context of the development of social entrepreneurship in Indonesia more broadly. From the perspective of sustainability theory, the condition of dependence on one line of business is contrary to the principle of diversification which is one of the pillars of economic sustainability of the organization.

Organic Collaboration and Its Relevance to the Concept of Hybrid Value Creation

The pattern of organic collaboration found at the Al Kasyaf Foundation reflects the principle of Hybrid Value Creation. In this concept, social organizations do not only produce economic value or social value separately, but create both in an integrated manner through operational mechanisms that support each other. The flow of resources from MBG to waste banks, from waste banks to agriculture and livestock, and from Gigasmart to external markets is a tangible manifestation of a hybrid value chain operating within a single organizational ecosystem. These findings have strong resonances with the research of Hahn et al. (2018) on the design of business models in sustainable entrepreneurship.

Responsive Innovation and Its Relevance to the Innovation Process Model

The responsive and needs-based nature of innovation at the Al Kasyaf Foundation can be analyzed through the innovation process model framework proposed by (Tidd & Bassant, 2013). In this framework, innovations that successfully pass the initiation (idea generation) and development (concept development) stages but fail to pass the evaluation and diffusion stages systematically will produce limited and unsustainable impacts. This is what happens in foundations, where innovative ideas emerge from field experience but not through a structured process of documentation, evaluation, and replication.

Limited Digitalization and Its Relevance to Digital Sustainable Entrepreneurship

The findings on the limitations of digitalization experienced by the foundation place these organizations in a broader context than the digital divide phenomenon commonly faced by community-based social organizations in developing countries. Gregori & Holzmann (2020) in their research on digital sustainable entrepreneurship emphasized that digitalization has a dual role in social entrepreneurship, namely as a tool for operational efficiency as well as a means of increasing the social value created. When digitalization is hampered, these two functions cannot be realized optimally.

Discussion of Supporting and Inhibiting Sustainability Factors

Social Capital and Religious Values as Strategic Assets in the RBV Perspective

The finding that religious values-based social spirit is the most fundamental supporting factor for sustainability has deep theoretical relevance in the perspective of the Resource-Based View. Barney et al. (2021) in the latest development of RBV through the Value Creation Framework emphasized that the most valuable resources for an organization are those that are socially complex and have deep historical roots, so they cannot be replicated or transferred to other organizations. The social capital that the foundation has built over more than a decade, which is rooted in religious commitment and community beliefs, meets all the criteria of VRIO (valuable, rare, inimitable, organized) within the framework of RBV.

Integration of Resources Between Units and Their Relevance to the Circular Economy

The findings on the integration of resources between units that reduce costs and increase efficiency have a strong theoretical foundation in the concept of the circular economy. Geissdoerfer et al. (2020) define a circular economy as a regenerative system in which energy inputs, waste, emissions, and leakage are minimized through a closed-cycle system design. The pattern found in the foundation, where MBG waste becomes the raw material for waste banks, organic waste from waste banks becomes agricultural fertilizer and animal feed, and agricultural products return to MBG materials, is a very real empirical representation of the principles of circular economy on a micro scale of organizations.

The relevance of these findings can also be attributed to the concept of Business Models for Sustainability Innovation (BMfSI) developed by (Lüdeke-Freund, 2020). Within the framework of BMfSI, successful sustainability innovations are those that can be converted into business models that generate economic value simultaneously with social and environmental value. The circular economy pattern run by the foundation meets this criterion, because it not only reduces operational costs (economic value), but also reduces waste (environmental value) and simultaneously strengthens community resilience (social value).

Human Resources Limitations as a Systemic Obstacle

The findings about the limitations of human resources which are the most dominant obstacles have profound theoretical implications in the context of innovative entrepreneurship. Innovation is not just about ideas or technologies, but about the ability of humans to identify opportunities and turn them into real value. When the available human resources have limited competencies, the organization's overall innovation ability will be constrained, no matter how much potential other resources have.

Dependence on Government Programs and Sustainability Risks

The high dependence on the MBG program, which is a government policy-based program, creates sustainability risks that need to be analyzed more deeply. In the perspective of a separate model of social entrepreneurship business model as proposed by Bidet & Defourny (2019), foundations currently operate with a pattern in which primary income comes from one external source that cannot be completely controlled, while social empowerment activities are financed from that source. An inherent vulnerability in this model is the high risk that the external funding source changes or decreases.

Discussion of the Design of an Innovative Entrepreneurship Model

Relevance of the Model to the Business Models for Sustainability Innovation (BMfSI) Framework

The innovative entrepreneurship model formulated for the Al Kasyaf Foundation is very closely compatible with the Business Models for Sustainability Innovation (BMfSI) framework developed by (Lüdeke-Freund, 2020). Within this framework, an innovative business model that is sustainable must be able to dynamically connect three elements, namely sustainability innovation, an economically viable business model, and a business case for sustainability that provides real benefits to the organization, society, and the environment. The four components of the model formulated in this study, namely the integration of digital management systems, strengthening the circular economy, developing human resource capacity, and diversifying business units, collectively form a business model architecture that responds to the three elements of BMfSI simultaneously.

The integration component of a digital management system correlates with the business model elements in BMfSI, as it provides a managerial infrastructure that allows sustainability innovations to be implemented efficiently. The component of strengthening the circular economy correlates with the element of sustainability innovation, because it transforms existing operational patterns into systems that actively create environmental value. Meanwhile, the diversification component of business units correlates with the business case element for sustainability, as it strengthens the economic argument for sustainability by reducing the concentration of risk on a single source of income.

Relevance of the Model to the Triple Layer Business Model Canvas (TLBMC)

The innovative entrepreneurship model design formulated also has a strong compatibility with the Triple Layer Business Model Canvas (TLBMC) framework developed by (Joyce & Paquin, 2016). TLBMC integrates three layers of analysis, namely the economic, environmental, and social layers, to produce a business model that is oriented towards overall sustainability. The four model components formulated in this study implicitly reflect the three layers of TLBMC. On the economic layer, the integration of digital management systems and diversification of business units play a role in strengthening the foundation's economic value proposition through operational efficiency and diversification of revenue sources.

At the environmental level, the component of strengthening the circular economy plays a role in institutionalizing sustainable and ecologically responsible resource management practices. At the social level, the human resource capacity development component plays a role in strengthening social inclusion, community empowerment, and creating opportunities for students and the surrounding community to develop their economic capabilities and independence. Thus, the model formulated is not only a response to short-term operational problems, but an organizational transformation framework that is oriented towards long-term sustainability in a multidimensional manner.

Relevance of Models to Sustainability Theory and the Triple Bottom Line

The innovative entrepreneurship model formulated has a strong foundation in sustainability theory and the Triple Bottom Line (TBL) framework put forward by (Elkington, 2020). TBL emphasizes that organizational sustainability can only be achieved when the economic, social, and environmental dimensions are managed in a balanced and mutually supportive manner, rather than being treated as competing goals. The four components of the model formulated together contribute to the balance of the three dimensions of TBL.

Relevance of the Model to Previous Research on Social Entrepreneurship in Indonesia

The model of entrepreneurial development with waqf financing provides a relevant perspective on how socio-religious institutions can develop sustainable business models using internal resources based on religious values. These findings support the human resource capacity development component in the formulated model, where strengthening the entrepreneurial orientation in the managers of each foundation business unit is one of the top priorities.

Process innovation has been identified as the most critical factor in improving the efficiency and competitiveness of small-scale businesses. The relevance of these findings to the condition of the foundation lies in the urgency to not only focus on product innovation, but also systematically innovate on fundamental operational processes, including the recording system, coordination mechanisms, and product distribution flows. The interconnectedness between all components of the model formulated with the findings of previous studies confirms that the model is not just a theoretical construct, but a practical framework rooted in a strong empirical basis and supported by a broad academic consensus on the success factors of sustainable social entrepreneurship.

Research Position in the Context of Research Gap

This research successfully answers the research gap identified in Chapter I, namely the absence of empirical studies on the application of innovative entrepreneurship models in multi-line social institutions in Indonesia. Previous studies have generally focused on one aspect of sustainability separately, such as digital innovation Gregori & Holzmann (2020), circular economy Geissdoerfer et al. (2020), or social capital, without integrating them into a single comprehensive and contextual model. The main theoretical contribution of this research lies in the formulation of an innovative entrepreneurship model that simultaneously integrates four components, namely digital integration, circular economy, human resource development, and business diversification, in one mutually supportive framework. This model is not derived deductively from theory alone, but rather is constructed from empirical realities in the field and then validated through its correspondence with various relevant theoretical frameworks. Thus, this research contributes to the development of sustainable social entrepreneurship in the context of community-based social institutions in Indonesia, while providing a practical blueprint for similar organizations facing similar challenges.

CONCLUSION

This study shows that the management of multi-line social business at the Al Kasyaf Foundation is still running informally with integration between units that has not been standardized, so that coordination, financial recording, and data consolidation are still ineffective. Collaboration between units has developed organically and has formed a simple circular economy pattern, supported by Gigasmart's role as a marketing center and the MBG program as the main driver of the foundation's economic activities. However, innovation and digitalization are still limited due to low human resource capacity and the lack of a sustainable innovation management system.

Factors supporting sustainability include the religious values of the management, resource integration, external collaboration networks, and the manager's technical experience, while the main obstacles include limited human resources, weak management systems, low production capacity, income dependence on MBG, and limited capital. Based on these findings, the research formulated an innovative entrepreneurship model based on four main components, namely the integration of digital management systems, strengthening the circular economy ecosystem, developing sustainable human resource capacity, and diversifying non-dominant business units. This model is expected to be able to strengthen the economic, social, and environmental sustainability of the foundation as well as become a reference for other community-based social organizations in building sustainable businesses.

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AUTHOR CONTRIBUTION STATEMENT

Author 1 (Corresponding Author): Conceptualization, research design, data collection, formal analysis, original draft preparation, project administration, and supervision. Author 2: Data curation, systematic literature review, visualization, validation of findings, and manuscript editing. Both authors have read and approved the final version of the manuscript prior to submission.

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