

Cooperative Business Model Canvas: A Conceptual Framework

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Abstract

This article examines the application of an integrated cooperative business model canvas in the context of cooperatives in Malaysia. It aims to address gaps in literature on understanding and analyzing cooperatives' business models. The integrated cooperative business model canvas combines traditional business model principles with the unique characteristics of cooperatives, providing a holistic understanding of key components, value proposition, customer segments, revenue streams, and resource allocation. The study identifies challenges faced by cooperatives in Malaysia and also identifies opportunities. The integrated cooperative business model canvas is crucial for analyzing and developing effective strategies for cooperatives in Malaysia. It offers a structured approach for understanding the complexities and dynamics of cooperatives, enabling practitioners to make informed decisions and drive sustainable growth. This research contributes to the existing literature by providing a comprehensive framework tailored to the context of cooperatives in Malaysia, offering insights and practical implications for researchers, policymakers, and practitioners in the cooperative sector.

Keywords: Business Model Canvas, Cooperative, Strategic Business Tools, Business Model Design, Cooperative Values.

Introduction

As of the end of the year 2020, there are a total of 6,512,513 people who are members of the 14,629 cooperatives that are registered with the Malaysian Cooperative Commission (Suruhanjaya Koperasi Malaysia, 2022). The social and economic impact of community development is considerably bolstered by the participation of cooperatives. The social economy provides the framework for the ideals and ideas that guide the management of cooperatives. This issue can be mitigated to some degree if the cooperative in question is able to describe its business strategy in an understandable manner, despite the fact that a sizeable number of new businesses have failed. At the present time, cooperatives make use of a wide range of business model tools. In the context of cooperative businesses in Malaysia, the idea of strategic business model tools has not been fully explored, particularly in terms of its

application by cooperatives, despite the fact that it is widely used by start-up businesses. This is in contrast to the prevalence of the concept among established businesses. In this study, the strategic business model tools are analyzed, and their effectiveness in the Malaysian cooperative sector is evaluated to determine the study's findings. The researcher will propose an integrated cooperative business model as a means of enhancing the strategic instruments of the existing business model and providing enhanced assistance to the cooperative industry. An integrated cooperative business model will be developed through the course of this study utilizing a qualitative research approach. The study's primary focus will be on cooperatives operating in the sector. This research will help to implement the most effective type of business model and the tool linked to business models specifically for cooperatives so that cooperatives can achieve their full potential. In addition, the findings of this study will be helpful in applying the optimal kind of business model as well as the tool that corresponds to that business model specifically to cooperatives. Understanding the limitations of existing business models would also be helpful, as this will help enhance the design of future business models. In general, the research offers information regarding the development of business model tools that are tailored particularly for cooperatives.

Lay of The Land

A cooperative is a type of business that meets members' mutual needs by pooling the resources they receive from other members who come from similar backgrounds (Chaudhary & Shalini, 2019). This is an example of a cooperative model, which encourages members to pool their resources and collaborate in order to advance the interests of the entire group (Kalogiannidis, 2020). The people that are a part of the cooperative come from a wide range of different levels of society. It is possible for the cooperative's activities to be actively continued as soon as possible, which will result in an increase in the cooperative's income. This is made possible by the members' engagement and dedication to supporting the operation of the cooperative store. This demonstrates how successfully everyone has worked together to ensure that the cooperative is robust enough to continue to be successful through the activities that have been conducted. As a result of everyone's efforts, the cooperative is now in a position where it can continue to be successful. It should be understood that without this support and cooperation, none of the activities that were planned could be conducted. Independent groups of people that band together voluntarily to manage a jointly owned and democratically run business that serves their common economic, social, and cultural needs and ambitions make up cooperatives (Ushkarenko & Soloviov, 2020). They conduct their operations in accordance with the tenets of democracy, self-help, individual accountability, equality, and solidarity (Goel, 2013). The cooperative business model is different in that it places a higher priority on servicing the interests of its members than on maximizing profits for the company's owners. Because of this framework, the requirements of the community are satisfied, and the benefits of economic activity are shared in an equitable manner. Cooperatives participate in many different industries and sectors, including but not limited to agriculture, finance, retail, housing, and many more. They are commonplace and widely recognized as a tool for social and economic development in both industrialized nations and nations still in the process of societal and economic advancement. Cooperatives are frequently used to provide disadvantaged and marginalized groups with a means to engage in the economy on an equal footing with other members of society and to acquire access to essential commodities and services (Wanjare, 2023). Cooperatives, while facing challenges such as competition and evolving customer behavior that are comparable to those faced by

other firms, have proven to be extraordinarily robust in the face of economic shocks and crises. This is because cooperatives are owned and operated by their members (Birchall & Ketilson, Resilience of the cooperative business model in times of crisis, 2009). Cooperatives have a higher rate of failure than traditional businesses, which means that traditional firms have a better chance of surviving economic downturns and continuing to provide for their members' requirements (Birchall, 2013).

A cooperative is a type of member-owned enterprise that generates value for its participants by collecting and organizing information regarding the goods and services those participants require (Reynolds, 2013). According to Mazzarol et al. (2011), the cooperative business model cannot be represented within the framework of the business model that is used exclusively in the private sector. This is due to the structure of ownership and the distribution of profits within the cooperative. The cooperative business model, on the other hand, does not correspond to this paradigm in any way. According to Reynolds (2013), the difficulty of the cooperative business model can be attributed to the ownership structure of the cooperative. In a similar vein, Mazzarol et al (2011) identify the cooperative business model as the fourth sector in the economic structure of society. This designation indicates that the cooperative business model is unique.

Cooperative Principles

Cooperatives are diverse types of business organizations, each of which is regulated by its own unique set of guiding principles that emphasize democratic member ownership, shared benefits, and shared decision-making (Puusa & Saastamoinen, 2021). The cooperative principles are meant to serve as a framework for the operation of the cooperative as well as a guide for the behavior of both members and management (Kalogiannidis, 2020). In the course of time, these ideas have developed into what is now generally accepted as the standard for cooperative organizations worldwide.

The seven cooperative principles were developed by the International Cooperative Alliance (ICA), an international organization that serves as a representative for cooperatives (Ajates, 2020; Guzmán et al., 2020). These ideas were conceived for the very first time in 1937, and since that year, a great number of adjustments have been made to them. The following is an outline of the guiding principles:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community

The manner in which cooperatives should go about their day-to-day operations is heavily influenced by each of these guiding principles.

Voluntary and Open Membership. Cooperatives are non-profit organizations that are open to and welcoming of members of any race, gender, religion, or socioeconomic background (Billiet et al., 2021). Members of cooperatives are not discriminated against on the basis of these personal characteristics. This fundamental difference sets cooperatives apart from corporations, which limit membership to their shareholders only. Because participation in cooperatives is entirely voluntarily, members are free to join or quit the organization at any moment without incurring any obligations. This idea ensures that cooperatives serve the need

of their members as well as the requirements of society as a whole, rather than catering just to the requirements of a chosen few. This essential part of the cooperative model not only provides a structure for working together for the benefit of all parties involved, but also ensures inclusiveness, democracy, and responsiveness to the needs of individual members.

Democratic Member Control. Cooperatives rely heavily on democratic control as a guiding principle since it gives members the opportunity to participate in decision-making and choose their own representatives for positions on the board of directors (Ramos et al., 2022). This guarantees that the cooperative will be governed in a just and equitable manner, taking into consideration the needs and concerns of each and every member. The board of directors is responsible for making decisions on behalf of the members of the organization, but they are held accountable for their own acts by the members of the organization. This responsibility serves to promote trust and engagement among members, which in turn fosters a sense of investment in the success of the cooperative and active participation in the events it hosts. In general, democratic member control is necessary for a cooperative model that assures administration that is just and equitable.

Member Economic Participation. The economic engagement of members is an important element in cooperatives, as it ensures that members have a financial stake in the success of the organization and are encouraged to contribute as a result of having such a stake (Guzmán et al., 2020). Members ensure that economic advantages are distributed evenly among all members by making financial contributions to the cooperative and receiving a portion of the organization's income in return. This long-term financial sustainability encourages financial literacy among members, which enables them to better manage their own funds and work toward achieving collective goals. This idea is an essential part of the cooperative business model that is used all over the world since it encourages collaboration, shared accountability, and long-term stability.

Autonomy and Independence. Cooperatives are built on a foundation of four fundamental principles, the fourth of which is autonomy and independence (Moon & Lee, 2020). This concept ensures that cooperatives are autonomous organizations that are owned and governed by their members. Because of this philosophy, they are able to make their own decisions free from any outside influence and put the requirements of their members ahead of any potential financial advantage. Instead of being purely motivated by the desire to increase profits, this strategy brings the cooperative into alignment with the interests and values of its members. In addition, autonomy and independence encourage democratic decision-making, fairness, and sustainability, which enables cooperatives to adjust to shifting conditions and make choices that are in the best interest of their members. Autonomy and independence are fundamental ideas that underpin the cooperative model. These principles help to ensure that cooperatives function in a democratic and equitable manner.

Education, Training and Information. The fifth principle of cooperative work places an emphasis on education, training, and information (Dufays et al., 2020). This principle aims to ensure that members have a solid understanding of the cooperative business model, as well as their responsibilities and the decision-making process. In order to foster informed decision-making and accountability, cooperatives have a responsibility to keep their members apprised of the organization's activities as well as its financial standing. Education and training are important to the long-term health of the cooperative because they increased awareness of the organization's goals and objectives, provide common knowledge, and promote transparency. Members are able to make educated judgments that contribute to fair and equitable operations when they are provided with information that is accurate and up to date.

Cooperation Among Cooperatives. The sixth principle of cooperative business is cooperation among cooperatives, which emphasizes the need of collaboration, mutual support, and solidarity among cooperatives (Ushkarenko & Soloviov, 2020). This strategy makes it possible to achieve economies of scale, which leads to lower costs and higher quality products and services. Additionally, cooperatives are able to exchange information, expertise, and best practices, which leads to an increase in the sector's overall performance. Cooperation also spreads awareness of the ideals and tenets that underpin the cooperative movement, encouraging individuals and organizations in other parts of the world to adopt similar values and tenets in their own communities and places of business. Furthermore, cooperation stimulates lobbying for policies and programs that support the expansion and development of the cooperative sector, which contributes to the movement's long-term viability. This is one of the ways that cooperative movement can be sustained.

Concern for Community. The seventh and final element of partnership is concern for the community. This principle places an emphasis on the social responsibility of cooperatives to enhance communities and the world as a whole. Cooperatives have the potential to make a beneficial contribution when they put the requirements of their members first and advocate for environmental responsibility, social equity, and community growth (Vo, 2016). They operate their company in an honest and responsible manner and collaborate with various different groups and stakeholders to bring about positive change. When it comes to having a stronger influence, collaboration and joint action are absolutely necessary for cooperatives. In general, cooperatives have the potential to enhance society and the lives of their members if they demonstrate social responsibility, collaborate with other people, and work toward the goal of sustainable development.

Research Problems

The business model of a firm will explain the company's target market, as well as the demands of that market, and how the company's products or services will help meet those needs (Keiningham et al., 2020; Lindgardt et al., 2012; Keiningham et al., 2020). Defining business models can be accomplished through the application of a variety of fundamental strategies. One of them focuses on the manufacturing process that the company utilizes internally and seeks to boost revenues by making better use of the company's existing resources. The subsequent strategy places an emphasis on the company's external environment, in particular on users and the requirements and priorities of the user community. In this scenario, the corporation will choose a consumer group, then cultivate the customers within that group, and ultimately form a connection with those customers. In general, a business model is an analytical tool that assists in the identification of possible profit margins and helps define all business operations in a schematic and visual format. There is currently no solution that can assist the cooperative business model, which is considered a strategic business model. When attempts are made to incorporate tactics into instruments that are already in place, certain essential aspects of the endeavor, including the aim itself, might easily be ignored. Because it does not consider how important members of the cooperative are to the overall operation, the current version of the Business Model Canvas does not accurately represent the true cooperative business model.

Cooperatives in Malaysia are facing a significant challenge in the form of the creation of an integrated cooperative business model. Cooperatives in Malaysia have been around for a very long time, but that does not make them immune to the problems that other types of businesses have to deal with. Cooperatives in Malaysia, in particular, are confronted with a

variety of issues, such as difficulty in gaining access to capital, difficulties in managing competition, and difficulties in adjusting to changes in the market. In addition, the current business models and strategic tools that these cooperatives use may not always be effective in meeting the requirements and overcoming the obstacles presented by the members and customers that they are tasked with serving. As a result, the purpose of this paper is to analyze the specific issues that cooperatives in Malaysia encounter while utilizing their current business model strategic tools and to propose a business model tool that is suitable for these cooperatives.

The first problem statement focuses on developing a knowledge of the difficulties encountered by cooperatives in Malaysia while utilizing the strategic instruments associated with their existing business models. This area of investigation is extremely important because it aims to uncover the specific issues that these cooperatives confront. Some examples of these challenges include the difficulty in gaining access to funding and the difficulty in managing competition. These obstacles will make it significantly more difficult for cooperatives in Malaysia to remain viable over the long term and to expand their operations. As a result, the findings of this study will shed light on the aspects of these cooperatives that require further development in order to assure their continued viability and expansion.

The second problem statement focuses on identifying and recommending an appropriate business model tool for use by cooperatives in Malaysia. This purpose is extremely important since it aims to create a business model tool that can provide cooperatives with assistance in properly managing their operations. The recommended tool ought to be adapted to meet the one-of-a-kind necessities of cooperatives in Malaysia, taking into consideration aspects such as the composition of the membership, the state of the market, and the prerequisites of the regulatory framework. The proposed tool would provide workable solutions to the obstacles highlighted in the first research problem. These challenges include the difficulties in gaining access to funding and managing competition. Additionally, the creation of an appropriate business model tool will ensure the long-term viability and growth of cooperatives in Malaysia, which play an essential role in the socio-economic development of the country. This is because cooperatives are a key component of the country's value system.

In conclusion, it can be stated that the research issues that were investigated in this paper are essential for the continuation and expansion of cooperatives in Malaysia. This study will provide insight into the areas where adjustments are necessary by studying the obstacles faced by these cooperatives when employing their current business model strategic tools. These challenges will be uncovered through the course of this investigation. In addition, by recommending an appropriate tool for business models, this study will provide actionable solutions to these difficulties, so ensuring the long-term viability of cooperatives in Malaysia and contributing to their continued expansion. The results of this research will make a significant contribution to the existing body of literature on cooperative business models and will offer a road map for the creation of an integrated cooperative business model in Malaysia.

Literature Review

Business Model

According to Hunger and Wheelen (2013), a firm's business model is the strategy that the company employs in order to generate revenue in the competitive marketplace in which the company competes. While other points of view assert that the business model reflects the organization's capabilities, resources, and tactics to increase customer loyalty and increase profits, many researchers believe that this assertion is incorrect (Tien et al., 2019; Ritter &

Pedersen, 2020). A business model is a plan or concept that specifies a company's competencies, available resources, and profit-making activities. Keeping this in mind, we may say that a business model is a strategy or concept.

The business model of a firm will explain the target market for the company's products or services, as well as the demands of that market, and how the company's products or services would help satisfy those needs. The definition of business models can be accomplished through the application of a variety of fundamental strategies. One of them focuses on the manufacturing process that the company utilizes internally and seeks to boost revenues by making better use of the company's existing resources. The next strategy will concentrate on the environment outside of the organization, in particular the users and the requirements and priorities of those people. In this scenario, the corporation targets a specific demographic of customers, works to keep existing ones, and cultivates new relationships with those customers. In general, a business model is an analytical tool that helps find possible profit areas by defining all business operations in a schematic and visual manner. This helps identify prospective profit regions. There are currently no tools available that are compatible with the cooperative business model that are designed for use with strategic business models. When one tries to incorporate methods into already existing instruments, there is a risk that some vital particulars may go unnoticed, which means that the original objective will not be met. Business cannot be separated from human life because it is inherently a social activity. Even if a person does not fit the profile of an entrepreneur, it is impossible for that individual to avoid engaging in transactions including buying and selling because wants must be continually supplied. As a result, cooperative activities are predicated on the concept that the administration of the cooperative should avoid exploiting either the rights of individuals or the society as a whole in order to fulfill members' requirements. Concisely, the primary goals of cooperatives include not only the generation of financial gain but also the gratification of members' social requirements and the enhancement of their socioeconomic standing.

Business model innovation strives to produce a holistic picture of the organization that can be projected and expanded upon. For one to be successful in conquering challenges, they must have openness, connection, affirmation, mastery of complexity, and a holistic way of thinking and acting (Eichen et al., 2015). The business structures utilized by cooperatives allow for the commercialization of breakthrough ideas and technologies. Cooperatives typically have challenges when it comes to innovating the business models that will be utilized to put these inputs into practice, despite the fact that they invest significant resources and have developed complex procedures for researching new ideas and technology. This is significant because bringing the same concept or technology to market via two distinct business models will have very different repercussions financially. These repercussions will be extremely different. As a consequence of this, cooperatives ought to cultivate the capacity to innovate their operational models (Chesbrough, 2010).

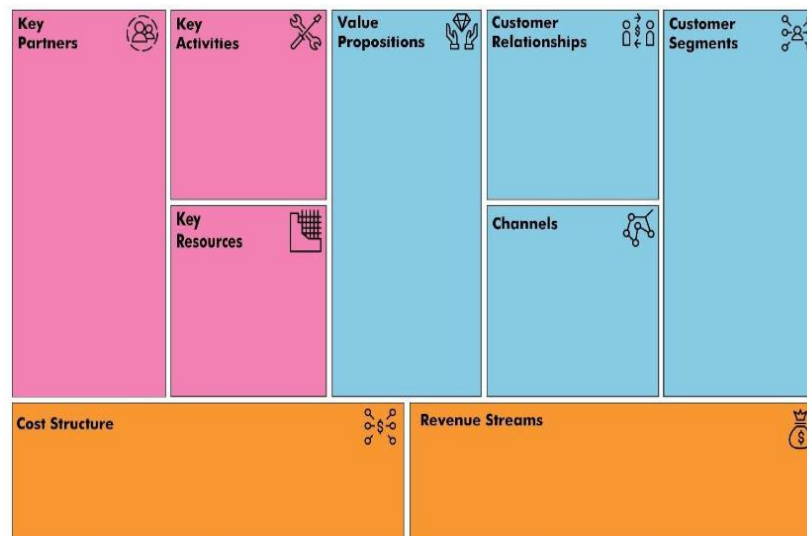
Business Model Canvas

Figure 1: Business Model Canvas (Osterwalder & Pigneur, 2010)

The Business Model Canvas, often known as the BMC, has undergone substantial historical development, which has revolutionized the method in which firms examine and plan their business strategy. The BMC was initially developed by Yves Pigneur and Alexander Osterwalder in 2008, and since then, it has grown in popularity among business owners of all stripes, including those who run startups and those who run large companies (Carter & Carter, 2020; Osterwalder & Euchner, 2019; Osterwalder & Pigneur, 2010). The business model canvas is a useful strategic tool that may be utilized for assessing, developing, and summarizing business models. The nine essential building blocks consist of client groups, value propositions, channels, customer relationships, income streams, key activities, key resources, key partnerships, and cost structure. By mapping out the various components of a business model on a single canvas, the business model canvas provides businesses with the ability to have a comprehensive view of their company, recognize potential opportunities, and align various components to produce an efficient and effective business model. It is frequently used in business planning, innovation, and communication, and it helps businesses articulate and refine their value offer, understand the demands of their consumers, and design business models that are sustainable and competitive.

The process of building new business models is one of the most important uses for the Business Model Canvas. Entrepreneurs can build new business models that are more effective and efficient by using the BMC, which allows them to methodically identify the fundamental components of a business model and design new models (Chesbrough & Rosenbloom, 2002). In addition, the BMC may be used to perform an analysis of already-established business models and locate areas that could be enhanced or made more efficient. It is also helpful to communicate a business model to stakeholders, such as investors, partners, and customers, and the BMC is valuable for this purpose. The Business Model Canvas helps stakeholders understand how a firm develops and distributes value by presenting a visual representation of a business model that is straightforward and to the point (Bocken et al., 2014). The BMC has a number of essential applications, one of which is in the method of invention. Companies are able to explore new business models and put them to the test in a swift and efficient manner when they use the BMC (Demil & Lecocq, 2010). Because of this, businesses are able

to experiment with new business models without having to invest substantial resources up front and without having to interrupt their existing operations.

Additionally, the BMC is useful for strategic planning. By utilizing the BMC, businesses may match their resources and operations with their strategic objectives and goals (Zott & Amit, 2007). The BMC may assist businesses in determining which client categories to target, which value propositions to provide, which channels to employ, and which activities to prioritize. Additionally, the BMC is helpful for identifying new revenue streams. By utilizing the BMC, businesses are able to uncover new revenue streams that correspond with their core skills and resources (Chesbrough H. , 2010). This can assist businesses in diversifying their revenue streams and decreasing their reliance on a single revenue source.

Business Model Canvas can be used in business model innovation. Using the BMC, businesses may design and experiment with innovative, game-changing new ways of doing business (Zott et al., 2011). This can provide businesses with an edge in the market and pave the way to sustainable growth. As we have seen, the BMC is a powerful tool that can be used in many different contexts, including but not limited to business model development, analysis, communication, innovation, strategic planning, revenue stream identification, and business model innovation. Its straightforward structure facilitates analysis and construction of sustainable models for business owners and managers.

Gaps in the Literature

Undeveloped Understanding of the Design of the Cooperative Business Model

It is necessary to conduct additional research into the specific design elements and configurations of cooperative business models. It is necessary to understand how the many components of cooperative businesses, including as governance structures, member participation, and resource allocation, interact with one another and influence the overall performance and viability of the business.

The primary objective of research endeavors ought to be the investigation of successful methods and innovative approaches to the formulation of cooperative business models. By examining successful cooperative enterprises in a variety of industries and settings, researchers have the opportunity to unearth essential components and procedures that contribute to the effectiveness and longevity of successful cooperative firms. After gaining this insight, one can apply it to the process of establishing guidelines and frameworks for the design of cooperative business models, with the goal of improving their effectiveness.

It is also extremely important to explore the impact that different design decisions have on the outcomes of cooperative efforts. This includes investigating the role that member involvement and engagement play in the decision-making processes of the cooperative, as well as the influence that governance structures have on the performance of the cooperative. By gaining a deeper knowledge of these dynamics, researchers may be able to provide light on how to make members of cooperative organizations happier, how to promote democratic decision-making, and how to make cooperative businesses work more efficiently overall.

In addition, research ought to concentrate on the challenges and constraints that are unique to cooperative businesses when it comes to the adoption and implementation of effective business models. This requires having an awareness of the unique difficulties and opportunities that cooperative businesses confront, such as the identity of the cooperative, the education of cooperative members, and access to funding. By addressing these challenges, researchers have the opportunity to contribute to the development of particular

methods and support systems that enhance the expansion and success of cooperative enterprises.

In general, a more in-depth understanding of the design of cooperative business models is required in order to actualize the full potential of cooperatives as environmentally and socially responsible businesses. Through in-depth research and analysis, the researcher has the opportunity to gain new insights into the factors that contribute to their success and to develop actionable recommendations for enhancing cooperative business models applicable across numerous industries and situations.

Participation and Engagement of Members

It is essential to conduct additional research on the dynamics of member participation and engagement in order to enhance the efficiency and viability of cooperative business models (Ashforth & Reingen, 2014). Recognizing the factors that influence member engagement in decision-making processes and adopting strategies to promote member participation are both necessary steps in this process. By conducting additional research, researchers will be able to gain insights into the motivations and barriers that members experience while participating in cooperative activities. Additionally, cooperatives will be able to build programs that will foster a sense of ownership and empowerment among members.

Investigating the consequences of member participation in cooperative company organizations is also quite important. Researchers can get a better understanding of the benefits of active member participation in cooperative firms by examining the outcomes of member involvement in decision-making, such as enhanced performance, increased commitment, and increased satisfaction. In addition, doing research on the challenges and constraints that members have when effectively interacting can help in determining areas for improvement and generating assistance methods that can be used to overcome these challenges.

Building cooperative business models requires the development of strategies and procedures that will raise the level of participation and autonomy of cooperative members (Fiore et al., 2020). This may involve constructing open communication lines, providing training and education to members to increase their skills and experience, and building decision-making processes that are open and inclusive to all parties involved. Through the analysis of successful procedures and instances, researchers have the opportunity to develop guidelines and recommendations for boosting active member engagement, which can ultimately lead to increased involvement and commitment within cooperative firms.

It is necessary to conduct additional study on the dynamics of member participation and engagement within cooperative business models in order to maximize the effectiveness and profitability of these models. Understanding the motivations, impediments, and impacts of member involvement in decision-making can help cooperatives develop policies and programs that will encourage active participation among members, give members more authority, and foster a sense of ownership in the cooperative (Verhees et al., 2015). This is beneficial not only to the cooperative business, but also to the overall sustainability and resiliency of the cooperative movement.

Cooperative-specific Considerations

Cooperatives are distinct from other types of business models due to the fact that they are guided by a set of cooperative principles. These values include membership that is open and voluntary, democratic control, member economic participation, autonomy, and care for the

community (Billiet et al., 2021; Sambuo, 2023). The operation of cooperatives, as well as their relationships with both their members and society at large, are fundamentally influenced by these ideas. When working with the Business Model Canvas, it is critical to consider the cooperative-specific factors that are discussed below (Lizarralde et al., 2020).

Primarily, it is essential for cooperatives to have active participation from their members (Bauwens et al., 2020; Castilla-Polo & Sánchez-Hernández, 2020). Cooperatives, in contrast to conventional enterprises, are not only owned but also governed by their individual members, who take an active role in the decision-making processes. Therefore, while applying the Business Model Canvas to a cooperative, it is necessary to analyze how the cooperative engages and involves its members in key business decisions. This is because a cooperative's members are its most important assets. This may include routes for regular communication, institutions for democratic decision-making, and procedures for member involvement.

Second, in contrast to the decision-making processes found in hierarchical companies, those used in cooperatives are often more democratic and open to participation (Ferri & Leogrande, 2021; Bretos et al., 2020). This should be reflected in the Business Model Canvas by bringing attention to the decision-making structure of the cooperative and ensuring that it is in accordance with the principles that govern cooperatives. It is essential to determine the processes through which decisions are taken collaboratively within the cooperative, as well as the roles played by the various stakeholders and the accountability and transparency measures that are in place.

Thirdly, in addition to their economic goals, cooperatives frequently have goals in the areas of social and environmental sustainability (Bauwens et al., 2020; Fiore et al., 2020). A section that discusses these objectives and the manner in which the cooperative will incorporate them into its operations ought to be included in the Business Model Canvas. This may involve taking into consideration ethical sourcing, sustainable business methods, community development projects, or other actions that are congruent with the goals and ideals of the cooperative.

Cooperatives, on the other hand, run their businesses with a focus on the long-term interests of its members and the community, as opposed to maximizing profits for stockholders from the outside (Billiet et al., 2021; Groeneveld, 2020). The Cooperative's commitment to economic involvement and the equal distribution of rewards among its members should be captured in the Business Model Canvas (Joyce & Paquin, 2016). This may involve investigating different models for income sharing, different arrangements for member dividends, or different mechanisms for reinvesting earnings back into the cooperative to ensure its continued viability and expansion.

In conclusion, while using the Business Model Canvas to cooperatives, it is essential to take into consideration the distinctive qualities and guiding principles that are at the heart of these types of companies. Key elements that ought to be incorporated into the canvas are member participation, democratic decision-making, social and environmental objectives, and a concentration on the advantages accruing to members. It is possible for the Business Model Canvas to successfully capture the essence of a cooperative's activities and to aid strategic planning and analysis for the cooperative's continued success provided these cooperative-specific variables are taken into consideration.

Member Participation and Buy-in

It is impossible for a cooperative to achieve lasting success or make effective use of the Business Model Canvas without the active participation and unwavering support of its

members (Herbes et al., 2017). Participation from active members is absolutely necessary if one wishes to make certain that the business model canvas accurately reflects the objectives, beliefs, and strategies of the cooperative. In the absence of proper member knowledge and participation, there is the danger that the cooperative's canvas and its actual operations will not be coordinated with one another.

To find a solution to this problem, the leaders of cooperatives need to make member education and communication their top priority. In order for the cooperative to be successful, its members need to be aware of the Business Model Canvas, its purpose, and its benefits, as well as how their involvement contributes to that success (Joyce & Paquin, 2016). Throughout the process of creating the canvas, it is important to construct communication channels that are both open and transparent in order to promote debate, manage issues, and collect feedback from members.

Furthermore, opposition to change may hinder members' engagement and buy-in. If the members of a cooperative are used to the more conventional methods of making decisions, there is a good chance that some of the members will be resistant to adopting new tools or processes. Leaders of cooperatives should address any reluctance by emphasizing the benefits of adopting the Business Model Canvas and demonstrating how it may improve the cooperative's performance and sustainability. This should be done in order to counteract any resistance that may be there.

In addition, it is necessary to cultivate a culture of collaboration and inclusiveness in order to increase the level of member engagement (Tremblay & Gutberlet, 2012). The leaders of cooperatives owe it to their members to provide chances for them to participate actively in the development and implementation of the business model canvas. This can be performed through the use of workshops, focus groups, or other participatory methods that provide participants with the opportunity to share their opinions, thoughts, and areas of expertise with one another.

In conclusion, member participation and buy-in are essential to the successful implementation of the Business Model Canvas in an environment involving a cooperative. Cooperative leaders can ensure that the canvas accurately reflects the activities and goals of the cooperative by addressing problems associated with member comprehension, engagement, and resistance to change. Because of the active engagement of members, the business model canvas is transformed into a powerful instrument for strategic planning and decision-making, which eventually contributes to the success of the cooperative and satisfies the requirements of its members.

Alignment with Cooperative Values

When compared to traditional businesses, cooperatives stand out because they prioritize non-financial goals like helping the community or the environment over making a profit (Nath & Arrawatia, 2022). Given this nuance, it is possible that the standard Business Model Canvas does not accurately portray or connect with these cooperative values. Therefore, there may be a functional void after cooperatives implement the canvas.

The gap can be closed by adapting a business model tool mechanism to reflect the cooperative's mission, vision, and values. There may be a need to revise or add new canvas elements that speak directly to the cooperative's efforts to improve its social and environmental effect, strengthen its ties to the local community, and ensure its long-term viability. By tailoring the canvas to their own needs, cooperatives are better able to incorporate their unique beliefs and goals into their business strategy.

Further, understanding the cooperative's goal and the specific ways it plans to bring social or environmental benefits is crucial for linking the Business Model Canvas with cooperative ideals. To ensure that the canvas accurately represents the cooperative's core beliefs and objectives, it is important to solicit input from relevant parties and work collaboratively to develop it. The Business Model Canvas is a powerful tool for cooperatives because it closes the information gap in capturing cooperative principles, allowing them to act in accordance with their greater social and community-oriented goals.

Conceptual Framework

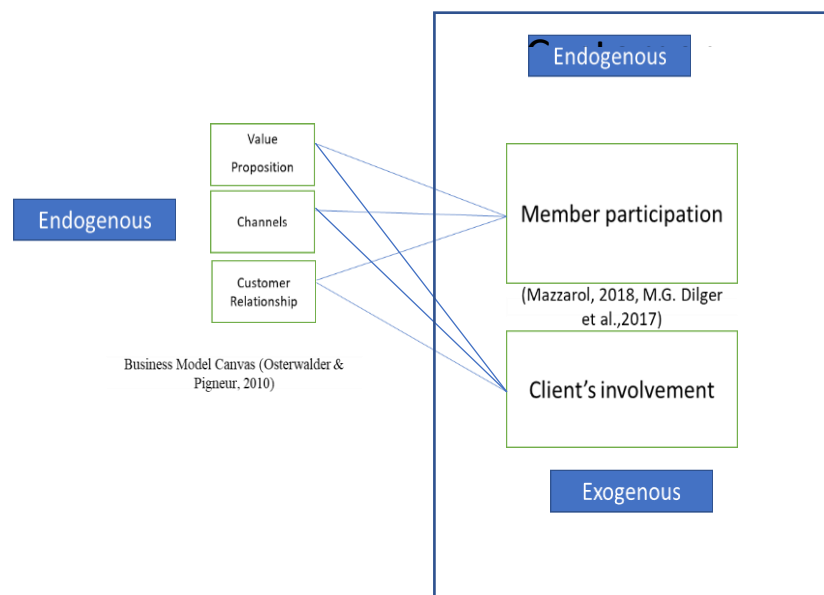


Figure 2: Conceptual Framework of the Study

Cooperatives take a unique approach to strategic planning and report presentation. They often place a premium on open dialogue and consensus-building amongst members. Members of a cooperative have a hand in shaping the organization's model to best serve their interests. In the planning stage, the cooperative must determine and research its target market's many subsets of consumers. Customers, both members and non-members, will have their preferences, requirements, and expectations evaluated.

However, cooperatives confront difficulties while adopting this concept. Getting members to actively participate in the planning process is a difficult task. The cooperative's democratic structure makes it difficult to effectively incorporate feedback from a wide range of members. Consensus-building and open dialogue between members is essential for striking the right balance between members' differing priorities and the cooperative's overarching strategic goals.

Cooperatives classify their customers and potential customers into two distinct categories: members and non-members. Customers are non-members who buy from the cooperative but still interact with it in some way. Conversely, members are those who have signed up for the cooperative's services and products and paid the membership fee. The amount of participation, privileges, and rights accorded to each group are all affected by this differentiation, making it vitally important.

Cooperatives highlight their ideals and values in their contacts with members to set themselves apart from for-profit businesses. The benefits of membership include the ability to vote, share in the organization's financial success, and make policy decisions. The cooperative model places a premium on openness, fairness, and member involvement, which benefits the business as a whole. However, non-members pay full price for the products or services but may not have access to the cooperative's additional value-added services.

Cooperatives can tailor their value packages to members and customers by acknowledging their differences. To do this, you will have to produce specialized services to meet the varied requirements of your members and clients. Value propositions for members in a cooperative should reflect the organization's core beliefs, while customer value propositions should center on providing excellent service at reasonable pricing.

Cooperatives, which place a premium on member participation and collective decision-making, take a unique approach to business strategy development and presentation. But ensuring productive member participation is not easy. Cooperatives also provide varying degrees of service and rewards to customers and members based on their status in the business. Cooperatives can increase member and customer satisfaction and loyalty by catering to their specific needs and wants by considering these differences.

However, studies on cooperative business models in Malaysia are lacking. The majority of research has been on the role cooperatives play and the benefits they provide to society and the economy (Ahmed & Mesfin, 2017; Kumar et al., 2015; Ojiagu et al., 2015; Sum et al., 2017; Torgerson et al., 1998). Collaborative performance and the factors that may affect it have been investigated by management scholars such as Mahazril 'Aini et al. (2012), Garnevska et al. (2011), Sushila et al. (2009), Sushila et al. (2010), and Noor Zeeta (2014). However, there is still a lack of familiarity with the many cooperative business models in use throughout Malaysia. According to Nooh (2019), the typical business model assessment overlooks four key areas: the member-customer conundrum, cooperative member value propositions, cooperative member relationship building, and cooperative organizational structures.

Conclusion

This article discussed cooperatives generally, the concepts underlying them, cooperatives specifically, issue statements, business models, the business model canvas, research gaps, and a conceptual framework. The cooperative ideals that underlie these businesses include open enrollment, member-run governance, economic equity, independence, and concern for the greater good of the community. To fully appreciate the core beliefs and goals of Malaysia's cooperatives, familiarity with these ideas is essential.

Cooperative stores in Malaysia play an important role in the provision of basic necessities and so contribute significantly to the country's GDP. However, there are a number of obstacles that they must overcome, such as a lack of access to money, fierce competition from big-box stores, and shifting customer tastes. The long-term health and prosperity of cooperatives depends on their ability to recognize and adapt to these problems. The business model canvas is an effective and thorough tool for analyzing and enhancing the business models of cooperatives. Value propositions, client segments, channels, revenue streams, important resources, and partnerships can all be evaluated in this way. The business model canvas is a useful tool for cooperatives to improve their operations, provide new products and services, and ultimately increase member and community value.

There are certain holes in the current research on cooperatives in Malaysia. More research is needed to better understand the difficulties faced by cooperatives in Malaysia. More research

on the unique business structures and methods used by prosperous cooperatives would also be a welcome addition to the existing body of work. The researcher proposes a conceptual framework in order to fill in the blanks in the existing literature and to better comprehend and analyze cooperatives. The cooperative ideals, the business model canvas, and the special features of Malaysian cooperatives will all be incorporated into this framework. Considering cooperative principles and unique obstacles, it will offer a structured method for evaluating and enhancing the business models of cooperatives.

Finally, the article introduces the business model canvas as a tool for analysis, highlights the gaps in the literature, and proposes a conceptual framework after studying the landscape of cooperatives in Malaysia, exploring the principles of cooperatives, and identifying the challenges faced by cooperatives.

Research Significance

The research described in this article contributes significantly to current information on cooperative business models, particularly in the context of Malaysian cooperatives. The integrated cooperative business model canvas developed in this study addresses a vacuum in the literature by merging traditional business model principles with cooperative-specific traits. This conceptual framework provides a comprehensive overview of the cooperative's major components, value proposition, client segmentation, revenue streams, and resource distribution. The research addresses this gap, providing useful insights and practical consequences for cooperative sector academics, policymakers, and practitioners.

This research is significant because it provides a structured way to understanding the intricacies and dynamics of cooperatives, allowing practitioners to make educated decisions and support long-term success. This study provides cooperative organizations with a practical tool for analyzing and designing effective strategies by constructing an integrated cooperative business model adapted to the context of Malaysian cooperatives. It assists cooperatives in identifying obstacles and opportunities that they can use to improve their performance and meet the requirements of their members.

Furthermore, this study contributes to a more comprehensive understanding of the cooperative sector's role in social and economic growth. The paper highlights the cooperative principles and their implementation in the Malaysian context, emphasizing the cooperative model's potential to satisfy social demands and achieve equitable benefit sharing. The conclusions of this study can help policymakers and stakeholders create supportive frameworks and policies for the cooperative sector, promoting its expansion and influence.

In summary, this study presents a thorough framework for understanding and analyzing cooperative business models in Malaysia, based on both theory and context. It broadens current knowledge of strategic business techniques by customizing them specifically for the cooperative sector. This study's theoretical and contextual contributions have the potential to create positive change in the cooperative sector, promote sustainable development, and improve the well-being of Malaysian communities.

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