

Research Article

Educational Transformation Through the Implementation of an Edupreneurial Business Model

(A Study on Formal Educational Institutions)

Dian Ika Safitriana^{1*}, Muhlisin², and Bambang Sri Hartono³

¹⁻³ Universitas Islam Negeri K.H. Abdurrahman Wahid Pekalongan, Indonesia

* Corresponding Author : dvita037@gmail.com

Abstract: Educational transformation in the era of globalization and the Industrial Revolution 4.0 requires educational institutions not only to produce academically competent graduates but also individuals with entrepreneurial spirit, creativity, and adaptability. The high rate of educated unemployment indicates the need for alternative approaches, one of which is the implementation of an edupreneurial business model. This concept integrates entrepreneurial principles into educational management, emphasizing innovation, value creation, and sustainability. This study analyzes the application of business models in edupreneurship within formal educational institutions, covering conventional, digital, and social models. The findings indicate that edupreneurship enhances educational relevance, expands accessibility, and supports financial independence of institutions. Social edupreneurship is considered effective in promoting educational equity through socially impactful business models. The success of implementing an edupreneurial business model depends on continuous innovation, technological utilization, strategic partnerships, and diversification of funding sources. Therefore, edupreneurship is recommended as a visionary, adaptive, and sustainable strategy for educational transformation.

Keywords: Edupreneurship; Educational Business Model; Educational Transformation; Educational Innovation; Social Edupreneurship.

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1. Introduction

Education is the fundamental pillar for enhancing the quality of human resources. In the era of globalization and the Industrial Revolution 4.0, the education sector faces new challenges in which graduates are not only required to possess strong academic competencies but also entrepreneurial skills, creativity, and adaptability to change.

Data from the Central Statistics Agency (BPS) indicates a high rate of educated unemployment in Indonesia, suggesting a mismatch between educational outcomes and labor market demands, including graduates' limited ability to create their own employment opportunities. This condition has prompted the emergence of the concept of edupreneurship, which integrates education and entrepreneurship as an innovative solution (Du Toit, 2024).

Edupreneurship does not only focus on teaching entrepreneurship but also applies entrepreneurial principles—such as innovation, creativity, risk-taking, and value creation—in educational management. This concept is normatively supported by Pancasila, the 1945 Constitution, Law No. 20 of 2003 on the National Education System, and other regulations that emphasize student independence.

The advancement of digital technology has further accelerated edupreneurship transformation with the emergence of e-learning platforms, educational applications, Learning Management Systems (LMS), and Massive Open Online Courses (MOOC). Additionally, the concept of social edupreneurship has emerged, emphasizing social impact and equitable access to education, particularly for disadvantaged groups.

Understanding the various edupreneurship business models is essential to ensure that educational development is not only effective and impactful but also financially sustainable.

The Fundamental Concept of Business Models in Edupreneurship

Edupreneurship is the application of entrepreneurial principles and practices in education. This concept is not solely aimed at generating profit but emphasizes added value and the transformation of learners. Edupreneurship encompasses an educational approach that fosters individuals who are creative, innovative, and capable of facing challenges, while also integrating an entrepreneurial mindset into the management of educational institutions.

An edupreneur is characterized by a focus on transformation rather than mere profit, being innovative, creative, willing to take risks, having a long-term vision, and being adaptive to technology. The primary focus is to create a positive impact on education through progressive and visionary approaches (Thayyibi & Subiyantoro, 2022).

A business model illustrates how an educational organization creates, delivers, and captures value. The Business Model Canvas is used as an analytical tool, consisting of nine key elements. In edupreneurship, the business model must balance social impact, financial sustainability, scalability, and innovation.

The edupreneurship business model is designed to deliver valuable education that is also financially sustainable. The first element to consider is the value proposition, which refers to the main advantages or benefits offered—such as quality of learning, accessibility, flexibility, or affordability. This element must align with the needs of learners as the clearly identified target market.

Next, educational institutions must determine the appropriate revenue model to enable independent operational sustainability. Sources of revenue may include tuition fees, subscriptions, sponsorships, or a combination of several funding streams. The delivery method is also a critical aspect, referring to how the learning process is implemented, such as in-person, online, or blended learning.

To support operations, key resources are required, including competent educators, technology, high-quality content, and digital platforms. Additionally, partnership strategies or collaborations with educational institutions, technology companies, or other organizations can enhance innovation and expand service reach.

2. Research Method

This study employs a qualitative approach with a descriptive case study design to analyze the implementation of edupreneurial business models in formal educational institutions. Informants were selected using purposive sampling, including institutional leaders, program managers, educators, and relevant stakeholders.

Data were collected through in-depth interviews, observations, and document analysis. The data analysis was conducted using the thematic analysis technique based on the Miles and Huberman model, which includes data reduction, data display, and conclusion drawing. Data validity was ensured through source and technique triangulation.

This method was chosen as it enables an in-depth understanding of the strategies and effectiveness of edupreneurial business models in supporting educational transformation.

3. Results and Discussion

Conventional Business Model in Education

The conventional business model in education refers to the traditional system that has long been implemented, based on face-to-face learning in physical locations with a hierarchical organizational structure. Learning is conducted through a fixed schedule using a standardized curriculum, and the main source of revenue typically comes from tuition fees or government subsidies. This model also requires significant investment in physical infrastructure such as school buildings, libraries, and laboratories (Du Toit, 2024).

Types of conventional business models include formal educational institutions (schools and universities), tutoring centers, vocational courses, and vocational education such as vocational high schools (SMK) and polytechnics. Although traditional in nature, vocational education has begun to adopt edupreneurship approaches through teaching factories and business centers, providing students with hands-on business experience (Kristiani et al., 2024).

This model offers several advantages, including direct interaction that facilitates deeper learning, institutional credibility, a well-defined structure, and networking opportunities. However, the conventional model also faces limitations such as restricted geographical reach, high operational costs, limited flexibility, low scalability, and slow adaptation to innovation (Darwish, 2019).

In the digital era, the conventional education model has undergone transformation through the integration of technologies such as Learning Management Systems (LMS), e-libraries, and digital administration. The implementation of edupreneurship concepts has also begun to be incorporated into the curriculum to enhance graduate competitiveness, enabling

them to become not only academically competent but also entrepreneurially minded (Osterwalder & Pigneur, 2010).

Digital and Innovative Business Models in Education

The digital revolution has significantly transformed the education system by introducing new opportunities in learning, teaching, and educational management (Tsai et al., 2022). Technologies such as cloud computing, artificial intelligence (AI), big data, and mobile applications, along with the impact of the COVID-19 pandemic, have accelerated the adoption of digital learning (Teece, 2010).

Digital business models have emerged as solutions to the limitations of conventional models, particularly in terms of accessibility, flexibility, and scalability (Fatmah et al., 2024). Various types of digital business models include:

- 1) E-learning platforms and Learning Management Systems (LMS) (e.g., Moodle, Google Classroom), utilizing subscription, freemium, or licensing revenue models (Widiastuti et al., 2025).
- 2) Massive Open Online Courses (MOOCs) (e.g., Coursera, edX), offering open-access courses with paid certification, subscriptions, or online degree programs.
- 3) Local edtech platforms such as Ruangguru, Zenius, and Quipper, which leverage digitalization of tutoring services.
- 4) Educational mobile applications (e.g., Duolingo, Photomath), using freemium models, in-app purchases, or advertisements.
- 5) Microlearning models (e.g., Skillshare, LinkedIn Learning), providing short and practical learning content (Sayekti, 2025).
- 6) Live streaming and webinar-based education, using Zoom or similar platforms for real-time interactive learning.

Additionally, there are business models based on Open Educational Resources (OER), which consist of static, dynamic, interactive, and transformative models, each offering different levels of innovation and interaction (Arkorf et al., 2015).

Social Business Model (Social Edupreneurship)

Social edupreneurship is a form of entrepreneurship in the field of education that places social mission as the top priority, without neglecting financial sustainability. This concept combines social values with effective business principles, meaning it is not only profit-oriented but also focuses on how educational ventures can create positive impact for society, particularly underserved communities. Brock and Kim (2011) state that social entrepreneurship in education aims to create social value through innovations in the educational system. Therefore, social edupreneurs are considered change agents who strive to address inequality of access and improve the quality of education for all groups (Darwish, 2019).

The social business model in education has distinctive characteristics. Success is measured not only by profit but also by social impact (double bottom line). This model is inclusive, as it is designed to reach underserved communities. While the social mission is the main focus, the model still considers financial sustainability through strategic business approaches. Each decision is based on social impact and developed innovatively to provide quality education at affordable costs (Nurcahya & Khabibah, 2019).

There are several types of social business models applied in education. The nonprofit model with revenue generation allows educational organizations to generate income from paid programs to support social programs for underprivileged groups, such as the practice used by Khan Academy. The cross-subsidy model utilizes profits from the premium market segment to subsidize educational services for economically disadvantaged segments. Additionally, there are profit-sharing social enterprises that allocate part of their profits to social programs, community-based models that involve active community participation, and hybrid models that combine commercial and social units within one organization to support sustainability (Lasrado & Kassem, 2021).

One of the main challenges in social edupreneurship is maintaining financial sustainability while staying committed to the social mission. Efforts that can be made include diversifying funding sources through paid programs, donations, partnerships, and crowdfunding. Systematically measuring and reporting social impact is also important to attract support from donors and social investors. Moreover, strategic partnerships with the government, private sector, and educational institutions can strengthen program implementation. Continuous innovation and community involvement are also key factors in maintaining the effectiveness of social-based educational programs.

In Indonesia, social edupreneurship has been successfully implemented through several initiatives, such as Teach For Indonesia and Indonesia Mengajar, which deploy outstanding graduates to remote areas to teach for a certain period. These programs not only improve the quality of education in areas lacking educators but also foster social leadership among young

educators. Various volunteer teacher movements also demonstrate that this model can meet educational needs while encouraging youth contribution to national development.

However, several obstacles exist, such as limited funding, complex regulations, difficulty in scaling programs, challenges in accurately measuring impact, and the risk of shifting focus from social mission to profit orientation. Therefore, government support through innovative policies, fiscal incentives, public–private partnerships, and capacity-building programs is needed.

Looking ahead, social edupreneurship is expected to continue growing in line with increasing interest in impact investment, the use of technology for good, and the emergence of cross-sector collaborative ecosystems. The focus of education is also shifting toward the development of future skills such as digital literacy, critical thinking, creativity, and adaptability. In line with Suganda and Ramdhan (2022), edupreneurship is not only about creating entrepreneurs but also developing an entrepreneurial mindset that can be applied in various aspects of life (Ihwanudin et al., 2023).

4. Conclusions

The implementation of edupreneurial business models offers a strategic solution to the challenges faced by the education sector in the era of globalization and the Industrial Revolution 4.0. By integrating entrepreneurial principles into educational management, edupreneurship enhances innovation, value creation, and institutional sustainability. The study reveals that edupreneurship strengthens the relevance of education, improves access to learning opportunities, and supports financial independence within educational institutions.

Digital and innovative business models provide flexibility and wider scalability, while social edupreneurship effectively contributes to educational equity through socially driven initiatives. The successful application of edupreneurial business models relies on continuous innovation, strategic partnerships, optimal use of technology, and diversified funding sources.

Therefore, edupreneurship is recommended as a progressive, adaptive, and sustainable strategy to transform education, develop learners' entrepreneurial mindset, and support institution resilience in facing future challenges.

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