

THE ROLE OF RUMAH KREATIF BUMN IN OPTIMIZING INFORMATION AND COMMUNICATION TECHNOLOGY UTILIZATION AMONG SMALL AND MEDIUM-SIZED ENTERPRISES IN BANDUNG¹

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Abstract

Small and medium-sized enterprises (SMEs) have supported Indonesia's economic growth for years. In this digital era, information and communication technology (ICT) provides more opportunities for SMEs to be developed and compete in global market. However, this kind of technology is not accessible for some SMEs. Besides, those who already have an access to ICT still can't utilize it optimally.

Regarding the obstacles that SMEs have to deal with, support and help from other groups or institution are needed. One of them can be obtained from the government. Government's commitment in helping SMEs has been proven by Rumah Kreatif BUMN, an organization which managed by state-owned enterprises in Indonesia.

This research aims to identify the roles of Rumah Kreatif BUMN in Bandung to help SMEs in utilizing ICT to develop their businesses. Using case study as the method, this research tries to analyse Rumah Kreatif BUMN, government and SMEs in Bandung. Result shows that the existence of Rumah Kreatif BUMN has an important role in supporting SMEs. Through digital skills workshops and accompaniment, Rumah Kreatif BUMN has been helping SMEs to escalate their business.

Keywords: Small and medium-sized enterprises, information and communication technology, digital divide

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The Role of Rumah Kreatif BUMN in Optimizing Information and Communication Technology Utilization among Small and Medium-sized Enterprises in Bandung

Indonesia with more than 250 million population has around 117.68 million workers. As many as 23.72% of them work in the Micro, Small and Medium Enterprises (MSEs) sector (Badan Pusat Statistik, 2017). The existence of MSMEs in Indonesia cannot be denied. Based on a study from Bank Indonesia regarding the Global Economic Crisis and its Impact on the Economy, in the crisis 2018 affects almost all economic sectors significantly. However, this is not the case for micro, small and medium scale enterprises (MSMEs) which have proven to be able to survive. Through its review, Bank Indonesia said that 96% of MSMEs were not affected by the shock of the global economic crisis (LPPI dan Bank Indonesia, 2015).

Bank Indonesia also studied 1998 Indonesia monetary crisis. The study stated that after the 1998 economic crisis, it was known that the number of post-crisis MSMEs did not decrease (LPPI dan Bank Indonesia, 2015). This means that the MSME sector recorded is able to survive amidst the economic crisis. This is because this sector does not have a dependency on foreign currency loans. So that when the value of the rupiah falls sharply, the impact is not immediately felt.

Micro, small and medium enterprises (MSMEs) make a significant contribution to the national economy. According to Susenas 2017, the number of MSMEs in Indonesia has reached the percentage of 98.33% (Badan Pusat Statistik, 2017). The number of MSMEs in Indonesia is indeed more dominant than the number of large businesses, but this does not make MSMEs dominate the economy, the growth of MSMEs tends to be stagnant.

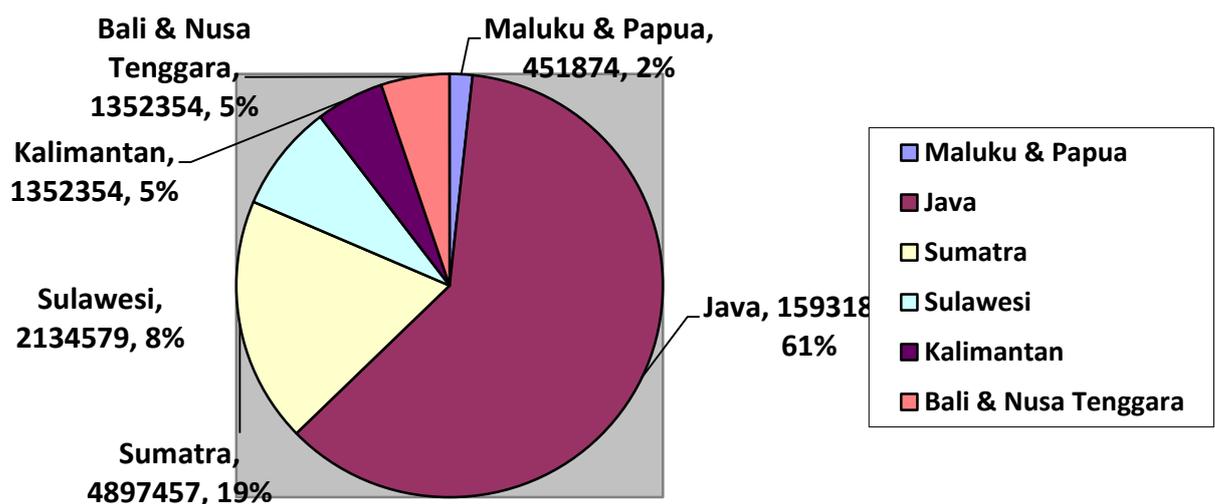


Figure 1. Distribution of MSMEs by Region 2016
Source: (Badan Pusat Statistik, 2017)

The sustainability of the MSME sector however still facing some problems, there are a number of internal and external obstacles. Internal constraints such as capital, human resources, legal legality, and good administrative and management systems. While external constraints include, the business climate that is not yet conducive, infrastructure access to raw materials, technology and difficulties offset consumer tastes that are rapidly changing.

With various obstacles that it has and faces, the MSMEs certainly cannot move on their own, they need support from various parties, the government, the private sector, academics and the community. The Creative House of BUMN is one of the government's efforts to empower the people's economy, especially for Micro, Small and Medium Enterprises (MSME) actors to improve the welfare and economy of Indonesia (Rahmadhani, 2017). In its management, this Creative House is under the Ministry of State-Owned Enterprises (BUMN) with state-owned companies. As an agent of development, BUMNs are committed to improving the quality of SMEs, including Bank Mandiri with the Mandiri Young Entrepreneur program, BNI Bank with Kampung BNI Nusantara, Bank BRI with the Teras BRI and Telkom Indonesia programs with Digital SME Villages throughout Indonesia.

At the BUMN Creative House (Rumah Kreatif BUMN) or abbreviated as RKB, SMEs can be guided and accompanied to answer the main challenges of developing small and medium enterprises in improving competencies, increasing access to marketing and ease of access to capital. This process begins with registration and analysis of SME Data, this process can be done online or offline through the smartbisnis.co.id website, then SMEs will fill in data concerning the competency of SMEs and data on SME products. Through an analytical data platform, then SMEs can analyze and select SME data related to the competencies and categories of SMEs.



Figure 2. RKB's Process Flow
 Source: <http://www.rkb.id/>

The next process is the selection of SMEs, with the SME competency classification beforehand, SMEs will be directed directly to the place of consultation and Quality Control. SMEs will be accompanied by experts in developing their businesses to improve the quality of their products, standardize raw materials, standardize production, guide new product development, packaging, branding up to funding guidance.

Meanwhile, for SMEs that enter into low to medium competencies, they will be directed towards learning and sharing. In the procession, UKM actors get training in accordance with the required modules, the material includes business and finance, capital, segmentation and target markets, production and marketing processes and total quality management. After completing the training, SME actors share sessions (discussions) in the form of independent fellow SMEs in the community.

After learning about the market and production, the trained partners will get training to digitize business products and processes in the digitalization and online marketplace, accompanied by expert tutors. At this stage the trained partners are guided by how to register on Blanja.com, SEO (Search Engine Optimization) and promotion through social media. In this process SMEs will practice directly the creation and management of e-commerce and monitor its development.

For UKM BUMN partners, the government seeks that SME products can be marketed globally by integrating digitalization of SME businesses of state-owned partners into Blanja.com e-commerce platforms and the BUMN Product Market. Blanja.com itself is a joint venture between Telkom Indonesia and eBay. This online marketplace already has more than thousands of merchants offering a variety of products in various categories. While the BUMN Product Market is a government e-commerce launched by state-owned company PT Rajawali Nusantara Indonesia (RNI) on September 19, 2016.

By utilizing these two sites as online installations, sellers will not be limited by space and time in marketing their SME products. In addition, small and medium enterprises that are under the auspices of the BUMN Creative House can expand the marketing reach of SOE products to national and even global levels, in addition to increasing competitiveness.

This step is aligned with the vision of the Indonesian President, Joko Widodo, to strengthen the Small and Medium Enterprises sector as the main economic driver to make Indonesia the largest digital economy in ASEAN by 2020. One of the challenges for MSMEs is the use of technology. Because according to Mr. Dikdik from the Office of Cooperatives and Micro, Small and Medium Enterprises of West Java Province, MSME players should be able to make maximum use of technology. He explained, “.. they (the entrepreneurs) have smartphone, they also can download marketplace application, so they can maximize it. At least the entrepreneurs have to be literate in information and technology. Because if they don't tried to adapt with the technology, they will be left behind.”

The use of information and communication technology has become a study that is quite popular among academics along with the increasing penetration of information and

communication technology itself. Related to this research, there are two previous studies that can be used as references to see the use of communication technology in an effort to improve the economic potential of the region in Indonesia.

The first study entitled *Cognitive Interventions and Value Chain Approaches in Increasing the Use of Information and Communication Technology in Small and Medium Enterprises in Bandung*. This study examines how the use of ICT is carried out involving 61 small and medium enterprises (SMEs) in various fields in Bandung. The results of the study show that the use of ICT in SMEs is limited to product marketing objectives and limited to the use of internet sites. The main obstacle to the use of ICT in SMEs is that human resources are mainly related to limited knowledge and information (Widyanti & Sunaryo, 2016).

The next research entitled *Analysis of the Level of Use of Information and Communication Technology in Small and Medium Enterprises in Jepara Regency*. The results of the study indicate that the use of ICT is still in general matters that have not been synergized to improve performance or to support business management efficiently; Respondents' perceptions of ICT benefits in business are high; SME entrepreneurs have a great interest in adopting ICTs to manage their business (Roosdhani, Wibowo, & Widiastuti, 2012).

The study entitled *The Effect of Information Technology Applications in Increasing Company Competitiveness (study on SMEs in Malang)*. This study examines the extent of the influence of information technology adoption on increasing the competitiveness of companies in the SME sector. The results showed that perceived usefulness did not significantly influence IT acceptance in SMEs. Whereas perceived ease of use has a significant effect on Acceptance of IT. Finally, Acceptance IT has a significant effect on increasing the competitiveness of SMEs (Pebruanti, Handayani, & Z.A, 2013).

Communication technology that is currently increasingly complex and sophisticated has a number of consequences, especially in relation to access to these technologies. The digital divide is a consequence of the development of communication technology whose distribution is uneven. When the presence of communication technology is not accompanied by equity for access, there will be a gap. The digital divide can be defined as stratification of society based on access to computer-based interactive technology, on the one hand, there are groups or individuals who have the ability to participate in network society, while on the other hand there are those who are not present or excluded from the community (Hartley, 2002).

Referring to the digital divide definition above, it can be said that there is a social order that changes due to the development of communication and media technology. Before the emergence of digital media and the internet, communities were hierarchically not yet categorized based on access to digital media, there was no term digital divide. However, at present the problem of inequality in access to digital media technology has become a global problem and is a challenge that must be faced by developing countries. This is in line with the quotation of the following statement,

“This is a global problem as 60 percent of the world’s population remain offline, but also a challenge to developed countries.⁶ In the United States, where information and services are increasingly digital, one-fifth of the population is not using the Internet.” (Andreasson, 2015)

According to Andreasson (2015) the digital divide can be classified into three simple stages, namely access, use, and useful usage. This gap or stratification certainly has a significant effect on the ability of the community to utilize digital media. Both as producers and consumers. Although communication technology with digital media allows users to act as prosumer (producer and consumer) but those belonging to the category of people who do not have access will be difficult to participate as producers. Similarly, in consuming the content.

The digital divide terminology is also related to digital readiness. Based on research conducted by the Pew Research Center, analysis of digital readiness can be done by exploring attitudes and behaviors that support people’s readiness and comfort in using digital equipment for learning. So it can be concluded that digital readiness is the readiness of the community in utilizing digital media. In his research, the Pew Research Center (2016) also said that the operational definition of digital readiness includes three things: 1) Digital skills, namely the skills needed to start online sessions, surf the internet and share content online; 2) Trusts, namely the public’s trust in their capacity to determine whether a trusted online information and personal information protection efforts; 3) The two factors above can be seen in the third dimension of digital readiness, namely use, the community level uses digital equipment to complete online tasks.

Related to research on the adaptation of information and communication technology carried out by MSMEs, the researchers will examine the roles of BUMN Creative Houses in Bandung to help SMEs in utilizing ICT to develop their businesses. Using case study as method, this research tries to analyze the Creative Home of BUMN, government and SMEs in Bandung. Result shows that the existence of Rumah Kreatif BUMN has an important role in supporting SMEs. Through digital skills workshops and accompaniment, Rumah Kreatif BUMN has been helping SMEs to escalate their business.

Method

This study uses qualitative methods with a case study approach to get an overview of an event as a whole and from different perspectives. Regarding data collection, this study uses several technical data collection including in-depth interviews conducted in several stakeholders related to the existence of Creative Houses in Bandung and West Bandung Regency. The informants in this study are Cooperatives and Micro, Small & Medium Enterprises Office in West Java, the manager of the BUMN Creative House, and MSME Entrepreneurs.

Observations were also made on learning processes and situations and the use of information and communication media carried out by the community and MSME actors and daily activities, especially in economic transactions. Literature studies were also conducted to

obtain secondary data about the development of communication technology and information and its impact on the social life of the community. The validity of research data is done through source triangulation or better known as data triangulation (Pawito, 2007).

Result and Discussion

Challenges in Information and Communication Technology (ICT) Utilization

Although there are so many programs which promote ICT utilization to escalate micro, small & medium enterprises (MSME) businesses, there are still some challenges and obstacles that these enterprises have to deal with. These challenges are varied from entrepreneur's perspective on technology, technical and skill issues, to generation gap between the entrepreneurs.

Regarding the entrepreneurs' perspective on technology, they tend to choose traditional mode of transaction because some of them think that if they post the pictures of their product on social media or marketplace, other businessmen will imitate their product and claim it as theirs. Beside the imitation issue, they also prefer traditional or offline transaction because it looks more "real" than the online ones. They can get the money (profit) directly. These perspectives on information and technology show that to change people's mindset is quite challenging. It will take some time to change their attitude and behavior toward ICT utilization.

Another challenge in ICT utilization among the MSMEs' is related to technical and skill issue. Some of the entrepreneurs admit that they are still lack of competency in copywriting. Thus, it's kind of hard for them to write caption or product description which will attract customers to buy their product

The Roles of *Rumah Kreatif BUMN (RKB)* in Promoting ICT Utilization

BUMN's Creative House (*Rumah Kreatif BUMN/RKB*) play an important role in supporting entrepreneurs in MSMEs. RKB encourages them to use ICT since the registration process. The creative house that managed by Bank Rakyat Indonesia use Google Form to substitute paper when MSMEs entrepreneur wants to register their business on the creative house.

In order to increase entrepreneurs' digital skills, RKB also organize some routine workshop which related to digital marketing. For instance, they held photography workshop to train entrepreneurs' skills in producing good quality pictures of their products. They will also encouraged to post the pictures of their products on their website or social media along with persuasive description or caption.

Beside photography skills, some of the workshops also taught the entrepreneurs to create account on marketplace (such as Blibli.com and Bukalapak.com) and how to use it effectively so it will help them to distribute their products to wider market and increase their profit.

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