

Indonesia's MSME Development Strategy through the Development of Higher Education Collaboration with the Government

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Abstract. This research aims to provide input to the Government in creating a National Entrepreneurship Development Policy in the Government Development Plan through the KEMENKOPUKM. The research method used in this research is the Research and Development (R&D) method through Focus Group Discussions with 59 universities that are members of APSKI. The result of this research is that APSKI encourages the Entrepreneurship Study Program to carry out entrepreneurial branding and make entrepreneurial growth one of the Main Activity Indicators. Incubators on campus are the primary means of implementing an independent learning campus so that lectures and practice can run well. The Entrepreneur Hub initiated by KEMENKOPUKM is a super application that is a forum for the growth and development of the APSKI ecosystem to encourage its members to submit data on campus-assisted entrepreneurs through the Entrepreneur Hub so that the policies prepared are more measurable and accountable. APSKI members also contribute to the entrepreneurship hub by following its entrepreneurship education function and strengthening the entrepreneurial ecosystem and business partnerships.
Keywords: *apski, kemenkopukm, business ecosystem, SMEs*

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1 Introduction

The Ministry of Cooperatives and SMEs of the Republic of Indonesia (KEMENKOPUKM), through the Deputy for Entrepreneurship of the Ministry of Cooperatives, issued a copy of Presidential Regulation of the Republic of Indonesia Number 2 of 2022 concerning National Entrepreneurship Development for 2021 – 2024. Through the Ministry of Cooperatives and Small and Medium Enterprises (SMEs), Indonesia targets one million new entrepreneurs by 2024 as an effort by the Government to prepare Indonesia to become a developed country. The entrepreneurship ratio needs 12-14 percent to become a developed country. Indonesia's entrepreneurship ratio is only at 3.48 percent and is targeted to reach 3.95 percent or the number of 1 million entrepreneurs in 2024. (Queen Tiara, 2023). As an effort to develop entrepreneurship in Indonesia, the Ministry of Cooperatives and SMEs (KemenKopUKM), in collaboration with APSKI (Alliance of Indonesian Entrepreneurship Study Programs), collaborated in compiling a road map for national entrepreneurship development following the mandate of Presidential Regulation Number 2 of 2022 concerning National Entrepreneurship Development as well as formulating the direction of national entrepreneurship development policies and strategic discussion of issues. (Public Relations of the Ministry of Cooperatives and SMEs, 2023)

2 Literature Review

To achieve the targets of the National Medium-Term Development Plan 2020-2024 to improve the quality of economic growth, business climate, and competitiveness, as well as expand employment opportunities, it is necessary to accelerate growth and entrepreneurship ratio through entrepreneurship development. (KEMENKOPUKM, 2023). The Deputy for Entrepreneurship of the Ministry of Cooperatives and Small and Medium Enterprises held the National Entrepreneur Hub Entrepreneurship Workshop as a digital technology medium to develop the SME business ecosystem so that SMEs throughout Indonesia can connect and improve business transactions. As an effort to build entrepreneurship in Indonesia, the Ministry of Cooperatives and SMEs (KemenKopUKM), in collaboration with APSKI (Alliance of Indonesian Entrepreneurship Study Programs), collaborated in compiling a road map for national entrepreneurship development following the mandate of Presidential Regulation Number 2 of 2022 concerning National Entrepreneurship Development as well as formulating the direction of national entrepreneurship development policies and strategic discussion of issues. (Public Relations of the Ministry of Cooperatives and SMEs, 2023). Currently, each Ministry and other government agencies in Indonesia have programs and roadmaps that are not optimal, so the role of APSKI can be a solution to make a better and measurable roadmap in the hope of developing an intelligent society in their respective fields of entrepreneurship. Areas can be realized faster. Entrepreneurial development based on regional excellence and the environment where SMEs are located can continue to be developed into sustainable business models. Digital technology continues to be developed in the industry, in line with the results of research in universities and government policies that continue to adjust to the conditions of national entrepreneurial development so that humans and machines are expected to reconcile and work in symbiosis, supporting the emergence of a super-intelligent society (S5.0), the latter based on human-centricity, sustainability, and resilience.

Nonetheless, guidelines on how technocentric and human-centric innovations should be combined to drive S5.0 are still missing. Depending on the above, a comprehensive framework based on the Quintuple Helix Model supports the design and implementation of

S5.0. Thus, here are some recipes for how Government, Universities, Industry, Civil Society, and the Environment can achieve the S5.0 goal. (Carayannis et al., 2023).

The challenges SMEs face today are very complex; competitive prices for products sold in the marketplace are cheaper. Very few people would argue that today's business environment is experiencing more and more instability, rooted not only in a highly competitive business environment where new distributive business models are driven by increasing technological advances and wider societal adoption of these technological advances but also subject to constant changes from hostile takeovers, business reorganizations, joint ventures, organizational mergers. (Saad et al., 2023). The Entrepreneurship Study Program is a choice to accelerate alums to become entrepreneurs and work with relatively inexperienced SMEs using digital technology. Entrepreneurial students can collaborate with other study programs to run a business. Cross-disciplinary innovation occurs through the digital innovation ecosystem to create new profitable business models. (Ruohomaa et al., 2020).

For SMEs, the business failure rate is very high. At the same time, the digital revolution has substantially changed the current business environment and pressured SMEs to contemplate their strategies to achieve sustainable business growth (Islam et al., 2022). The role of the Government and related agencies ranging from Villages/Villages, Districts/Municipalities, and Provinces must continue to improve sustainable development through pentahelix collaboration to be able to foster and develop MSMEs measurably. The function and role of lecturers as Higher Education staff in implementing the Tri Dharma of Higher Education are required to innovate both in the classroom teaching process, research, and especially the Community Service Program, which directly enters the community, especially guiding and assisting SMEs in the Development and Empowerment Program. Business Model Canvas (BMC) Concept (Osterwalder & Pigneur, 2010) given in class to students of the Entrepreneurship Study Program and SMEs in the training program, is one of the basic concepts of entrepreneurship development with learning innovations in business model canvas games (Sudrajat et al., 2018) so that SMEs and students can apply the BMC concept well to develop the business ecosystem of students and SMEs.

3 Method

The technique used in this research is the Research and Development Method by utilizing the Business Model Canvas. According to Dharma, Research and Development Methods are a sequence of strategies and actions to improve current products or meet existing product requirements. The products referred to herein are not limited to physical objects or hardware, including textbooks and teaching materials in classrooms or laboratories. Alternatively, it can include software such as computer applications for data processing or classroom, library, or laboratory training, as well as training modules, learning models, evaluation tools, management systems, and various other forms of digital assets to identify the causes of problems that are not optimal for the use of the Student Business ecosystem and alums and MSMEs in the entrepreneurial learning process; the following is presented in the form of *fishbone diagram*;

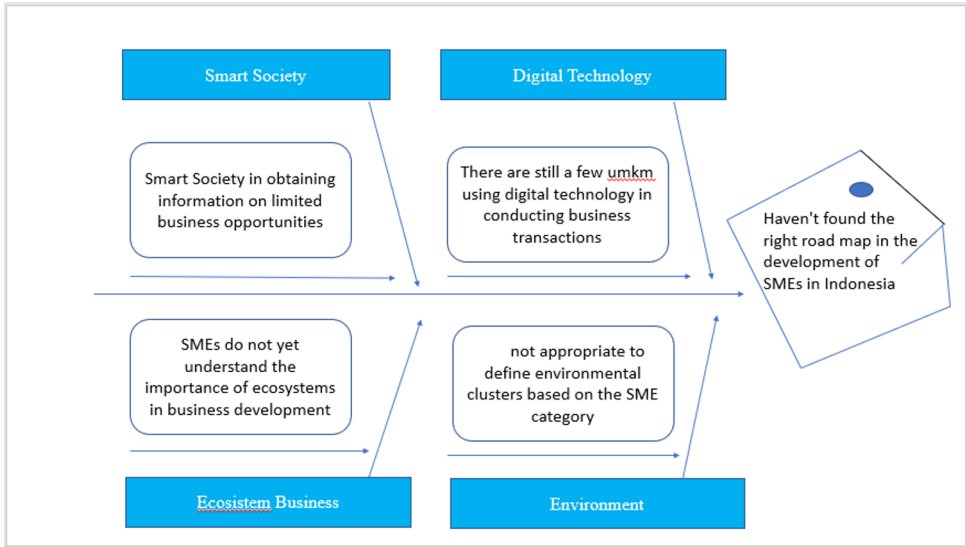


Figure 1. *Fishbone diagram* adapted from Dr. Kaoru Ishikawa
 Source: Jajat Sudrajat, 2023

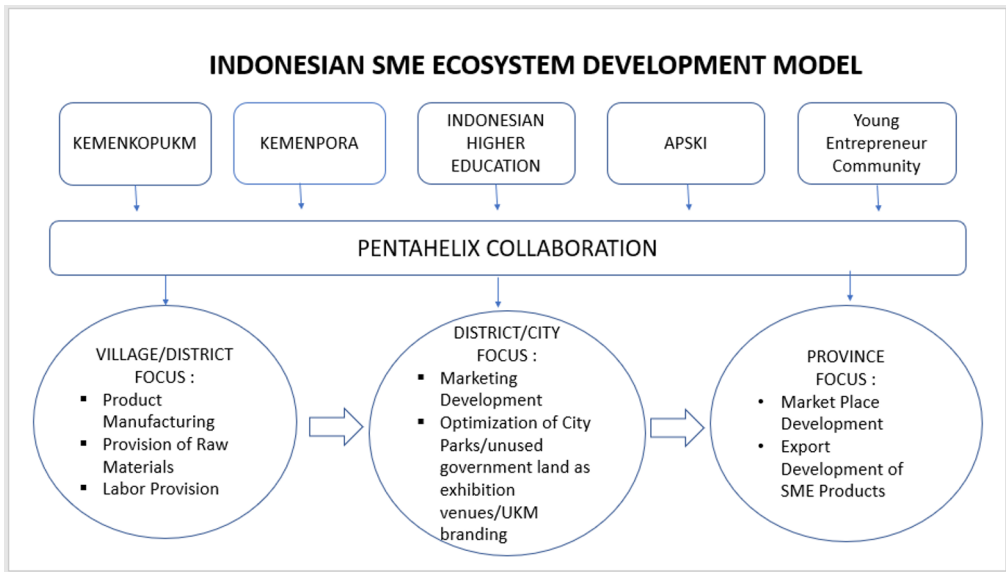


Figure 2. Flow of Indonesian SME Ecosystem Development Model
 Source: Jajat Sudrajat, 2023

In Figure 2, the flow of the Indonesian SME ecosystem development model starts from the KEMENKOPUKM, which coordinates the development of national entrepreneurship, and several appointed ministries such as KEMENPORA in organizing Youth Entrepreneurs, as well as public and private universities in Indonesia under the coordinator of the KEMENDIKBUD RISTEKDIKTI and APSKI which focus on fostering student

entrepreneurship through the Entrepreneurship study program and young entrepreneurial communities in Villages/Villages, Districts/Municipalities and Provinces, each of which has roles and tasks for the development of MSMEs throughout Indonesia

4 Results and Discussion

The strategy of developing SMEs by cooperating with universities and the Government was initiated by several universities, including Binus University, Bandung Institute of Technology, Brawijaya University, and other universities that are members of the Alliance of Indonesian Entrepreneurship Study Programs (APSKI). Through the APSKI National Coordination Meeting, it is hoped that there will be formal agreements needed by entrepreneurship study programs throughout Indonesia, including the faster development and improvement of entrepreneurship study program education in the future, which will require a network of cooperation and collaboration (APSKI, 2023).

APSKI will represent common interests and is expected to receive recognition from the Government and society in general regarding learning outcomes, according to KKNI. It is also strengthening opportunities to achieve accreditation as expected. Through APSKI, each member can expand Indonesia's cooperation network to improve academic abilities. With the collaboration of APSKI, it can increase the promotion and activities of the Tri Dharma of Higher Education. APSKI will provide various resources that support science, such as scientific journals, conferences, collaborative projects, books, and lecturer development. APSKI is a manifestation of the role of entrepreneurship in supporting business development in Indonesia.

Table 1. Results of RAKORNAS APSKI at Binus University and Bandung Institute of Technology

Entrepreneurship Development Issues	APKSI Discussion Results
The problem is that entrepreneurship development in the country is not only the Government's task but is the duty of all stakeholders, including universities, so KEMNKOPUKM invites to socialize this Presidential Regulation for entrepreneurship development on campus, especially in the preparation of curriculum or syllabus.	<ol style="list-style-type: none"> 1. APSKI encourages the Entrepreneurship Study Program to carry out entrepreneurial branding and make entrepreneurial growth one of the Main Activity Indicators. 2. Incubators on campus are the primary means of implementing an independent learning campus so that lectures and practices can run well. 3. The Entrepreneur Hub initiated by KEMENKOPUKM is a super application that is a forum for the growth and development of the APSKI ecosystem to encourage its members to send data on campus-fostered entrepreneurs through the Entrepreneur Hub so that the policies prepared are more measurable and accountable. 4. APSKI members also contribute to the entrepreneur hub following the entrepreneurship education function. Strengthening the entrepreneurial ecosystem and business partnerships

In Table 1, the results of the APSKI National Coordination Meeting (RAKORNAS) in collaboration with KEMENKOPUKM and KEMENPORA, through the National Coordination Meeting held at Binus University and Bandung Institute of Technology, intending to establish APSKI formally. APSKI will represent common interests and is expected to get recognition from the Government and society in general regarding learning outcomes, according to KKNI. They are also strengthening opportunities to achieve accreditation as expected. Through APSKI, each member can expand the cooperation network throughout Indonesia in improving academic abilities through collaboration. APSKI can increase the promotion and activities of the Tri Dharma of Higher Education. APSKI will provide various resources that support science, such as scientific journals, conferences, project collaborations, books, and lecturer development. APSKI is a manifestation of the role of entrepreneurship in supporting business development in Indonesia.

KEMENKOPUKM and KEMENPORA discussed with APSKI to develop a roadmap for Indonesian entrepreneurship, benefits for SMEs to strengthen the entrepreneurial ecosystem, and business partnerships. The benefit for KEMENKOPUKM is to develop an Entrepreneur Hub (EH) so that EH is expected to be a super application that encourages its members to submit entrepreneurial development data so that the policies prepared are more measurable and accountable. Other benefits for educational institutions, especially Entrepreneurship Study Programs throughout Indonesia, which are members of APSKI, are in preparing the curriculum/syllabus for entrepreneurship development guided by Presidential Regulation No. 2 about 2022.

5 Conclusion

Based on Government Regulation No. 2 of 2022 concerning National Entrepreneurship Development for 2021-2024, it serves as a guide in the preparation of the curriculum and syllabus for entrepreneurship development as an implementation of Presidential Regulation 2 of 2022, so APSKI encourages entrepreneurship study programs in Indonesia to compare entrepreneurial growth in Indonesia.

The Entrepreneur Hub being built by KEMENKOPUKM is expected to be a super application that encourages its members to submit entrepreneurial development data so that the policies prepared are more measurable and accountable. It is expected that APSKI members contribute to the Entrepreneur Hub following the function of Entrepreneurship Education to strengthen the entrepreneurial ecosystem and business partnerships as well as synergize, monitor and evaluate related to entrepreneurship development programs carried out by stakeholders through one application of entrepreneurial data/information system as a database of Indonesian entrepreneurs.

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