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The Understanding The Characteristics Of Micro Small And Medium Business For Revitalization Of Businesses In Era Of Industry 4.0

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Abstract

Micro, small and medium business or MSME's are small business that are managed individually or by several members with various types of productive business. Lately, these MSME's face various obstacles so that the rate of development and productivity is hampered. Understanding the ins and outs of the problems being faced by MSME's is believed to have a connection with efforts to revitalize the business in the current digital era. For this reason, we have conducted a field study using observational methods and stratified random samples to understand the characteristics of these MSME's problems. Finally, we succeeded in summarizing the findings of the MSME's study among some MSME's actors in the province of West Java. Our findings include; First, MSME's are held to fill the time blank at home. Secondly, MSME's are carried out without having a clear managerial vision and mission. Third, as an average individual MSME's there, it is carried out with its own small capital without capital loans from financial institutions or other outside parties with a profit sharing system. Therefore, we suggest that the findings of the problem characteristics will be solved if the MSME's of West Java get business partners and funding to help manage and manage the financials and the mindset of the MSME's so they can increase their business productivity.

Keywords: *Characteristics of MSME's, Revitalization of Business Development, Revolution 4.0*

INTRODUCTION

Indonesia with a large population in the Southeast Asia region plays an important role for the development of business from the micro, small and medium enterprises (MSME's) to multinational companies.(Widyatama and Yanida, 2016). Of the number of companies in Indonesia with some characteristic differences between one company with another company, but only a small proportion have run their business in a planned and directed manner by having a business plan such as a good business planning. This is a real condition face by most businessespecially the small business that remain having difficult to achieve greater efficiency, effectiveness for more productivity.

The existence of MSME's is very important for the Indonesian economy, because the contribution of MSME's is 59.8% to the total Gross Domestic Product (GDP) of Indonesia. BPS also noted that the number of MSME's which reached 56.54 million units was equated with 99.99% of the total business units in Indonesia, thus demonstrating the ability of MSME's in terms of absorbing a large workforce.(Hamzani and Achmad, 2017). Government of Indonesia contributes to the development of the Indonesian economy so that MSME's are regulated by Law No. 20 of 2008 in article I Chapter I, that micro businessare productive businessowned by individuals or business entities that meet the MIE criteria in accordance with the law.(Tambunan, 2019). The law is a condition for those who want to join MSME's. However, not all MSME's run smoothly in Indonesia, because there are several obstacles to the development of MSME's.

One of the main obstacles facing many MSME's is the problem of capital and business management.(Tran et al., 2017), entrepreneurship development,(Dvouletý, 2017), organizational performance,(Nunes et al., 2017), limited business insight, poor business management, difficulties in gaining market access, production management, technology and other obstacles. Technology that has experienced development from the era of agriculture, industry and the current era,(Toffler, 1970)or known as the information age with the sophistication of technology and information.(Mujiburrahman, 2017); (Aslan, 2019); (Aslan and Hifza, 2020). Toffler, (1980), known as the observer of the future, symbolizes that the present era has experienced rapid change with such a short time. (Aslan, 2019). The era of technology plays an important role in efforts to broker internet networks with WhatShaps, Facebook, Instagram, Shopee, Open Stall programs and other programs. However, although technology has developed by presenting challenges in MSME's, the biggest challenge is capital. Because capital is very influential in business, so business development is largely determined by capital.

Large capital will affect the performance and risk of the company. Companies will experience a smaller risk if they have large capital. (Setianto and Pratiwi, 2019); (Buana and Khafid, 2018). If MSME's has a large capital, then the organization team will work together to advance the business of the business it manages, both from manufacturing, ordering, marketing in stores and other activities. The activities of the team work with fellow teams so that they are known as MSME's. However, most people do not know more about MSME's and entrepreneurs. The community thinks that MSME's are entrepreneurs or better known as government programs with the term WUB (New Entrepreneur). In fact, from the writer's own perspective, entrepreneurship is MSME's but MSME's are not necessarily entrepreneurs.

Much research has been done on MSME's such asTambunan, (2019)who conducted research on MSME's to see the importance of MSME's in Indonesia, MSME's and MSME's constraints and business opportunities for women. Then the study conducted again byTambunan, (2011)about the development of MSME's that experienced obstacles due to "the high cost of raw materials, marketing difficulties, and lack of capital". Furthermore,Kusumastuti, (2017), who conducted research by analyzing diagnostic innovations in MSME's in Depok. The measurement also refers to the Diamond Innovation Diagnostic proposed byMazzarol and Reboud, (2005). From the characteristics of previous research on MSME's there are similarities and also differences made by the author. The author conducted research in West Java in the areas of the City / Regency of Bandung, Garut, Tasik, Ciamis, Banjar, Pangandaran and Sumedang. Because, this area is considered to have a new entrepreneurial growth rate is still small, compared to the government's target program on MSME's. Then, when MSME's will develop or add capital obtained from investors or lenders of capital, MSME's are asked to pour their business development ideas into business plans. However, to answer questions from investors, MSME's still do not have a coach or assistant to make the business plan. Although, humans have lived in the industrial era 4.0, with technological sophistication, but the role of humans can not be replaced by technology and should have interconnections with one another.

RESEARCH METHODS

Qualitative methods have been taken in carrying out field research. This qualitative approach was taken because this study wanted to find out about phenomena that occur in society or organizations involving people.(Robert C. Bogdan & Sari Knopp Biklen, 1998). The phenomenon in question is a social event experienced by the community such as the case of MSME's that occurred in West Java, Bandung City / Regency, Garut, Tasik, Ciamis, Banjar, Pangandaran and Sumedang. Qualitative researchers rely more on themselves or as information seekers in accordance with the research conducted.

The procedure of collecting qualitative study data is usually carried out with observation, interview and documentation techniques. However, this time only using data collection by observation and stratified random sampling methods to see the causes of problems experienced by MSME's in colliding MSME's in West Java. This is done by the authors as stated byHancock et al., (2009),that not all research is conducted by interview, both structured and unstructured but can be done by observation and documentation.

Collecting is done to several MSME's representing business clusters, to find out the importance of understanding the characteristics of MSME's problems that will be fostered, especially in the stage of making business plans. It should be understood first that MSME's are a business organization led by a manager / owner who is usually an absolute single leadership, on a small scale MSME's usually have a single fighter nature, in running their business or in terms of one man show, which includes making own plans, organize their own business, do their own production, package their own products, market their own, including the procurement of raw materials themselves. This is done because of two things, namely insufficient capital, and efficiency. Efficiency means that doing everything by yourself can also be done because they will make savings for the initial stage of business expenses, because by working alone do not spend on employee salaries.

4 Furthermore, the analysis uses the theory of Matthew B. Miles A Michael Huberman, (1994), which consists of three stages namely data reduction, data presentation and drawing conclusions. Data reduction is looking for data in accordance with the research conducted, while the 5 presentation of data is to present data in the form of text so that a sentence is arranged that is clear, dense and not wordy. Meanwhile, drawing conclusions is to provide conclusions from the results of research conducted.

RESULTS AND DISCUSSION

Human journey from year to year follows the technological developments faced by humans. Technology is the media as an intermediary to deliver messages to fellow humans. Before technology developed, humans delivered messages through fire. Then, technology developed through an intermediary with birds using letters.(Aslan, 2019). This technology has been redeveloped from messages conveyed through animal skins, stones, dates and other skins, but has experienced obstacles because most humans cannot read, even though a printing press has been invented.(Mujiburrahman, 2015).However, this obstacle was cleared when audio and audio visual technology was discovered, so everything had begun to be remedied but experienced new challenges.

Toffler, (1970)as a sociologist of the future has mapped the technological developments experienced by humans through three periods, the agricultural era, industry and the present era. The current era is known as the information age with technological sophistication,(Mujiburrahman, 2017)so that Piliang, (2011)said the current era is like a folded world. However, every change, as expressed by figures of sociology, such asSztompka, (1993)that every change experienced by humans displays history with different changes and different challenges, including micro, small, and medium enterprises (MSME's) experienced by humans.

MSME's is one of the history of the business that experienced the development of the economic system experienced by humans. Before information technology or currently known as the industrial revolution 4.0, people needed to meet economic needs only by exchanging goods for other goods and the transportation technology used was still through land and sea transportation. In those eras, the human economic system was still known as entrepreneurship.

7 Smith who mapped out a history of economics based on modeling political economy. Smith saw the economic development from feudalism to capitalism in Europe. The economic journey cannot be separated from human economic history.(Kim, 2009). The economic journey is also inseparable from politics carried out by humans.(Logan, 2020). Because the presence of a country cannot be separated from social change and economic development experienced by the community. (Borcan et al., 2018). The progress of a country is determined by its economic development. An economy that has developed from modest to modern times or 2 the era of the industrial revolution 4.0 has shown a new face in transactions, selling to promote goods and other economic activities.

The fourth industrial revolution or the 4.0 revolution is the change experienced by humans from technological developments both qualitatively and quantitatively on a large scale. (Maresova et al., 2018). From an economic perspective, humans have been replaced by internet technology and even technology functions as the backbone of the production system. (Liao et al., 2018). MSME's is one of the impacts of technological developments that are present in human life to improve Indonesia's economic system. Indonesia consists of various kinds of islands, ethnicities, tribes so as to distinguish the management of MSME's in Indonesia including in West Java, the City / Regency of Bandung, Garut, Tasik, Ciamis, Banjar, Pangandaran and Sumedang.

MSME's that occur in some West Java communities to run business do not achieve the targets of the MSME's program for Indonesian regions so that in entrepreneurship the community only runs businesses as they are, have no achievement targets, only expect capital from MSME's so that business marketing is owned by the community West Java is just stagnant without experiencing development. Some cases about MSME's that occur in some West Java communities who are not so enthusiastic about running MSME's businesses are caused by; First, the background in choosing an MSME's business is due to the annoyance of waiting for a husband to come home from work, for children's snacks, free time and other reasons so that from this reason it is not a trigger for MSME's to develop and become larger. Second, the MSME's carried out did not have a clear vision, business mission so that MSME's only experienced stagnant development. Third, MSME's that are established are only their own capital so they do not have challenges in business. Additional capital is carried out when the community requires additional capital by applying for business capital loans to individuals, banks, the Government through revolving credit programs, State-owned enterprises and venture financial institutions. Fourth, MSME's marketing is done naturally without any promotion to other communities so that the weakness of marketing this model is the limited market, easily saturated and slow development.

The problems of MSME's experienced by some people of West Java will only be overcome by making alternative improvements, including; First, MSME's Supporters are able to change the mindset of MSME's so that they are serious about doing business by making business plans, through training activities, workshops, or business mentoring. Second, have a clear vision and mission that will be poured into business planning, including business organizations, capital, and market opportunities that have been prepared. Third, the companion prepares capital but with a profit sharing system not loans that must be returned within a certain time period with a certain interest. Third, the mentor directs MSME's to prepare marketing strategies that are better, planned, organized and utilize technology.

The problems of MSME's in West Java are also experienced by MSME's in Indonesia, such as Semarang. The problem lies with the administration that is not well regulated, there is no standardization of products, and marketing, (Rusdarti and Kistanti, 2018), the sex and age of the respondents who influence the monthly opinion of the business being run. (Tian and Huang, 2019). Even though the Indonesian state became a reference for the ASEAN country for the development of MSME's for the community. (Abdul Rahman et al., 2016). To improve the problems of MSME's as conducted by research by Setyawan Agus et al., (2015) MSME's need government assistance to develop marketing networks and access to financial institutions. However, in the opinion of the Researcher that any MSME's shortcomings will be corrected in accordance with existing weaknesses will not run in line with expectations if no improvement is made to the MSME's assistant or coach, especially in the era of the industrial revolution 4.0.

Assistance or Guidance of MSME's desired in the era of the industrial revolution 4.0 must have the ability to make a personal approach to MSME's in planning a business, so that a companion in assisting MSME's must understand the characteristics of MSME's itself. If that can be done, then MSME's can change the mindset of MSME's, instill vision and mission from the start, prepare planning strategies in efforts with teamwork, be able to prepare capital in advance to outsiders with no profit sharing system, utilize existing technology to carry out promotions in business and other ventures.

CONCLUSION

MSME's is one proof of technological development on a large scale so that it can change the mindset of the community in economic terms. The economy has developed along with technological development but brought so great changes to the side of human life in the 4.0 revolution era. However, the development of these technologies is still unable to overcome the MSME's run by some Indonesian people including West Java. One of the most urgent problems is the absence of assistants or coaches from the MSME's itself.

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