

PROGRAM FOR PROVIDING TRAINING AND FUNDING ASSISTANCE FOR BEGINNER ENTREPRENEUR: EVALUATION OF THE PROGRAM IMPLEMENTATION WITHIN UNIVERSITAS TERBUKA

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Abstract

This paper discusses the impact of Universitas Terbuka (UT) policy in encouraging students to become entrepreneurs through the Financial Assistance Program for Beginner Entrepreneurs. In 2014-2016, UT has collaborated with the Ministry of Cooperatives and SMEs cq Entrepreneurship Development Affairs, Human Resources Development Sector to hold activities to facilitate students as beginner entrepreneurs through training, mentoring and providing funding. Each batch of Program participants was monitored for 2 years, starting from the receipt of the student's business proposal to be financed up to the next 3 semesters. The Ministry of Cooperatives and SMEs provided three days of entrepreneurship training for priorly selected students. At the end of the training, students who wish to start a business were asked to submit business proposals which will be assessed for its feasibility to be funded. The development of this proposal was carried out with the assistance of qualified experts. Proposals that passed the assessment were entitled to financial assistance for entrepreneurial development with a maximum value of IDR 25,000,000 per student. At the end of the second year of Program implementation, about 75% of the students who took part in this program were running well, but after that there was no further monitoring, either by UT or the Ministry of Cooperatives and SMEs. After nearly a decade in progress, it is necessary to see how the program's impact has on the efforts of the students participating in the program. For this reason, an evaluation of the program's impact was carried out. The impacts evaluated include sustainability, magnitude, and business profits. Of the 324 students who received assistance in 2014-2016, 37 of them filled in the list of questions sent and were willing to be interviewed. Of the 37 respondents, 7 (19%) respondents still have the same business as the one funded by the program, 21 (57%) respondents changed their business, and 9 (24%) respondents stopped their business. However, for businesses which is still ongoing today, there has been an increase in assets that can reach hundreds of times. It is not easy to give an assessment of the usefulness of the Program because the entrepreneurs who can be evaluated are limited. Entrepreneurs who are still and even developing their businesses provide input for improving the entrepreneurship encouragement program for students, including ongoing coaching and monitoring for a minimum of 5 years.

Keywords: Entrepreneurship, policies, financial assistance, training, monitoring

1 INTRODUCTION

Amidst the constantly changing economic landscape, entrepreneurship has become a cornerstone of innovation and economic growth (Asian Development Bank, 2022; Stoica et al., 2020). As universities strive to nurture the entrepreneurial spirit among their students, Universitas Terbuka (UT) stands out for its collaboration with the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) in fostering student entrepreneurship through the "Program Wirausaha Pemula Kementerian Koperasi dan Usaha Kecil dan Menenga." As a pivotal part of UT's strategy for entrepreneurship education, this program has aimed to empower and inspire students to embark on entrepreneurial journeys by providing training and funding assistance.

Entrepreneurship education has long been recognized as a critical factor in equipping students with the skills and mindset needed for business success (Manafe et al., 2023; Miço & Cungu, 2023). During the years 2014-2016, UT joined hands with the Ministry of Cooperatives and SMEs to implement this initiative, granting working capital to students venturing into business. To ensure the program's funds were utilized effectively, a systematic approach was adopted, involving training sessions, proposal development guidance, proposal evaluation, program monitoring, and the validation of the suitability of the proposed business types for financial assistance.

Across a span of three years, 87 students from various regions, including Semarang, Batam, Jogjakarta, Denpasar, and Jakarta, participated in this program and received funding support after completing training and submitting their business proposals. The financial aid extended to students ranged from IDR 8 million to 25 million per individual.

The initiative's initial success story reveals that after two years, approximately 75% of students who engaged in this program were running their businesses profitably. However, what occurred beyond this point remains uncertain, as neither UT nor the Ministry of Cooperatives and SMEs continued to monitor their progress. Therefore, the objective of this study was to observe and evaluate the impact of the program on participants' business.

2 METHODOLOGY

2.1 Data Collection

The study involved contacting the students who had participated in the program between 2014 and 2016. A total of 324 program participants were identified as the target population for the research. These participants are from Bandung, Batam, Denpasar, Jakarta, Jember, Jogjakarta, and Semarang.

2.2 Contact Procedure

The participants were contacted through digital communication platforms, specifically WhatsApp and SMS. The use of these communication channels was chosen for their convenience and widespread usage among the target population.

2.2.1 WhatsApp Contact Procedure

Out of the 324 participants, 105 were contacted via WhatsApp, with a detailed questionnaire provided to collect data regarding their experiences and outcomes as entrepreneurs following their involvement in the program. Of those contacted on WhatsApp, 33 participants (approximately 31%) responded to the questions and provided valuable insights.

2.2.2 SMS Contact Procedure

For the remaining 219 participants, SMS messages were used to reach out to them. However, it should be noted that the response rate through SMS was relatively lower, with only 4 participants responding to the messages.

Table 1. Distribution of The Program Population & Samples

Batch	Regional Canter	Σ Grant (Rp.000)	Σ Students	Contacted via WA			Σ Contacted via SMS	
				Successfully Contacted	Left without News	Responded	Contacted	Responded
2014	Semarang	475,000	39	7		3	32	0
2015	Bandung	411,000	24	6		4	18	1
	Semarang	534,500	61	14	1	4	47	0
	Jogjakarta	560,000	72	36	4	5	36	2
	Jember	603,000	46	13	1	2	33	0
	Denpasar	478,180	39	21		9	18	1
	Batam	509,000	24	1		0	23	0
2016	Jakarta	410,000	19	7		6	12	0
TOTAL		3,980,680	324	105	6	33	219	4

In total, responses were obtained from 37 out of the 324 participants, constituting approximately 11% of the target population. These responses formed the basis for the evaluation of the program's long-term impact, including aspects related to sustainability, the magnitude of success, and business profitability. The detailed information is presented in Table 1.

3 FINDINGS AND DISCUSSION

The findings of this study shed light on the trajectories and outcomes of participants in the "Program Wirausaha Pemula Kementerian Koperasi dan Usaha Kecil dan Menengah" at Universitas Terbuka. The analysis of participants' responses to the interview revealed diverse pathways taken by program beneficiaries, providing valuable insights into the evolution of their entrepreneurial journeys.

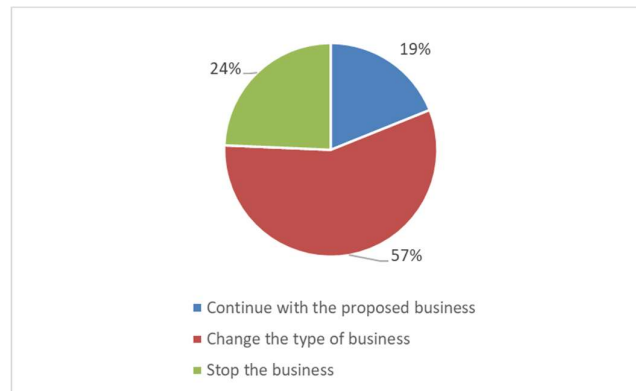


Figure 1. Distribution of Participants Business Status

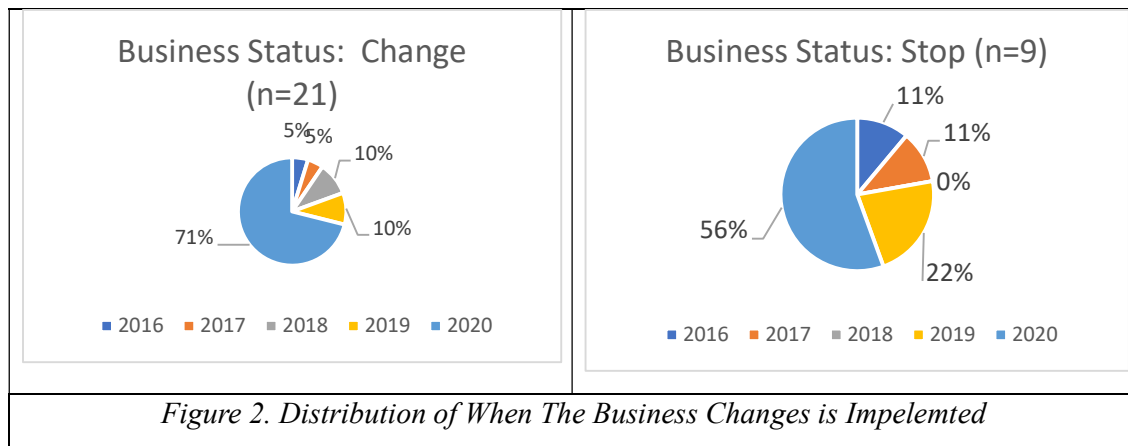
As seen in Fig. 1, among the participants, 19% (n=7) chose to continue with the business they initially proposed during the program, while a significant 57% (n=21) opted to change their business type. On the other hand, 24% (n=9) decided to discontinue their entrepreneurial ventures.

3.1 Shifts in Business Type

Several trends emerged when examining the shifts in business type. Initially, 14 participants proposed trading businesses; however, only 11 participants remained in this sector at the time of the study. A similar trend was observed in the service industry, where 10 participants initially proposed businesses ranging from fashion to laundry, photocopying, and wood carving. At the time of the study, only 8 participants remained in this sector. In the culinary business category, 10 participants proposed such ventures, but only 7 participants persisted. Lastly, 3 participants initially ventured into animal husbandry, with 2 participants continuing in this sector.

3.2 Timing of Business Changes

The timing of business changes was noteworthy. Similar pattern can be observed between changes in the business type and discontinuation of the business through Fig. 2.



It was observed that 5% of those who transitioned to different business types did so in 2016, while another 5% did in 2017. Meanwhile, 10% participants reported making this shift in 2018, and another 10% made the change in 2019, while the majority, approximately 71%, embarked on new business types in 2020. Similarly, 11% participants stop their business in both 2016 and 2017, while the number of participants was doubled (22%) in 2019. Interestingly, no participants reported discontinue their business in 2018. The majority also stopped their business in 2020.

3.3 Reasons for Business Changes

Participants who decided to change their business type cited a variety of reasons for their decisions. Notable factors included family-related issues, such as caring for a sick child or a family member taking over the business. Some participants found more stable job opportunities, got married, or expanded their family, which influenced their business choices. Additionally, challenges related to bureaucracy, such as permit fees, were mentioned as a deterrent. The economic impact of the COVID-19 pandemic was also cited as a significant factor leading to business changes, explaining that most cases of business shift or discontinuity happened in 2020. Slow money circulation and a lack of clients were common challenges faced by participants. On the flip side, some entrepreneurs made strategic shifts to gain more financial benefits and capitalize on emerging opportunities to expand their businesses.

3.4 Discussion

The findings indicate the dynamic nature of entrepreneurship and the ability of individuals to adapt to changing circumstances. It is crucial to acknowledge that entrepreneurship is inherently flexible, and entrepreneurs may need to pivot their business strategies in response

to a multitude of factors, both personal and external. The diversity of reasons for business changes highlights the complexity of entrepreneurial decision-making.

Moreover, the significant proportion of participants who chose to continue with their initially proposed businesses underscores the importance of resilience and the enduring appeal of entrepreneurship. Their experiences can provide valuable insights for the ongoing development and support of student entrepreneurship programs. In contrast, those who discontinued their businesses may provide insights into the challenges that entrepreneurs can face and factors contributing to discontinuation.

The timing of business changes, with a substantial proportion occurring in 2020, may reflect the disruptive impact of the COVID-19 pandemic on the business landscape. Research collectively stresses the need for constant monitoring and support to help businesses, and by extension, student entrepreneurs, thrive in a dynamic and unpredictable business environment. Therefore, entrepreneurial resilience and adaptability during such challenging times are particularly noteworthy (Enigdaw, 2022; Harel, 2021; Wahyuni & Ikasari, 2021).

4 CONCLUSION

The "Program Wirausaha Pemula Kementerian Koperasi dan Usaha Kecil dan Menengah" at Universitas Terbuka has been a vital force in igniting the entrepreneurial spirit among students. This study's findings illuminate the entrepreneurial journeys of program participants, where 19% persevered with their initial ventures, 57% ventured into new business realms, and 24% chose to conclude their entrepreneurial pursuits. Shifts in business sectors reflect adaptability, often motivated by a complex interplay of personal, family, economic, and societal factors, including the disruptive impact of the COVID-19 pandemic.

In conclusion, this study underscores the fluid and dynamic nature of entrepreneurship. While the program's initial success is promising, it emphasizes the need for sustained support and mentorship for student entrepreneurs to navigate the ever-evolving entrepreneurial landscape. By equipping them with adaptability and resilience, we can empower the next generation of entrepreneurs to seize opportunities and overcome challenges on their entrepreneurial journeys.

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