

Evaluation Of Program For Funding Assistance For Beginner Entrepreneurs: A Case In Universitas Terbuka

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KEYWORDS

Entrepreneurship;
Financial Assistance;
Training; Monitoring.

ABSTRACT

This research examines the impact of the Entrepreneurship Development Assistance Program initiated by the Ministry of Cooperatives and SMEs through the Field of Entrepreneurship Development and Human Resource Development on Open University (UT) students. In 2015, the Ministry provided financial support and limited training and mentoring to UT students to foster entrepreneurship. The program is monitored over two years, from the student submitting a business proposal to funding, and is extended to the following three semesters. Students interested in starting their own business must submit a proposal, which is evaluated for feasibility and potential funding. This research involves contacting students who have participated in the 2015 Program. A total of 266 program participants were identified as the target population for the study. These participants came from Bandung, Batam, Denpasar, Jember, Jogjakarta, and Semarang. By equipping student entrepreneurs with adaptability and resilience, the program has the potential to foster a culture of entrepreneurship and contribute to economic growth and innovation in the long run.

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Introduction

Amidst the constantly changing economic landscape, entrepreneurship has become a cornerstone of innovation and economic growth (Oanh & Huy, 2024). 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 Menengah (Ansar & Rahayu, 2019)." 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 (Engidaw, 2022).

Entrepreneurship education has long been recognized as critical in equipping students with the skills and mindset needed for business success (Manafe et al., 2023). During 2014-2016, UT joined hands with the Ministry of Cooperatives and SMEs to

implement this initiative, granting working capital to students venturing into business. A systematic approach was adopted to ensure the program's funds were utilized effectively, involving training sessions, proposal development guidance, proposal evaluation, program monitoring, and validating the suitability of the proposed business types for financial assistance (Miço & Cungu, 2023)v.

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 (Ahmad, 2018). The financial aid extended to students ranged from IDR 8 million to 25 million per individual.

The initiative's initial success story reveals that approximately 75% of students who engaged in this program ran their businesses profitably after two years (Wahyuni & Ikasari, 2022). 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 program's impact on participants' businesses.

Research Methods

Data Collection

The study involved contacting the students who had participated in the 2015 Program. A total of 266 program participants were identified as the target population for the research. These participants are from Bandung, Batam, Denpasar, Jember, Jogjakarta, and Semarang.

Contact Procedure

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

WhatsApp Contact Procedure

Out of the 266 participants, 91 (34,2%) 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, 24 (26,3%) respondents responded to the questions and provided valuable insights.

SMS Contact Procedure

SMS messages were used to reach out to the remaining 175 (65,8%) participants. However, only 4 participants responded to the messages.

Email Contact Procedure

All 266 Program participants had email when they first joined the Program. However, none of them responded to the email sent for this Evaluation.

Table 1
Distribution of The Program Population & Samples

Regional Centre	∑ Grant (Rp.000)	∑ Students	Contacted via WA		Contacted via SMS	
			Successfully Contacted	Responded	Successfully Contacted	Responded
Bandung	411,000	24	6	4	18	1
Semarang	534,500	61	14	4	47	0
Jogjakarta	560,000	72	36	5	36	2
Jember	603,000	46	13	2	33	0

Denpasar	478,180	39	21	9	18	1
Batam	509,000	24	1	0	23	0
TOTAL	3,095,680	266	91	24	175	4

Responses were obtained from 28 out of the 266 participants, constituting approximately 9% of the target population. These responses formed the basis for evaluating the program's long-term impact, including sustainability, the magnitude of success, and business profitability.

Results and Discussions

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.

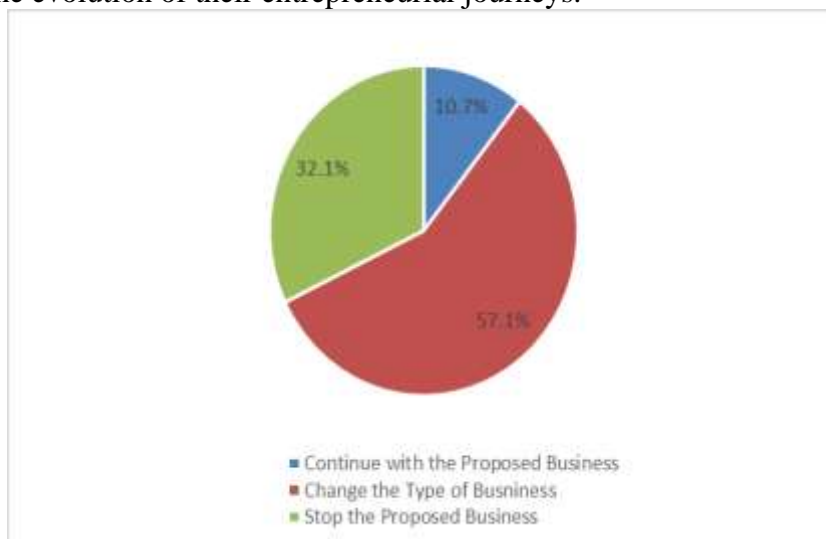


Figure 1. Distribution of Participants' Business Status

As seen in Fig. 1, among the participants, 10,7% chose to continue with the business they initially proposed during the Program, while a significant 57,3% opted to change their business type. On the other hand, 31,2% decided to discontinue their entrepreneurial ventures.

Business Resilience

Participants in the "Program Wirausaha Pemula Kementerian Koperasi dan Usaha Kecil dan Menengah" proposed diverse business ventures, reflecting their entrepreneurial aspirations and the explored opportunities. As illustrated in Figure 2, these ventures span various sectors, including service, culinary, trading, animal husbandry, and printing. Through these visual representations, we offer a glimpse into the multifaceted entrepreneurial landscape cultivated by program participants, each image encapsulating the distinctiveness of their chosen business endeavors.



Business in Service Industry



Business in Culinary



Business in Trading



Business in Animal Husbandry



Business in Printing
Figure 2 Participants' Business Endeavours

While these proposed business ventures initially represent the participants' entrepreneurial aspirations, the journey from proposal to manifestation is marked by changes shaping their ventures' trajectory. Upon evaluation, shifts in business focus were evident. For example, while initially, 35.7% of participants proposed ventures in the service industry, only 31.8% remained in this sector. Similarly, there was a decrease in the proportion of participants engaged in culinary (from 32.1% to 31.8%) and trading (from 21.4% to 27.3%) businesses. These findings underscore the dynamic nature of entrepreneurship, wherein participants demonstrate adaptability and resilience in response to evolving market dynamics and personal circumstances (Stoica et al., 2020).

Upon closer examination, many participants opted to pivot or discontinue their initially proposed businesses; for example, among participants who initially proposed businesses in the service industry, 37.5% transitioned to other business types, while 44.4% discontinued their ventures altogether. Similarly, among participants in the culinary sector, 55.6% decided to stop their ventures, while only 33.3% continued with their culinary businesses. Interestingly, while no participants continued their initially proposed animal husbandry businesses, none discontinued this venture either, with all participants opting to change the direction of their businesses. Similarly, participants in the printing business remained consistent, with 33.3% continuing their ventures without any changes or discontinuations.

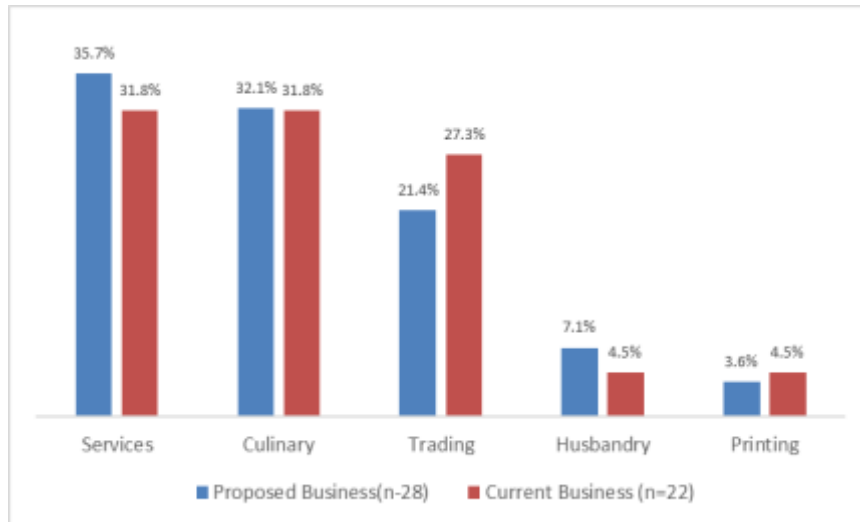


Figure 3. Distribution of Business

Further analysis of the data reveals a notable trend regarding the discontinuation of businesses, particularly in the culinary sector. Among participants who initially proposed culinary businesses, a significant majority (55.6%) decided to discontinue their ventures, followed by 44.4% who stopped their business in the service industry. Meanwhile, no participants have discontinued their trading, husbandry, and printing business. This stark contrast in discontinuation rates compared to other sectors highlights the unique challenges and dynamics within the culinary and service industry.

These findings highlight the adaptability and resilience of program participants in response to evolving market dynamics and personal circumstances. Despite facing challenges or encountering shifts in their initial business proposals, participants are willing to explore alternative opportunities and adapt their entrepreneurial endeavors accordingly.

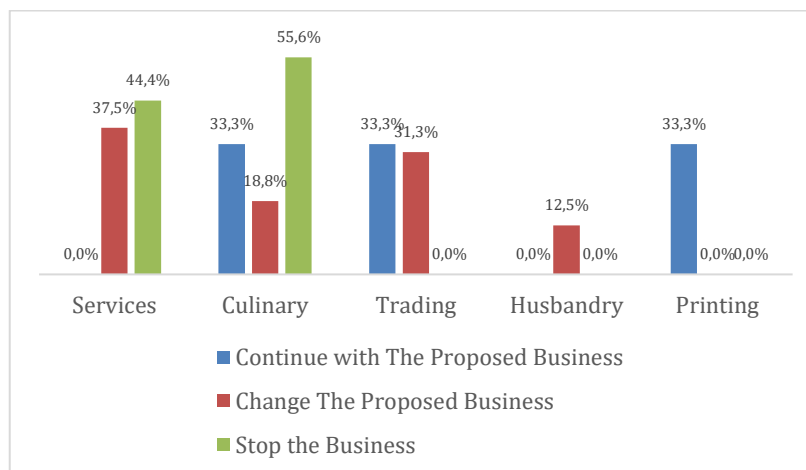


Figure 4. Distribution of Business Sustainability Based on Business Type

Timing of Business Changes

The timing of business changes was noteworthy. A similar pattern can be observed between changes in the business type and discontinuation of the business through Fig. 3.

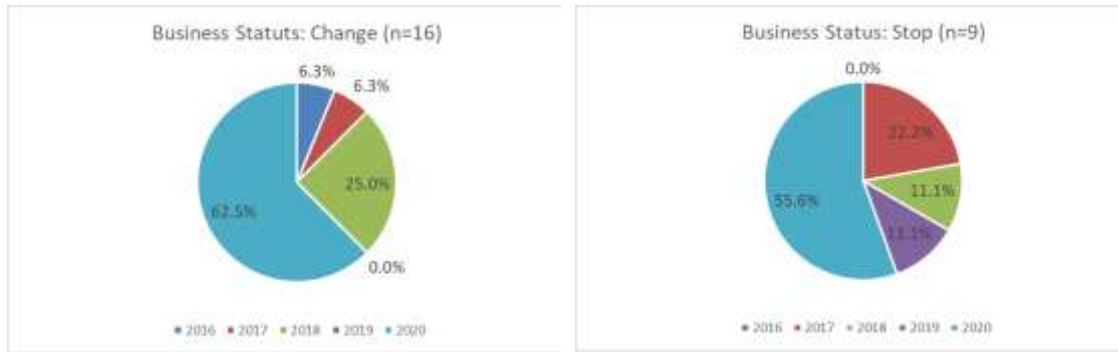


Figure 5. Distribution of When the Business Changes is Implemented

It was observed that 6,3% of those who transitioned to different business types did so in 2016 and 2017. Meanwhile, 25% of participants reported making this shift in 2018, and no participants made the change in 2019, while the majority, approximately 62,5%, embarked on new business types in 2020. Interestingly, no participants reported discontinuing their business in 2016, while the number of participants who stopped their business was relatively high (22,2%) in 2017. The number of people who stopped business decreased to 11,1% in 2018 and 2019. Like those who changed their business, the majority (55,6%) stopped in 2020.

Reasons for Business Changes or Stop

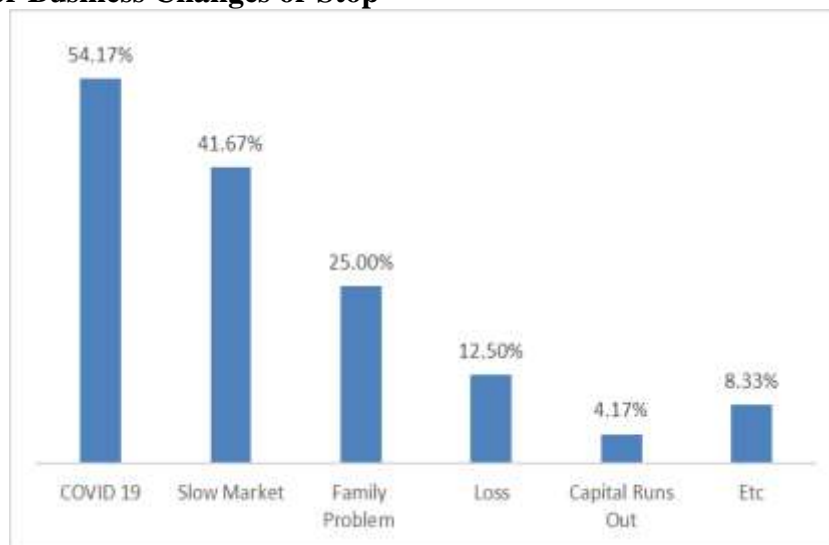


Figure 6. Distribution of Reasons to Change or Stop Business

As highlighted by the data, participants who opted to change their business types or discontinue their ventures cited various reasons that shaped their decisions. The COVID-19 pandemic emerged as the most prevalent factor, with 54.17% of participants attributing their business changes to its economic impact. Furthermore, 41.67% cited a slow market as a contributing factor, reflecting challenges related to consumer demand and economic conditions. Family-related issues also played a significant role, with 25% of participants citing them as influencing factors. Additionally, 12.5% mentioned experiencing financial loss, while 4.17% cited capital running out as reasons for their business changes. Other

causes, accounting for 8.33% of responses, encompassed a range of factors not specified in the data. These findings underscore the multifaceted nature of entrepreneurial decision-making, influenced by personal circumstances, external factors, and strategic considerations.

Reasons to Restart Business

Upon questioning participants who opted to restart their businesses, it emerged that various motivations influenced their decisions. The data revealed a nuanced spectrum of factors driving their choices. Notably, 42.86% of respondents identified a pursuit of profits as their primary motivation for restarting their businesses, underscoring the significance of financial sustainability in entrepreneurial pursuits. Additionally, 28.57% cited seizing opportunities arising from favorable market conditions or emerging trends, indicating a strategic approach to capitalizing on potential growth prospects. Moreover, 14.29% expressed an availability of specific tools or skills essential for business operations, highlighting the importance of acquiring requisite resources to enhance performance. Similarly, another 14.29% articulated a necessity to generate income, reflecting a pragmatic response to financial exigencies. Furthermore, 28.57% mentioned other undisclosed reasons, suggesting diverse influences shaping their decisions. These findings illuminate the multifaceted nature of entrepreneurial motivations, encompassing financial aspirations, strategic planning, skill acquisition, and pragmatic responses to prevailing circumstances, collectively contributing to the resilience and adaptability of entrepreneurs in navigating the dynamic business landscape.

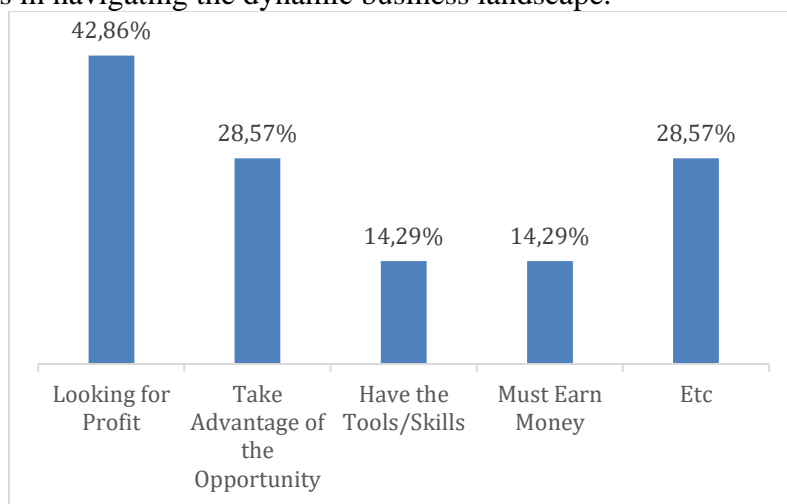


Figure 7. Distribution of Reasons to Restart Business

Suggestions for Program Improvement

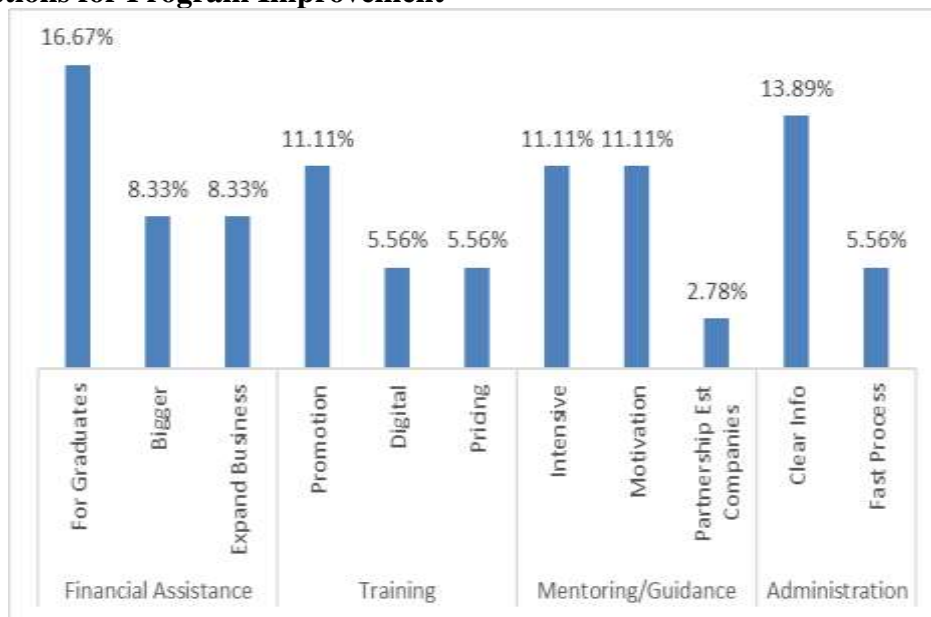


Figure 8. Distribution of Participants' Suggestions for Program Improvement

Several key points emerged in the participants' suggestions to improve the program, encompassing various support aspects needed for entrepreneurial success. Financial assistance emerged as a primary concern, with 16.67% of participants advocating for extending financial support to graduates, recognizing the ongoing need for assistance beyond the initial stages of entrepreneurship. Additionally, 8.33% highlighted the importance of more considerable business capital, emphasizing the significance of adequate funding for business operations. Another 8.33% expressed a need for assistance expanding their businesses, underscoring the importance of continued support for scaling ventures.

Regarding training, participants emphasized the importance of acquiring essential skills for business success. Specifically, 11.11% advocated for training in promotion strategies to enhance market visibility, while 5.56% emphasized the need for digital training to leverage digital platforms effectively. Additionally, 5.56% expressed a desire for training in pricing strategies to optimize profitability.

Mentoring and guidance emerged as critical elements for participants seeking ongoing support and advice in navigating the complexities of entrepreneurship. Notably, 11.11% of participants highlighted the importance of intensive mentoring to receive personalized guidance and support tailored to their business needs. Similarly, another 11.11% expressed a need for additional motivation, underscoring the importance of encouragement and support in sustaining entrepreneurial endeavors. Additionally, 2.78% advocated establishing partnerships with companies, recognizing the potential benefits of collaboration and networking opportunities (Yuliastuti, 2024).

In terms of administration, participants identified the need for streamlined processes and clear communication to facilitate program participation effectively. Specifically, 13.89% highlighted the importance of transparent information dissemination to ensure participants are well-informed about program details and requirements. Additionally, 5.56% expressed a desire for faster administrative processes, emphasizing the importance

of efficiency in program implementation to support timely business development initiatives.

Participants' suggestions for program improvement underscore the multifaceted support needed for entrepreneurial success, ranging from financial assistance and training to mentoring, guidance, and administrative efficiency. These insights provide valuable guidance for enhancing the program's effectiveness in supporting aspiring entrepreneurs in their business endeavors.

The findings of this study offer valuable insights into the trajectories and outcomes of participants in the "Program Wirausaha Pemula Kementerian Koperasi dan Usaha Kecil dan Menengah" at Universitas Terbuka. Entrepreneurship, as evidenced by the experiences of program beneficiaries, is characterized by its dynamic nature and the need for adaptability in response to evolving circumstances. The diverse pathways participants take, including changes in business types and discontinuations, underscore the complexity of entrepreneurial decision-making and the multifaceted factors influencing business outcomes.

Notably, a significant proportion of participants demonstrated resilience by continuing with their initially proposed businesses or making strategic shifts to adapt to changing market dynamics and personal circumstances. Their experiences highlight the enduring appeal of entrepreneurship and the importance of flexibility in business strategies. Conversely, those who opt to discontinue their ventures provide insights into the challenges and barriers that entrepreneurs may encounter, emphasizing the need for ongoing support and resources to address these issues.

The timing of business changes, particularly the substantial shifts observed in 2020, may reflect the disruptive impact of external factors such as the COVID-19 pandemic on the business landscape. This underscores the importance of constant monitoring and support to help entrepreneurs navigate challenges and seize opportunities in a dynamic and unpredictable environment. The resilience and adaptability demonstrated by program participants, especially during challenging times, indicate the essential qualities required for entrepreneurial success.

Overall, the findings contribute to understanding entrepreneurial dynamics and the factors influencing business outcomes. They underscore the importance of ongoing support and resources for aspiring entrepreneurs and the need for programs and initiatives that foster resilience and adaptability in changing circumstances. This research aligns with existing literature emphasizing the significance of entrepreneurial resilience and adaptability in navigating the complexities of the business landscape (Harel, 2021).

Conclusion

In conclusion, the findings highlight the fluid and dynamic nature of entrepreneurship. While the program's initial success is promising, it underscores the importance of sustained support and mentorship for student entrepreneurs to navigate the ever-evolving entrepreneurial landscape. The participants' suggestions for program improvement, including the need for financial assistance, training, mentoring, and streamlined administration, offer actionable insights to enhance the program's effectiveness. By equipping student entrepreneurs with adaptability and resilience, the program has the potential to foster a culture of entrepreneurship and contribute to economic growth and innovation in the long run.

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