

## BUSINESS INCUBATOR IN HIGHER EDUCATION FOR STUDENTS BUSINESS OWNER

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### ABSTRACT

Entrepreneurship Development Program in Higher Education is conducted in the form Student Business Incubator which is a program with mission to produce independent entrepreneur based on science and technology, through an integrated program involving lecturers managing Incubators, Resources, Companies and Institutional entrepreneurship campus. Student Business Incubator Activities include: development of entrepreneurial spirit management training and business skills for tenants, business consulting, review established companies and facilitating tenants in entrepreneurship to produce new entrepreneurs. Tenant establishes and enhances the skills to support the management and marketing of products in laboratories at the universities that have been prepared. To expand the insight and marketing network. The purpose of this study is to evaluate the activities Entrepreneurial Development Program in the form of Business Incubator at the University Merdeka Malang which aims to foster students to pioneer and establish businesses that cover the business: culinary, crafts, services, and information technology. The research was conducted by qualitative descriptive method. The sample of the research is the students who attended the Entrepreneurial Development Program at University of Merdeka Malang, which are 20 students each in 2016 and 2017. The primary data were obtained from the interviews with the 47 tenant incubator and activity documentation. University of Merdeka Malang Business Incubator.

**Keywords:** incubator, entrepreneur, student, tenant.

### 1. INTRODUCTION

According to data from the Central Bureau of Statistics, the latest record in 2017 shows that unemployed undergraduates reached 606,939 people, while the developing industrial sector at this time has not been able to absorb young workers with higher education. The absence of higher education graduates is partly due to the low competency of graduates or not in accordance with work needs. Therefore, these young workers must be able to create their own jobs, by increasing the creativity and ability of entrepreneurs. The Student Business Incubator is based on the Decree of the State Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 81.2 / kep /

M.KUKM / VIII / 2002 including the In wall incubator model where the incubation is carried out by the way the entrepreneurial students being fostered are concentrated on campus with incubator management , providing a variety of venue services and consultations.

Entrepreneurship development programs for students can foster and develop student business with a variety of products / commodities and services produced or sold by students during lectures, among others: crafts, culinary, informatics services and buying and selling online, and others. The form of entrepreneurial development programs for students as ideal start-up entrepreneurs in the form of business incubators in the form of facilities managed by lecturers and staff of the University that offer integrated packages to business students and alumni who are running a beginner business. The integrated package includes: a) physical facilities in the form of offices, laboratories, and workshops both on campus and in partner companies that can be shared; b) opportunities for access and formation of networks; c) consultation services; d) the establishment of a network between employers and employers' associations; e) product development becomes a commercial product. Entrepreneurship development programs can provide more than just a place for management training for tenants, but are able to generate, foster and develop entrepreneurship on an ongoing basis so that they become strong entrepreneurs (Kasali, 2010) and innovative (Pujantiyo, 2006). Hendarman (2011) states that the Student Entrepreneurship Development Program can open up insights, abilities and attitudes of students in entrepreneurship, and open employment opportunities for the community. The method of operating student business incubators follows the principle of "learning by doing" (Hackathorn, 2011).

The purpose of this study was to evaluate the Entrepreneurial Development Program Activities in the form of a Business Incubator at University of Merdeka Malang, especially those relating to the use of information technology that aims to foster students to pioneer and establish new businesses

## 2. LITERATURE REVIEW

Some previous studies provide definitions of business incubators, including:

- a. Organizations that provide access to office space with affordable prices for startups and provide joint administrative services. (Allen and McCluskey, 1990)
- b. An institution (institution) for the formation and hatching of new entrepreneurs (new entrepreneurs), especially in business approaches (Irfani in Novel, 2001).
- c. Panggabean (2005) describes the purpose of establishing incubators as (1) developing new businesses and small businesses that have the potential to become independent businesses, so that they can successfully face local competition or internationally, (2) develop entrepreneurial promotion by including private companies that can contribute in the market economy system, (3) means of technology transfer and the process of commercialization of the results of research on business and technology development from

experts and universities, (4) creating opportunities through the development of new companies, (5) the application of technology in the industrial field commercially through study and studies that take relatively cheap time and costs.

The community empowerment method known as the Participatory Action and Learning System (PALS) method developed by Linda Mayoux in 2000 (Mayoux, 2005). This PALS method is one method that is included in the scope of Participatory Learning Action (PLA) method which is the result of the change from the RRA (Rapid Rural Appraisal) method. Some basic principles of the PALS method are; 1) placing the community as an object and at the same time as the subject of activity; 2) program implementation using various approaches; 3) the implementation of the program focuses on the needs or interests of the community; 4) programs have the nature of problem solving, community empowerment and regional development; 5) program implementation is systemic; and 6) the implementation of programs is intellectual and stimulates community activities.

### **3. RESEARCH METHODS**

The research method was carried out with qualitative descriptive method for students who participated in the Entrepreneurship Development Program at University of Merdeka Malang, namely 20 students in 2016 and 2017. Primary data was obtained from interviews with students participating in the Entrepreneurship Development Program and documentation of activities carried out by the Entrepreneurship Development Program in 2016 and 2017.

### **4. RESEARCH RESULTS AND DISCUSSION**

The approach of Student Business Incubator in the context of empowering the entrepreneurial potential of student students using the Participatory Action Learning System (PALS) method. The basic principle of the PALS method is to involve students in the active learning process of participants in the entrepreneurship program naturally with all approaches so as to form a participatory learning interaction system, both personally and communally. The PALS method focuses on the transformation of existing activities to be carried out to bring changes to the improvement of students' entrepreneurship conditions through (1) awareness raising phase, (2) capaciting phase and entrepreneurial scaffolding ( entrepreneurship capacity building), and (3) the phase of institutionalization of new businesses as new entrepreneurs.

#### **4.1. Entrepreneurship Awareness Phase**

Aiming at forming and developing the attitude and behavior of 'entrepreneurs', who are able to create, create innovation, and be proactive in dealing with environmental developments. The technical forms of training that are applied are classical, case studies, discussions, and simulations.

- Entrepreneurship debriefing in the form of entrepreneurship motivation, the role of universities in student business development, and debriefing related to how to start, develop and maintain business.
- debriefing related to information technology, among others: a) design briefing, discussed about the role of Product Design and Graphic Design in supporting business activities; b) debriefing Multimedia material, explaining opportunities and prospects for multimedia business and using multimedia for business development.
- debriefing online and offline marketing techniques.



Entrepreneurship Motivation



Higher Education Roles



SME Business

Figure 2: Entrepreneurship Debriefing



Graphic Design



Product Design



Multimedia Business

Figure 3: Information Technology Media Debriefing

#### 4.2. Capacity Building and Assistance Phase.

It is a phase that is more directed towards efforts to strengthen the pioneering business of the participants (tenants). This stage starts with inviting all participants to small and medium business units (UKM) in Malang City.



Figure 4: Field Study in SMEs

### 4.3. The Institutionalization Phase

The institutional phase was carried out in order to create a cooperative network between Student Business Incubators - Tenants - Institutions whose processes utilize the advantages of institutional partners

- 1) **Cooperation Network**, Collaboration with several communities has been carried out



"Entrepreneurship in Story" Forum



Handicraft Parade



Bazaar



Workshop

Figure 5: Workshop and Bazaar at the Handicraft Parade

## 2) Marketing of products and services

In order to increase the market for Malang Unmer Student Business Incubator tenants, offline marketing activities have been carried out. Offline marketing activities are carried out in public areas, on campus, local to national exhibitions in collaboration with SME assisting stakeholders, including:

- **Marketing in Public Areas**

As a first step in the marketing program and at the same time honing the tenants' mentality, the Student Business Incubator held direct marketing activities in public places, including in Batu City Square.



Figure 6: Product Marketing in Batu Square

- **Marketing in University of Merdeka Malang**

Marketing on the Jalan Raya Dieng Street, University of Malang was carried out in the form of Entrepreneur Day. Until now 4 (four) times Entrepreneur Day has been held



Figure 7: Product Marketing at Unmer Malang Entrepreneur Day

- **Marketing through Product Exhibition in Malang**

Creative product exhibition followed by tenants organized by Malang Creative Fashion in the context of the "Malang Mbois" activity, Business Incubator collaborated (collaborated) with the Malang City Crafters Association (APKM).



Figure 8: Tenants in Creative Products Exhibition in Malang City.

- . Marketing culinary products through Festival Bakso and Cuimie Malang City



Figure 9: Tenants in the Meatball and Cuimie Festival in Malang City

- Marketing through the National Product Exhibition in Jakarta

In collaboration with one of the Malang City SMEs, tenants attended the national product exhibition, INACRAFT 2017 at JICC Senayan Jakarta



Figure 10: Tenants in the 2017 INACRAFT Exhibition in Jakarta

### 3) Online marketing

Debriefing of tenants to market online carried out in collaboration with several stakeholders including: Line @, Malang Community Greet, BUMN Creative House Unmer Student Business Incubator Tenant in marketing their products and services using various online media, including: a) Website, carried out by 12.7% tenants, b) Facebook, done by 70% tenants, c) Instagram, done by 34, 6% tenants, d) Line @ is done by 21.3%, e) 17% of tenants have not done online marketing Based on the data above, most tenants use social Facebook media to market their products and services.

## 5. CONCLUSIONS AND RECOMMENDATIONS

### 5.1. Conclusion

- a. Student Business Incubator is the right program to develop entrepreneurial spirit and alleviate new entrepreneurs from high education students.
- b. Participants in the Student Business Incubator have gone through a coaching process covering 3 phases, namely the entrepreneurial awareness phase and the Capacity Building, Assistance and Institutionalization Phase. Some third phase

activities are still needed, including the participation of participants in group and private business consultations with business people to strengthen the business of each participant.

- c. Student Business Incubator participants get practical experience that is not obtained from college so that they have known the field problems from interaction with business people and resource persons during entrepreneurship debriefing sessions.
- d. The field of information technology is a very important part in the phase of each phase of the student business incubator program in universities in line with the development of internet use in online marketing.

## 5.2. Suggestion

- a. Student Entrepreneurship Development Program is a complete and structured student business development program that requires the same understanding between program implementers and Heads of Study Programs, Deans, Student Organizations in achieving the independence of students and alumni in developing a business.
- b. Need collaboration between universities that have an Entrepreneurial Development Program so that collaboration can be carried out in the form of joint activities, for example: product exhibitions, business consultations, business contacts, etc.
- c. Need more intensive cooperation with business sector stakeholders, including: Malang City Chamber of Commerce and Industry, Malang City Regional Craft Council, and related services.

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