

40. Implementation of The Community Development Centre Partnership Program in Telkom Region III West Java

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Implementation of The Community Development Centre Partnership Program in Telkom Region III West Java

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Abstract. Micro Small and Medium Enterprises (MSMEs) is one of the sectors that play an important role in Indonesia's economy, which makes Indonesia's national income increased. PT. Telkom establishes Community Development Center (CDC) To support the development of SMEs around the company. The purpose of this research is to know the implementation of the Community Development Center Partnership Program in supporting small to medium enterprises at Telkom Regional Java III. This method of research using the qualitative method by collecting data and facts. This research shows that many partner partners do not pay installments on time and routine so as to inflict a large amount of arrears annually. With the partnership program of PT Telkom TBK. Expects the target partner so that the business is progressing and expanding until it can enter the international market share. Because CDC conducts coaching and training objectives to improve the quality and quantity of MSMEs around the company.

Keywords: MSMEs, Partnership, Community Development Center

1 Introduction

Indonesia's economic growth in 2019 grew 5.14% (YoY) and Micro, Small, and Medium Enterprises (MSMEs) played a major role in the Indonesian economy and the people's economic reliability was proven to be able to survive during the 1997 economic crisis, with SMEs as the driving force. The resilience of MSMEs against crisis storms as occurred in 1997 - 1998 shows the fact of the importance of developing MSMEs for improving people's welfare and national economic development. This incident explains that MSMEs are productive businesses to be developed to support macro and microeconomic development in Indonesia and affect other sectors in order to develop. In the economic development of the people in a country, the role of MSMEs contributes to overcoming the problem of unemployment, employment, and increasing innovation so as to produce new products that provide benefits and opportunities for other people to open new businesses. With a large number of economic actors and their ability to absorb labor, the development of MSMEs can increase people's purchasing power, increase the level of demand, and increase investment growth.

However, the MSME sector also has weaknesses that make it difficult for MSMEs to develop compared to other large businesses. These weaknesses are limited capital owned, weak management, lack of use of information and technology, inability to form business networks, and minimal access to markets. The competitiveness of MSMEs in the global era depends on external and internal variables. Internal variables such as company size, stakeholder personality, and educational background (owners and workers), as well as company culture [1].

Meanwhile, external factors that can affect performance are national culture, a country's economic system, regional economic integration, and people's purchasing power. The high level of competition in the market and limited resources encourages MSMEs to make partnerships with large industries. Partnership is a relationship between two or more parties which aims to seek profit where one party is in a lower condition than the other but forms a relationship that occupies both of them based on an agreement to achieve a goal. Skilled business partnership patterns in development for the welfare of the people. Partnership is a collaboration between stakeholders to accelerate the development of small and medium enterprises [2]

The government hopes that MSMEs have global value chain competitiveness by increasing market access both at home and abroad, improving production quality and innovation, financing aggregation, and developing management capacity which is realized through providing consultation, training, mentoring, providing facilities and opportunities to develop. The main challenge for partnerships is how to make partnerships drive change[3]. The government has issued laws and decrees regulating small business development, one of which is based on article 7 of Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises, it is explained that the business world (corporation) plays a role in fostering a climate conducive business, namely in the aspects of funding, facilities and infrastructure, business information, partnerships, business licensing, business opportunities, trade promotion and institutional support and the Decree of the Minister of Finance of Indonesia Number: 316 / KMK.016 / 1994 regarding the development of Small Businesses and Cooperatives through utilization of funds and a share of the profits of State-Owned Enterprises (BUMN).

To support MSMEs, BUMN companies have a program called the Partnership and Community Development Program (PKBL) to improve production performance, income, profits, assets, turnover, savings, and the market area of the fostered partners. The existence and sustainability of the fostered partners must be maintained in order to develop their business more advanced and create jobs for the people around them. The Partnership and Community Development Program has a different scope of duties where the Partnership Program is a program designed to provide capital loan assistance and guidance to MSMEs while Community Development is a form of concern and responsibility related to empowering the social conditions of the community around the company.

PT Telkom Tbk. as one of the BUMNs in Indonesia has a Community Development Center (CDC) unit which is responsible for managing the partnership program and environmental development. CDC is a division that connects companies with micro-businesses in the form of providing business capital loan services to fostered partners who have businesses in any field and need funds to run their business. However, CDC has certain conditions to provide capital loans that will be given to prospective fostered partners on the condition that the partners must have been running their business for at least six months. If it has not reached this time, CDC will not process the applications that have been made by the Foster Partners.

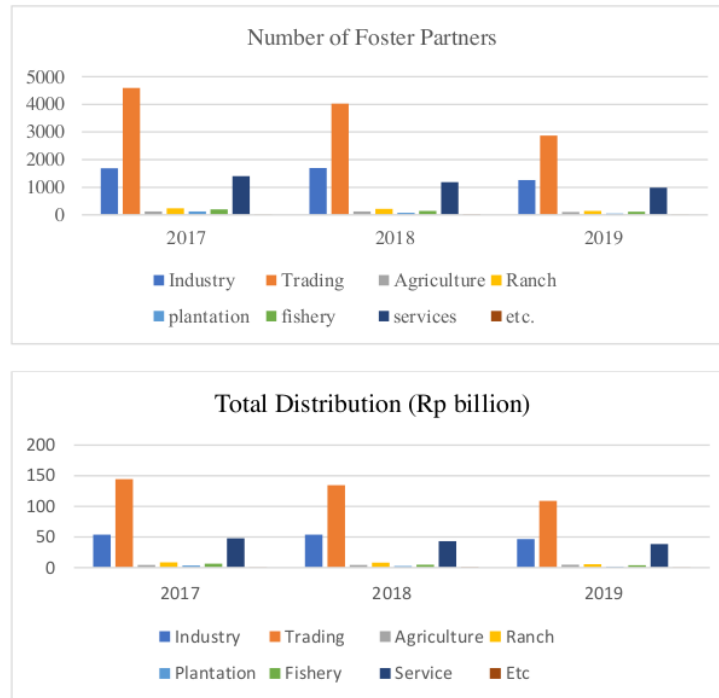


Figure 1. Distribution Of Partnership Program Funds and Number Of Telkom Development Partners, 2017 - 2019

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Based on the data above, it can be seen that the longer the number of Foster Partners has decreased, this is a result of the failure to pay the installments that have been given by PT Telkom. Foster Partners who do not pay arrears of more than 2 (two) months will be reminded by the CDC Officer by means of a remanding call, arrears that are more than 6 (six) months will usually be carried out by Moneva (monitoring evaluation), namely visiting the Foster Partner's place of business and seeing the business conditions there is progress or not. If the Foster Partner's payment is stuck, the circulation of money to help other partners will be hampered. Therefore the authors are encouraged to examine how the implementation of the Community Development Center Partnership Program in Supporting Small and Medium Enterprises at Telkom Regional III, West Java.

2 Literature Review

2.1 Partnerships

Partnership is translated as a collaboration, however partnerships have a pattern, have strategic value in supporting the successful achievement of the company's vision. Partnerships can be done in technology transfer, knowledge / skills transfer, resource transfer, learning

exchange, capital transfer, or various things that can be assisted so that they can achieve success. Partnership is a policy.[4] To build a strategic partnership requires organizational compatibility and a top management vision from the partner. Strategic partnerships are long-term relationships that focus on strategic goals that aim to provide value to customers and profitability to partners[5]. Building partnerships and collaborations is the best way to gain a competitive advantage today[6]. Partnership is a strategic collaboration between a business and a non-profit organization, resources and skills means that a partnership is carried out between two or more parties to benefit each partner.

The main benefits of partnerships are increased corporate performance, better risk management and reduced costs in the financial function. Partnership management is needed in building partnerships.[7] According to Simonin there are four stages of the partnership management model, namely identification and selection; negotiation and consultation; monitoring and management; and termination of cooperation.[8] Many companies fail in partnerships due to inability to see opportunities or process existing opportunities [9].

In developing business partnerships, medium or large entrepreneurs have a moral responsibility in guiding and fostering small entrepreneurs as partners, so that they are able to become reliable partners to gain benefits and prosperity in each partner. This partnership is developed as a form of community involvement in business organizations, and business organizations see themselves as not just an economic machine that works for profit but also establish themselves as a social institution that can provide social benefits. Sustainable partnership will have an impact, which is positive for both parties, either the organization or its fostered partners[10]

2.2 Micro small and Medium Enterprises

In Indonesia, the law that regulates MSMEs is Law no. 20/2008, in the Law, MSMEs are described as small companies that are owned and managed by a person or owned by a small group of people with a certain amount of wealth and income. "The following are the criteria for wealth and income in the law.

Table 1. Msme And Large Business Criteria Based On Assets And Omzets

Size of Business	Criteria	
	Asset (excluding land & building where the business is)	Turnover (within 1 year)
Micro business	Maximum of IDR 50 million	Maximum of IDR 100 million
Small business	More than IDR 50 million - IDR 500 million	More than IDR 300 million-IDR 2.5 billion
Medium Enterprises	More than IDR 500 million - IDR 10 billion	More than Rp. 2.5 billion-Rp. 50 billion
Big business	More than IDR 10 billion	More than Rp. 50 billion

In general, MSMEs have a specific market share that only focuses on local markets or surrounding locations, very limited business capital and access to capital assistance are also relatively difficult to obtain, and limited resources [11]. Regardless of technological developments that occur today. Several studies have shown that one of the factors that support the development of MSMEs is due to the use of ICT facilities (technology, information and communication). Business actors are starting to take advantage of technological means such as smartphones to expand their business market, and use communication applications such as WhatsApp and social media to market the products they sell. The Indonesian government has a

target for MSMEs with digital use such as e-commerce to sell and develop their businesses so that they reach international market share MSMEs.

An activity or economic activity that drives Indonesia's development, such as the manufacturing, agribusiness, agriculture, and human resources industries. In this sense, it indicates that MSMEs mean the recovery of the Indonesian economy through the development of the trade sector for community empowerment programs that require jobs.

3 Methods

In writing this scientific journal, the method used is a descriptive method with a qualitative approach. In writing this scientific journal, the method used is a descriptive method with a qualitative approach. Qualitative descriptive method is a research method used to analyze or describe the object of research based on facts or existing data. The research object was conducted at the Community Development Center (CDC) Treg3 PT Telkom Tbk. West Java. CDC Treg3 PT Telkom Tbk. West Java covers the Bandung area and the Tasikmalaya area. The author makes CDC Treg3 PT Telkom Tbk. The Tasikmalaya area is the object of research because there are many Foster Partners who have problematic status in Tasikmalaya. The number of Fostered Partners in Tasikmalaya reached 80 people with 8 partners in the craft sector and 3 partners in the fashion sector, most of which were in the food sector, 33 partners, problems or bad credit assisted in the food sector were 55% with the following composition.

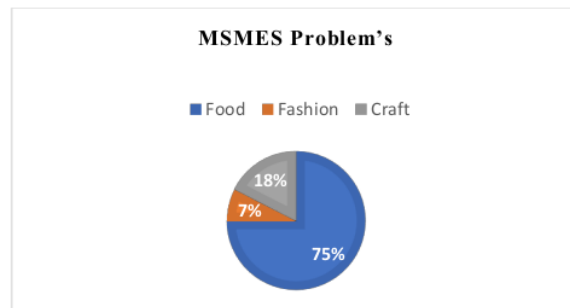


Figure 2. Fostered Partners Problem's in Tasikmalaya

4 Results and Discussion

Based on the author's observations, PT Telkom Tbk. In implementing the partnership program, applying the Simonim theory [12] where there are four stages of the partnership management model used by companies, namely:

a. Identification and selection;

The fostered partners submit applications through the smartbisnis application by mapping the fostered partners by grouping the business categories of each prospective foster partner into 3 categories of food, craft, and fashion, each prospective foster partner is required to produce their own products at least have been running their business for 6 months by including financial reports. The selection process is carried out by PT Telkom Tbk after the prospective partners complete the requirements by conducting a survey to the place

where the business is run to assess the condition of the fostered partners whether they fit the category or not.

b. Negotiation and consultation;

The negotiation process is carried out after obtaining the results of the analysis of the foster partner's proposals and a survey process, then those who pass the selection of PT Telkom Tbk will provide capital assistance of a maximum of 50% of the gross income per month. The consultation process is carried out by the officer to make a determination recommendation to Telkom Regional III until waiting for the Partnership Program Loan Determination Letter to CDC Witel. If the notification of the determination has been signed then print the Partnership Program Loan Agreement, the consultation process is carried out by the officer to the foster partner when the foster partner is present to be given provisioning and signing the Partnership Program Loan Agreement.

c. Monitoring

The monitoring process is carried out starting from the time the funds are disbursed through transfers to the fostered partners, then field observations are made after 3 months of disbursement of funds. The fostered partners begin to make installments after the coaching program runs. For fostered partners who have problems, PT Telkom conducts remanding calls and evaluation monering whose arrears have reached 3 months.

d. Termination of cooperation

Termination of cooperation is very rarely done by PT Telkom because PT Telkom always tries to provide guidance continuously.

Telkom Regional III West Java implements the CDC (community development center) activity which is a Partnership and Community Development program. The partnership program is a form of implementation of the pillars of profit from the triple bottom line strategy of Telkom's CSR with a focus on digitizing the management of the partnership program, digital training for fostered partners and including fostered partners in national and international scale exhibitions. The Community Development Center Unit specifically for the partnership program activities that have been running so far is the provision of revolving loans whose source of funds comes from company profits which is set aside a maximum of 2% after tax deduction.

In managing its partnership program, Telkom has used digital technology since the implementation of the Management Information System (SIM) for the Partnership and Community Development Program in 2007 as a data management tool for foster partners and a reporting system that is continuously being developed. Telkom has begun implementing a more transparent partnership program fund loan application service through the smartbisnis web (www.smartbisnis.id) as well as installment payments through virtual accounts, all of which aim to ensure accountability for the partnership program's fund installment payments. The form of Foster Partner fund lending to Telkom CDC is recorded in digital form through many forms to be filled in by prospective Foster Partners. However, this business capital fund lending does not always run smoothly because many Foster Partners do not make refunds in accordance with the installments that must be paid every month. This has become a major problem for CDC Telkom to overcome its Foster Partners whose payments are stuck. CDC Telkom makes Remanding calls politely because it is to show Telkom's image to the public.

Telkom CDC has 3 conditions to provide loans to prospective Foster Partners, namely those whose businesses are in the fields of Food, Fashion, and Craft. But it must be in the form of producing it yourself, for example food selling cassava chips by processing it yourself, not becoming a reseller, fashion such as convection businesses or making embroidery for clothes, and Craft making crafts or weaving that are made by yourself and sold themselves as well. That way Telkom CDC can see the development and progress of its Foster Partners. Telkom also

provides provisions in the form of coaching and participating in international scale exhibitions, the aim of which is that the business being run can continue to develop and be more advanced. PT. Telkom in providing Community Development Center services has not carried out the management stage where PT Telkom should participate in monitoring the governance contained in the fostered partners.

5 Conclusion

The partnership program plays an important role in helping MSMEs to develop in a business sector to build the economy of the Indonesian people because MSMEs contribute to absorbing labor and reduce unemployment, can also increase people's purchasing power, increase the level of demand, and increase the growth of state investment. The partnership program with revolving loans and intensive coaching contributes to improving the quality of MSMEs and training efforts provided by Telkom CDC for fostered partners such as digital MSME training, which is very useful in the form of promoting and marketing its products to enter the global market by utilizing the blanja.com web facility. PT Telkom CDC encourages fostered partners to conduct export training so that the fostered partners know the procedures and requirements for cross-country (global) trade. All efforts are made by Telkom CDC to encourage the continuity of the foster partner's business so that it can be sustainable and competitive so that the fostered partners have the ability to reverse the revolving funds received as capital development which can then be used for other fostered partners.

The author suggests that the monitoring and evaluation process of the partnership program still needs to be carried out and the assertiveness needs to be done at the signing of the Partnership Program Loan Determination Letter by still paying attention to the norms of decency norms that become corporate culture. To anticipate, officers need to increase the intensity of communication with the fostered partners so that there is no lost contact with the fostered partners and increase the closeness with the partners.

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