



# ICFBE 2019

THE 3<sup>RD</sup> INTERNATIONAL CONFERENCE  
ON FAMILY BUSINESS & ENTREPRENEURSHIP

Sustaining & Expanding Family Business  
in Creative Industry 4.0 Era

# PROCEEDING

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# Foreword

The Global economic landscape is still recovering from the prolonged crisis which has significantly affected consumer's buying power, hit commodity prices, as well as hampered growth in general. However, in the midst of the crisis, research has shown that family business remains a strong and resilient force which helps propel the economy. A Harvard Business Review article argued that Family Businesses tend to be more frugal and enter the recessionary period with leaner cost structures.

According to McKinsey, in emerging economies, Family Business account for approximately 60 percent of the private-sector companies with revenues of \$1 billion or more, compared to less than one-third of the companies in the S&P 500. However, the upward trend for family businesses as a significant part of their national economies in emerging markets remain strong and will represent nearly 40 percent of the world's largest companies in 2025, up from 15 percent in 2010, which shows the growing importance of understanding Family Business and its sustainability in the long run in the midst of the current global scenario.

In this regard, the International Conference on Family Business and Entrepreneurship (ICFBE) 2019 is specifically established to be a leading international conference is championed by President University, a world-class higher education institution in Indonesia which was established to become a reputable research and development center in the region and to set a new benchmark in Indonesian higher education. This conference aims to gather researchers and practitioners to critically share and discuss the latest empirical, conceptual, as well as theoretical findings and trends in the field of Family Business, Entrepreneurship, Strategic Management, among others.

Unlisted but related sub-topics are also acceptable, provided they fit in one of the main topic areas as follow:

1. Sustainability of Family Business
2. Succession Planning and Family Conflicts
3. Professionalization and Family Culture
4. Entrepreneurship
5. Strategic Management

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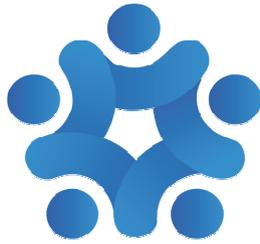
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Competences Development of Small Medium Business Actor in  
Utilizing Information and Communication Technology in  
Bandung Areas  
(Case Study: MSME Businessmen in Kabupaten Bandung, West  
Java)

Vera Agustina Yanti

*Bina Sarana Informatika University, Indonesia*

Arfani Sri

*Bina Sarana Informatika University, Indonesia*

Zuniarti Ida

*Bina Sarana Informatika University, Indonesia*

Setyaningsih Eka

*Bina Sarana Informatika University, Indonesia*

Winarno Heri Slamet

*Bina Sarana Informatika University, Indonesia*

### ***Abstract***

*This research aims to: (1) describe the level of MSMEs businessmen competency in the use of ICT in rural areas of Bandung, (2) to analyze the factors that influence the competence of natural businessmen to utilize ICTs for their business activities in rural areas of Bandung, and (3) to formulate strategies for developing competence of MSMEs businessmen, especially in the utilization of ICT in rural areas of Kabupaten Bandung and West Java, Indonesia. Competence in this research is personal competence that is personal ability and skill in effort and technical competence is technical ability in operational of ICT facilities in its implementation at every activity of MSMEs businessmen. This research was conducted in Kabupaten Bandung from December 2017 to April 2018. The sample of respondents was 313 based on the total population selection of 3033. The data analysis method in this research used Structural Equation Modelling (SEM)-AMOS. Based on the results of this research indicate the perception of MSMEs businessmen and the utilization of ICT facilities have a positive effect on the competence of utilization of ICT facilities, while the level of external*

*environmental support has negative effect but not significant on the competence of MSMEs in utilizing ICT facilities. and the Profile of MSME businessman has positive but not significant.*

**Keywords:** *Competence, Small medium enterprise (SME), Information communication and technology (ICT).*

## 1. INTRODUCTION

Micro Small Medium Enterprises (MSMEs) is the largest group of economic actors in the Indonesian economy. The Ministry of Cooperatives and Small Medium Enterprises in 2012-2013 shows the development of SME data reached 56,539,560 with 9.5 percent growth. In line with the development, the MSMEs sector faces an increasingly competitive competition, the swift flow of goods coming into the country due to the enactment of an open economy demanded businessmen should be able to face global challenges and adapt to it.

The research results of APEC shows that in global environment of SME in Indonesia still has a low competitiveness [1]. Based on APEC SME Innovation Center show that the index score of Indonesian SME competitiveness performance data are in the low category. Products made by business groups at the domestic market level, have not been able to compete with imported goods. This is caused by the quality of goods that are not competitive, and its limited technology.

To support the competitiveness business required the application of information technology in business development. This is in line with the research by Tambunan, the data show that Indonesian MSMEs businessmen has a low competitiveness value, only businessmen who have the ability in utilizing information technology that be able to face competition[1]. The ability to utilize information technology is needed to face today's global challenges. This is in line with the research by Tambunan, companies that apply information technology on the development of their business will increase the high competitiveness[1].

On the other hand the ability of businessmen in using ICT is still low. The data from BPS suggests that the low educated MSMEs businessmen is lacking in the mastery of information technology[2]. Based on the survey results of the Daily Tribune News show that the seventeen million MSMEs in Indonesia only 75,000 who have web[3]. Refer to the results of the research by The Asia Foundation shows the number of SME who utilize e-commerce in the area of Bandung and Bogor is only 18 percent[4]. According to the daily business of West Java shows that there is still lack capabilities in mastering ICT for MSMEs businessmen[5]. Beside that, the facts on the real situations showed a gap between conditions in the field with expected conditions in the utilization of ICT for businessmen in rural and urban areas of West Java province. This demands the need for awareness of the benefits of technological mastery abilities for the businessmen, in order to enhance sustainable competitiveness.

Increased awareness may arouse people's interest towards mastery of ICT in order to achieve the optimal ICT competency. One of them through public awareness as an empowerment act, as for the programs of empowerment act through ICT utilization by mentoring small business (SME). It is a step to enhance the capabilities of ICT competence for businessmen [6]. The mastery of information technology for the trade needs to be applied in any business activities. The competence of SME in utilizing the ICT facilities must continue to be improved, along with the growing technological development that is rapidly increasing, as well as the development of internet networks which have an impact on the rise of the information in the digital era.

The importance of the research is to be known by the related parties ie government agencies in order to provide support to the MSMEs businessmen, either in the form of facilities procurement technology tools, policies or regulations, training, mentoring programs

that regulate the progress of MSMEs in the Indonesian country, especially the application of the use of ICT in every business activity. On the other hand can be analyzed further related to the obstacles faced by MSMEs businessmen, especially in the use of technology implementation and utilization. Another important aspect is the rapidly growing digital era in the business world as well as the digital economic opportunities and behavior of the main consumers in the utilization of technology today is higher especially in using ICT on every business activity.

These conditions encouraged this research aims to (1) assess the level of competence of MSMEs trade in utilizing ICT and (2) analyzes the factors that affect the MSMEs trade competence in utilizing ICT facility, (3) formulating development strategies of MSMEs trade competence in utilizing ICT facility.

## **2. THE COMPETENCE OF MSMEs IN UTILIZATION OF ICT FACILITIES**

According to Spencer & Spencer, competence is any form of motives, attitudes, skills, behaviour and personal characteristics that are essential to carrying out the work or tell the difference between the average performance with superior performance. Spencer & Spencer classify competences into two levels, namely the ability of the threshold and the ability to differentiate. According to Pary, competency is a set of knowledge and skills and attitudes relate to one another the effect on individual jobs that correlate with the performance can be improved through training. Technical competence according to Government Regulation No. 19/2005, personal competence is competence according to personality and behavior attitude capable of developing potential, according to SANKRI technical competence is the individual ability in a particular technical field for each task[9].

Competence is required not only in business and management ability in basic, as the development of information and communication technologies, ICT revolution has marked the time when the information becomes a commodity or the power to control it, that the ability of technological competence is essential for improving the quality of products as well as taking opportunities and chances. The role of ICT gives significant benefits to all areas of social, economic and business. On the other hand, the role of ICT support the implementation of knowledge-sharing processes by sharing knowledge through ICT facilities that use virtual meetings such as email, mailing list, web conference[10]. According to Gaynor, the application of the technology in the business on distribution, administrative aspects, the rise of products and manufacturing. Therefore, the mastery of skills in utilization of ICT facilities is required.

The technical competence of the utilization of ICT facilities that must be controlled by businessmen currently is as follows (1) a basic level of competency in operating a computer both hardware and software, (2) competency in digital marketing, (3) the competency in using browser to access pricing information, access to information on raw materials and finding business partners, (4) competency in running the application of e-commerce/e-business, and (5) competency in understanding the seven elements of the media literacy . This is becomes important due to the development of internet networks that affect the onset of the revolution of information in the digital age and have to adapt to the conditions of the digital economy.

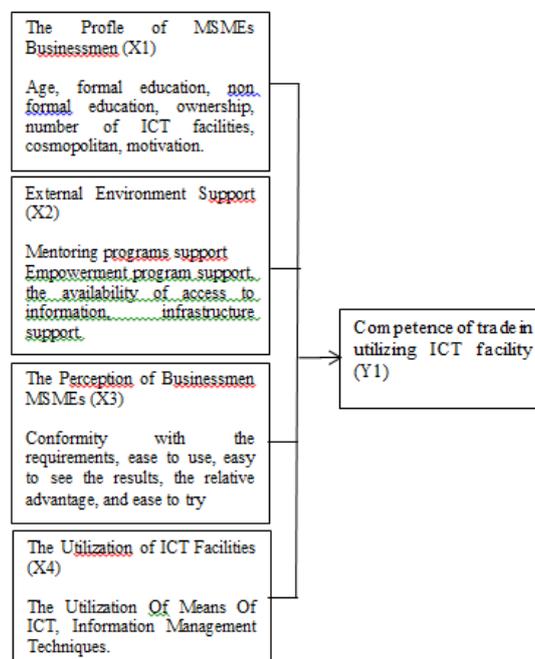
## **3. RESEARCH METHOD**

This research was designed as an explanatory research with quantitative approach research which aims to explain the pattern of relationships and influences between variables is done through hypothesis testing. The scope of this research was limited to examine on the

relationship profile of MSMEs businessmen, external environment support, MSMEs businessmen perception and utilization of ICT facilities as well as its effect on the competence of MSMEs trade in utilizing ICT facilities. Justification the four sites as the subject of this research is based on the MSMEs that have a diverse range of creative and unique product, having a strategic tourism and area businessmen who have independent business starting with the procurement of raw materials, process and up to the finished product to market and distribute it and capable of utilizing ICT as a facilities of access to information.

The research was carried out in December 2017 to April 2018. The survey was carried out in Kabupaten Bandung, the population of the research in kabupaten Bandung is 3033 with total of craft industry is 345, convection is 1726, and the processed food stuff amount 962. The determination of the total sample is using Slovincs formula with 5 % of standard errors. The number of samples people, Kabupaten Bandung consist of 313 people.

#### 4. FRAMEWORK AND HYPOTHESIS



**Figure 1.** Relationships Between Variables and the Competence of the MSMEs Businessmen Utilizing ICT

Based on the framework, research hypothesis used as follows: MSMEs trade level of competence in Kabupaten Bandung in the utilization of ICT facilities which are influenced significantly by the businessmen's profile effort (X1), external environment support (X2), the perception of MSMEs businessmen (X3), and the utilization of ICT facilities (X4).

#### 5. RESULT AND DISCUSSION

##### *Utilization rate of ICT Facilities by MSMEs Businessmen*

Each individual MSMEs businessmen have different characteristics in using and utilizing ICT facilities. Characteristics of the businessmen efforts in utilizing ICT facilities is the reflection of businessmen in operating ICT facilities in each of its business activity. The

description of the characteristics of MSMEs businessmen in utilizing the facilities of ICT hardware and software are presented in Figure 2.

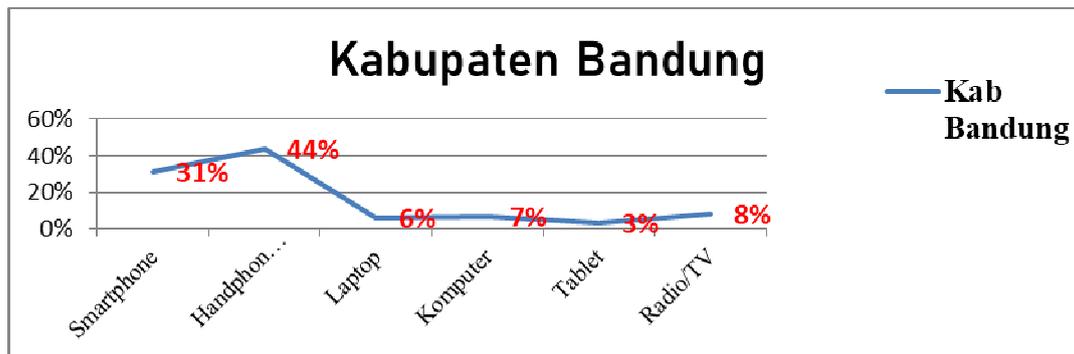


Figure 2. Utilization Rate of ICT Facilities

People use of mobile phones is higher category than people use of other ICT facilities among MSME actors in Bandung, especially people use of mobile phones based on conventional applications without complete feature. The result of research shown that the people use of ICT *facility* applications of Android-based tab is categorized lowest in the utilization of ICT.

#### *Profile of MSMEs Businessmen in Utilizing ICT Facilities*

Profile of MSMEs businessmen based on composition in Kabupaten Bandung is the highest Amount 74 percent of the businessmen. it is categorized productive adulthood about (20-46 years). It can be seen on table 1. The level of formal education of MSMEs businessmen mostly attended to secondary schools (junior-senior high school) . The average number of ownership of ICT facilities 1-6 units of ICT equipment is categorized of low, and the period of ownership of ICT facilities is during 1-11 years. it caused of low intensity of counseling and training from the Government related to the use of ICT facility applications in business activities, which is the highest in the rare category. (3). The Cosmopolitan level is categorized as low amount 61.7%. The motivation level is in the medium category amount to 44.9%. Research Results Batte et al. (1990) shows that the level of application of Information and Communication Technology is closely related to age and education factors.with average duration ranges  $\geq 12$  years.. Non formal education category owned by the businessmen mostly  $\geq 80$  percent are rare, the training frequency  $\leq 3$  can be seen in table 1. The lowintensity of counseling or mentoring from related Government in using ICT facilities application in business activities. Research results showed that the level of implementation of information and communication technologies greatly associated with age and education factors[15]. The total of ICT ownership is still

On the other hand, Rukia states that motivation is the impulse that arises from one's self to a direction of behavior that begins the need that cause encouragement. The level of motivation of MSMEs businessmen in the four research sites is mostly in medium category, since the average of the highest business actors is only using cellular means, the utilization of using the computer for business activities is low. This is supported by the results of research in the field that also shows the MSMEs bussinesmen in rural and urban are interested in using ICT cellular facilities caused by ease and speed in transacting.

**Table 1.** Descriptive Profile of SME Bussinessmen in Utilization of ICT Facilities

<b>Sub Peubah</b>	<b>Kategori</b>	<b>Kab. Bandung(%) n=313</b>
Usia (tahun)	Remaja(<20)	0.0
	Dewasa(20-46)	74.1
	Lanjut usia >47	25.9
Pendidikan Formal (tahun)	Dasar(0-6)	20.9
	Menengah(9-12)	18.7
	Lanjut >12	60.4
Pendidikan Non Formal (frek/tahun)	Jarang (<3)	94.6
	Sedang(3-5)	3.8
	Sering(>5)	1.6
Lama kepemilikan Sarana TIK (tahun)	Sangat lama (>16)	0
	Cukup lama(12-16)	0
Jumlah kepemilikan Sarana TIK (unit)	Lama (1-11)	100
	Rendah (1-6)	100
Kosmopolitan (skor)	Sedang (12-16)	0
	Tinggi (17)	0
	Rendah	61.7
Tingkat Motivasi (skor)	Sedang	24.7
	Tinggi	13.6
	Rendah	36.4
	Sedang	44.9
	Tinggi	18.7

*Source : data processed in 2017*

This result is different from the results of research conducted by Kim et al. (2011) and Muliady (2000) that state the motivation to use ICT is only because of attention and interest in the world of IT and supported by high skill in using ICT .

#### *External Environmental Support, Perceptions of MSMEs Businessmen in Utilization of ICT Facilities*

External environment Support on the level of quality support mentoring and support programs empowering businessmen in utilizing ICT belongs to the moderate category, businessmen of Kota Bandung have the highest percentage of 80 percent and 70 percent for the level of support of empowerment.

Based on the results of field research on the intensity of extension or extension related to ICT knowledge and its application in the business world is low in one year <5 times the extension frequency. It is based on information, materials and extension methods related to the use of ICT materials that have been submitted is online marketing through the internet

and the use of basic applications of computerized finance, while the support of empowerment programs in the form of facilitation of learning and procurement of ICT facilities only business actors who have groups or joined together with the business community group received priority support or assistance from the government. For access to information and availability of adequate infrastructure network in four research areas of Kabupaten Bandung, ICT facilities as a means of access to information in urban and rural areas in the Kabupaten is sufficient as indicated by the percentage of information access and infrastructure scores on average > 80 percent. The infrastructure network in the four research areas is also sufficiently available in the physical facilities of the building, transmitter towers, road facilities, and other physical facilities.

The level of perception of MSMEs businessmen toward the characteristics of ICT innovation, the average is high, on the perception of business actor to the suitability of the needs and ease to use of ICT facilities both businessmen in urban and rural areas in Bandung, as indicated by the average Likert scale 3.97 categorized as high. At the level of business actors' perceptions of the benefits of medium-sized ICT facilities with an average value of 2.5, ease of viewing results with a value of 2.4 and ease of use with a value of 2.3.

Based on the results of the research, the people of SME business community now has an assessment that the utilization of ICT facilities is required for business actors in each business activity, among business actors assessed that mobile cell phone, internet, computer and other ICT facilities that have been used by businessmen is suitable for all business activities such as marketing communications and accelerate customer service customers. The results of Gaynor's research show that the application of technology is widely utilized in the business world in aspects (1) distribution, (2) marketing, (3) administration, (4) product awakening, (5) manufacturing[11].

The results of field observations show that, in terms of the level utilization of ICT facilities both computer and mobile facilities MSMEs urban higher than the Kabupaten. This can be shown on the intensity score of the utilization rate and the management of ICT facilities of MSMEs businessmen of Kota Bogor by 60 percent and the information management level of MSMEs businessmen in Bandung 70 percent. The result of field observations show that its caused by the educational level of MSMEs businessmen in urban area is higher than businessmen in Kabupaten, so the level of awareness, assessment of the use and benefit of ICT is higher, whereas the utilization level of ICT facilities include the level of intensity of use and level of ICT information management on the businessman in the Kabupaten is moderate. Research results by Kemenkoinfo shows that people in the Kabupaten level understanding of ICT satisfaction is not optimal than the urban community[19]. Observation of field researcher most of MSMEs businessmen in Kabupaten do not routinely use computer facilities in every business activity, but as a whole for cellular facilities using ICT facilities such as Handphone with frequency of use it is > 10 times in one week. Hafsa in his research shows that the higher intensity of ICT utilization facilities influenced by the high competence of businessmen in applying ICT facilities[20]. Based on the result of field observations show that the average level of information management belongs to the MSMEs businessmen in the urban demographic of the population such as consumers have high mobility level on the use of ICT, the urban community tend to cosmopolite, so that the impact of most consumers of SMEs in urban areas tend to be very high in the management of information on ICT facilities, thus encouraging businessmen to actively use a variety of applications either through mobile facilities and computers either choose information, manage and disseminate information. Suaib research results shows the ability to process data with basic processing into an information can be done more efficiently using computer. The result of field observations show that the application such as Whats App, Blackberry, SMS application is the most

application that used on conventional Handphone, the social media application used by some respondents in the Kabupaten to interact with customers[21].

### *Personal Competence and Technical Competence of MSMEs Businessmen*

Competence of ICT utilization is very important in the era of gitalitasasi because currently there is a shift from offline to digital or online economy. The importance of ICT control optimally in its utilization among business actors. The results of the previous research Eye et. al. and Aang research indicate that the skills of ICT use through the process of facilitation for MSMEs during ICT learning process is quite important[6][22].

The results of field observations showed that the level of personal competence of MSMEs businessmen in the urban areas and in the Kabupaten have high category with a percentage score > 70 percent. This shows the personal ability of MSMEs businessmen who have a persistent fighting spirit and high motivation spirit and have responsibility in the business activity pertained good. The technical competence rate of businessmen in the four areas of this research have moderate categorized with a percentage score > 75 percent. Because of business in Kabupaten Bandung have limitations in utilizing ICT facilities with a variety of software applications available in computer facilities and Handphone. On average, the MSMEs businessmen only have ability to use of cellular to communicate and manage information that is downloading images and copying images through Handphone media with certain applications. From field observations only Whats App applications and blackberry applications that can be mastered in managing information, while the computer very rarely used in addition to the reason too large and not easy to carry anywhere.

The results of previous research by Sree Devi show that female businessmen in India succeed in the sustainability of their business, by exploiting the potential of ICT[23]. Female businessmen increase the mastery of the use of ICT facilities, by trying to follow the skills of managing information and data by the facilities of computers, starting the process of data entry and managing data. Rifki's research results indicate the skills or competence of ICT facilities should be controlled by MSMEs businessmen because skills the current managerial business must be integrated with the use of information systems on ICT in any business activity ie for the use of marketing or product promotion, communicating with customers transacting online with customers and business partners[24]. Based on the results of the previous research review above, it can be concluded that the sustainability of MSMEs businessmen can be achieved through the acquisition of ICT technology, for the successful application of ICT in business activities, it is necessary to assist the process. However, the results of field observations describes that the average of MSMEs businessmen in the West Java Province currently has not optimal competence in the mastery of various applications of ICT because of the low level of assistance and support intensity empowerment program related to the utilization of ICT facilities, where the level of intensity of mentoring less than <5.

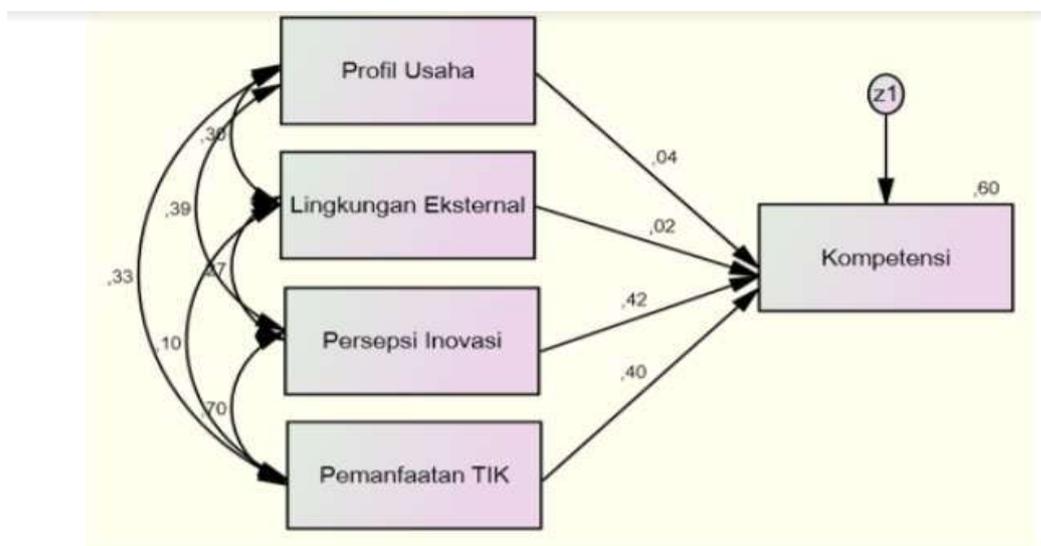
### *Fulfillment of Assumptions, Validity and Reliability*

SEM assumptions by looking at the level of normality of the data used in this study. This testing is by observing the value of skewness of the data used if the CR value of skewness data is in the range of 2.58 with a significant level of 0.05 (Latan,2013), then From the results of data processing there is no CR value for skewness which is outside 2.58. by therefore the research data used has metted the terms of -1,483 normality or can be sayed that the research data has been distributed normally.

The reliability test shows that the cronbach alpha value of each construct shows a good result of the cronbach alpha coefficient obtained largely to meet with the required by Tomb Rules which is 0.7. The internal consistency testing of cronbach alpha needs to be done with instrument reliability test with construct validity and extracted variance which obtained mostly shows value above 0.5. This means that all reliable instruments that is Y1 = Competence indicates that the value of the MSMEs businessmen variable in Bandung both technical and personal competence in utilizing ICT is quite reliable.

*Analysis of Factors that Influences the Competence of MSMEs Businessmen*

Factors affecting businessmen competence in utilizing ICT facilities are analyzed by SEM presented in Figure 3.



**Figure 3.** Estimation of Structural Model Parameters

Based on the results of hypothesis testing and the level of probability of the causal relationship of hypotheses between factors sub variable X1-X4 against Y1. Variable (X1) profile of MSME business actors positively influences competency coefficient 0.04 is positively related to competence but not significant; (2) the external environment support has a negative and insignificant effect on the competence of business actors in utilizing ICT facilities by 0.02, (3) the perception variable of business actors (X3) on competence has a positive effect of 0.42; and variable (X4) of 0.40 the level of utilization of ICT facilities has a positive effect on the competence of MSME business actors. Through the Determination Value significance test R2 shows the competency level of the business actor as much as 60.3% is influenced by perceptions of the business actor and the level of utilization of ICT, while 39.7% of the competency of the business actor is influenced by other factors not included in this study.

**Table 2.** Decomposition of influence between profiles of SME business actors, external environmental support, perceptions, utilization of ICT facilities, competence and business sustainability

Hubungan antar peubah	Nilai koefisien pengaruh	Nilai prob
	Langsung	
X1 → Y1	0.04	0.276
X2 → Y1	0.02	0.000
X3 → Y1	0.40.	0.639
X4 → Y1	0.43	0.000

*Factors Affecting the Competence of MSMEs businessmen in Utilizing ICT Facilities in Bandung*

Based on the standardized loading factor ( $\lambda$ ), it is known that the 5 percent sign level of 0.05 factors that influence the competency of MSME business actors is the profile of business actors, perceptions of MSME business actors, use of ICT facilities, through analysis of models obtained by confirmatory factor analysis CFA and supported by predictor indicators that are declared valid and can be used to measure latent variables, in figure 3 shows that the competency of business actors more dominantly influenced by the use of ICT facilities is followed by the magnitude of the influence of perception. This is in line with the research of Fatmariansi (2012) suggesting that the intensity of the use of ICTs affects the ability of individuals to use ICT. The positive influence shows that the higher the competence of MSME business actors, the higher the level of utilization of ICT facilities and the level of information management. The profile of MSME business actors will significantly affect the competence of MSME business actors. Therefore, the higher the motivation of business people, the more influences the competence of MSME business actors.

The results of the Hubeis (2011) study show that individual competency factors are influenced by the education process. MSMEs on the characteristics of ICT innovations have a significant influence in increasing the competence of MSME business actors. The higher the influence of perceptions of MSME business actors on the characteristics of ICTs in improving competence, the higher perceptions will show the higher understanding and understanding of business actors on ICT characteristics. The perceptual supporting factor variables can be explained by perceptual indicators, then the supporting factors of perceived ease of use are the strongest indicators in reflecting the perceptions of business actors on ICT innovation characteristics followed by perceptions of relative benefits, then perceptions of ease of seeing results and perceptions of suitability and needs easy to try. This implies the perception of ease of use and the perception of profit is relatively more dominant in forming supporting factor variables, namely MSME business actors towards the characteristics of ICT innovations that affect the competence of MSME business actors in utilizing ICT facilities. This is in line with the research of Heilman et al. (2009) show that the perception process is closely related to the competence of business actors in utilizing ICT facilities among small businesses.

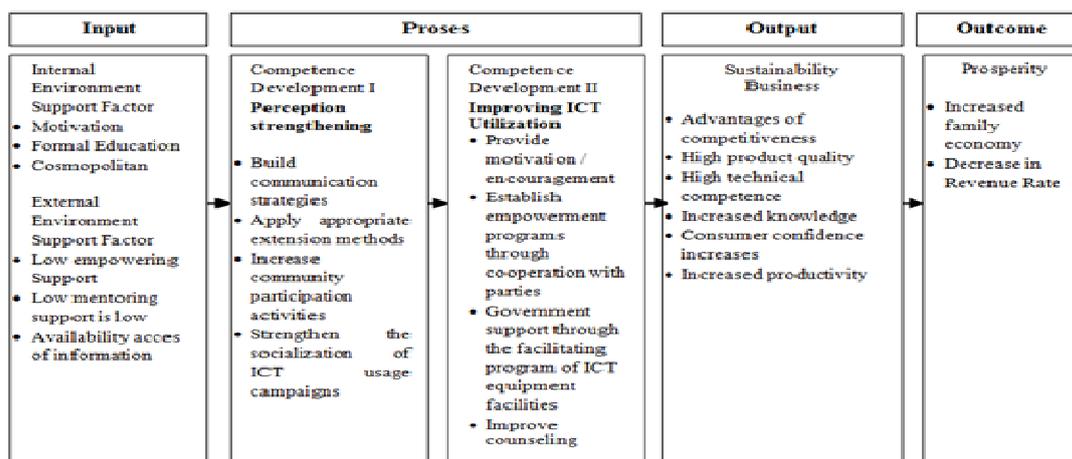
The variables supporting the use of ICT facilities are able to be explained in the indicators of the level of intensity of the use of ICT facilities and the level of information management. This means that the level of information management is more dominant in shaping supporting factors, namely the use of ICT facilities to influence the level of competence of MSME business actors in utilizing ICT facilities. The results of Audita (2011) show that the use of ICT affects the competence of businesses in utilizing ICT facilities. Figure 3 shows that the

three indicators explain the level of competency of MSME business actors. The influence of each variable, 3 variables greater than the standard standard > 0.07 and positive. This means that the profile level of MSME business actors, the level of perception and level of utilization of ICT facilities have a positive influence on the competency of MSME business actors in utilizing ICT facilities. One variable, namely the support of the external environment does not affect the competence of MSME business actors in utilizing ICT. Facts on the external environment support field does not affect competency, because high competency is not necessarily a high level of external environment support, because the results of interviews and observations in the field show the low level of competency of MSME entrepreneurs using ICT, but the business continues because it has had a market access network since hereditary, dominant business comes from family inheritance, the ability of business people to obtain business from generation to generation, and raw materials are easily obtained, and have regular customers.

#### *Strategy of Competence Development of MSMEs Businessmen in Utilizing ICT Facilities*

Based on the result of SEM analysis in Figure 3, the formulation of strategy to increase the competence of MSMEs businessmen in utilizing ICT facilities is done with two strategies, first strategy is the development of the first stage competence to increase the intensity of the utilization of ICT facilities is to hold an intensive training program through ongoing assistance, is done in cooperation with business community groups. Related to this need to be accompanied and counseling in a sustainable and systematic manner, through appropriate facilitation methods, training materials tailored to the needs of businessmen, establish cooperation with higher education institutions and the availability of professional assistants in ICT field. The second strategy is to increase competence through the strengthening of perception, in this case improve the understanding of business actors related to the important role of ICT in business activities. The following strategy to develop competence of MSMEs businessmen in utilizing ICT facilities using input, process and output strategy is presented in Figure 4.

First stage competence development starts from providing (1) encouraging and increasing motivation of business group; (2) strengthening perceptions on business actors so that they have an awareness of the importance of using ICT facilities; (3) reinforcement on the attitude of business actors to the use of ICT facilities; (4) awaken the intensity of daily use of ICT Means, intensive training on the use of ICT tools as instructed; (5) providing facilities for extension facilities for business actors; (6) assistance of training facilities supported by advisory program based on education program as needed, support of capital for procurement of equipment or business capital, support of empowerment program and availability of information access and ICT facilities infrastructure. The next stage is the development of business



**Figure 4.** Competence Development Strategy for MSMEs

entrepreneur strengthening competence in the business community groups in raising the spirit and increasing participation to use ICT facilities, the availability of learning facilities, and strengthening the group, strengthening cooperation with private parties and universities and strengthening the campaign movement to increase awareness of the importance of the use of facilities ICT.

## 6. CONCLUSION AND SUGGESTION

- 1) The level of competence of MSMEs businessmen in utilizing ICT facilities include high average personal competency and average technical competency in category of Kabupaten Bandung,
- 2) The profile of MSMEs businessmen, the perception of MSMEs businessmen and the utilization of ICT facilities have an effect on the competence of MSMEs businessmen in utilizing ICT facilities, and the factor of the utilization of ICT facilities is the dominant factor influencing business entrepreneur competence in utilizing ICT facilities, the support of the external environment has no effect.
- 3) Increasing the competence of MSMEs businessmen in utilizing ICT facilities is done by strategy: (1) improvement of ICT utilization through intensive program of counseling and mentoring as well as training related to the use of ICT facilities, (2) strengthening perception of the benefits of ICT use in business community groups

### *Inovation And Contribution*

*The research contribution are :*

- 1) Provide a general description of mapping the ability of businessmen in using technology to the Government in order to create policies that support for MSMEs businessmen related to the use of ICT for MSMEs businessmen.
- 2) Improving the ability of businessmen in utilizing the technology facilities, especially in developing a variety of software applications and hardware usage for MSMEs businessmen.

### *Technological inovation provided:*

- 1) For businessmen there is effort of counseling process or accompaniment which is appropriate in the form of innovative and creative learning process related to

counseling in the process of developing competence of MSMEs businessmen in utilizing ICT facilities.

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